

CH

Company Number 03719101  
Registered Charity Number 1084124

**COMMUNITY FOSTER CARE**  
(A company limited by guarantee)

**FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2016**



**COMMUNITY FOSTER CARE  
CONTENTS  
FOR THE YEAR ENDED 31 MARCH 2016**

---

<b>CONTENTS</b>	<b>PAGES</b>
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
Cash Flow Statement	14
Notes to the Financial Statements	15 - 26

**COMMUNITY FOSTER CARE  
LEGAL AND ADMINISTRATIVE INFORMATION  
FOR THE YEAR ENDED 31 MARCH 2016**

---

**TRUSTEES/DIRECTORS** D Robinson (resigned 26 November 2015)  
J McLaughlin (Chair)  
M Straton  
J Jansen  
R Wade  
J Dwight

**CHARITY SECRETARY** C Wade

**CHIEF EXECUTIVE** H Pelham

**REGISTERED OFFICE** Unit 15  
The Hawthorns  
Hawthorns 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 2016**

---

**Chair's Statement**

The last year has proved to be a difficult year for the Charity, as I predicted in my Report to last year's accounts. The focus has been on strengthening our infrastructure and re-focusing on carer recruitment to deliver a long term sustainable organisation. At the same time we have been operating within a difficult economic climate that has incorporated an austerity programme that has had a major impact upon Local Authorities. Consequently, the number of children in foster care with independent agencies like ourselves, reduced by 7% as at March 2015, as Local Authorities sought to use their own in house resources more. This had a significant impact on our income levels during the second and third quarters of 2015-16.

However, on a more positive note, since the beginning of 2016 we have seen a steady growth in placement numbers and income which augurs well going forward. Local Authorities are finding that the need for foster placements continues to out stretch their own resources and recent evidence suggests that Community Foster Care will remain an important resource.

The number of carers has gradually increased. We have opened a sub-office in Royal Wootton Bassett to meet the needs of an ever increasing number of carers in the Wiltshire and Swindon areas. The quality of our care is very high and the commitment of our foster carers is humbling. They are well supported by a dedicated and passionate staff team and an equally dedicated Board of Trustees.

Community Foster Care held its first Summer Fete in Gloucester in June 2015 which was very successful, despite the intervention of rain.

The Board meets regularly with the Management Team to monitor, review and plan all aspects of the Charities' activities.

Throughout this period, we have maintained our reserves at a strong level and we are confident that the Charity will continue to see the recent growth enjoyed in 2016.



**John McLaughlin**  
**Chair of the Board of Directors and Trustees**

29/09/2016

## **COMMUNITY FOSTER CARE TRUSTEES' REPORT FOR THE YEAR ENDED 31 MARCH 2016**

---

The Trustees present their report and audited financial statements for the year ended 31 March 2016.

### **The Board of Trustees**

John McLaughlin (Chair)  
Joanna Jansen (Trustee)  
Mariana Straton (Trustee)  
Charles Wade (Trustee)  
Jennie Dwight (Trustee) (appointed 3 August 2015)  
Maggie Coopey (Carer Representative) (appointed 26 November 2015)

### **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, 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. During the year there was one addition to the Board. As a consequence, the number of Trustees is five. The Charity has been pursuing new applications and there is one prospective Trustee awaiting statutory checks prior to joining the Board after March 2016.

All of the Charity's work focuses upon children and young people and the Board of Trustees has sought to ensure that the needs of this group are appropriately reflected on the Board. One foster carer (non-voting) sits on the Board of Trustees 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.

Prospective Trustees are interviewed by the Chair and then introduced to at least one other Trustee. Trustees are appointed by the Board as a whole.

#### 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 are requested to attend annual Child Protection Training.

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
- Business planning and strategic direction.

**COMMUNITY FOSTER CARE  
TRUSTEES' REPORT (CONTINUED)  
FOR THE YEAR ENDED 31 MARCH 2016**

---

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 reviewed in May 2015 and in May 2016.

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 Trustees which is responsible for the strategic direction of the Charity and meets as a full Board every other month. An Investment Policy Group meets once a year. Recruitment of new Trustees is ongoing and continually kept under review by the Board.

A Safeguarding Board, chaired by a Trustee and attended by two others, meets twice a year to monitor the safeguarding of children, review policies and monitor the schedules required by Foster Care Regulations.

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

Remuneration is set by the Board; the pay of the CEO is below market rate but is believed appropriate in view of size of the Charity; other management rates are set in line with the foster care sector as a whole.

Public Benefit and Social Impact

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 confirms 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.

