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COMMUNITY FOSTER CARE
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2002

Company Registered Number : 03719101
Charity Commission Reference Number : 1084124



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FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2002

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LEGAL AND ADMINISTRATIVE INFORMATION

Trustees/Directors :
T Burns
V O'Connor
B Thomson
J McLaughlin (appointed 3 April 2001)
P Blake (appointed 3 July 2001)
A Cathles (appointed 3 April 2001)
M Roddy (appointed 3 April 2001)

Secretary : S Jacoby

Auditors : Little & Company
45 Park Road
Gloucester

Bankers : HSBC plc
Cheltenham Bath Road Branch
2 The Promenade
Cheltenham

Solicitors : Bretherton Price Elgood
123 The Promenade
Cheltenham

Registered Office : Twigworth Court Business Centre
Tewkesbury Road
Gloucester

Charity Registration Number : 1084124

Company Registration Number : 03719101

The directors / trustees present their report along with the financial statements of the charity for the year ended 31 March 2002. The financial statements have been prepared in accordance with the accounting policies set out on page 6 and comply with the charity's constitution and applicable law.

Constitution and objects

The charity was incorporated in England on 24 February 1999 as a company limited by guarantee and not having a share capital. The main objective of the charity being relief of suffering and distress of children in Gloucestershire and its environs by the provision of foster placements, and to advance education and training in foster care.

Review of activities

During another successful year Community Foster Care has increased and improved its training programme for foster children. The recruitment drive has reflected the desperate need for teenage children to be fostered, and more teenage children have been fostered than ever before. The NVQ 3 Caring for Children and Young People programme has been developed during the past year, with many foster carers completing units towards the award.

Reserves policy

A policy is set which reflects the trustees wish to safely commit as much as possible to the primary objectives of the charity whilst retaining financial stability and the potential to respond to new opportunities. The trustees consider that reserves should be kept at a level that would cover a minimum of four months of anticipated expenditure. Financial stability is important to the charity, as such stability is required to provide a stable environment for the beneficiaries of the charity.

Investment policy

During the year, the trustees reconsidered the short term investments and transferred funds to a higher interest bearing deposit account. The trustees are satisfied by the rate of return being obtained on the bank deposits.

Risk review

The trustees have conducted a detailed risk review and an action plan has been implemented to mitigate the potential risk areas identified. In addition to this general risk review the financial viability requirements of the charity were formally documented and agreed by the Board.

A review of the action plan will be undertaken periodically to ensure that areas highlighted have been addressed as appropriate.

Trustees' responsibilities in relation to the financial statements

Company law requires the trustees to prepare financial statements that give a true and fair view of the state of affairs of the charity and of its surplus or deficit for the financial year. In preparing those financial statements, the trustees are required to :

- Select suitable accounting policies and apply them consistently;
- Make judgements and estimates that are reasonable and prudent;
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in operation.

The trustees are responsible for keeping proper accounting records which are sufficient to show and explain the charity's transactions and to disclose with reasonable accuracy at any time the financial position of the charity, and to enable them to ensure that any statements of account comply with the requirements of the Companies Act 1985. 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.

Appointment of auditors

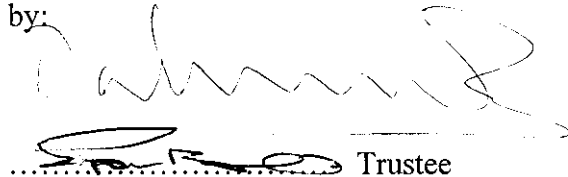
Little & Company have agreed to offer themselves for re-appointment as auditors of the charity.

Small company exemptions

This report is prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies.

The financial statements on pages 5 to 11 have been prepared in accordance with the Financial Reporting Standard for Smaller Entities (effective March 2000).

Approved by the trustees/directors on 22 December 2002 and signed on their behalf by:

A handwritten signature in black ink, appearing to be 'John Smith', written over a dotted line.

Trustee

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF
COMMUNITY FOSTER CARE**

We have audited the financial statements of Community Foster Care for the year ended 31 March 2002 which comprise the Statement of Financial Activities, the Balance Sheet and related notes. These financial statements have been prepared under the historical cost convention and the accounting policies set out therein.

Respective responsibilities of trustees and auditors

The trustees' (who are also the directors of Community Foster Care for the purposes of company law) responsibilities for the Trustees' Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards are set out in the Statement of Trustees' Responsibilities. Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and United Kingdom Auditing Standards.

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you if, in our opinion, the Trustees' Report is not consistent with the financial statements, if the charity has not kept proper accounting records, if we have not received all of the information and explanations we require for our audit, or if information specified by law regarding trustees' remuneration and transactions with the charitable company is not disclosed.

