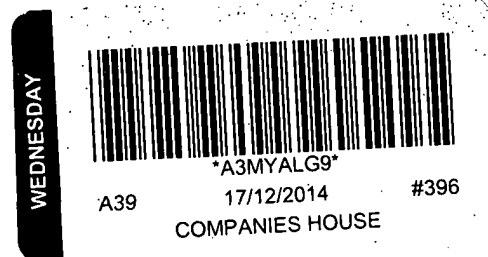


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Company Number 03719101
Registered Charity Number 1084124

COMMUNITY FOSTER CARE
(A company limited by guarantee)

**FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2014**



**COMMUNITY FOSTER CARE
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FOR THE YEAR ENDED 31 MARCH 2014**

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**COMMUNITY FOSTER CARE
LEGAL AND ADMINISTRATIVE INFORMATION
FOR THE YEAR ENDED 31 MARCH 2014**

TRUSTEES/DIRECTORS

| | |
|------------------------------|------------------------------|
| D Goosey (Chairman) | (resigned 28 August 2013) |
| D Robinson (Acting Chairman) | (appointed 19 February 2014) |
| J McLaughlin | |
| M Straton | |
| J Jansen | |
| J Bonham | |
| R Szadziwski | (appointed 22 May 2013) |
| K Harrington | (resigned 28 February 2014) |

CHARITY SECRETARY J McLaughlin

CHIEF EXECUTIVE R Pearson (resigned 12 June 2014)
H Pelham (appointed 2 June 2014)

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

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

BANKERS HSBC plc
109 Bath Road
Cheltenham
Gloucestershire
GL53 7RA

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

**COMMUNITY FOSTER CARE
CHAIRMAN'S STATEMENT
FOR THE YEAR ENDED 31 MARCH 2014**

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

KEEP aims to accomplish these goals by:

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

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

Community Foster Care is the first independent foster care agency in the UK to set up a KEEP programme and training for staff in the Charity took place in September 2013. This investment in KEEP has involved employing one additional member of staff in the north office and the Board of Trustees is using reserves to achieve this strategic goal. We hope this is the first of many such investments in evidence informed projects. The first KEEP group was completed just before the end of the financial year and the Board of Trustees were pleased to read the evaluation report prepared by our Parent charity Community Family Care which demonstrated the reduction in stress experienced by the foster carers linked to decreases in the number of behaviours exhibited by the children placed. Please visit our website for more information on our implementation of the KEEP programme at www.communityfostercare.co.uk. A further three KEEP programmes are scheduled for the next financial year.

Community Foster Care has continued to recruit foster carers in all the regions although forecasted growth was not achieved. The competition to recruit and retain foster carers in the South continued to be fierce. After a slower than anticipated start in our new branch in the North, we are now beginning to see some positive results and expect the numbers of foster carers to increase.

Community Foster Care has continued to raise its public profile. There has been an increase in presence 'on air' with more radio interviews and on line with a much improved website, Twitter feed and the Chief Executive's blog. The PR team meet every month to identify news and feeds to keep our presence high. Monthly reports show the number of visitors to our website is increasing as well as our 'followers' on Twitter.

In June 2014 we said goodbye to CEO Rebekah Pearson and I would again like to thank Rebekah for her tremendous work over the last seven years. We welcomed Hugh Pelham to the role in June 2014. He has made a strong start and we look forward to his leadership.

I would like to recognise the hard work put in by the dedicated staff and foster carers in the Charity. Their continued contributions make for a vibrant and stimulating workplace and their efforts certainly make a difference to the children we look after. I look forward to continued success in the coming year.


Diana Robinson

Acting Chair of the Board of Directors and Trustees

COMMUNITY FOSTER CARE TRUSTEES' REPORT FOR THE YEAR ENDED 31 MARCH 2014

The Trustees present their report and audited financial statements for the year ended 31st March, 2014.

The Board of Trustees

Diana Robinson (Acting Chair)
Richard Szadziwski (Finance Trustee)
John McLaughlin (Company Secretary)
Mariana Straton (Trustee)
Judi Bonham (Trustee)
Joanna Jansen (Carer Representative)
Katy Harrington (Former Chair, resigned February 2014)

Structure, Governance and Management

Governing Document

The organisation is a Charitable Company limited by guarantee, incorporated on 24th February, 1999 (registration number 03719101) and registered as a charity on 15th December, 2000 (charity number 1084124). The Charity was established under a Memorandum of Association, as amended by Special Resolutions dated 25th November 2009 and 1st 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 three changes of Chair due to the loss of two Trustees and the number of Trustees has reduced to six. The Charity is pursuing new applications for the position of Chair as well as Trustees as it wishes to recruit up to ten local people with skills in human resources, marketing and social care.

