

Company Number: 03719101
Registered Charity Number: 1084124

COMMUNITY FOSTER CARE
(A company limited by guarantee)

FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2017

THURSDAY



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FOR THE YEAR ENDED 31 MARCH 2017**

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**COMMUNITY FOSTER CARE
LEGAL AND ADMINISTRATIVE INFORMATION
FOR THE YEAR ENDED 31 MARCH 2017**

| | |
|----------------------------|---|
| TRUSTEES/DIRECTORS | J McLaughlin (Chair) (resigned 31 March 2017) E Haines (appointed 27 April 2017) H Pelham (appointed 27 April 2017) M Straton J Jansen R Wade J Dwight D Conarty (appointed 29 September 2016) |
| CHARITY SECRETARY | J Dwight |
| CHIEF EXECUTIVE | H Pelham |
| REGISTERED MANAGERS | I Taylor E Weaver |
| 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 |
| WEBSITE | www.communityfostercare.co.uk |

**COMMUNITY FOSTER CARE
CHAIRMAN'S STATEMENT
FOR THE YEAR ENDED 31 MARCH 2017**

The last year has seen a steady growth in Community Foster Care. Our turnover increased by over 12%, and for the first time in our history our income exceeded the £2 million mark. To achieve this level of performance it was necessary to take on additional staff, and there was an increase in other costs, including those relating to the recruitment of a new Chief Executive.

The Board would like to thank all the carers and the staff for their hard work, commitment and loyalty throughout the year. The quality of their work remains high, and they demonstrate the values of the Charity on a daily basis.

The Board of Community Foster Care continue to support the ideals and objectives of our parent Charity, Community Family Care. At the end of the financial year we agreed to make a substantial grant to Family Care, amounting to over £78k. This sum accounts for the deficit in Foster Care, which would otherwise have shown a surplus for the year.

The foster care sector faces many challenges across the whole of the UK. Recruitment of carers has fallen significantly according to the central government figures, and yet the number of children in need of care remains high. Community Foster Care will continue to seek new carers to meet that need, and we believe it is essential to maintain our values in a sector where too often profit comes before all else.

The development of partnerships with other organisations which have been initiated during 2016 and 2017 is very much a key part of our strategy. Such partnerships will create the opportunity to develop new services and offer children and their families greater choice.

I would like to thank our former Chair John McLaughlin who has retired after 19 years with the Charity. His dedication to both Foster Care and Family Care is an example to us all. We wish him well for the future.



Charles Wade
Chair of the Board of Directors and Trustees

19/10/2017

COMMUNITY FOSTER CARE TRUSTEES' REPORT FOR THE YEAR ENDED 31 MARCH 2017

The Trustees present their report and audited financial statements for the year ended 31 March, 2017.

The Board of Trustees

John McLaughlin (Chair) (resigned 31 March 2017).
Joanna Jansen (Trustee)
Mariana Straton (Trustee)
Charles Wade (Trustee)
Jennie Dwight (Trustee)
Derek Conarty (Trustee) (appointed 26 September 2016)
Elaine Haines (Trustee) (appointed 27 April 2017)
Hugh Pelham (Trustee) (appointed 27 April 2017)
Maggie Coopey (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, 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 were a number of new additions as noted above.

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. One of our Trustees is a former foster carer.

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 FOR THE YEAR ENDED 31 MARCH 2017

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 2016 and in March 2017, the Board undertook a full review of their risk awareness strategy utilising the 8 Hallmarks of a Risk Aware Charity and the 6 lessons from Kids Company. These were included in the Risk Management Plan during April 2017.

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.

Below are the 3 most significant risks facing Community Foster Care:

1. Serious incident of harm to a Child or Young Person. Mitigated by Rigorous Safeguarding policies and procedures that are adhered to and audited. Staff and carers are extensively trained and take part in quality supervision. Good Ofsted rating.
2. Reduction in Carers. Mitigated by an ongoing recruitment and marketing strategy and sizable budget that is regularly monitored and reviewed with new and innovative approaches regularly used.
3. Reduction in placement numbers. Mitigated by maintaining strong relationships with Local Authorities, continuing to provide positive outcomes, remaining part of tender frameworks and spreading our reach.