The social impact of the work of the Charity is deemed significant. Community Foster Care looks after some of the most disadvantaged children and young people in society. The majority will have experienced some form of abuse and neglect; experienced difficulties with educational attainment and are commonly isolated from their peer groups. Through our work, we provide security of family life, encouragement and guidance in education and develop self-esteem to play a more active and constructive role in society.

**COMMUNITY FOSTER CARE  
TRUSTEES' REPORT (CONTINUED)  
FOR THE YEAR ENDED 31 MARCH 2016**

---

Public Benefit and Social Impact (Continued)

At the end of March 2016 we cared for 47 children on behalf of Local Authorities and during the year 2015-2016 over 60 children benefitted from our care. 5 young people stayed on with their carers after their 18<sup>th</sup> birthday in line with new regulations known as Staying Put.

A survey of Carers in 2015 reported that carers felt Community Foster Care did well in:

- Training.
- The communication between carers and the Agency.
- Setting up opportunities to meet other carers through support groups.
- Activities and trips for carers and children/young people.
- The Out of Hours support. (OOH)

**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 socially 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;
  - 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 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
- 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.

## **COMMUNITY FOSTER CARE TRUSTEES' REPORT (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2016**

---

### **Objectives and Activities (Continued)**

The Business Plan was reviewed in 2015 to cover the years to 2018, setting out targets for 2018 and identifying the key actions required to achieve these. They include continuing the growth strategy in both Gloucester and Swindon areas and in the North through active carer recruitment activities.

### **Achievements and Performance during 2015-2016**

At the end of the financial year, Community Foster Care provided foster care placements for 47 children. This number at the 31 March has been similar for the last three years. Numbers fluctuate but it is a remarkable statistic. It does however indicate the lack of sufficient carer recruitment in recent years which is now being addressed. Three months into the 2016-2017 accounting period, the number of placements has reached 56.

The second half of the period 2015-2016 saw an increased marketing and recruitment campaign in both the North and the South offices. This has led to a corresponding increase in placement numbers and income.

The website, refreshed in early 2015 has proved popular with its change in appearance, being more active and informative than the previous site. The website is continually being reviewed and offers a very different image of the Charity whilst retaining many of the original features such as carer profiles. The new website has been designed to attract new carers and raise our profile.

During 2015, the Charity developed its use of Facebook and is now using it to assist in recruiting carers, particularly in the North.

Our PR consultant plays an integral part in publicising our activities/events and increasingly local papers, both North and South, are publishing articles about the Agency.

In the South, we negotiated a shared working space in Cirencester that allowed carers in that area easier access to the staff. The site also had a training/meeting room used for local support groups and carer training courses. By February 2016 we had relocated that sub office to a site in Royal Wootton Bassett which has proved very popular for both our carers and staff.

Whilst Staunton remains as the main office and provides accommodation for staff, carers in Gloucester are offered a number of training courses within Gloucester itself and support groups are held in carer's homes.

The North Office moved from Nateby to Lancaster within a prime business office complex adjacent to the town centre in September 2014. It has proved a successful move in attracting carers and has also saved the Charity a significant amount in annual rent.

Community Foster Care is committed to providing a range of activities and support to our children and young people. Numerous outings and one to one support activity are provided in both our Regions. In addition, a life skills programme was undertaken with some of our young people and for the first time, a group went on a weekend activity camp in Wales. Both activities were extremely popular. It is planned to take a group of children and young people to France in 2016. A peer mentoring scheme is being established in the South Region.



## **COMMUNITY FOSTER CARE TRUSTEES' REPORT (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2016**

---

### **Achievements and Performance during 2015-2016 (continued)**

Both Regions were inspected by Ofsted during 2015-2016 and both received "Good" ratings. Ofsted inspected under four main headings, namely

- Experiences and outcomes for children and young people
- Quality of Service
- Safeguarding
- Leadership and Management

Foster carers in the South were very engaged in organising and running the Charity's first Fete in Gloucester in July 2015, which proved a great success, raising over £3k for children's activities.

The Charity continues to hold Carer Award events in both Regions during the month of December. These are in recognition of the work our carers undertake and to reward their commitment to the children and young people in their care.

The Strategic Plan 2011-2016 has been reviewed and a new three year plan was considered and approved at the May 2015 meeting. The Plan centres on carer recruitment and ensuring the Charity is best placed to respond as the economic climate improves.

### **Financial Review 2015-2016**

The Charity has experienced three years of deficits as part of a planned programme of specialist foster carer training, known as KEEP and more recently improving carer recruitment.

The continued programme of austerity being placed on Local Authorities is having a major impact upon the Independent Fostering Sector. The level of turnover in many of the larger foster care agencies is declining. Community Foster Care has, however, managed to maintain its turnover level.

