

Company Number: 03719101
Registered Charity Number: 1084124

COMMUNITY FOSTER CARE
(A company limited by guarantee)

**FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2018**

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**COMMUNITY FOSTER CARE
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FOR THE YEAR ENDED 31 MARCH 2018**

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**COMMUNITY FOSTER CARE
LEGAL AND ADMINISTRATIVE INFORMATION
FOR THE YEAR ENDED 31 MARCH 2018**

| | |
|----------------------------|--|
| TRUSTEES/DIRECTORS | E Haines (appointed 27 April 2017) H Pelham (appointed 27 April 2017 & resigned 20 February 2018) M Straton J Jansen C Wade J Dwight D Conarty |
| CHARITY SECRETARY | J Dwight |
| CHIEF EXECUTIVE | M Kingston (appointed 3 January 2018) |
| 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 U.K. LLP (Formerly 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 2018**

Firstly, the Board would like to thank all of our foster carers for their continued passion, sensitivity and commitment. Community Foster Care would be nothing without them, by opening their homes and offering love and warmth to the children and young people who live with them. The board is extremely proud of them and the work that they undertake which embodies the values of our charity. Community Foster Care has continued to evolve and develop despite changes in leadership during the year. This is a credit to the staff of the Charity, who have worked closely with the Board to ensure it remains well placed to respond to the needs of children. The Board would like to thank the staff for their hard work and commitment during the year. Furthermore, the Board recognises and appreciates the close working relationship that has been developed with the Senior Leadership Team this year.

Whilst there has been a small reduction in the overall turnover, Community Foster Care made a small loss in 2017 – 18. This year Community Foster Care made a grant of £68k to its parent charity Community Family Care. This reflects a decision by Trustees to invest charity funds to promote the wellbeing for children and young people. However, consideration has been given by the Trustees, as to whether it is necessary for these activities to be organised within a separate charity and company. In 2018 – 19 the Trustees have agreed for appropriate actions to be taken to dissolve the parent company Community Family Care and to move the trade and assets to one charitable company – Community Foster Care. This will not affect the activities of either charity but will continue as just one entity.

During the year the Trustees have worked closely with the managers to ensure that the arrangements to support and develop fostering in the North of England are effective. The Trustees have been very impressed with the tenacity of staff in the North. The commitment was reflected in the service providing foster homes to 17 children at the year end. This was a new high for our North Service and reflects their drive to grow, despite the absence of a significant investment in recruitment. In the South, one strand of the strategy has been to diversify fostering, by developing our parent and child offer. A new specialist social worker was recruited and has set about attracting new foster carers to this exciting stream of fostering. At the end of the year, we have two households delivering parent and child placement, with two more under assessment. We continue to see a high demand for this type of placement. We have enjoyed working closely with our partners in the development of Skyrocket, the training organisation that we jointly own, with two other, not for profit foster agencies. This has seen the roll out of a very popular course on the role of a Registered Manager. We will be looking closely at other developmental opportunities over the coming year.

In January 2018 our new CEO joined us and he has injected a new and dynamic sense of purpose and direction for the charity, which is welcomed by the Board. Maximising on the value of 'fresh eyes', we have taken time this year to revisit who we are and what's important to us. A key part of this was an away day with staff and Trustees



Charles Wade
Chair of the Board of Directors and Trustees

COMMUNITY FOSTER CARE TRUSTEES' REPORT FOR THE YEAR ENDED 31 MARCH 2018

The Trustees present their report and audited financial statements for the year ended 31 March, 2018.

The Board of Trustees

Jennie Dwight (Company Secretary appointed 11.05.17)
Joanna Jansen (Trustee)
Mariana Straton (Trustee)
Hugh Pelham (Trustee) appointed 27.04.17 - resigned 20.02.18
Charles Wade (Chair)
Elaine Haines (Trustee) (appointed 27.04.17)
Derek Conaty (Trustee)

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. On the 30 July 2018 these articles were extended to incorporate the work undertaken by Community Family Care and to enable this work to be continued by Community Foster Care.

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 appointment and one resignation leaving the Board remaining at six Trustees plus two non-voting carer representatives.

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. Two foster carers (non-voting) sit on the Board of Trustees, one from the service in Lancaster and one from the service in Gloucestershire, 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. A skills audit will be undertaken during 2018 to enable the charity to target particular areas that would benefit the Charity.