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 four times 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 six monthly to monitor the safeguarding of children, review policies and monitor the schedules required by Foster Care Regulations.

A Finance Sub Committee was established in November 2016 and will meet three times a year to examine in full detail the budget planning, and accounting practices of the Charity.

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.

The Chief Executive is supported by a Management Team of Registered Managers and a Business Development Manager.

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

COMMUNITY FOSTER CARE TRUSTEES' REPORT FOR THE YEAR ENDED 31 MARCH 2017

Public Benefit and Social Impact

The public benefit of Community Foster Care is in 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 believed that the Memorandum and Articles of Association needed to be amended to bring them in line with recent guidance and new Articles of Association for the Charity was presented to the Board of Trustees in April 2017 for approval.

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.

At the end of March 2017 we cared for 52 children on behalf of local authorities and during the year 2016-2017 over 70 children benefitted from our care. 5 young people stayed on with their carers after their 18th birthday in line with new regulations known as Staying Put.

Consultations with Carers identified 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;
- 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 TRUSTEES' REPORT FOR THE YEAR ENDED 31 MARCH 2017

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.

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 2016-2017

At the end of the financial year, Community Foster Care provided foster care placements for 52 children. This number at the 31 March is an increase of 5 from the previous March 2016. The previous three years end of year figures were consistent at 47. Numbers had fluctuated over the years but it is a remarkable statistic.

Placement numbers are influenced by carer numbers, and whilst there has been a small growth in carers, it is not sufficient to have a major impact upon placement numbers. The recruitment of carers remains a key issue for Community Foster Care, as it does for all agencies across the country. Government statistics for March 2016 show a significant drop of a third in applications to foster.

Nevertheless, Community Foster Care did achieve the target for turnover for 2016/17 as per Business Plan of £2.1million.

The latter part of the financial year saw an increase in marketing and recruitment activity in both the North and the South offices. The results of these campaigns will not be known for a few months.

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 website has been designed to attract new carers and raise our profile. In January 2017, we commissioned Fatmedia, based in Lancaster, to review and refresh our approach to social media.

During 2016/17 the Charity continued to make 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 in 2016, we opened a new office in Royal Wootton Bassett to meet the needs of our Wiltshire and Swindon carers. A Social Worker and a Placement Support Worker operate from that office, which is also a base for training.

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

COMMUNITY FOSTER CARE TRUSTEES' REPORT FOR THE YEAR ENDED 31 MARCH 2017

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 to France. Both activities were extremely popular. It is planned to take a group of children and young people to York in 2017. A peer mentoring scheme is being established in the South Region.

A group of our young people were actively involved in the interviews for the new Chief Executive.

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 Award Ceremony in the South involved the Lord Lieutenant for Gloucestershire, Dame Janet Trotter, who made a moving speech in support of foster care and presented the awards. Dame Janet has agreed to become the Charity's Patron.

The Charity, along with Community Family Care, held a joint Trustees and Staff Business Planning Day in November 2016. This proved very successful and a number of proposals were put forward for new projects in 2017/18.

During 2016, an informal Partnership was established with a number of Gloucestershire Charities that will eventually lead to greater joint working, and the development of joint projects. The Group has made great strides in developing trust and understanding of each other's roles, which will continue to develop in the years ahead.

Community Foster Care has worked alongside two other fostering agencies, one a Charity, the other a Co-operative to develop a trading company to offer training to fostering professionals. Initially this will be focussing on training for Registered Managers, for whom there is a scarcity of training nationally. One course was held in 2016 and two more are planned for the Spring and Summer of 2017. The Trading Company will become established during 2017.

Financial Review 2016-2017

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, and as previously mentioned, has met its Business Plan target. The Charity's performance in 2016/17 was in line with the business plan in achieving the turnover target. The final deficit position does not demonstrate that the fostering activity resulted in a small surplus as the Board agreed to clear/write off the intercompany debt from Family Care by making a Grant of £78,134 to Family Care.

The deficit for 2016-2017 was £97,328 (2016: £52,108).

The income from local authority contracts has increased by £248k to £2,139,846 due to an increased number of child placements. This is the charities principal funding source.