The deficit for 2015-2016 was £52,108.

The income from Local Authority contracts has increased by £33k to £1,891,678

The unrestricted funds available as at 31 March 2016 are £501,503.

It is vital that the Charity increases the number of foster carers to offer more choice to authorities when making placements and to ensure that Community Foster Care maintains its strong ethical matching of children policy, whilst increasing its turnover.

Community Foster Care continues to support its connected Charity, Community Family Care, as it develops from its inauguration in 2012-2013. The Trustees are committed to the work of Family Care which works with children and young people in the community to prevent them needing to come into the care of the Local Authorities.

### **Investment Policy**

The Charity has developed an Investment Policy which outlines short and medium term investments and is regularly monitored by the Investment Policy Group made up of three Trustees including the Company Secretary and reports to the Board of Trustees.

## **COMMUNITY FOSTER CARE TRUSTEES' REPORT (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2016**

---

### **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 six 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.

The charity had the following funds at the year end – unrestricted funds £485,182 (2015: £535,723), designated funds £16,321 (2015: £17,839) and restricted funds of £2,351 (2015: £2,400). Please refer to note 12 of the financial statements for details of the restricted funds and designated funds.

### **Plans for the Future Periods**

The Charity plans to continue the activities outlined in its Business Plan for the forthcoming years. The areas which the Agency will continue to prioritise are:

- Carer recruitment
- Ensuring the website, marketing and communication strategy remain live and active
- Securing block purchase contracts where available
- Developing recruitment of carers within the Wiltshire, Swindon and Lancashire as well as the historic areas of Gloucester and Cumbria.

### **Statement of Trustees' Responsibilities**

The Trustees (who are also directors of Community Foster Care for the purposes of company law) are responsible for preparing the Trustees' Report and the financial statements in accordance with applicable law and United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards).

Company law requires the Trustees to prepare financial statements for each financial year. 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 charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company 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 judgments and estimates that are reasonable and prudent;
- state whether applicable UK accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- 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 keeping adequate accounting records that are sufficient to show and explain the charitable company's transactions, disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the financial statements comply with the Companies Act 2006 and the provisions of the Charity's constitution. They are also responsible for safeguarding the assets of the Charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

**COMMUNITY FOSTER CARE  
TRUSTEES' REPORT (CONTINUED)  
FOR THE YEAR ENDED 31 MARCH 2016**

---

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.

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 auditors are 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 auditors are 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 2015 and in accordance with the special provisions of the Companies Act 2006 relating to small entities.

Approved by the Board of Trustees on

and signed on its behalf by:

  
**John McLaughlin**  
Chair of the Board of Directors and Trustees

29/09/2016

**COMMUNITY FOSTER CARE  
INDEPENDENT AUDITOR'S REPORT  
FOR THE YEAR ENDED 31 MARCH 2016**

---

We have audited the financial statements of Community Foster Care for the year ended 31 March 2016 which comprise the Statement of Financial Activities, the Balance Sheet, the Cash Flow Statement and the related notes numbered 1 to 21.

The financial reporting framework that has been applied in their preparation is applicable law and FRS102, The Financial Reporting Standard applicable in the UK and Republic of Ireland.

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 Charitable Company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the Trustees; and the overall presentation of the financial statements.

In addition, we read all the financial and non-financial information in the Trustees' Annual Report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. 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 2016 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 FRS102; and
- have been prepared in accordance with the requirements of the Companies Act 2006

**COMMUNITY FOSTER CARE  
INDEPENDENT AUDITOR'S REPORT  
FOR THE YEAR ENDED 31 MARCH 2016**

---

**Opinion on other matters 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.

**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:

- the charitable company has not kept adequate accounting records;
- the charitable company financial statements are not in agreement with the accounting records;
- 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
- 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.

**Guy Biggin**  
Senior Statutory Auditor  
For and on behalf of  
**Crowe Clark Whitehill LLP**  
Statutory Auditor  
Carrick House  
Lypiatt Road  
Cheltenham  
Gloucestershire  
GL50 2QJ

Date: 18 October 2016

**COMMUNITY FOSTER CARE  
STATEMENT OF FINANCIAL ACTIVITIES  
(Incorporating the Income and Expenditure Account)  
FOR THE YEAR ENDED 31 MARCH 2016**

