

Company Number 03719101
Registered Charity Number 1084124

COMMUNITY FOSTER CARE
(A company limited by guarantee)

**FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2013**

SATURDAY



A2JSHXMX

A19

26/10/2013

#154

COMPANIES HOUSE

**COMMUNITY FOSTER CARE
CONTENTS
FOR THE YEAR ENDED 31 MARCH 2013**

CONTENTS	PAGES
Legal and Administrative Information	1
Chairman's Statement	2
Trustees' Report	3 – 9
Independent Auditor's Report	10 - 11
Statement of Financial Activities	12
Balance Sheet	13
Notes to the Financial Statements	14 - 20

**COMMUNITY FOSTER CARE
LEGAL AND ADMINISTRATIVE INFORMATION
FOR THE YEAR ENDED 31 MARCH 2013**

TRUSTEES/DIRECTORS

D Goosey	(Chairman)
D Robinson	
M Adlard	(resigned 20 March 2013)
J McLaughlin	
M Straton	
J Jansen	
J Bonham	(appointed 24 October 2012)
K Harrington	(appointed 24 October 2012)
R Szadziwski	(appointed 25 May 2013)

CHARITY SECRETARY	M Adlard (resigned 20 March 2013)
	J McLaughlin (appointed 20 March 2013)

CHIEF EXECUTIVE	R Pearson
------------------------	-----------

REGISTERED OFFICE	Unit 15 The Hawthorns Hawthorn Lane Staunton Gloucester Gloucestershire GL19 3NY
--------------------------	--

SOLICITORS	BPE St James' House St James' Square Cheltenham Gloucestershire GL50 3PR
-------------------	---

BANKERS	HSBC plc 109 Bath Road Cheltenham Gloucestershire GL53 7RA
----------------	--

STATUTORY AUDITOR	Crowe Clark Whitehill LLP Carrick House Lypiatt Road Cheltenham Gloucestershire GL50 2QJ
--------------------------	---

COMMUNITY FOSTER CARE CHAIRMAN'S STATEMENT FOR THE YEAR ENDED 31 MARCH 2013

This year Community Foster Care began a journey to become an evidence-based organisation, effectively implementing the outcomes of research in the way foster carers are recruited and supported so that children in placements are provided with the very best input to achieve the outcomes we all clearly desire for them. This step, which the company has made this year, is critically important as it will eventually put it in a position to raise additional funds for expansion. The step was to invest in a KEEP (Keeping Foster and Kinship Parents Supported and Trained) programme. KEEP is a 16 week foster carer group which aims to increase the parenting skills of foster and kinship parents, decrease the number of placement disruptions, improve child outcomes, and increase the number of positive placement changes (e.g. reunification, adoption).

Project KEEP aims to accomplish these goals by

- Promoting the idea that foster parents can serve as key agents of change for children
- Strengthening foster parent's confidence and skills so they can change their child's behaviours
- Helping foster parents use effective parent management strategies and provide them with support to do so

KEEP is an evidence-based programme demonstrated to improve outcomes, specifically placement stability and behavioural and emotional improvements for children in foster and kinship care. The programme has been evaluated using a randomised trial design with 700 foster and kinship carers in San Diego, California which demonstrated post group outcomes of fewer child behaviour problems and increased rates of positive parenting methods by carers. Reunification rates were also higher and disruption rates lower compared to the control group.

Community Foster Care is only the second non local authority foster care business to set up a KEEP programme and from September 2013 the staff in the company will be trained to run the 16 week groups. This investment in KEEP has involved employing 3 additional staff members across the north and south offices and the Board in using reserves to achieve this strategic goal has elected to follow the evidence about what works best for children in foster care. We hope this is the first of many such investments in evidence informed projects.

Community Foster Care has also been developing its traditional offer during the year. Ten more placements were offered to Local Authorities than in the previous year and the Cumbria office was also rated as 'Good' by Ofsted in July 2012. Subsequently, the main area office for the north was transferred to Nateby, just outside Preston, in what is a fantastic facility.

Community Foster Care had an increase in presence 'on air' with more radio interviews and on line with a much improved website, Twitter feed and the Chief Executive's blog.

All of these positive outcomes are the result of the hard work put in by the dedicated staff and foster carers in the company. Their continued contributions make for a vibrant and stimulating workplace and their efforts certainly make a difference to the children we look after. The company is going from strength to strength and I look forward to continued success in the coming year.