Community Foster Care ensures that any new trustee is selected and recruited safely inline with expected practice and regulations. 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 2018

In March 2017 two Trustees attended the values day held with all staff in Staffordshire. Mark Kingston attended a course on "What the future holds for charities" in March 2017 and cascaded information to the Board. This included a session in June 2018 with Trustees considering the "Good Governance Code". It was agreed to look at a different section within the code at each subsequent Trustees meeting to consider current practice and what relevant steps we would take to improve practice. At the meeting in June Principle 1 – Organisational Purpose was considered. Whilst practice was considered sound, it was agreed that more work was needed to drive the Charity's strategic aims. It was agreed that a new Strategic plan would be developed for the Trustees to consider and drive forward.

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 presented to the Board in April 2017, the Board undertook a full review of their risk-awareness strategy utilising the 8 Hallmarks of a Risk-Aware Charity and the six lessons from Kids Company.

A key risk area, was the reduction of income from our foster placements. Significant work has been taking place to mitigate this risk, including enhanced financial procedures, preparing a recruitment strategy, ensuring purchaser meet additional ongoing costs identified within placements and routine robust financial monitoring.

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 is 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 each quarter. 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 each quarter to monitor the safeguarding of children, review policies and monitor the schedules required by Foster Care Regulations.

A Finance Sub Committee meets four times a year to examine in full detail the budget planning and accounting practices of the Charity. On an annual basis this group reviews the Charity's investment policy.

The day-to-day responsibility for the provision of the service 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 Senior Leadership Team of Registered Managers and a Business Development Manager.

Our new Chief Executive, Mark Kingston, took up post in January 2018 when Hugh Pelham retired.

The pay of staff and managers is reviewed annually. The pay of staff and managers is benchmarked against the pay of similar staff in the sector. The Charity aims to be competitive in the salary that it provides and seeks to reflect its position as a provider of high quality children's services in the salaries it pays its staff.

COMMUNITY FOSTER CARE TRUSTEES' REPORT FOR THE YEAR ENDED 31 MARCH 2018

Public Benefit and Social Impact

The public benefit of Community Foster Care is providing opportunities for members of the local community to foster. Community Foster Care believes that good foster carers come from all communities and backgrounds. We actively seek carers from all communities to strengthen our ability to meet the diverse needs of the children in the care population. 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 amended the Memorandum and Articles of Association in May 2017 to bring them in line with recent guidance. The Trustee also noted in early 2018, that the Articles of Association should be widened to allow for the wider activities of our parent charity Community Family Care to be undertaken with Community Foster Care. These revisions were rectified in the special resolution on the 30 July 2018 by the Trustees.

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 developing self-esteem to play a more active and constructive role in society.

At the end of March 2018 we cared for 50 children and young people on behalf of Local Authorities and during the year 2017-2018 over 85 children and young people benefitted from our care. Three young people stayed on with their carers after their 18th birthday known as Staying Put. We invested in an online consultation tool and ran a foster carer survey in March 2018. 76% of our foster households responded. In this consultation, carers told us that there were high levels of satisfaction with:

- the support provided by the Agency
- communication between carers and key workers
- out of hours support
- activities for children and young people in placement
- financial systems

Our carers provided helpful feedback on how we can enhance and develop the accessibility of training and support groups.

Fundraising

The Charity has no fundraising activities requiring disclosure under S162A of the Charities Act 2011.

Objectives and Activities

The objects of the charity are:

- 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;
- 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;
- To promote and protect the good health of children, young people, adults and their families who are in need or who are socially and economically disadvantaged in any way and in particular those who have been in the care of or accommodated by a Local Authority by:
 - Providing training, support and guidance;
 - 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

**COMMUNITY FOSTER CARE
TRUSTEES' REPORT
FOR THE YEAR ENDED 31 MARCH 2018**

- aim of improving family life; and
- Providing for their education and establishment in life.

- iv) The relief of poverty and in particular the assistance of children and adults who have as children been in Local Authority care and their families.

A key strand of the Community Foster Care approach is to develop longstanding relationships with communities, often disadvantaged communities. Potential foster carers are targeted from all areas of the community including socially and economically disadvantaged areas. Community Foster Care's approach has been to develop the skills and social capital within these specific neighbourhoods, with a view to enabling families within these communities to provide warm stable homes to children in need of them. This approach sees our interventions building the knowledge and resources within these communities. We have introduced an innovative approach to the recruitment of foster carers.

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.

Business Planning

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 included continuing the growth strategy in both Gloucester and Swindon areas and in the North through active carer recruitment activities. The Business Plan was reviewed by Hugh Pelham in March 2016. In line with the arrival of a new CEO, the Trustees have asked for a new Strategic plan to be developed to drive the next few years of the charity.