	<b>Note</b>	<b>Unrestricted Funds £</b>	<b>Restricted Funds £</b>	<b>2016 Total Funds £</b>	<b>2015 Total Funds £</b>
<b>INCOME FROM:</b>					
Donations		946	-	946	1,585
Other trading activities					
Fund raising events		3,190	-	3,190	-
Charitable activities					
Local authority contracts		1,891,678	-	1,891,678	1,858,246
Investments		961	-	961	978
Other		11,122	-	11,122	10,290
<b>TOTAL INCOME</b>		<b>1,907,897</b>	<b>-</b>	<b>1,907,897</b>	<b>1,871,099</b>
<b>EXPENDITURE ON:</b>					
Charitable activities		1,959,956	49	1,960,005	1,909,183
<b>TOTAL EXPENDITURE</b>	<b>4</b>	<b>1,959,956</b>	<b>49</b>	<b>1,960,005</b>	<b>1,909,183</b>
Net gains on investments		-	-	-	4,962
<b>Net (expenditure) and net movement in funds</b>		<b>(52,059)</b>	<b>(49)</b>	<b>(52,108)</b>	<b>(33,122)</b>
<b>RECONCILIATION OF FUNDS:</b>					
Total funds brought forward	<b>12</b>	<b>553,562</b>	<b>2,400</b>	<b>555,962</b>	<b>589,084</b>
<b>Total funds carried forward</b>	<b>12</b>	<b>501,503</b>	<b>2,351</b>	<b>503,854</b>	<b>555,962</b>

All amounts relate to continuing operations.

The Charity has no recognised gains and losses other than those included in the Statement of Financial Activities.

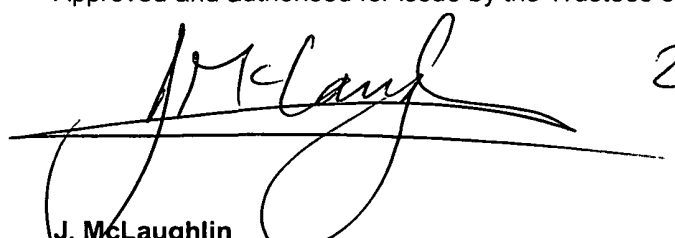
The notes on pages 15 to 26 form part of these financial statements.

**COMMUNITY FOSTER CARE  
BALANCE SHEET  
AS AT 31 MARCH 2016  
REGISTERED NUMBER 03719101**

	Note	2016 £	2015 £
<b>Fixed assets</b>			
Tangible assets	8	6,776	9,601
Investments	9	-	-
		<u>6,776</u>	<u>9,601</u>
<b>Current assets</b>			
Debtors	10	240,628	79,906
Cash at bank and in hand	19	348,887	529,450
		<u>589,515</u>	<u>609,356</u>
<b>Total current assets</b>		<b>589,515</b>	<b>609,356</b>
<b>Liabilities</b>			
Creditors: amounts falling due within one year	11	(92,437)	(62,995)
		<u>497,078</u>	<u>546,361</u>
<b>Net current assets</b>		<b>497,078</b>	<b>546,361</b>
<b>Total net assets</b>		<b>503,854</b>	<b>555,962</b>
<b>Funds of the Charity:</b>			
Restricted funds	12	2,351	2,400
Unrestricted funds	12	501,503	553,562
		<u>503,854</u>	<u>555,962</u>
<b>Total Charity funds</b>	12	<b>503,854</b>	<b>555,962</b>

Approved and authorised for issue by the Trustees on

and signed on its behalf by:

  
J. McLaughlin  
Chair of the Board of Directors and Trustees

29/09/2016

The notes on pages 15 to 26 form part of these financial statements.

**COMMUNITY FOSTER CARE  
CASH FLOW STATEMENT  
FOR THE YEAR ENDED 31 MARCH 2016**

	<b>Note</b>	<b>2016 £</b>	<b>2015 £</b>
<b>Cash flows from operating activities:</b>			
<b>Net cash(used in)/ provided by operating activities</b>	<b>19</b>	<b>(180,524)</b>	<b>18,729</b>
<b>Cash flows from investing activities</b>			
Interest from investments		<b>961</b>	<b>978</b>
Purchase of equipment	<b>8</b>	<b>(1,000)</b>	<b>(5,843)</b>
Proceeds from disposal of investments		<b>-</b>	<b>105,785</b>
<b>Net cash (used in)/provided by investing activities</b>		<b>(39)</b>	<b>100,920</b>
<b>Change in cash and cash equivalents in the reporting period</b>	<b>19</b>	<b>(180,563)</b>	<b>119,649</b>
<b>Cash and cash equivalents at the beginning of the reporting period</b>	<b>19</b>	<b>529,450</b>	<b>409,801</b>
<b>Cash and cash equivalents at the end of the reporting period</b>	<b>19</b>	<b>348,887</b>	<b>529,450</b>

The notes on pages 15 to 26 form part of these financial statements.