David Goosey
Chair of the Board of Directors and Trustees

COMMUNITY FOSTER CARE TRUSTEE'S REPORT FOR THE YEAR ENDED 31 MARCH 2013

The Trustees present their report and audited financial statements for the year ended 31 March 2013

The Board of Trustees

David Goosey (Chair)
Diana Robinson (Vice Chair)
John McLaughlin (Company Secretary)
Mariana Straton (Trustee)
Judi Bonham (Trustee)
Katy Harrington (Trustee)
Joanna Jansen (Carer Representative)

Structure, Governance and Management

Governing Document

The organisation is a charitable company limited by guarantee, incorporated on 24 February, 1999 (registration number 03719101) and registered as a charity on 15 December, 2000 (charity number 1084124). The charity was established under a Memorandum of Association, as amended by Special Resolutions dated 25 November 2009 and 1 February 2012, and 30 May 2012, which established the objectives and powers of the charitable company and is governed under its Articles of Association.

Recruitment and Appointment of Trustees

The directors of the Charity are also Trustees for the purposes of charity law. Two Trustees were appointed during the year, currently the Trustees number seven and the Charity is pursuing new applications and wishes to recruit up to ten local people as Trustees with skills in human resources, marketing and legal matters.

Community Foster Care will advertise for Trustees through its website stating the skills, experience and knowledge required. A potential Trustee will meet with a designated member of the Board of Trustees to discuss their experience and will be given information about Community Foster Care. The designated Board member will then write a report which is submitted to the Board of Trustees to decide whether the application should be taken forward. Should the Board of Trustees agree with the proposals then statutory checks and references in line with the Fostering Services (England) Regulations 2011 are taken up. Once all checks are verified the proposed Trustee will be invited to attend a Board Meeting as an observer and if all parties are happy to proceed they will be welcomed as a Trustee at the end of the meeting. The Company Secretary will complete the necessary documentation for Companies House and the Clerk to the Trustees will update the register of Board of Trustees members.

All of the Charity's work focuses upon children and young people and the Board of Trustees have sought to ensure that the needs of this group are appropriately reflected on the Board. A foster carer sits on the Board of Trustees who has been elected to represent the views of the foster carers.

Traditional business skills are well represented on the Board of Trustees however the Board is always seeking to ensure it has the appropriate skill sets required to further develop the Charity.

Trustee Training

All Trustees are required to undertake annual training along with prospective Trustees to familiarise themselves with all aspects of the Charity and the context within which it operates. Trustees' training generally comprises:

- The obligations of Trustees (rules of engagement),
- The main documents which set out the operational framework for the Charity including the Memorandum and Articles and the Fostering Service (England) Regulations 2011, and
- Business planning and strategic direction

COMMUNITY FOSTER CARE TRUSTEE'S REPORT (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2013

Risk Management

The Charity's policies are regularly reviewed in light of new guidance and/or legislation received from the Government. The Agency strives for excellence in all its work and is committed to ensuring the appropriate Regulations are adhered to which protect the child in placement, the foster carers, the staff team and the Board of Trustees. The Risk Management Plan was last reviewed in June 2013 and has been updated.

The health and safety of employees is constantly under review and procedures are in place to ensure compliance with the health and safety of staff, volunteers, carers and visitors. The health and safety of children and foster carers are given the highest priority and the governance for this is dictated under the Fostering Service (England) Regulations 2011.

Organisational Structure

Community Foster Care has a Board of seven Trustees who are responsible for the strategic direction of the Charity and meet as a full Board every other month. An Investment Policy Group meets twice a year. The recruitment of Trustees continues to be a priority for the Charity especially in the area of finance. Mary Adlard who is the lead Trustee for financial matters and also our Company Secretary retired on 31 March 2013. A replacement has been found and joined the Board in May 2013.

The day-to-day responsibility for the provision of the services rests with the Chief Executive. The Chief Executive is responsible for ensuring that the Charity delivers the services specified and that key performances are met.

Public Benefit

The public benefit of Community Foster Care is providing opportunities for members of the local community to foster, regardless of their academic abilities. This ensures that children remain in their community and are not moved out of the county, maintaining their education placement and networks with family and friends. The work Community Foster Care undertakes is in line with its Memorandum and Articles of Association, the geographical restriction was amended in 2004. The Trustees believe that the Memorandum and Articles of Association continue to meet the activities of the Charity.

The Board of Trustees confirm that they have complied with their duty in Section 17 of the Charities Act 2011 to have due regard to public benefit guidance published by the Charity Commission for England and Wales.

Objectives and Activities

The objects of the Charity are

- i) To operate a foster care Agency in the UK regarding training and approving foster carers in particular, but not exclusively, from social and economically deprived areas,
- ii) To provide relief to children and young people in need and in particular those in the care of, or accommodated by, a Local Authority by
 - providing them with, or otherwise assisting in the provision of, a placement or placements in suitable accommodation and providing them with, or assisting in the provision of, appropriate carers with the aim of providing them with a stable family life, and
 - providing for their education and establishment in life, and
- iii) The relief of poverty and in particular the assistance of adults who have as children been in Local Authority care

Community Foster Care introduced an innovative approach to the recruitment of foster carers. Potential foster carers are targeted from all areas of the community including socially and economically disadvantaged areas. There are many benefits to this, including bringing regeneration to the region and keeping children in their familiar environment.