Senior Managers are working closely with the Trustees to develop an ambitious plan for the next three years. This will build on a firm foundation of our values and purpose, which are currently under review. Based on a deep understanding of these we will be creating a plan that further develops our ability to achieve our purpose.

Achievements and Performance during 2017-2018

The table below details the number of children placed with our carers at the end of each fiscal year. Planned breaks and staying put arrangements are not included.

| Numbers of Children living with CFC carers | | | | | |
|--|---------|---------|---------|---------|---------|
| | 31.3.14 | 31.3.15 | 31.3.16 | 31.3.17 | 31.3.18 |
| North | 14 | 10 | 13 | 13 | 17 |
| South | 30 | 34 | 31 | 35 | 33 |
| Total | 44 | 44 | 44 | 48 | 50 |

**COMMUNITY FOSTER CARE
TRUSTEES' REPORT
FOR THE YEAR ENDED 31 MARCH 2018**

Similarly the table below illustrates the number of approved fostering households at the end of each year.

| Numbers of Fostering Households | | | | | |
|--|-------------|-------------|-------------|-------------|-------------|
| | 2014 | 2015 | 2016 | 2017 | 2018 |
| North | 9 | 15 | 13 | 11 | 13 |
| South | 28 | 30 | 35 | 36 | 34 |
| Total | 37 | 45 | 48 | 47 | 47 |

Placement numbers are influenced by carer numbers. Whilst fostering household numbers have remained relatively consistent, an increase in sibling placements has seen a small increase in the number of children living with our carers. The recruitment of carers remains a key issue for Community Foster Care, as it does for all agencies across the country.

Financial performance as detailed in this report shows the Charity maintaining a breakeven position after making the £68,000 one off grant to the parent charity and maintaining reasonable levels of reserves at circa. £390k. This was a small but significant improvement on the forecasted Q3 position (17/18). The budget set for the year was considerably more stretching.

During the year, the charity invested in marketing and recruitment by engaging the services of a digital marketing company. This work saw a significant 50% rise in initial assessment visits to potential foster carers for the quarter related to the investment.

The Digital Marketing company also reviewed the effectiveness of the website. As a result the website has been reviewed to enhance its overall look and promote its Search Engine Optimisation (SEO). This 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.

During 2017/18 the Charity continued to make use of Social Media and is now using it to assist in recruiting carers, particularly in the North.

| Approximate growth of Social Media presents | | |
|--|-----------------------|--------------------------|
| | Facebook likes | Twitter followers |
| 2013 | | 120 |
| 2014 | | 320 |
| 2015 | 150 | 500 |
| 2016 | 260 | 800 |
| 2017 | | |
| 2018 | 1200 | 1200 |

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 Charity.

We have offices in Royal Wootton Bassett, Wiltshire and Workington, Cumbria which meet the needs of our carers in these localities. A Social Worker and a Placement Support Worker operate from these offices, which is also a base for training.

Our registered offices are in Staunton, Gloucestershire and Lancaster, Lancashire. These offices are the main offices and provide accommodation for staff.

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 activities are provided in both our Regions. In addition, a life skills programme was undertaken with some of our young people in October 2017.

COMMUNITY FOSTER CARE TRUSTEES' REPORT FOR THE YEAR ENDED 31 MARCH 2018

Each year we run a residential experience. In 2017, a group went on a weekend activity camp to York. In 2018 it is planned to take a group of children and young people to Devon.

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 is the Charity's Patron.

The Charity, along with Community Family Care, held a joint Trustees and Staff Business Day in March 2018 to review the values and objectives of the Agency. This proved very successful and work is ongoing to embed the values into everything the Agency does.

Alongside this the Big Potential awarded Community Foster Care a grant to engage a social investment consultancy. As a result, the Charity has worked closely with a consultancy to develop a growth plan with a view to attracting social investment. The Charity will review the final product and incorporate the result in a strategy plan for the next few years.

Financial Review 2017-2018

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 managed a neutral financial performance in 2017-18, in effect breaking even after making a one off grant to its parent charity of £68 000.

There was a slight deficit for 2017-18 which was £1,849 or - 0.09% of turnover.

Community Foster Carers principle funding source is the income from Local Authority contracts. This has decreased from c.£2.14M in 2016 - 17 to c.£2.00M in 2017 - 18.

The Funds available as at 31st March 2018 are £404,677 of which £15 406 are restricted funds.