**COMMUNITY FOSTER CARE  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2016**

---

**1. CHARITY INFORMATION**

Community Foster Care was registered with the Charity Commission for England and Wales on 15 December 2000 (registered number 1084124). The Charity is also a company limited by guarantee and was incorporated on 24 February 1999 (registered number 03719101). Its registered and principal office is Unit 15, The Hawthorns, Hawthorns Lane, Staunton, Gloucester, Gloucestershire, GL19 3NY.

**2. ACCOUNTING POLICIES**

**(a) Basis of preparation**

The financial statements have been prepared under the historical cost convention.

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2015) - (Charities SORP (FRS 102)) and the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102), Companies Act 2006 and Charities Act 2011.

Community Foster Care meets the definition of a public benefit entity under FRS 102.

**(b) Transition to FRS 102**

In preparing the financial statements, the Trustees have considered whether in applying the accounting policies required by FRS 102 and the Charities SORP 2015 the restatement of comparative items was required.

In accordance with the requirements of FRS 102 details of the impact of first time adoption of FRS 102 can be found in Note 21.

**(c) Going concern**

The Charity has cash resources and no requirement for external funding. The Trustees have a reasonable expectation that the Charity 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.

**(d) 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. The purpose of these are set out in Note 12.

Restricted funds are amounts which have been earmarked by the donors for specific purposes. The aim and use of restricted funds are set out in Note 12.

**(e) Income**

All income is included in the Statement of Financial Activities when the Charity is entitled to the income, it is probable that the income will be received and the amount can be quantified with reasonable accuracy.

**COMMUNITY FOSTER CARE  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2016**

---

**2. ACCOUNTING POLICIES (Continued)**

**(f) Expenditure**

Expenditure on Charitable activities comprises those costs incurred by the Charity in the delivery of its activities. It includes both costs that can be allocated directly to such activities and those costs of an indirect nature necessary to support them.

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.

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 and are included within support costs.

**(g) Investments**

Quoted investments are stated in the Balance Sheet at their market value as at the Balance Sheet date.

Realised and unrealised gains or losses arising from the sale or revaluation of investments are dealt with in the Statement of Financial Activities.

**(h) Tangible fixed assets and depreciation**

Tangible fixed assets are stated at cost less depreciation. Cost represents purchase price together with any incidental costs of acquisition. Individual items costing less than £1,000 are not capitalised.

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

**(i) Debtors**

Trade debtors, other debtors, accrued income and intercompany debtors are recognised at the settlement amount after impairments. Prepayments are valued at the amount prepaid net of any trade discounts.

**(j) Cash and cash equivalents**

Cash is represented by cash in hand and deposits with financial institutions.

**(k) Creditors**

Creditors are recognised where the Charity has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors are normally recognised at their settlement amount after allowing for any trade discounts due.

**(l) Financial instruments**

Community Foster Care only has financial assets and financial liabilities of a kind that qualify as basic financial instruments, these being debtors, creditors and cash at bank (see note 20 for details). Basic financial instruments are initially recognised at transaction value and subsequently measured at amortised cost.

**(m) Operating leases**

Rentals for assets under operating leases are charged to the Statement of Financial Activities on a straight line basis over the term of the lease.

**COMMUNITY FOSTER CARE  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2016**

---

**2. ACCOUNTING POLICIES (continued)**

**(n) Pensions**

The Charity operates a defined contribution pension scheme and 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.

**(o) 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.

**(p) Significant estimates and judgements**

Preparation of the financial statements requires management to make significant judgements and estimates. The items in the financial statements where these judgements and estimates have been made include:

**i. Useful economic lives of tangible assets**

The annual depreciation charge for the tangible assets is sensitive to changes in the estimated useful economic lives and residual values of the assets. The useful economic lives and residual values are amended when necessary to reflect current estimates, economic utilisation and the physical condition of the assets.

See Note 8 for the carrying amount of tangible assets and Note 2 (h) for the useful lives for each class of asset.

**ii. Rebate accruals**

The Charity has arrangements with local authorities whereby rebates are awarded based on turnover exceeding certain thresholds.

The accrual for these rebates are calculated based on turnover using rebate percentages outlined within contracts.