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

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

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

Trustee Training

All Trustees are required to undertake annual training along with prospective Trustees to familiarise themselves with all aspects of the Charity and the context within which it operates. Trustees are requested to attend annual Child Protection Training.

COMMUNITY FOSTER CARE TRUSTEES' REPORT (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2014

Trustees' training generally comprises:

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

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 will be reviewed and updated in the 2014-15 financial year and a strategy session scheduled to take place in October 2014 will look at the plan in more detail.

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

Organisational Structure

Community Foster Care has a Board of six Trustees who are responsible for the strategic direction of the Charity and meet as a full Board every other month. An Investment Policy Group meets regularly. Recruitment of new Trustees will continue now the new CEO is in post.

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

Public Benefit

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

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

Objectives and Activities

The objects of the Charity are:

- i) To operate a foster care agency in the UK regarding training and approving foster carers in particular, but not exclusively, from social and economically deprived areas;
- ii) To provide relief to children and young people in need and in particular those in the care of, or accommodated by, a Local Authority by:
 - providing them with, or otherwise assisting in the provision of, a placement or placements in suitable accommodation and providing them with, or assisting in the provision of, appropriate carers with the aim of providing them with a stable family life;
 - 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 TRUSTEES' REPORT (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2014

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

Community Foster Care aims to provide:

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

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

Achievements and Performance

Community Foster Care South provided foster care placements primarily for local children in the period April 2013 - March 2014 with 49 children in placement at the end of the year which was the same as the previous year. The Charity has 35 approved foster carers (a decrease of 2 from the previous year) providing a range of services including placements for children who have disabilities, sibling groups and teenagers on a short term, long term, emergency, respite care, parent and child assessments and caring for unaccompanied asylum-seeking young people.

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

Community Foster Care North provided placements for twelve children and has eight approved foster carers. The operation managed to sustain the number of children in placement despite the decrease in foster carers by two.

Report on Objectives set for 2013-14

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

Whilst the North branch had exceeded its targets in its first year of operation this was not the case in the current year partly due to the length of time it took to secure placements for the available families. This has led to the approval and de-registration of three of the families in the period which has severely impacted on our service offering. However, a more targeted approach to recruitment has been implemented which is being monitored by the Board of Trustees on a six monthly basis. This approach involves all our PR and Campaigning contractors and we are looking forward to good results in the next financial year.

COMMUNITY FOSTER CARE TRUSTEES' REPORT (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2014

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

Community Foster Care has set up a Shadow Board made up of young people in the South who designed and led the Children and Young People's Consultation Day in September 2013 and are consulted on developments within the Charity. The North region have set up their own group called 'Children's Voices' who are extremely active in raising money for local charities. Foster carers have been more engaged with the website and a celebration of long service continues to take place every December which is attended by all foster carers.

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

The first KEEP group commenced in September 2013 in the Cumbria branch with all six foster carers attending and all graduated some 20 weeks later. They chose a celebratory event of painting pottery and we have placed photographs on our website. The Evaluation Report prepared by our Parent Charity Community Family Care shows a good reduction in the amount of stress experienced by foster carers and a decrease in the behaviours exhibited by the children. The Cumbria staff team will ensure that KEEP stays on the agenda for Support Groups and reinforce the KEEP principles in day to day work.

The second KEEP group commenced in October 2013 in Gloucester with six foster carers attending. The group ended in April 2014 and the results to date show extremely high decreases in both stress experienced by foster carers and behaviours exhibited by the children. A full Evaluation Report was prepared by the end of May 2014. Trustees have been pleased to hear directly from the foster carers attending, at the Long Service Awards which take place in both regions during December, how valuable the training is to them and the differences it has made to their home life. The Board of Trustees would like to see more interest in the KEEP programme from other charities and independent foster care agencies and this is an ongoing task for the CEO.

Finally the Strategic Plan 2011-2016 received much Trustee attention and has been reviewed and amended a number of times and is expected to be signed off early in the next financial year.

Financial Review

The final result of the Charity was a deficit for the year of £94,425 (2013: £10,795). This deficit includes the expenditure on the KEEP programme of approximately £81,000. This leaves an operational surplus of approximately £13,000.