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 has developed from its inauguration in 2012. 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. However, there has been consideration by Trustees as to whether there continues to be a need to operate a second company and charity in Community Family Care. This has resulted in a decision to cease the trading of Community Family Care whilst its work (along with its assets) will transfer to Community Foster Care. In this financial year c£68k was written off Community Family Care's debt owed to Community Foster Care by Trustees.

Investment Policy

During the year the Charity invested £10,000 in Sky Rocket Partnership – this is a joint venture arrangement. Please refer to note 10 for details of this accounting treatment.

The Charity does not hold any other investments.

COMMUNITY FOSTER CARE TRUSTEES' REPORT FOR THE YEAR ENDED 31 MARCH 2018

Reserves Policy

In March 2018, the Trustees examined the Charity's requirements for reserves in light of the main risks to the charity. Work was undertaken in light of the reserves policy to ensure operation in adverse circumstances for six months, to play through a range of potentially negative events and how these would impact on the Charity. As a result, it has established a policy whereby the unrestricted funds not committed or invested in tangible fixed assets held by the charity were sufficient to manage a close down over a six month period. 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.

At the end of the year the unrestricted reserves available to the Charity were c.£390 000 which is consistent with the funds required by the reserves policy. Of this amount £13k is designated – please refer to note 12 of the financial statements for further details. The Charity also holds c£15k in restricted funds – details of which can be found in note 12 of the financial statements. As a result Community Foster Carer is holding about the right amount of funds in line with the reserves position detailed above.

Plans for the Future Periods

The Charity plans to agree a new strategic plan to drive the charity forward over the next three years. Underpinned by a renewed belief in the Charity's purpose and values this strategy will guide the Charity into a period of measured growth. It is likely that the Agency will prioritise:

- Carer recruitment
- Transfer of Community Family Carers work to Community Foster Care.
- Developing the placement offer
- Ensuring the website, marketing and communication strategy remain live and active
- Securing block purchase contracts where available

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 2018**

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 12/11/2018 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 2018**

Opinion

We have audited the financial statements of Community Foster Care for the year ended 31 March 2018 which comprise the Statement of Financial Activities, the Balance Sheet, the Statement of Cash Flows and the related notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

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 2018 and of its incoming resources and application of resources, including its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the Charitable Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the Trustees' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the Trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the Charitable Company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information

The Trustees are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

**COMMUNITY FOSTER CARE
INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF COMMUNITY FOSTER CARE
FOR THE YEAR ENDED 31 MARCH 2018**

Opinions 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, which includes the Directors' report prepared for the purposes of company law, for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Directors' report included within the Trustees' report have 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 Directors' report included within the Trustees' report.

We have nothing to report in respect of the following matters in relation to which 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.

Responsibilities of Trustees

As explained more fully in the Trustees' responsibilities statement, the Trustees (who are also the Directors of the Charitable Company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Trustees are responsible for assessing the Charitable Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Trustees either intend to liquidate the Charitable Company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

**COMMUNITY FOSTER CARE
INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF COMMUNITY FOSTER CARE
FOR THE YEAR ENDED 31 MARCH 2018**

Use of our report

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 Charitable Company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Guy Biggin
Senior Statutory Auditor
For and on behalf of
Crowe U.K. LLP

Statutory Auditor
Carrick House
Lypiatt Road
Cheltenham
Gloucestershire
GL50 2QJ

Date: 12 Dec 2018

**COMMUNITY FOSTER CARE
STATEMENT OF FINANCIAL ACTIVITIES
(Incorporating the Income and Expenditure Account)
FOR THE YEAR ENDED 31 MARCH 2018**

| | | Unrestricted Funds £ | Restricted Funds £ | 2018 Total Funds £ | 2017 Total Funds £ |
|---|-------------|-------------------------------------|-----------------------------------|---------------------------------------|---------------------------------------|
| INCOME FROM: | Note | | | | |
| Donations | | 6,375 | 30,340 | 36,715 | 871 |
| <i>Other trading activities</i> | | | | | |
| Fund raising events | | 1,432 | - | 1,432 | 3,003 |
| <i>Charitable activities</i> | | | | | |
| Local authority contracts | | 2,001,581 | - | 2,001,581 | 2,139,846 |
| Investments | | 3,443 | - | 3,443 | 844 |
| Other | | 18,964 | - | 18,964 | 2,460 |
| TOTAL INCOME | | 2,031,795 | 30,340 | 2,062,135 | 2,147,024 |
| EXPENDITURE ON: | | | | | |
| Charitable activities | | 2,046,699 | 17,285 | 2,063,984 | 2,244,352 |
| TOTAL EXPENDITURE | 4 | 2,046,699 | 17,285 | 2,063,984 | 2,244,352 |
| Net (expenditure)/income and net movement in funds | | (14,904) | 13,055 | (1,849) | (97,328) |
| RECONCILIATION OF FUNDS: | | | | | |
| Total funds brought forward | 12 | 404,175 | 2,351 | 406,526 | 503,854 |
| Total funds carried forward | 12 | 389,271 | 15,406 | 404,677 | 406,256 |