We read other information contained in the Trustees' Report and consider whether it is consistent with the audited financial statements. We consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements. Our responsibilities do not extend to any other information.

Basis of opinion

We conducted our audit in accordance with United Kingdom Auditing Standards issued by the Auditing Practices Board. An audit includes examination on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessments of the significant estimates and judgements made by the trustees in the preparation of the financial statements, and of whether the accounting policies are appropriate to the charitable company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all information and explanations which we consider necessary in order to provide us with sufficient evidence to give reasonable assurance as to whether the financial statements are free from misstatements whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

Opinion

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 2002 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

A handwritten signature in black ink, consisting of a stylized 'L' followed by a large, rounded loop.

Little & Company
Chartered Accountants
Registered Auditors
45 Park Road
Gloucester

2 January 2003

STATEMENT OF FINANCIAL ACTIVITIES (INCLUDING INCOME AND EXPENDITURE ACCOUNT)

FOR THE YEAR ENDED 31 MARCH 2002

	General Funds	Restrict ed Funds	Total Funds	2001
	£	£	£	£
INCOMING RESOURCES				
Donations, legacies and grants	-	-	-	-
Income from operating activities				
- activities in furtherance of the charity's objects				
-Local Authority Contracts	611,180	-	611,180	519,520
- other activities for generating funds	-	-	-	-
Investment income				
-Bank interest received	1,459	-	1,459	-
Other incoming resources	850	-	850	4,344
Total incoming resources	<u>613,489</u>	<u>-</u>	<u>613,489</u>	<u>523,864</u>
RESOURCES EXPENDED				
Cost of generating funds	2 -	-	-	-
Expenditure for charitable purposes	2 544,499	-	544,499	387,583
Total resources expended	<u>544,499</u>	<u>-</u>	<u>544,499</u>	<u>387,583</u>
Net incoming resources	68,990	-	68,990	136,281
Net movement in funds	<u>68,990</u>	<u>-</u>	<u>68,990</u>	<u>136,281</u>
Total funds brought forward	201,102	-	201,102	64,821
Total funds carried forward	<u>270,092</u>	<u>-</u>	<u>270,092</u>	<u>201,102</u>

BALANCE SHEET AS AT 31 MARCH 2002

	Note	2002 £	2001 £
FIXED ASSETS			
Tangible assets	6	9,206	6,099
CURRENT ASSETS			
Debtors	7	68,416	86,586
Cash at bank and in hand		203,976	119,155
		<u>272,392</u>	<u>205,741</u>
CREDITORS : Amounts falling due within one year	8	11,506	10,738
NET CURRENT ASSETS		<u>260,886</u>	<u>195,003</u>
NET ASSETS LESS CURRENT LIABILITIES		<u>270,092</u>	<u>201,102</u>
CREDITORS : Amounts falling due after one year		-	-
PROVISION FOR LIABILITIES AND CHARGES		-	-
		<u>270,092</u>	<u>201,102</u>
FUNDS			
General fund		270,092	201,102
Restricted funds		-	-
		<u>270,092</u>	<u>201,102</u>

The directors have taken advantage in the preparation of these financial statements of special exemptions provided by Part VII of the Companies Act 1985 and with the Financial Reporting Standard for Smaller Entities (effective March 2000) on the basis that the company qualifies as a small company.

Approved by the trustees on 22 December 2002 and signed on their behalf by :

 Trustee
  Trustee

The notes on pages 6 to 11 form part of these accounts.

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31 MARCH 2002

1. ACCOUNTING POLICIES

Basis of preparation. The financial statements have been prepared in accordance with the provisions of the Companies Act 1985 as applicable to small companies, the Statement of Recommended Practice (SORP), "Accounting and Reposting by Charities" published in October 2000 and applicable accounting standards.

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

The company has taken advantage of the exemption from preparing a cash flow statement conferred by Financial Reporting Standard 1 on the grounds that it is a small company.

Fund accounting. General funds are unrestricted funds which are available for use at the discretion of the trustees in furtherance of the general objectives of the charity and which have not been designated for other purposes.

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by donors or which may have been raised by the charity for particular purposes. The cost of raising and administering such funds are charged against the specific fund. The aim and use of each restricted fund is set out in the notes to the financial statements.

Income. All incoming resources are included in the SOFA when the charity is legally entitled to the income and the amount can be quantified with reasonable accuracy. For legacies, entitlement is the earlier of the charity being notified of an impending distribution or the legacy being received.