Income from charitable activities has increased to £1,834,945 or 10.5% compared to the prior year (2013: £1,659,750). There has been an increase in costs to £1,951,558 or 15.4% (2013: £1,690,280). However this includes the one off investment in the KEEP programme of approximately £81,000, which when taken account of gives a rise in costs of 10% during 2013-14.

The Charity has therefore contained its costs in line with the change in income.

Investment Policy

Aside from retaining an increasing amount in reserves each year most of the charity's funds are to be spent in the short term so there are few funds for long term investment. However, the charity has developed an Investment Policy which outlines short, medium and long term investments and is regularly monitored by the Investment Policy Group made up of three Trustees including the Company Secretary and reports to the Board of Trustees.

COMMUNITY FOSTER CARE TRUSTEES' REPORT (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2014

Reserves Policy

For 2013-14 the Trustees have operated a policy whereby the unrestricted funds not committed or invested in tangible fixed assets held by the Charity should be twelve months of expenditure. In April 2014 the Trustees reviewed this policy and will continue to review it on a regular basis.

At the year end, the free reserves stood at £589,084, (2013: £683,169) which represents 3.6 months (2013: 4.8 months) of total monthly expenditure. Reserves will be affected by the Trustees agreeing to a loan to its parent charity Community Family Care of £46,006.

Plans for the Future Periods

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

- Further development of training for foster carers in relation to our KEEP project and contributing to research both in the UK and USA.
- Selling KEEP training to other agencies to benefit their foster carers and kinship carers.
- Ensuring the website, marketing and communication strategy remain live and active.
- Securing block purchase contracts where available.
- Taking an entrepreneurial approach and looking for new products, services to add to its business portfolio.
- Develop Community Family Care in line with the Strategic Plan.

Responsibilities of the Trustees

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

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

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

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

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

**COMMUNITY FOSTER CARE
TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2014**

Members of the Board of Trustees

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

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

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

Auditor

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

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

Approved by the Board of Trustees on 25th September 2014 and signed on its behalf by:

A handwritten signature in black ink, appearing to read 'Diana Robinson', with a horizontal line drawn underneath it.

Diana Robinson (Acting Chair)

COMMUNITY FOSTER CARE INDEPENDENT AUDITOR'S REPORT FOR THE YEAR ENDED 31 MARCH 2014

We have audited the financial statements of Community Foster Care for the year ended 31 March 2014 which comprise the Statement of Financial Activities, the Balance Sheet, and the related notes numbered 1 to 15.

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

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and the charitable company's trustees as a body in accordance with section 154 of the Charities Act 2011. Our audit work has been undertaken so that we might state to the charitable company's members and trustees 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, the charitable company's members as a body and the charitable company's trustees 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.

We have been appointed as auditor under section 151 of the Charities Act 2011 and under the Companies Act 2006 and report in accordance with regulations made under those Acts.

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

Scope of the audit of the financial statements

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

In addition, we read all the financial and non-financial information in the Trustees' Annual Report and Chairman's Statement 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 2014 and of the 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 and the Charities Act 2011.

**COMMUNITY FOSTER CARE
INDEPENDENT AUDITOR'S REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2014**

Opinion on other matter prescribed by the Companies Act 2006

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

Matters on which we are required to report by exception

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

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

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: 11 December 2014

**COMMUNITY FOSTER CARE
STATEMENT OF FINANCIAL ACTIVITIES
(Incorporating the Income and Expenditure Account)
FOR THE YEAR ENDED 31 MARCH 2014**

| | Note | General Funds £ | Restricted Funds £ | 2014 Total Funds £ | 2013 Total Funds £ |
|---|-----------|-------------------------|--------------------------|-----------------------------|-----------------------------|
| INCOMING RESOURCES | | | | | |
| Incoming resources from generated funds | | | | | |
| Voluntary income | | 2,722 | - | 2,722 | 109 |
| Incoming resources from charitable activities | | | | | |
| Local Authority contracts | | 1,834,945 | - | 1,834,945 | 1,659,750 |
| Activities to generate funds | | | | | |
| Investment income: | | | | | |
| Bank interest received | | 1,302 | - | 1,302 | 8,470 |
| Other incoming resources | | <u>19,277</u> | <u>-</u> | <u>19,277</u> | <u>9,220</u> |
| Total incoming resources | 5 | <u>1,858,246</u> | <u>-</u> | <u>1,858,246</u> | <u>1,677,549</u> |
| RESOURCES EXPENDED | | | | | |
| Charitable activities | | | | | |
| Provision of foster care | | 1,597,638 | - | 1,597,638 | 1,419,152 |
| Support costs | | 290,492 | - | 290,492 | 250,067 |
| Provision of grants | | 37,349 | - | 37,349 | - |
| Governance costs | | <u>26,079</u> | <u>-</u> | <u>26,079</u> | <u>21,061</u> |
| Total resources expended | 2 | <u>1,951,558</u> | <u>-</u> | <u>1,951,558</u> | <u>1,690,280</u> |
| Net outgoing resources before other recognised gains and transfers | | (93,312) | - | (93,312) | (12,731) |
| Unrealised (losses)/ gains on investments | 7 | (1,113) | - | (1,113) | 1,936 |
| Transfers between funds | | <u>340</u> | <u>(340)</u> | <u>-</u> | <u>-</u> |
| Net movement in funds | | (94,085) | (340) | (94,425) | (10,795) |
| Total funds brought forward | 10 | <u>683,169</u> | <u>340</u> | <u>683,509</u> | <u>694,304</u> |
| Total funds carried forward | 10 | <u>589,084</u> | <u>-</u> | <u>589,084</u> | <u>683,509</u> |