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

The notes on pages 17 to 29 form part of these financial statements.

**COMMUNITY FOSTER CARE
BALANCE SHEET
AS AT 31 MARCH 2018
REGISTERED NUMBER: 03719101**

| | Note | 2018 £ | 2017 £ |
|--|------|----------------|----------------|
| FIXED ASSETS | | | |
| Tangible assets | 8 | 2,768 | 4,400 |
| Investments | 9 | 10,000 | - |
| | | <u>12,768</u> | <u>4,400</u> |
| CURRENT ASSETS | | | |
| Debtors | 10 | 128,956 | 80,065 |
| Cash at bank and in hand | | 394,462 | 483,258 |
| | | <u>523,418</u> | <u>563,323</u> |
| LIABILITIES | | | |
| Creditors: Amounts falling due within one year | 11 | (131,509) | (161,197) |
| NET CURRENT ASSETS | | <u>391,909</u> | <u>402,126</u> |
| TOTAL NET ASSETS | | <u>404,677</u> | <u>406,526</u> |
| FUNDS OF THE CHARITY: | | | |
| Restricted Funds | 12 | 15,406 | 2,351 |
| Unrestricted Funds | 12 | 389,271 | 404,175 |
| TOTAL CHARITY FUNDS | 12 | <u>404,677</u> | <u>406,526</u> |

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

These financial statements were approved and authorised for issue by the Trustees on 12/11/2018 and signed on its behalf by:



Charles Wade
Chair of the Board of Directors and Trustees

The notes on pages 17 to 29 form part of these financial statements.

**COMMUNITY FOSTER CARE
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 MARCH 2018**

| | Note | 2018 £ | 2017 £ |
|--|-------------|-------------------|-------------------|
| Cash flows from operating activities: | | | |
| <i>Net cash (used in)/provided by operating activities</i> | 19 | (80,086) | 134,818 |
| Cash flows from investing activities | | | |
| Interest from investments | | 3,443 | 844 |
| Purchase of equipment | | (2,153) | (1,290) |
| Purchase of Skyrocket investment | | (10,000) | - |
| <i>Net cash used in investing activities</i> | | (8,710) | (446) |
| <i>Change in cash and cash equivalents in the reporting period</i> | | (88,796) | 134,371 |
| <i>Cash and cash equivalents at the beginning of the reporting period</i> | 19 | 483,258 | 348,887 |
| <i>Cash and cash equivalents at the end of the reporting period</i> | 19 | 394,462 | 483,258 |

The notes on pages 17 to 29 form part of these financial statements.

**COMMUNITY FOSTER CARE
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2018**

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 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.

(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 such as grants 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 2018**

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. 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 20 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 2018**

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 fixed assets

The annual depreciation charge for the tangible fixed 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 2018**

3. COMPARATIVE STATEMENT OF FINANCIAL ACTIVITIES FOR THE YEAR ENDED 31 MARCH 2017

| | | | | 2017 |
|--|----------|-----------------------|--------------------------|---------------------|
| | Note | General Funds £ | Restricted Funds £ | Total Funds £ |
| INCOME FROM: | | | | |
| Donations | | 871 | - | 871 |
| Other trading activities | | | | |
| <i>Fund raising events</i> | | 3,003 | - | 3,003 |
| Charitable activities | | | | |
| <i>Local Authority contracts</i> | | 2,139,846 | - | 2,139,846 |
| Investments | | 844 | - | 844 |
| Other | | 2,460 | - | 2,460 |
| TOTAL INCOME | | 2,147,024 | - | 2,147,024 |
| EXPENDITURE ON: | | | | |
| Charitable activities | | 2,244,352 | - | 2,224,352 |
| TOTAL EXPENDITURE | 4 | 2,244,352 | - | 2,224,352 |
| Net (expenditure) and net movement in funds | | (97,328) | - | (97,328) |
| RECONCILIATION OF FUNDS | | | | |
| Total restated funds brought forward | 12 | 501,503 | 2,351 | 503,854 |
| Total funds carried forward | 12 | 404,175 | 2,351 | 406,526 |