The Funds available as at 31 March 2017 are £406,526. Of this £404,175 are unrestricted funds and £2,351 are restricted.

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 parent Charity, Community Family Care, as it develops from its inauguration in 2012/13. 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.

This has been demonstrated by the significant grant to Family Care at the end of March 2017.

COMMUNITY FOSTER CARE TRUSTEES' REPORT FOR THE YEAR ENDED 31 MARCH 2017

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 overhead expenditure (i.e. excluding carers' fees). 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. The current reserves are lower than this at £404,175 but a surplus is expected going forward which will eliminate this deficit. 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.

At the year end unrestricted reserves were £404,175 and restricted reserves were £2,351.

A review of the Charity's bank balances and consideration of investments are also undertaken when reviewing the reserves policy.

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
- Establishing a Trading Company alongside two partner foster agencies

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
FOR THE YEAR ENDED 31 MARCH 2017**

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.

Insofar as each of the Trustees of the Charity at the date of approval of this report is aware there is no relevant audit information (information needed by the Charity's auditor in connection with preparing the audit report) of which the Charity's auditor is unaware. Each Trustee has taken all of the steps that he/she should have taken as a Trustee in order to make himself/herself aware of any relevant audit information and to establish that the charity's auditor is aware of that information.

Auditor

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

The report has been prepared in accordance with the Statement of Recommended Practice, Accounting & Reporting by charities and in accordance with the special provisions of the Companies Act 2006 relating to small entities.

Approved by the Board of Trustees on 19/10/2017 and signed on its behalf by:



**Charles Wade
Chair of the Board of Directors and Trustees**

**COMMUNITY FOSTER CARE
INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF COMMUNITY FOSTER CARE
FOR THE YEAR ENDED 31 MARCH 2017**

We have audited the financial statements of Community Foster Care for the year ended 31 March 2017 which comprise the Statement of Financial Activities, the Balance Sheet, the Statement of Cash Flows and the related notes numbered 1 to 19.

The financial reporting framework that has been applied in their preparation is applicable law and FRS 102, The Financial Reporting Standard applicable in the UK and Republic of Ireland (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, including "APB Ethical Standard – Provisions Available for Small Entities (Revised)".

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' 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 2017 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 FRS 102; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

**COMMUNITY FOSTER CARE
INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF COMMUNITY FOSTER CARE
FOR THE YEAR ENDED 31 MARCH 2017**

Opinion on other matters prescribed by the Companies Act 2006

In our opinion based on the work undertaken in the course of our audit

- the information given in the Trustees Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Trustees Report has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In light of the knowledge and understanding of the Charitable Company and its environment obtained in the course of the audit, we have not identified material misstatements in the Trustees Report.

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 from the requirement to prepare a Strategic Report or in preparing the Trustees 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:

8 December 2017

**COMMUNITY FOSTER CARE
STATEMENT OF FINANCIAL ACTIVITIES
(Incorporating the Income and Expenditure Account)
FOR THE YEAR ENDED 31 MARCH 2017**

| | | Unrestricted Funds £ | Restricted Funds £ | 2017 Total Funds £ | 2016 Total Funds £ |
|--|-------------|-------------------------------------|-----------------------------------|---------------------------------------|---------------------------------------|
| INCOME FROM: | Note | | | | |
| Donations | | 871 | - | 871 | 946 |
| Other trading activities | | | | | |
| Fund raising events | | 3,003 | - | 3,003 | 3,190 |
| Charitable activities | | | | | |
| Local authority contracts | | 2,139,846 | - | 2,139,846 | 1,891,678 |
| Investments | | 844 | - | 844 | 961 |
| Other | | 2,460 | - | 2,460 | 11,122 |
| TOTAL INCOME | | 2,147,024 | - | 2,147,024 | 1,907,897 |
| EXPENDITURE ON: | | | | | |
| Charitable activities | | 2,244,352 | - | 2,244,352 | 1,960,005 |
| TOTAL EXPENDITURE | 4 | 2,244,352 | - | 2,244,352 | 1,960,005 |
| Net (expenditure) and net movement in funds | | (97,328) | - | (97,328) | (52,108) |
| RECONCILIATION OF FUNDS: | | | | | |
| Total funds brought forward | 11 | 501,503 | 2,351 | 503,854 | 555,962 |
| Total funds carried forward | 11 | 404,175 | 2,351 | 406,526 | 503,854 |