**COMMUNITY FOSTER CARE  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2016**

**3. COMPARATIVE STATEMENT OF FINANCIAL ACTIVITIES FOR THE YEAR ENDED 31 MARCH 2015**

	<b>Note</b>	<b>Unrestricted Funds £</b>	<b>Restricted Funds £</b>	<b>2015 Total Funds £</b>
<b>INCOME FROM:</b>				
Donations		-	1,585	1,585
Charitable activities				
Local authority contracts		1,858,246	-	1,858,246
Investments		978	-	978
Other		10,290	-	10,290
<b>TOTAL INCOME</b>		<b>1,869,514</b>	<b>1,585</b>	<b>1,871,099</b>
<b>EXPENDITURE ON:</b>				
Charitable activities		1,908,105	1,078	1,909,183
<b>TOTAL EXPENDITURE</b>	<b>4</b>	<b>1,908,105</b>	<b>1,078</b>	<b>1,909,183</b>
Net gains on investments		4,962	-	4,962
<b>Net (expenditure)/income and net movement in funds</b>		<b>(33,629)</b>	<b>507</b>	<b>(33,122)</b>
<b>RECONCILIATION OF FUNDS</b>				
Total funds brought forward		587,191	1,893	589,084
<b>Total funds carried forward</b>	<b>12</b>	<b>553,562</b>	<b>2,400</b>	<b>555,962</b>

**COMMUNITY FOSTER CARE  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2016**

**4. ANALYSIS OF EXPENDITURE**

	Staff costs (note 5) £	Depreciation (note 8) £	Other costs (note 6) £	2016 Total £	2015 Total £
<b>Charitable activities</b>					
Provision of foster care	442,132	1,728	1,215,213	1,659,073	1,617,584
Support costs	204,918	2,097	93,917	300,932	291,599
<b>Total resources expended</b>	<b>647,050</b>	<b>3,825</b>	<b>1,309,130</b>	<b>1,960,005</b>	<b>1,909,183</b>

**5. ANALYSIS OF STAFF COSTS, TRUSTEE REMUNERATION AND EXPENSES AND THE COST OF KEY MANAGEMENT PERSONNEL**

	Directly charitable £	Support costs £	2016 Total £	2015 Total £
Wages and salaries	410,341	166,320	576,661	546,723
Pension costs	7,054	8,565	15,619	17,865
Social security costs	24,737	30,033	54,770	50,910
	<b>442,132</b>	<b>204,918</b>	<b>647,050</b>	<b>615,498</b>

The average monthly headcount of employees was:

	2016 No.	2015 No.
Senior staff	6	4
Social workers	3	6
Placement support	3	2
Administrative staff	3	2
	<b>15</b>	<b>14</b>

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

	2016 No.	2015 No.
£60,000 - £70,000	-	1
£70,000 - £80,000	1	-
	<b>1</b>	<b>1</b>

The remuneration for the key management personnel excluding employer's national insurance amounted to £180,039 (2015: £154,830). Key management personnel are defined as the Chief Executive, Registered Manager in the South and Registered Manager in the North.

**COMMUNITY FOSTER CARE  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2016**

**6. OTHER COSTS**

	<b>Directly charitable £</b>	<b>Support costs £</b>	<b>2016 Total £</b>	<b>2015 Total £</b>
Foster carers costs	<b>1,042,374</b>	-	<b>1,042,374</b>	<b>1,023,791</b>
Insurance	<b>10,069</b>	-	<b>10,069</b>	<b>10,818</b>
Children's care & activities	<b>14,731</b>	-	<b>14,731</b>	<b>12,517</b>
Travel and subsistence	<b>8,742</b>	<b>10,613</b>	<b>19,355</b>	<b>20,916</b>
Staff training	<b>14,924</b>	-	<b>14,924</b>	<b>11,666</b>
Cleaning	<b>1,742</b>	<b>2,115</b>	<b>3,857</b>	<b>4,005</b>
Premises expenses	<b>19,527</b>	<b>23,708</b>	<b>43,235</b>	<b>44,316</b>
Printing, postage & stationery	<b>11,705</b>	<b>2,178</b>	<b>13,883</b>	<b>15,409</b>
Telephone	<b>4,432</b>	<b>5,381</b>	<b>9,813</b>	<b>10,510</b>
Legal, professional & consultancy	<b>18,879</b>	<b>17,374</b>	<b>36,253</b>	<b>36,611</b>
Accountancy and audit	-	<b>11,268</b>	<b>11,268</b>	<b>12,442</b>
Social work consultancy	<b>218</b>	<b>264</b>	<b>482</b>	<b>4,568</b>
Miscellaneous	<b>2,647</b>	<b>3,791</b>	<b>6,438</b>	<b>10,206</b>
Subscriptions	<b>2,733</b>	<b>3,318</b>	<b>6,051</b>	<b>9,395</b>
Equipment maintenance	<b>11,454</b>	<b>13,907</b>	<b>25,361</b>	<b>17,684</b>
Recruitment	<b>9,984</b>	-	<b>9,984</b>	<b>28,505</b>
Advertising & promotion	<b>15,548</b>	-	<b>15,548</b>	<b>16,517</b>
Rebate accrual	<b>25,504</b>	-	<b>25,504</b>	-
Deficit on disposal of fixed assets	-	-	-	<b>72</b>
	<b>1,215,213</b>	<b>93,917</b>	<b>1,309,130</b>	<b>1,289,948</b>

Included within support costs above is governance costs of £14,198 (2015: £15,587), which includes £11,268 (2015: £12,442) for audit and accountancy and other support costs of £2,930 (2015: £3,145).