**COMMUNITY FOSTER CARE
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2018**

4. ANALYSIS OF EXPENDITURE

| | Staff costs £ | Depreciation £ | Other costs £ | 2018 Total £ | 2017 Total £ |
|------------------------------|---------------------|-------------------|------------------|--------------------|--------------------|
| Charitable activities | | | | | |
| Provision of foster care | 389,599 | 571 | 1,305,103 | 1,695,273 | 1,888,775 |
| Support costs | 248,610 | 694 | 102,669 | 351,972 | 339,989 |
| Governance (note 6) | - | - | 16,739 | 16,739 | 15,588 |
| Total expenditure | 638,209 | 1,265 | 1,424,511 | 2,063,984 | 2,244,352 |

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

| | Directly charitable £ | Support costs £ | 2018 Total £ | 2017 Total £ |
|-----------------------|-----------------------------|-----------------------|--------------------|--------------------|
| Wages and salaries | 360,681 | 213,500 | 574,181 | 615,178 |
| Pension costs | 6,039 | 7,333 | 13,372 | 12,798 |
| Social security costs | 22,879 | 27,777 | 50,656 | 57,781 |
| | 389,599 | 248,610 | 638,209 | 685,757 |

| | 2018 No. | 2017 No. |
|--|-------------|-------------|
| Senior staff | 3 | 5 |
| Social workers | 3 | 5 |
| Placement support | 7 | 3 |
| Administrative staff | 3 | 3 |
| | 16 | 16 |
| | 2018 No. | 2017 No. |
| The number of employees whose remuneration exceeded £60,000 was: | | |
| £70,000 - £80,000 | - | 1 |

The remuneration for the key management personnel amounted to £209,181 (2017: £227,464). Key management personnel are defined as the Chief Executive, Registered Manager in the South, Registered Manager in the North and Business Development Manager.

**COMMUNITY FOSTER CARE
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2018**

6. OTHER COSTS

| | Directly charitable £ | Support costs £ | 2018 Total £ | 2017 Total £ |
|--------------------------------------|-----------------------------|-----------------------|--------------------|--------------------|
| Foster carers costs | 1,073,008 | - | 1,073,008 | 1,154,645 |
| Insurance | 10,310 | - | 10,310 | 10,829 |
| Children's care & activities | 14,803 | - | 14,803 | 19,276 |
| Travel and subsistence | 10,736 | 13,034 | 23,770 | 22,268 |
| Staff training | 4,678 | - | 4,678 | 8,464 |
| Cleaning | 1,810 | 2,198 | 4,008 | 3,771 |
| Premises expenses | 27,338 | 33,191 | 60,529 | 61,729 |
| Printing, postage & stationery | 9,210 | 1,259 | 10,469 | 11,853 |
| Telephone | 7,091 | 8,609 | 15,701 | 10,579 |
| Legal, professional & consultancy | 23,803 | 23,623 | 47,426 | 48,213 |
| Accountancy and audit | - | 13,499 | 13,499 | 13,098 |
| Social work consultancy | 689 | 836 | 1,525 | 135 |
| Miscellaneous | 8,408 | 3,940 | 12,349 | 12,465 |
| Subscriptions | 4,374 | 5,311 | 9,685 | 9,636 |
| Equipment maintenance | 9,380 | 11,389 | 20,769 | 22,076 |
| Recruitment | 16,923 | - | 16,923 | 34,811 |
| Advertising & promotion | 14,542 | - | 14,542 | 9,646 |
| Discounts allowed | - | - | - | 23,300 |
| Intercompany write off | 68,000 | - | 68,000 | 78,134 |
| Deficit on disposal | - | 2,519 | 2,519 | 1,694 |
| | 1,305,103 | 119,408 | 1,424,511 | 1,556,622 |

Included within support costs above is governance costs of £16,739 (2017: £15,588) which includes £13,499 (2017: £13,098) for audit and accountancy and other support costs of £3,240 (2017: £2,490).