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 2017
REGISTERED NUMBER: 03719101**

| | Note | 2017 £ | 2016 £ |
|--|------|------------------------------|------------------------------|
| FIXED ASSETS | | | |
| Tangible assets | 8 | <u>4,400</u> | <u>6,776</u> |
| | | 4,400 | 6,776 |
| CURRENT ASSETS | | | |
| Debtors | 9 | 80,065 | 240,628 |
| Cash at bank and in hand | | <u>483,258</u> | <u>348,887</u> |
| | | 563,323 | 589,515 |
| LIABILITIES | | | |
| Creditors: Amounts falling due within one year | 10 | <u>(161,197)</u> | <u>(92,437)</u> |
| NET CURRENT ASSETS | | <u>402,126</u> | <u>497,078</u> |
| TOTAL NET ASSETS | | <u><u>406,526</u></u> | <u><u>503,854</u></u> |
| FUNDS OF THE CHARITY: | | | |
| Restricted Funds | 11 | 2,351 | 2,351 |
| Unrestricted Funds | 11 | <u>404,175</u> | <u>501,503</u> |
| TOTAL CHARITY FUNDS | 11 | <u><u>406,526</u></u> | <u><u>503,854</u></u> |

The financial statements are prepared in accordance with the special provisions of Part 15 of the Companies Act relating to small companies.

Approved and authorised for issue by the Trustees on 19/10/2017 and signed on its behalf by:



C Wade
Chair of the Board of Directors and Trustees

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

**COMMUNITY FOSTER CARE
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 MARCH 2017**

| | Note | 2017 £ | 2016 £ |
|--|-----------|----------------|------------------|
| Cash flows from operating activities: | | | |
| <i>Net cash provided by / (used in) operating activities</i> | 18 | 134,818 | (180,524) |
| Cash flows from investing activities | | | |
| Interest from investments | | 844 | 961 |
| Purchase of property and equipment | 8 | (1,290) | (1,000) |
| <i>Net cash provided used in investing activities</i> | | (446) | (39) |
| <i>Change in cash and cash equivalents in the reporting period</i> | 18 | 134,371 | (180,563) |
| <i>Cash and cash equivalents at the beginning of the reporting period</i> | 18 | 348,887 | 529,450 |
| <i>Cash and cash equivalents at the end of the reporting period</i> | 18 | 483,258 | 348,887 |

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 2017**

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 financial statements 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) 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.

(c) 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 11.

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 11.

(d) Income

Income from donations and fundraising are accounted for on a receipts basis unless the income will be received and its value can be measured with sufficient reliability. Those funds provided for specific purposes are taken to the relevant restricted fund.

Investment income is recognised on a receivable basis. Charitable activities and other income is accounted for when the charity is entitled to the income, it is probable 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 2017**

2. ACCOUNTING POLICIES (Continued)

(e) 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 the use of the resources.

Support costs are those costs incurred directly in support of expenditure on the objects of the Charity.

Governance costs are those incurred in connection with the compliance of constitutional and statutory requirements and are included within support costs.

(f) 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 |

(g) 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.

(h) Cash and cash equivalents

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

(i) 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.

(j) 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 19 for details). Basic financial instruments are initially recognised at transaction value and subsequently measured at settlement value.

(k) Operating leases

Rentals applicable to operating leases where substantially all the benefits and risks of ownership remain with the lessor 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 2017**

2. ACCOUNTING POLICIES (Continued)

(l) 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.

(m) 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.

(n) Significant judgements and estimates

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 (f) 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 the contract.