**COMMUNITY FOSTER CARE
TRUSTEE'S REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2013**

Community Foster Care aims to provide,

- A commitment to a child centred approach,
- High quality foster care in a family setting for children and young people,
- Respect for racial, cultural and religious backgrounds of all the children and young people,
- Care for the disability, gender and sexuality of foster children during the matching process,
- 24 hour support for foster carers,
- Carers who will respect the children's rights in their homes under the UN Convention on Children's Rights and not administer corporal punishment to any child,
- A commitment to the on-going learning and training of foster carers, including NVQ III Caring for Children and Young People, and
- A commitment to the on-going learning and training of all Placement Support Workers and Social Workers employed by Community Foster Care and all other support staff

A Strategic Plan has been produced which informed the Business Plan covering a six year period 2011-2016 and setting out the tasks to be undertaken to achieve the Charity's objectives of consolidation of existing services and also expansion into North Wiltshire and Swindon. The Charity requires a monthly report from its Chief Executive Officer which includes a review of objective tracking. The Chief Executive Officer prepares an Operations Plan for each department setting out their annual tasks, taking into account the six year Strategic and Business Plans.

Achievements and Performance

Community Foster Care provided foster care placements primarily for local children in the period April 2012-2013 with 49 children in placement at the end of the year, an increase of 10 placements from the previous year. The Charity has 37 approved foster carers (an increase of 12 from the previous year) providing a range of services including placements for children who have disabilities, sibling groups and teenagers on a short term, long term, emergency, respite care, parent and child assessments and caring for unaccompanied asylum-seeking young people.

The Charity is regulated by Ofsted and the last inspection in Gloucestershire took place on November 2011 and received a rating of 'Good' with two 'Outstanding' elements.

The inspection set out three statutory requirements to improve the quality and standards of care which were

- To ensure that, when a person has previously worked in a position who duties involved work with children or vulnerable adults, verification is obtained, as far as reasonably practicable of the reason why the employment ended
- To ensure the children's guides included the address, including email address, of the Chief Inspector, Ofsted
- Keep under review and revise the children's guide. In particular include information regarding delegated decisions for carers to grant permission for young people to stay overnight/sleepovers with friends as normal practice and included in the young person's placement plan (except in exceptional circumstances and where court restrictions apply)

A further five good practice recommendations were made but these were deleted upon submission of a complaint to Ofsted however our complaint regarding the first statutory requirement was not upheld. Community Foster Care proceeded to second stage complaint to Ofsted regarding the first statutory requirement however this was not upheld.

Whilst Community Foster Care has decided not to pursue the matter further it believes that the matter raised in the inspection related to practice prior to 2007 when the current Chief Executive took up her post and these matters had not been reported on during any other inspection.

The statutory requirements have been addressed and will be reflected in the next Ofsted Inspection.

In respect of the Cumbria branch the first post registration inspection took place in December 2009 and received a rating of 'Good'. A further inspection took place in July 2012 just prior to the two managers taking their Suitable Persons interview with Ofsted and a further rating of 'Good' was received. The Charity are proud of this report.

**COMMUNITY FOSTER CARE
TRUSTEE'S REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2013**

which does outline the excellent practice but as the Managers had not been accredited by Ofsted at that point this was the best outcome the Charity could have expected

All policies and procedures required updating following the Fostering Services (England) Regulations 2011 released in April 2011. Some additional amendments have occurred due to the Care Planning Regulations 2010 and the Children Act 1989 Guidance and Regulations Volume 4 Fostering Services. The Equality Act 2010 also brought in some changes which resulted in Community Foster Care's Human Resources Handbook being updated. The statement of purpose is amended and re-issued on an annual basis. There were no significant changes in legislation during this reporting year.

Community Foster Care has achieved excellent results for another year in growing the service it provides to Local Authorities with further investment being available for the forthcoming year in order that Community Foster Care can continue to expand its services. Other achievements which the Trustees are proud to promote are

- An increase of 10 children in placement,
- An increase of 12 foster carers,
- An improvement in scores for quality assurance from the North West Fostering Consortium resulting in moving from Tier 2 to 1 for 0-4 and from Tier 3 to 2 for other age groups,
- Confirmation of acceptance from the South West Fostering Consortium comprising seven local authorities for the new framework agreement 1 April 2013-2017 being placed on Tier 1 and 2 for the majority of local authorities,
- Opening of the North branch in May 2012, and
- Ofsted rating of 'Good' for the North branch following inspection and the accreditation of both Registered Managers

Report on Objectives set for 2012-13

The Lancashire branch now referred to as the 'North' office became operational on 21 May 2012 when the first Registered Manager was employed on a job-share basis. The second Registered Manager joined Community Foster Care on 2 July 2012 and made up the full position. The areas of responsibility have been agreed and translate to a primary Registered Manager who takes responsibility for staff supervision and meeting the operational targets and a secondary Registered Manager who takes responsibility for staff and foster carer training and foster carer support.