**COMMUNITY FOSTER CARE
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2018**

7. NET EXPENDITURE

Net expenditure is stated after charging:

| | 2018 £ | 2017 £ |
|--|-----------|-----------|
| Depreciation of tangible fixed assets (note 8) | | |
| - owned assets | 1,265 | 1,973 |
| Operating lease rentals | 36,995 | 42,330 |
| Auditors' remuneration - audit | 6,475 | 6,345 |
| Auditors' remuneration - non audit services | 1,065 | 1,040 |
| Pension costs | 13,372 | 12,798 |
| Loss on disposal of fixed assets | 2,519 | 1,694 |

8. TANGIBLE FIXED ASSETS

| | Office equipment £ | Fixtures & Fittings £ | Total £ |
|-------------------------|--------------------------|-----------------------------|--------------|
| Cost | | | |
| At 1 April 2017 | 7,963 | 1,631 | 9,594 |
| Additions | 2,153 | - | 2,153 |
| Disposals | (6,282) | (1,631) | (7,913) |
| At 31 March 2018 | 3,834 | - | 3,834 |
| Depreciation | | | |
| At 1 April 2017 | 4,432 | 762 | 5,194 |
| Charge for the year | 1,265 | - | 1,265 |
| Eliminated on disposal | (4,631) | (762) | (5,393) |
| At 31 March 2018 | 1,066 | - | 1,066 |
| Net book amount | | | |
| At 31 March 2018 | 2,768 | - | 2,768 |
| At 31 March 2017 | 3,531 | 869 | 4,400 |

**COMMUNITY FOSTER CARE
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2018**

9. FIXED ASSET INVESTMENTS

| | 2018 £ | 2017 £ |
|-----------------------------------|---------------|-----------|
| Market value 1 April 2017 | - | - |
| Additions at cost | 10,000 | - |
| Market value 31 March 2018 | 10,000 | - |
| Historic cost: | | |
| At 31 March 2018 | 10,000 | - |

During the year the Charity invested £10,000 in Sky Rocket Partnership. This is a joint venture arrangement but equity accounting has not occurred this year on the basis that the Charity's share of net income is immaterial. This will be reviewed annually.

10. DEBTORS

| | 2018 £ | 2017 £ |
|---------------------------------|----------------|---------------|
| Trade debtors | 59,227 | 32,696 |
| Prepayments and accrued income | 46,828 | 38,249 |
| Amounts due from parent Charity | 14,336 | - |
| Other debtors | 8,565 | 9,120 |
| | 128,956 | 80,065 |

11. CREDITORS: Amounts falling due within one year

| | 2018 £ | 2017 £ |
|---------------------------------|----------------|----------------|
| Trade creditors | 36,094 | 19,895 |
| Amounts due to parent Charity | 585 | - |
| Accruals and deferred income | 71,292 | 69,395 |
| Pension | 3,041 | 3,116 |
| Other creditors | 4,643 | 50,778 |
| Social security and other taxes | 15,854 | 18,013 |
| | 131,509 | 161,197 |

**COMMUNITY FOSTER CARE
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2018**

12. STATEMENT OF FUNDS

| | <i>At 1 April 2017 £</i> | <i>Income £</i> | <i>Expenditure £</i> | <i>At 31 March 2018 £</i> |
|---|--------------------------------------|---------------------|--------------------------|---------------------------------------|
| For the year ended 31 March 2018 | | | | |
| Restricted Funds | | | | |
| John Bryson | 2,351 | - | - | 2,351 |
| Persimmon Grant | - | 1,000 | (1,000) | - |
| Big Potential Grant | - | 29,340 | (16,285) | 13,055 |
| Unrestricted funds | | | | |
| General fund | 388,728 | 2,031,795 | (2,044,183) | 376,340 |
| Designated Funds | | | | |
| Leaving Care | 15,447 | - | (2,516) | 12,931 |
| | 406,526 | 2,062,135 | (2,063,984) | 404,677 |
| 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) | 388,278 |
| Designated Funds | | | | |
| Leaving Care | 16,321 | - | (874) | 15,447 |
| | 503,854 | 2,147,024 | (2,244,352) | 406,526 |

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 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 participating 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.

Restricted fund – Persimmon Grant

CFC received funding of £1,000 as part of Persimmon Homes Community Champions Fund. A fund which matches funds raised by charities up to £1,000 and makes awards each month. CFC were funded to deliver a series of 'Life Story' workshops with young people in Lancashire. As part of these workshops each child also receives a metaphoric storybook that is unique to their journey and written just for them. The storybook is tactile and fun with activities throughout to continue to be engaging. The storybook is theirs to keep and add to as their journey continues.

This funding has been spent in full for its intended purpose.