**COMMUNITY FOSTER CARE
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2017**

3. COMPARATIVE STATEMENT OF FINANCIAL ACTIVITIES FOR THE YEAR ENDED 31 MARCH 2016

| | | | | 2016 |
|--|-----------|-----------------------|--------------------------|---------------------|
| | Note | General Funds £ | Restricted Funds £ | Total Funds £ |
| INCOME FROM: | | | | |
| Donations | | 946 | - | 946 |
| Other trading activities | | | | |
| <i>Fund raising events</i> | | 3,190 | - | 3,190 |
| Charitable activities | | | | |
| <i>Local Authority contracts</i> | | 1,891,678 | - | 1,891,678 |
| Investments | | 961 | - | 961 |
| Other | | 11,122 | - | 11,122 |
| TOTAL INCOME | | 1,907,897 | - | 1,907,897 |
| EXPENDITURE ON: | | | | |
| Charitable activities | | 1,959,956 | 49 | 1,960,005 |
| TOTAL EXPENDITURE | 4 | 1,959,956 | 49 | 1,960,005 |
| Net (expenditure) and net movement in funds | | (52,059) | (49) | (52,108) |
| RECONCILIATION OF FUNDS | | | | |
| Total restated funds brought forward | 11 | 553,562 | 2,400 | 555,962 |
| Total funds carried forward | 11 | 501,503 | 2,351 | 503,854 |

**COMMUNITY FOSTER CARE
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2017**

4. ANALYSIS OF EXPENDITURE

| | Staff costs (Note 5) £ | Depreciation (Note 8) £ | Other costs (Note 6) £ | 2017 Total £ | 2016 Total £ |
|------------------------------|---------------------------------|-------------------------------|------------------------------|--------------------|--------------------|
| Charitable activities | | | | | |
| Provision of foster care | 446,133 | 891 | 1,441,751 | 1,888,775 | 1,659,073 |
| Support costs | 239,624 | 1,082 | 99,283 | 339,989 | 286,734 |
| Governance | - | - | 15,588 | 15,588 | 14,198 |
| Total expenditure | 685,757 | 1,973 | 1,556,622 | 2,244,352 | 1,960,005 |

5. ANALYSIS OF STAFF COSTS AND THE COST OF KEY MANAGEMENT PERSONNEL

| | Directly charitable £ | Support costs £ | 2017 Total £ | 2016 Total £ |
|-----------------------|-----------------------------|-----------------------|--------------------|--------------------|
| Wages and salaries | 414,256 | 200,922 | 615,178 | 576,661 |
| Pension costs | 5,780 | 7,018 | 12,798 | 15,619 |
| Social security costs | 26,097 | 31,684 | 57,781 | 54,770 |
| | 446,133 | 239,624 | 685,757 | 647,050 |

The average monthly headcount of employees was:

| | 2017 No. | 2016 No. |
|----------------------|-------------|-------------|
| Senior staff | 5 | 6 |
| Social workers | 5 | 3 |
| Placement support | 3 | 3 |
| Administrative staff | 3 | 3 |
| | 16 | 15 |

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

| | 2017 No. | 2016 No. |
|-------------------|-------------|-------------|
| £70,000 - £80,000 | 1 | 1 |

The remuneration for the key management personnel amounted to £227,464 (2016: £200,233). Key management personnel are defined as the Chief Executive, Registered Manager in the South, Registered Manager in the North and Business Development Manager (new for 2017).

**COMMUNITY FOSTER CARE
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2017**

6. OTHER COSTS

| | Directly charitable £ | Support costs £ | 2017 Total £ | 2016 Total £ |
|------------------------------------|-----------------------------|-----------------------|--------------------|--------------------|
| Foster carers costs | 1,154,645 | - | 1,154,645 | 1,042,374 |
| Insurance | 10,829 | - | 10,829 | 10,069 |
| Children's care & activities | 19,276 | - | 19,276 | 14,731 |
| Travel and subsistence | 10,057 | 12,211 | 22,268 | 19,355 |
| Staff training | 8,464 | - | 8,464 | 14,924 |
| Cleaning | 1,703 | 2,068 | 3,771 | 3,857 |
| Premises expenses | 27,880 | 33,849 | 61,729 | 43,235 |
| Printing, postage & stationery | 9,974 | 1,879 | 11,853 | 13,883 |
| Telephone | 4,778 | 5,801 | 10,579 | 9,813 |
| Legal, professional, & consultancy | 23,989 | 24,224 | 48,213 | 36,253 |
| Accountancy and audit | - | 13,098 | 13,098 | 11,268 |
| Social work consultancy | 61 | 74 | 135 | 482 |
| Miscellaneous | 9,115 | 3,350 | 12,465 | 6,438 |
| Subscriptions | 4,352 | 5,284 | 9,636 | 6,051 |
| Equipment maintenance | 9,971 | 12,105 | 22,076 | 25,361 |
| Recruitment | 34,811 | - | 34,811 | 9,984 |
| Advertising & promotion | 9,646 | - | 9,646 | 15,548 |
| Discounts Allowed | 23,300 | - | 23,300 | 25,504 |
| Grant to parent | 78,134 | - | 78,134 | - |
| Deficit/(surplus) on disposal | 765 | 929 | 1,694 | - |
| | 1,441,750 | 114,872 | 1,556,622 | 1,309,130 |