Both regions met and exceeded their targets in the number of foster carers recruited with the North exceeding their target for the number of children placed. The South were five children down on their operational target for the year due to a number of carers moving to the Local Authority believing they would receive a better service and with the Local Authority paying them the same as Community Foster Care.

The Charity ended the year with 49 children/young people in placement showing an increase of 10 children for the year.

Community Foster Care's website and marketing materials all met its objectives for the year and have been very successful and evident in increased enquiries from potential foster carers.

Community Foster Care has set up a Shadow Board made up of young people in the South who designed and led the Children and Young People's Consultation Day in August 2012 and are consulted on developments within the Charity. Foster carers have been more engaged with the website and a celebration of long service continues to take place every December which is attended by all foster carers.

Our communication strategy was implemented and the use of PR consultants improved the Charity's visibility in the community throughout the year but especially during Fostering Fortnight in May of each year. In this year Community Foster Care received much radio coverage with live interviews being undertaken in each region and the focus of the fortnight was 'Families who Foster'. We used a family in Cumbria where both Mum and daughter foster children and the 'Three Sisters' in Gloucester who all foster for Community Foster Care.

Finally the Strategic Plan 2011-2016 received much Trustee attention and has been reviewed and amended a number of times and was signed off in the first quarter of the new financial year.

**COMMUNITY FOSTER CARE
TRUSTEE'S REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2013**

Objectives for 2013-2014

South

- Five foster families to be recruited during the year
- Placements to number 52 by the end of the financial year
- To ensure training programme meets the needs of foster carers and the children being referred
- To keep the service prepared for Ofsted inspection
- Communication strategy to be a priority using the PR consultant
- Improved visibility in the community

North

- Six foster families to be recruited during the year
- Placements to number 20 by the end of the financial year
- To ensure training programmes meet the needs of the foster carers
- To keep the service prepared for Ofsted inspection
- Communication strategy to be a priority using the PR consultant
- Improved visibility in the community

Chief Executive Tasks for the period 2013-2014

- Monitoring of marketing and communication strategy
- Implement KEEP programme in September 2013 followed by roll out programmes for foster carers
- Ensure the new Charity Community Family Care remains viable

Financial Review

The charity's activities in the year resulted in a deficit of £10,795 (*2012 surplus £64,888*) The charity was more successful in finding suitable foster carers during 2012-2013, and was able to provide more placements for fostering children than in the previous year Foster care income increased by £146,974 to £1,659,750, an increase of 9.7% The direct costs of the provision have increased by 17.2%, support costs by 27.1% and governance costs by 66.7% This is in stark contrast with the previous year in which there was no appreciable increase in support or governance costs and a decrease in provision of foster care costs of 7.3%

Investment Policy

Aside from retaining an increasing amount in reserves each year most of the Charity's funds are to be spent in the short term so there are few funds for long term investment However, the Charity has developed an Investment Policy which outlines short, medium and long term investments and is monitored by the Investment Policy Group made up of three Trustees including the Company Secretary During the year £100,000 was invested in M&G Charibond Fund At the year end the value of the investment was £101,936

Reserves Policy

The Trustees have examined the Charity's requirements for reserves in light of the main risks to the Charity It has established a policy whereby the unrestricted funds not committed or invested in tangible fixed assets held by the Charity should be twelve months of expenditure These reserves are needed to meet the working capital requirements of the Charity and the Trustees are confident that at this level they would be able to continue the current activities of the Charity in the event of a significant drop in funding Additionally, in the event that Community Foster Care ceases to operate, the additional reserves will ensure that children and young people enjoy a lengthy transition period into their new placements

**COMMUNITY FOSTER CARE
TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2013**

At the year end, the free reserves stood at £674,731, (2012 - £681,032) which represents 4.8 months (2012 - 5.6 months) of annual expenditure

Plans for the Future Periods

The Charity plans to continue the activities outlined in its Business Plan for the forthcoming years. Plans are also being developed to increase the professional support offered to both carers and fostered children. The areas which the Agency will continue to prioritise are

- Education – which will include subscriptions to Education City for children under 11 years and a paired reading project for teenagers,
- Further development of training for foster carers including implementing the KEEP project in September 2013 and contributing to research both in the UK and USA,
- Ensuring the website, marketing and communication strategy remain live and active,
- Securing block purchase contracts where available,
- Taking an entrepreneurial approach and looking for new products, services to add to its business portfolio, and
- Develop Community Family Care in line with the Strategic Plan

Responsibilities of the Trustees

The Trustees are responsible for preparing the Trustees' Report and the financial statements in accordance with applicable law and regulations

Company law requires the Trustees to prepare financial statements for each financial year in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards) and applicable law