**COMMUNITY FOSTER CARE  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2016**

**7. NET EXPENDITURE**

Net expenditure is stated after charging:

	2016 £	2015 £
Depreciation of tangible fixed assets (note 8)		
- owned assets	3,825	3,737
Operating lease rentals	28,316	24,646
Auditor's remuneration - audit	6,220	6,100
Auditor's remuneration - non audit services	1,020	1,000
Pension costs	15,619	17,865
Deficit on disposal of fixed assets	-	72

**8. TANGIBLE FIXED ASSETS**

	Office equipment £	Fixtures & fittings £	Total £
<b>Cost</b>			
At 1 April 2015	55,288	20,091	75,379
Additions	-	1,000	1,000
<b>At 31 March 2016</b>	<b>55,288</b>	<b>21,091</b>	<b>76,379</b>
<b>Depreciation</b>			
At 1 April 2015	46,548	19,230	65,778
Charge for the year	3,504	321	3,825
<b>At 31 March 2016</b>	<b>50,052</b>	<b>19,551</b>	<b>69,603</b>
<b>Net book amount</b>			
<b>At 31 March 2016</b>	<b>5,236</b>	<b>1,540</b>	<b>6,776</b>
At 31 March 2015	8,740	861	9,601

**COMMUNITY FOSTER CARE  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2016**

**9. FIXED ASSET INVESTMENTS**

	<b>2016</b>	<b>2015</b>
	<b>£</b>	<b>£</b>
Market value 1 April 2015	-	100,823
Disposals	-	(100,823)
<b>Market value 31 March 2016</b>	<b>-</b>	<b>-</b>
<b>Historic cost:</b>		
At 31 March 2016	-	-

**10. DEBTORS**

	<b>2016</b>	<b>2015</b>
	<b>£</b>	<b>£</b>
<b>Due within one year</b>		
Trade debtors	150,107	31,969
Prepayments and accrued income	20,956	13,757
Amounts due from parent Charity	61,834	27,827
Other debtors	7,731	6,353
	<b>240,628</b>	<b>79,906</b>

**11. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	<b>2016</b>	<b>2015</b>
	<b>£</b>	<b>£</b>
Trade creditors	13,950	18,192
Accruals and deferred income	53,465	25,982
Pension	3,216	2,519
Other creditors	960	1,139
Social security and other taxes	20,846	15,163
	<b>92,437</b>	<b>62,995</b>



**COMMUNITY FOSTER CARE  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2016**

**12. STATEMENT OF FUNDS**

	<i>At 1 April 2015 £</i>	<i>Income £</i>	<i>Expenditure £</i>	<i>At 31 March 2016 £</i>
<b>Restricted Funds</b>				
John Bryson	2,400	-	(49)	2,351
<b>Unrestricted Funds</b>				
General fund	535,723	1,907,897	(1,958,438)	485,182
<b>Designated Funds</b>				
Leaving Care	17,839	-	(1,518)	16,321
	<u>555,962</u>	<u>1,907,897</u>	<u>(1,960,005)</u>	<u>503,854</u>

**Restricted fund - John Bryson fund**

John Bryson died in November 2013 while on a student placement in the Cumbria office of Community Foster Care. In appreciation his family asked that donations at the funeral should be given to Community Foster Care in his memory. They stipulated that the money should be used for children placed in foster care and birth children registered with the North region. The fund will be used (in terms of Every Child Matters' Outcomes) to encourage our children to Make a Positive Contribution to society by rewarding and supporting charitable works and giving and participation in extra-ordinary activities for the benefit of other people or organisations such as supporting the disabled, elderly or an animal sanctuary for example. Each year children who have participated in significant events or acts of charity will be awarded a slate plaque or other lasting token (The John Bryson Award for Making a Positive Contribution) and given a monetary voucher to spend.

**Designated fund - 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. Activity in the year related to sending two young people on a Root Camp, a week long residential activity where they learnt about farming, use of food and cooking skills. The expenditure covered the cost of the camp, travel and clothing.

Future activity will depend upon referrals from social workers and carers for resources to assist in the transition from care. The Trustees monitor the Fund through the monthly Financial Accounts but have agreed to maintain the fund as they see it as an integral part of the support the Charity offers to young people leaving care.