Included within support costs above is governance costs of £15,588 (2016: £14,198) which includes £13,098 (2016: £11,268) for audit and accountancy and other support costs of £2,490 (2016: £2,930).

**COMMUNITY FOSTER CARE
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2017**

7. NET EXPENDITURE

Net expenditure is stated after charging:

| | 2017 £ | 2016 £ |
|--|-----------|-----------|
| Depreciation of tangible fixed assets (note 8) | | |
| - owned assets | 1,973 | 3,825 |
| Operating lease rentals | 42,330 | 28,316 |
| Auditors' remuneration - audit | 6,345 | 6,220 |
| Auditors' remuneration - non audit services | 1,040 | 1,020 |
| Pension costs | 12,798 | 15,619 |
| Loss on disposal of fixed assets | 1,694 | - |

8. TANGIBLE FIXED ASSETS

| | Office equipment £ | Fixtures & Fittings £ | Total £ |
|-------------------------|--------------------------|-----------------------------|--------------|
| Cost | | | |
| At 1 April 2016 | 55,288 | 21,091 | 76,379 |
| Additions | 1,290 | - | 1,290 |
| Disposals | (48,615) | (19,460) | (68,075) |
| At 31 March 2017 | 7,963 | 1,631 | 9,594 |
| Depreciation | | | |
| At 1 April 2016 | 50,052 | 19,551 | 69,603 |
| Charge for the year | 1,684 | 289 | 1,973 |
| Eliminated on disposal | (47,304) | (19,078) | (66,382) |
| At 31 March 2017 | 4,432 | 762 | 5,194 |
| Net book amount | | | |
| At 31 March 2017 | 3,531 | 869 | 4,400 |
| At 31 March 2016 | 5,236 | 1,540 | 6,776 |

**COMMUNITY FOSTER CARE
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2017**

9. DEBTORS

| | 2017 | 2016 |
|---------------------------------|---------------|----------------|
| | £ | £ |
| Due within one year | | |
| Trade debtors | 32,696 | 150,107 |
| Prepayments and accrued income | 38,249 | 20,956 |
| Amounts due from parent Charity | - | 61,834 |
| Other debtors | 9,120 | 7,731 |
| | <u>80,065</u> | <u>240,628</u> |

10. CREDITORS: Amounts falling due within one year

| | 2017 | 2016 |
|---------------------------------|----------------|---------------|
| | £ | £ |
| Trade creditors | 19,895 | 13,950 |
| Accruals and deferred income | 69,395 | 53,465 |
| Pension | 3,116 | 3,216 |
| Other creditors | 50,778 | 4,965 |
| Social security and other taxes | 18,013 | 16,841 |
| | <u>161,197</u> | <u>92,437</u> |

11. STATEMENT OF FUNDS

| | At 1 April 2016 £ | Income £ | Expenditure £ | At 31 March 2017 £ |
|---|----------------------------|------------------|--------------------|-----------------------------|
| For the year ended 31 March 2017 | | | | |
| Restricted Funds | | | | |
| John Bryson | 2,351 | - | - | 2,351 |
| Unrestricted funds | | | | |
| General fund | 485,182 | 2,147,024 | (2,243,478) | 388,728 |
| Designated Funds | | | | |
| Leaving Care | 16,321 | - | (874) | 15,447 |
| | <u>503,854</u> | <u>2,147,024</u> | <u>(2,244,352)</u> | <u>406,526</u> |