Under company law the Trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Charity and of the surplus or deficit of the Charity for that period. In preparing these financial statements, the Trustees are required to

- select suitable accounting policies and then apply them consistently,
- observe the methods and principles in the Charities SORP,
- make judgements and accounting estimates that are reasonable and prudent,
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements,
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Charitable Company will continue in business

The Trustees are responsible for ensuring that adequate accounting records are maintained that are sufficient to show and explain the Charity's transactions and disclose with reasonable accuracy at any time the financial position of the Charity and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charity and ensuring their proper application in accordance with charity law, and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities

Members of the Board of Trustees

Members of the Board of Trustees, who are directors for the purpose of company law and Trustees for the purpose of charity law, who served during the year and up to the date of this report are set out on page one of this report

**COMMUNITY FOSTER CARE
TRUSTEE'S REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2013**

In accordance with company law, as the company's directors, we certify that

- So far as we are aware, there is no relevant audit information of which the company's auditor is unaware, and
- As the directors of the company we have taken all the steps that we ought to have taken in order to make ourselves aware of any relevant audit information and to establish that the charity's auditor is aware of this information

Auditor

Crowe Clark Whitehill LLP have expressed their willingness to continue in office as auditor

This report has been prepared in accordance with the Statement of Recommended Practice, Accounting and Reporting by Charities (issued in March 2005 and revised in 2008) and in accordance with the special provisions of Section 415A of the Companies Act 2006 relating to small entities

Approved by the Board of Trustees on 15/10/13 and signed on its behalf by

A handwritten signature in black ink, appearing to read 'U. H. ...', is written over the printed name 'Trustee'.

Trustee

**COMMUNITY FOSTER CARE
INDEPENDENT AUDITOR'S REPORT
FOR THE YEAR ENDED 31 MARCH 2013**

We have audited the financial statements of Community Foster Care for the year ended 31 March 2013 which comprise the Statement of Financial Activities, the Balance Sheet, and the related notes numbered 1 to 15

The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice)

This report is made solely to the Charitable Company's Members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Charitable Company's Members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Charitable Company and the Company's Members as a Body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of Trustees and auditor

As explained more fully in the Statement of Trustees' Responsibilities, the Trustees (who are also the directors of the Charitable Company for the purpose of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of whether the accounting policies are appropriate to the Company's circumstances and have been consistently applied and adequately disclosed, the reasonableness of significant accounting estimates made by the directors, and the overall presentation of the financial statements.

In addition, we read all the financial and non-financial information in the Trustees' Annual Report and Chairman's Statement to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements

In our opinion the financial statements

- give a true and fair view of the state of the Charitable Company's affairs as at 31 March 2013 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended,
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matter prescribed by the Companies Act 2006

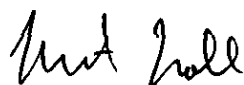
In our opinion the information given in the Trustees Annual Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

**COMMUNITY FOSTER CARE
INDEPENDENT AUDITOR'S REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2013**

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion

- adequate accounting records have not been kept, or
- the financial statements are not in agreement with the accounting records and returns, or
- certain disclosures of Trustees' remuneration specified by law are not made, or
- we have not received all the information and explanations we require for our audit, or
- the Trustees were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies exemption in preparing the Trustees Annual Report



Michael Hall

Senior Statutory Auditor

For and on behalf of

Crowe Clark Whitehill LLP

Statutory Auditor

Carrick House

Lypiatt Road

Cheltenham

Gloucestershire

GL50 2QJ

Date 15th October 2013

**COMMUNITY FOSTER CARE
STATEMENT OF FINANCIAL ACTIVITIES
(Incorporating the Income and Expenditure Account)
FOR THE YEAR ENDED 31 MARCH 2013**

	Note	General Funds £	Restricted Funds £	2013 Total Funds £	2012 Total Funds £
INCOMING RESOURCES					
Incoming resources from generated funds					
Voluntary income		109	-	109	434
Incoming resources from charitable activities					
Local Authority contracts		1,659,750	-	1,659,750	1,512,776
Activities to generate funds					
Investment income					
Bank interest received		8,470	-	8,470	5,299
Other incoming resources		<u>9,220</u>	<u>-</u>	<u>9,220</u>	<u>6,462</u>
Total incoming resources		<u>1,677,549</u>	<u>-</u>	<u>1,677,549</u>	<u>1,524,971</u>
RESOURCES EXPENDED					
Charitable activities					
Provision of foster care		1,419,152	-	1,419,152	1,210,659
Family support		-	-	-	40,000
Support costs		250,067	-	250,067	196,792
Governance costs		<u>21,061</u>	<u>-</u>	<u>21,061</u>	<u>12,632</u>
Total resources expended	2	<u>1,690,280</u>	<u>-</u>	<u>1,690,280</u>	<u>1,460,083</u>
Net (outgoing)/incoming resources before other recognised gains		(12,731)	-	(12,731)	64,888
Unrealised gains on investment	7	1,936	-	1,936	-
Net movement in funds		(10,795)	-	(10,795)	-
Total funds brought forward	10	<u>693,964</u>	<u>340</u>	<u>694,304</u>	<u>629,416</u>
Total funds carried forward	10	<u>683,169</u>	<u>340</u>	<u>683,509</u>	<u>694,304</u>