**COMMUNITY FOSTER CARE
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2018**

12. STATEMENT OF FUNDS (CONTINUED)

Restricted fund – Big Potential Grant

The Big Potential Break Through Fund is funded by the Big Lottery via the Social Investment Business. The fund aims to develop the skills, knowledge and confidence of voluntary and community organisations and social enterprises, enabling them to get an independent organisational 'health check' and then to choose expert support from a quality assured support provider. Ultimately exploring growth and development models involving social investment.

CFC received £29,340 of funding to work with a consultancy (The Social Investment Consultancy) and cover its costs in developing the three following areas:

- Market Research and Development of an informed business plan
- Development of a Marketing strategy
- Development of tools to measure CFCs Social impact.

CFC worked closely with TSIC in Q3 & Q4 of the 17/18 year and the funding continued into the 18/19 year.

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.

13. ALLOCATION OF NET ASSETS BETWEEN FUNDS

For the year ended 31 March 2018

| | Fixed assets | Net current assets | Total |
|--------------------|---------------------|-----------------------------------|----------------|
| | £ | £ | £ |
| Restricted funds | - | 15,406 | 15,406 |
| Unrestricted funds | 12,768 | 363,572 | 376,340 |
| Designated funds | - | 12,931 | 12,931 |
| | 12,768 | 391,909 | 404,677 |

**COMMUNITY FOSTER CARE
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2018**

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 |
| | 4,400 | 402,126 | 406,526 |

14. PENSION SCHEME

The pension cost charge for the period represents contributions payable to the defined contribution scheme and amounted to £13,372 (2017: £12,798).

Contributions totalling £3,041 (2017: £3,116) was payable to the scheme at the year end and are included within creditors.

15. TRANSACTIONS WITH TRUSTEES

The Charity did not reimburse any Trustees for travelling expenses this year (2017: £nil). One Trustee received remuneration during the year, Mr H Pelham. The total of this was £8,500 and £Nil was outstanding at the year end. This payment was not remuneration for acting as a Trustee but for acting CEO and this is allowed per Memorandum and Articles of Association. No such transactions occurred in 2017.

16. OBLIGATIONS UNDER OPERATING LEASES

At 31 March 2018 the Charity had total commitments under non-cancellable operating leases as set out below:

| Due within: | 2018 £ | 2017 £ |
|----------------------------|-----------|-----------|
| One year | 35,118 | 36,995 |
| Between one and two years | 15,125 | 35,118 |
| Between two and five years | - | 15,126 |

**COMMUNITY FOSTER CARE
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2018**

17. RELATED PARTY TRANSACTIONS

During the year the Charity charged its parent, Community Family Care management fees of £13,500 (2017: *£nil*).

At 31 March 2018 an amount of £14,336 (2017: *£nil*) 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 £68,000 (2017: £78,134). Community Foster Care owed Community Family Care £585 at the year end. (2017: *£Nil*)

During the year, Trustee, M Straten, was paid £2,122 (2017: £1,155) in relation to her work as Agency Decision Maker. £102 remained payable at year end (2017: *£nil*).

During the year, Trustee, J Jansen, was paid £2,122 (2017: *£nil*) in relation to her work as Agency Decision Maker. £nil remained payable at year end (2017: *£nil*).

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.

**COMMUNITY FOSTER CARE
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2018**

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

| | 2018 | 2017 |
|---|-----------------|-----------------|
| | £ | £ |
| Net (expenditure) for the reporting period (as per the income statement) | (1,849) | (97,328) |
| Adjustments for: | | |
| Depreciation charges | 1,265 | 1,973 |
| Loss on the sale of fixed assets | 2,519 | 1,694 |
| Interest from investments | (3,443) | (844) |
| (Increase)/decrease in debtors | (48,891) | 160,563 |
| (Decrease)/Increase in creditors | (29,688) | 68,760 |
| Net cash (used in)/provided by operating activities | (80,086) | 134,818 |
| Cash and cash equivalents | 2018 | 2017 |
| | £ | £ |
| Cash in hand | 283,356 | 382,237 |
| Cash in deposit accounts | 111,106 | 101,021 |
| Total cash & cash equivalents | 394,462 | 483,258 |

20. FINANCIAL INSTRUMENTS

| | 2018 | 2017 |
|---|----------------|----------------|
| | £ | £ |
| Financial assets | | |
| Financial assets that are debt instruments measured at amortised cost | 489,685 | 525,074 |
| | <u>489,685</u> | <u>525,074</u> |
| Financial liabilities | | |
| Financial liabilities measured at amortised cost | 111,365 | 140,068 |
| | <u>111,365</u> | <u>140,068</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.