**COMMUNITY FOSTER CARE  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2016**

**13. ALLOCATION OF NET ASSETS BETWEEN FUNDS**

	<b>Fixed assets</b>	<b>Net current assets</b>	<b>Total</b>
	<b>£</b>	<b>£</b>	<b>£</b>
Restricted funds	-	2,351	2,351
Unrestricted funds	6,776	478,406	485,182
Designated funds	-	16,321	16,321
	<b>6,776</b>	<b>497,078</b>	<b>503,854</b>

**14. PENSION SCHEME**

The pension cost charge for the period represents contributions payable to the defined contribution scheme and amounted to £15,619 (2015: £17,865).

Contributions totalling £3,216 (2015: £2,519) was payable to the scheme at the year end and is included within creditors.

**15. TRUSTEES EXPENSES**

The Charity did not reimburse any Trustees for travelling expenses this year (2015: £28 to one Trustee). No Trustees received remuneration during the year (2015: None). No donations were made by Trustees during the year (2015: None).

**16. OBLIGATIONS UNDER OPERATING LEASES**

At 31 March 2016 the Charity had total commitments under non-cancellable operating leases as set out below:

	<b>2016</b>	<b>2015</b>
	<b>£</b>	<b>£</b>
Expiring:		
Within one year	23,831	27,232
Between one and two years	5,124	19,719

**17. RELATED PARTY TRANSACTIONS**

During the year the Charity charged its parent, Community Family Care management fees of £6,000 (2015: £6,000).

At 31 March 2016 an amount of £61,834 (2015: £27,827) was owed from Community Family Care to Community Foster Care.

**COMMUNITY FOSTER CARE  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2016**

**18. CONTROLLING PARTY AND ULTIMATE PARENT UNDERTAKING**

The Trustees regard Community Family Care (registered Charity number 1150166, registered company number 07960799) as the ultimate parent undertaking and controlling party. The Charity exists to provide Community based family support which is broader than fostering and therefore is the Parent undertaking. A copy of the ultimate parent's consolidated financial statements may be obtained from Unit 15, The Hawthorns, Hawthorns Lane, Staunton, Gloucester, Gloucestershire, GL19 3NY.

**19. RECONCILIATION OF NET EXPENDITURE TO NET CASH IN FROM OPERATING ACTIVITIES**

	2016 £	2015 £
<b>Net income/(expenditure) for the reporting period (as per the Statement of Financial Activities)</b>	<b>(52,108)</b>	<b>(33,122)</b>
<b>Adjustments for:</b>		
Depreciation charges	3,825	3,737
Deficit on disposal of fixed assets	-	72
Interest from investments	(961)	(978)
Gains on investments	-	(4,962)
(Increase)/decrease in debtors	(160,722)	93,768
Increase/(decrease) in creditors	29,442	(39,786)
<b>Net cash provided by operating activities</b>	<b>(180,524)</b>	<b>18,729</b>

**Analysis of net funds**

	At 1 April 2015 £	Cash flow £	At 31 March 2016 £
Bank balances	529,450	(180,563)	348,887
Net funds	529,450	(180,563)	348,887

**COMMUNITY FOSTER CARE  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2016**

---

**20. FINANCIAL INSTRUMENTS**

	<b>2016</b>	<b>2015</b>
	<b>£</b>	<b>£</b>
<b>Financial assets</b>		
Financial assets that are debt instruments measured at amortised cost	<u><b>569,526</b></u>	<u><b>596,475</b></u>
	<u><b>569,526</b></u>	<u><b>596,475</b></u>
<b>Financial liabilities</b>		
Financial liabilities measured at amortised cost	<u><b>71,978</b></u>	<u><b>47,832</b></u>
	<u><b>71,978</b></u>	<u><b>47,832</b></u>

Financial assets measured at amortised cost comprise of cash and cash equivalents, trade debtors, intercompany debtors, other debtors and accrued income.

Financial liabilities measured at amortised cost comprise of trade creditors, accruals and other creditors.

**21. TRANSITION TO FRS 102 AND THE CHARITIES SORP 2015**

This is the first year that the Charity has presented its results under FRS 102 and the Charities SORP 2015. The last financial statements under old UK GAAP were for the year ended 31 March 2015. The date of transition to FRS 102 and the Charities SORP 2015 was 1 April 2014. The surplus for the year ended 31 March 2015 and the total equity as at 1 April 2014 and 31 March 2015 has not changed as a result of changes in accounting policies due to the transition from old UK GAAP to FRS 102 and the Charities SORP 2015.