All amounts relate to continuing operations

The notes on pages 14 to 20 form part of these financial statements

**COMMUNITY FOSTER CARE
BALANCE SHEET
AS AT 31 MARCH 2013
REGISTERED NUMBER 03719101**

	Note	2013 £	2012 £
FIXED ASSETS			
Tangible assets	6	8,538	12,932
Investments	7	<u>101,936</u>	<u>-</u>
		110,474	12,932
CURRENT ASSETS			
Debtors	8	103,146	60,788
Cash at bank and in hand		<u>553,237</u>	<u>717,370</u>
TOTAL CURRENT ASSETS		656,383	778,158
CREDITORS Amounts falling due within one year	9	<u>(83,348)</u>	<u>(96,786)</u>
NET CURRENT ASSETS		573,035	681,372
TOTAL ASSETS		683,509	694,304
FUNDS			
Restricted funds	10	340	340
Unrestricted funds	10	<u>683,169</u>	<u>693,964</u>
	10	683,509	694,304

The Trustees have taken advantage in the preparation of these financial statements of special provisions relating to companies subject to the small companies regime within Part 15 of the Companies Act 2006, with the Financial Reporting Standard for Smaller Entities (effective April 2008) on the basis that the charity qualifies as a small company

Approved and authorised for issue by the Trustees on 15/10/13

and signed on its behalf by

Trustee



Trustee

The notes on pages 14 to 20 form part of these financial statements

**COMMUNITY FOSTER CARE
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2013**

1. ACCOUNTING POLICIES

(a) Basis of preparation

The financial statements have been prepared under the historical cost convention, and in accordance with the provisions of the Companies Act 2006, the Charities Act 2011, the Statement of Recommended Practice (SORP), "Accounting and Reporting by Charities" issued in March 2005 (revised 2008) and the Financial Reporting Standard for Smaller Entities (effective April 2008), with the exception of investments, which are included at market value

(b) Fund accounting

General funds are unrestricted funds which are available for use at the discretion of the Trustees in furtherance of the general objects of the Charity and which have not been designated for other purposes

Designated funds comprise general funds, which have been set aside at the discretion of the Trustees for specific purposes

Restricted funds are amounts which have been earmarked by the donors for specific purposes

(c) Income

All incoming resources are included in the Statement of Financial Activities when the Charity is entitled to the income and the amount can be quantified with reasonable accuracy

Where the Charity receives the benefit of discounts, special rates and donated services, such items are included in the Statement of Financial Activities at the Trustees' valuation. Where the Charity also receives the benefit of work carried out by volunteers, without charge, no value is placed on these items for accounting purposes

(d) Resources expended

Charitable activities expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all costs related to the category. Where costs cannot be directly attributed to particular headings they have been allocated to activities on a basis consistent with use of the resources

Children's support costs are those costs incurred directly in support of expenditure on the objects of the Charity and include project management

Governance costs are those incurred in connection with the compliance with constitutional and statutory requirements

(e) Investments

Investments are included at market value. All recognised gains and losses on investments are included in the Statement of Financial Activities

(f) Depreciation

Depreciation is provided on all tangible fixed assets at rates calculated to write off the cost over their expected useful economic lives as follows

Fixtures and fittings	25% on net book value
Office equipment	25% on cost

Individual items costing less than £1,000 are not capitalised

(g) Operating leases

Rentals for assets under operating leases are charged to the Statement of Financial Activities in the period to which the expenditure relates

(h) Pensions

The Charity makes regular contributions to the individual pension plans on behalf of certain staff. These are a direct charge in the Statement of Financial Activities in the year that the contributions are due

COMMUNITY FOSTER CARE
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2013

(i) Taxation

As a registered Charity, Community Foster Care is generally exempt from Income Tax and Capital Gains Tax so far as it relates to its main charitable objective but not from VAT. Irrecoverable VAT is included in the cost of those items to which it relates.

(j) Recognition of liabilities

Liabilities are recognised once there is a legal or constructive obligation that commits the Charity to the obligation.

(k) Going concern

The Charitable Company has cash resources and no requirement for external funding. The Trustees have a reasonable expectation that the Charitable Company has adequate resources to continue in operational existence for the foreseeable future. They continue to believe the going concern basis of accounting appropriate in preparing the annual financial statements.