**COMMUNITY FOSTER CARE
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2017**

11. STATEMENT OF FUNDS (continued)

| For the year ended 31 March 2016 | <i>At 1 April 2015</i> £ | Income £ | Expenditure £ | <i>At 31 March 2016</i> £ |
|---|--|---------------------|--------------------------|---|
| Restricted Funds | | | | |
| John Bryson | 2,400 | - | (49) | 2,351 |
| Unrestricted funds | | | | |
| General fund | 535,723 | 1,907,897 | (1,958,438) | 485,182 |
| Designated Funds | | | | |
| 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 Boot 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 2017**

12. ALLOCATION OF NET ASSETS BETWEEN FUNDS

For the year ended 31 March 2017

| | Fixed assets | Net current assets | Total |
|--------------------|--------------|--------------------------|----------------|
| | £ | £ | £ |
| Restricted funds | - | 2,351 | 2,351 |
| Unrestricted funds | 4,400 | 384,328 | 388,728 |
| Designated funds | - | 15,447 | 15,447 |
| | <u>4,400</u> | <u>402,126</u> | <u>406,526</u> |

For the year ended 31 March 2016

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

13. PENSION SCHEME

The pension cost charge for the period represents contributions payable to the defined contribution scheme and amounted to £12,798 (2016: £15,619).

Contributions totalling £3,116 (2016: £3,216) was payable to the scheme at the year end and are included within creditors.

14. TRANSACTIONS WITH TRUSTEES

The Charity did not reimburse any Trustees for travelling expenses this year (2016: £nil).
No Trustees received remuneration during the year (2016: £nil).

**COMMUNITY FOSTER CARE
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2017**

15. OBLIGATIONS UNDER OPERATING LEASES

At 31 March 2017 the Charity had total commitments under non-cancellable operating leases as set out below:

| | 2017 | 2016 |
|----------------------------|---------------|---------------|
| | £ | £ |
| Due within: | | |
| One year | 36,995 | 25,347 |
| Between one and two years | 35,118 | 4,887 |
| Between two and five years | 15,126 | 237 |

16. RELATED PARTY TRANSACTIONS

During the year the Charity charged its parent, Community Family Care management fees of £nil (2016: £6,000).

At 31 March 2017 an amount of £nil (2016: £61,834) was owed from Community Family Care to Community Foster Care. During the year a grant was made by Community Foster Care to Community Family Care of £78,134 (2016: £nil).

During the year, one Trustee, M Straten, was paid £1,155 (2016: £nil) in relation to her work as Agency Decision Maker. The whole amount remained payable at year end (2016: £nil).

17. 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.

**COMMUNITY FOSTER CARE
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2017**

18. RECONCILIATION OF NET EXPENDITURE TO NET CASH FLOW FROM OPERATING ACTIVITIES

| | 2017 | 2016 |
|---|-----------------|------------------|
| | £ | £ |
| Net (expenditure) for the reporting period (as per the income statement) | (97,328) | (52,108) |
| Adjustments for: | | |
| Depreciation charges | 1,973 | 3,825 |
| Loss on the sale of fixed assets | 1,694 | - |
| Interest from investments | (844) | (961) |
| (Decrease)/increase in debtors | 160,563 | (160,722) |
| Increase in creditors | 68,760 | 29,442 |
| Net cash provided by/(used in) operating activities | 134,818 | (180,524) |
| Cash and cash equivalents | 2017 | 2016 |
| | £ | £ |
| Cash in hand | 382,237 | 288,190 |
| Cash in deposit accounts | 101,021 | 60,967 |
| Total cash & cash equivalents | 483,258 | 348,887 |

19. FINANCIAL INSTRUMENTS

| | 2017 | 2016 |
|---|----------------|----------------|
| | £ | £ |
| Financial assets | | |
| Financial assets that are debt instruments measured at amortised cost | 525,074 | 569,526 |
| | <u>525,074</u> | <u>569,526</u> |
| Financial liabilities | | |
| Financial liabilities measured at amortised cost | 140,068 | 71,978 |
| | <u>140,068</u> | <u>71,978</u> |

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

Financial liabilities measured at settlement value comprise of trade creditors, accruals and other creditors.