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

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

Support costs are those costs incurred directly in support of expenditure on the objects of the charity and include project management. Management and administration costs are those incurred in connection with the administration of the charity and compliance with constitutional and statutory requirements.

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31 MARCH 2002

1. ACCOUNTING POLICIES Cont..

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

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

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.

2. ANALYSIS OF TOTAL RESOURCES EXPENDED

	Staff costs (note 3) £	Depreciat ion £	Other costs (note 4) £	Total 2002 £	Total 2001 £
Charitable expenditure					
Activities in furtherance of the charity's objects	87,707	2,394	401,424	491,525	348,873
Support costs	35,875	675	6,443	42,993	30,600
Management & Admin	-	-	9,981	9,981	8,110
	123,582	3,069	417,848	544,499	387,583
Cost of generating funds					
Fundraising and publicity	-	-	-	-	-
Total resources expended	123,582	3,069	417,848	544,499	387,583

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31 MARCH 2002

3. STAFF COSTS :

	2002 £	2001 £
Wages and salaries	110,818	70,603
Pension costs	4,522	-
Social Security costs	8,242	5,097
	<u>123,582</u>	<u>75,700</u>
Directors remuneration	<u>-</u>	<u>£7,833</u>
The average number of employees was	<u>7</u>	<u>3</u>

No employee earned £50,000 p.a or more.

4. OTHER COSTS

	Directly charitable	Support costs	Fund raising & publicity	Manage ment & administ ration	Total
	£	£	£	£	£
Foster carers costs	355,504	-	-	-	355,504
Recruitment costs	4,120	-	-	-	4,120
Respite care	3,891	-	-	-	3,891
Travel expenses	1,998	385	-	-	2,383
Staff training	4,373	1,232	-	-	5,605
Sessional staff	8,015	-	-	-	8,015
Premises expenses	6,281	1,770	-	-	8,051
Printing postage & stationery	4,130	1,164	-	-	5,294
Telephone	4,721	1,330	-	-	6,051
Legal & professional fees	-	-	-	9,840	9,840
Miscellaneous	5,364	562	-	141	6,067
Advertising & promotion	3,027	-	-	-	3,027
	<u>401,424</u>	<u>6,443</u>	<u>-</u>	<u>9,981</u>	<u>417,848</u>

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31 MARCH 2002

5. MOVEMENT IN TOTAL FUNDS FOR THE YEAR

This is stated after charging :

	2002 £	2001 £
Depreciation of tangible fixed assets (note 6)		
- owned assets	3,069	2,033
Auditors remuneration	<u>2,000</u>	<u>2,000</u>

6. TANGIBLE FIXED ASSETS

	Office equipment £	Fixtures & fittings £	TOTAL £
Cost or valuation			
At 1 April 2001	5,379	3,100	8,479
Additions	5,193	983	6,176
Disposals			
At 31 March 2002	<u>10,572</u>	<u>4,083</u>	<u>14,655</u>
Depreciation			
At 1 April 2001	1,564	816	2,380
Charge for year	2,252	817	3,069
On disposals			
At 31 March 2002	<u>3,816</u>	<u>1,633</u>	<u>5,449</u>
Net Book Value at 31 March 2002	<u>6,756</u>	<u>2,450</u>	<u>9,206</u>
Net Book Value at 31 March 2001	<u>3,815</u>	<u>2,284</u>	<u>6,099</u>

7. DEBTORS

	2002 £	2001 £
Trade debtors	65,797	85,029
Other debtors	2,619	1,557
	<u>68,416</u>	<u>86,586</u>

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31 MARCH 2002

11. TRUSTEE EXPENSES AND TRANSACTIONS

The charity paid £308 (2001: £331) during the year to reimburse directors'/trustees' travelling and other expenses.

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31 MARCH 2002

8. CREDITORS : AMOUNTS FALLING DUE WITHIN ONE YEAR

	2002	2001
	£	£
Trade creditors	3,162	-
Payments on account	4,800	4,800
Other creditors and accruals	3,544	3,382
Social security and other taxes	-	2,556
	<u>11,506</u>	<u>10,738</u>

9. STATEMENT OF FUNDS

	At 1 April 2002 £	Transfe rs £	Income £	Expend iture £	At 31 March 2002 £
Unrestricted Funds					
General fund	201,102	-	613,489	544,499	270,092
	<u>201,102</u>	<u>-</u>	<u>613,489</u>	<u>544,499</u>	<u>270,092</u>

10. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Tangible fixed assets £	Net current assets £	Total £
Unrestricted Funds	9,206	260,886	270,092
	<u>9,206</u>	<u>260,886</u>	<u>270,092</u>