2 ANALYSIS OF TOTAL RESOURCES EXPENDED

	Staff costs (note 3)	Depreciation (note 6)	Other costs (note 4)	2013 Total	2012 Total
	£	£	£	£	£
Charitable activities					
Provision of foster care	326,186	3,728	1,089,238	1,419,152	1,210,659
Family support	-	-	-	-	40,000
Support costs	176,709	4,526	68,832	250,067	196,792
Governance	-	-	21,061	21,061	12,632
Total resources expended	502,895	8,254	1,179,131	1,690,280	1,460,083

3. STAFF COSTS

	Directly charitable £	Support costs £	2013 Total £	2012 Total £
Wages and salaries	298,357	142,922	441,279	325,773
Pension costs	8,848	10,743	19,591	17,736
Social security costs	18,981	23,044	42,025	33,978
	326,186	176,709	502,895	377,487

The average number of employees was	2013	2012
Senior staff	4	3
Social workers	5	4
Administrative staff	3	2
	12	9

The number of employees whose remuneration exceeded £60,000 was

£80,000 - £90,000 1 1

For the employee whose remuneration exceeded £80,000 pension contributions amounting to £7,706 (2012 £7,250) were paid into a money purchase pension scheme.

COMMUNITY FOSTER CARE
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2013

4 OTHER COSTS

	Directly charitable	Support costs	Governance	2013 Total	2012 Total
	£	£	£	£	£
Foster carers costs	955,470	-	-	955,470	839,308
Insurance	8,824	500	-	9,324	11,187
Children's care & activities	10,145	543	-	10,688	8,771
Travel and subsistence	8,386	10,181	-	18,567	17,996
Staff training	9,365	-	-	9,365	5,930
Cleaning	766	929	-	1,695	1,609
Premises expenses	16,102	19,549	-	35,651	29,021
Printing postage & stationery	12,627	3,001	-	15,628	8,788
Telephone	3,521	4,275	-	7,796	4,842
Legal, professional, & consultancy	10,065	8,490	-	18,555	12,077
Accountancy & Audit	-	-	8,538	8,538	8,090
Social work consultancy	-	-	-	-	1,620
Miscellaneous	280	4,044	12,523	16,847	19,350
Subscriptions	2,726	3,310	-	6,036	5,265
Equipment maintenance	11,539	14,010	-	25,549	14,362
Recruitment	16,976	-	-	16,976	8,055
Advertising & promotion	22,446	-	-	22,446	37,767
Loss on disposal	-	-	-	-	59
	<u>1,089,238</u>	<u>68,832</u>	<u>21,061</u>	<u>1,179,131</u>	<u>1,034,097</u>

Support costs include the management, administration and overheads necessary to enable the provision of foster care. These costs are therefore included in charitable activities expenditure in the Statement of Financial Activities.

5 NET (OUTGOING)/INCOMING RESOURCES

Net (outgoing)/incoming resources are stated after charging

	2013	2012
	£	£
Depreciation of tangible fixed assets (note 6)		
- owned assets	8,254	8,499
Operating lease rentals	34,638	27,233
Auditor's remuneration	8,034	7,800
Loss on disposal of fixed assets	<u>-</u>	<u>59</u>

**COMMUNITY FOSTER CARE
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2013**

6 TANGIBLE FIXED ASSETS

	Office equipment	Fixtures & fittings	Total
	£	£	£
Cost or valuation			
At 1 April 2012	44,488	19,461	63,949
Additions	<u>3,230</u>	<u>630</u>	<u>3,860</u>
At 31 March 2013	<u>47,718</u>	<u>20,091</u>	<u>67,809</u>
Depreciation			
At 1 April 2012	32,800	18,217	51,017
Charge for the year	<u>7,927</u>	<u>327</u>	<u>8,254</u>
At 31 March 2013	<u>40,727</u>	<u>18,544</u>	<u>59,271</u>
Net book value			
At 31 March 2013	<u>6,991</u>	<u>1,547</u>	<u>8,538</u>
At 31 March 2012	<u>11,688</u>	<u>1,244</u>	<u>12,932</u>

7 FIXED ASSETS INVESTMENTS

	2013 £
Market value 1 April 2012	-
Additions at cost	100,000
Unrealised gains on investments	1,936
Market value at 31 March 2013	<u>101,936</u>
Historic cost	
At 31 March 2013	<u>100,000</u>

8 DEBTORS

	2013 £	2012 £
Due within one year		
Trade debtors	38,933	38,326
Prepayments	22,914	18,643
Other debtors	<u>6,299</u>	<u>3,819</u>
	<u>68,146</u>	<u>60,788</u>
Due after more than one year		
Amounts due from connected companies	<u>35,000</u>	-
	<u>103,146</u>	<u>60,785</u>

**COMMUNITY FOSTER CARE
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2013**

9 CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2013 £	2012 £
Trade creditors	18,560	16,649
Amounts due to connected company	2,692	222
Accruals and deferred income	47,424	69,507
Pension	-	1,211
Other creditors	478	314
Social security and other taxes	14,194	8,883
	<u>83,348</u>	<u>96,786</u>

10 STATEMENT OF FUNDS

	At 1 April 2012 £	Income £	Expenditure £	Investment Gains £	Transfers £	At 31 March 2013 £
Restricted Funds						
Education City	340	-	-	-	-	340
Unrestricted Funds						
General fund	672,996	1,677,549	(1,679,756)	1,936	(100,000)	572,725
Designated Funds						
Leaving Care	20,968	-	(1,226)	-	-	19,742
KEEP	-	-	(9,298)	-	100,000	90,702
	<u>694,304</u>	<u>1,677,549</u>	<u>(1,690,280)</u>	<u>1,936</u>	<u>-</u>	<u>683,509</u>

Education City

Fundraising took place in 2011 through a sponsored cycle ride with the funds generated being restricted for Education City subscriptions for children aged 5 – 11 years. Education City is an animated education site giving online tuition for Maths, English, Science and Languages and allows children to receive certificates for achievements and the programme is fun. The cost of the subscription was covered by this fund for selected children who were remaining with Community Foster Care on a long term basis. There was no movement on this fund in the year.

Leaving Care

A designated fund was set up in 2011 to provide additional resources for young people either in transition from foster care to community living or remaining with their foster carers on a supported lodgings basis. This fund was used to support two young people in the period during their transition from foster care to independent living.

**COMMUNITY FOSTER CARE
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2013**

KEEP

Community Foster Care held a conference in Gloucestershire on 29 February 2012 for members of the Fostering Through Social Enterprise Group and local interested parties. The Conference was discussing the impact of research based training programmes for foster carers which included the KEEP project. The KEEP project was devised by Patti Chamberlain PhD from the Oregon Social Learning Centre (OSLC) in Portland, USA. Peter Sprengelmeyer as the MD of OSLC has been our link with regard to the possibility of introducing the programme to Community Foster Care's foster carers. At the end of the conference The Board of Trustees agreed Community Foster Care would explore the KEEP programme with a view to implementing it throughout our foster care services.

KEEP is a 16 week training programme for foster carers designed to help them deal with presenting behaviours from children. KEEP does not seek to 'fix' the child and does not rely on therapeutic interventions or the use of CAMHS although this in some cases may be complimentary. KEEP looks at the reactions of foster carers towards behaviours exhibited by children and young people and examines the reasons for them. The outcome of the training programme is that foster carers understand themselves and their 'triggers' better and can better manage their own emotions through high levels of support both peer and from supervising social workers with the result that they do not rise to the behaviours they find difficult.

Due to the amount of time needed to run a course and carry out the associated data collection, uploading of training sessions to OSLC and sending off of data it was agreed that one additional member of staff would be recruited in each region. An amount of money was allocated to each post which would cover up to one year's salary to be paid from the KEEP project fund. The Board of Trustees therefore decided to allocated £200,000 from reserves to the KEEP project, £100,000 in the financial year 2012-2013 and the same amount in the financial year 2013-2014. Monies not spent in the financial year 2012-2013 would be carried forward to the next financial year.

At the end of the financial year 2013-2014 the fund would be closed with any costs associated with KEEP being funded from the usual foster carer training budget.

11 ALLOCATION OF NET ASSETS BETWEEN FUNDS

	Fixed assets	Net current assets	Total
	£	£	£
Restricted funds	-	340	340
Unrestricted funds	110,474	462,251	572,725
Designated funds	-	110,444	110,444
	<u>110,474</u>	<u>573,035</u>	<u>683,509</u>

**COMMUNITY FOSTER CARE
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2013**

12 TRUSTEES EXPENSES

The Charity paid £585 to 3 Trustees (*2012 £759 to one trustee*) during the year to reimburse Trustees' travelling and other expenses J Jansen received remuneration of £8,932 (*2012 £17,304*) for services as a foster carer for the agency under the provision of the Memorandum and Articles

13. OBLIGATIONS UNDER OPERATING LEASES

The following payments are committed to be paid by the Charity

	2013 £	2012 £
Expiring		
Within one year	25,460	-
Between two and five years	<u>1,560</u>	<u>26,865</u>

14 RELATED PARTY TRANSACTIONS

These financial statements are included within the consolidated financial statements of the ultimate parent company, which are publicly available. Consequently, under the provision of Financial Reporting Standards for Smaller Entities (effective April 2008) the company is exempt from reporting details of transactions and balances with the parent company

15. CONTROLLING PARTY AND ULTIMATE PARENT UNDERTAKING

The directors regard Community Family Care (registered Charity number 1150166, registered company number 07960739) as the ultimate parent undertaking and controlling party. A copy of the ultimate parent's consolidated financial statements may be obtained from Unit 15, The Hawthorns, Hawthorn Lane, Staunton, Gloucester, Gloucestershire, GL19 3NY