All amounts relate to continuing operations.

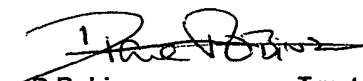
The notes on pages 13 to 19 form part of these financial statements.

**COMMUNITY FOSTER CARE
BALANCE SHEET
AS AT 31 MARCH 2014
REGISTERED NUMBER 03719101**

| | Note | 2014 £ | 2013 £ |
|---|------|-----------------------|-----------------------|
| FIXED ASSETS | | | |
| Tangible assets | 6 | 7,567 | 8,538 |
| Investments | 7 | <u>100,823</u> | <u>101,936</u> |
| | | 108,390 | 110,474 |
| CURRENT ASSETS | | | |
| Debtors | 8 | 173,674 | 103,146 |
| Cash at bank and in hand | | <u>409,801</u> | <u>553,237</u> |
| TOTAL CURRENT ASSETS | | 583,475 | 656,383 |
| CREDITORS: Amounts falling due within one year | 9 | (102,781) | (83,348) |
| NET CURRENT ASSETS | | <u>480,694</u> | <u>573,035</u> |
| TOTAL ASSETS | | <u>589,084</u> | <u>683,509</u> |
| FUNDS | | | |
| Restricted funds | 10 | - | 340 |
| Unrestricted funds | 10 | <u>589,084</u> | <u>683,169</u> |
| | 10 | <u>589,084</u> | <u>683,509</u> |

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

Approved and authorised for issue by the Trustees on 25 September 14 and signed on its behalf by:


D Robinson Trustee

The notes on pages 13 to 19 form part of these financial statements.

**COMMUNITY FOSTER CARE
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2014**

1. ACCOUNTING POLICIES

(a) Basis of preparation

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

(b) Fund accounting

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

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

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

(c) Income

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

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

(d) Resources expended

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

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

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

(e) Investments

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

(f) Depreciation

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

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

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

(g) Operating leases

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

(h) Pensions

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

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(i) Taxation

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

(j) Recognition of liabilities

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

(k) Going concern

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

2. ANALYSIS OF TOTAL RESOURCES EXPENDED

| | Staff costs (note 3) | Depreciation (note 6) | Other costs (note 4) | 2014 Total | 2013 Total |
|---------------------------------|-------------------------|--------------------------|----------------------------|------------------|------------------|
| | £ | £ | £ | £ | £ |
| Charitable activities | | | | | |
| Provision of foster care | 404,025 | 1,603 | 1,192,010 | 1,597,638 | 1,419,152 |
| Support costs | 201,116 | 1,947 | 87,429 | 290,492 | 250,067 |
| Provision of grants | - | - | 37,349 | 37,349 | - |
| Governance | - | - | 26,079 | 26,079 | 21,061 |
| Total resources expended | 605,141 | 3,550 | 1,342,867 | 1,951,558 | 1,690,280 |

3. STAFF COSTS

| | Directly charitable £ | Support costs £ | 2014 Total £ | 2013 Total £ |
|-----------------------|-----------------------------|-----------------------|--------------------|--------------------|
| Wages and salaries | 369,455 | 159,144 | 528,599 | 441,279 |
| Pension costs | 11,191 | 13,587 | 24,778 | 19,591 |
| Social security costs | 23,379 | 28,385 | 51,764 | 42,025 |
| | 404,025 | 201,116 | 605,141 | 502,895 |

| | | |
|--------------------------------------|-----------|-----------|
| The average number of employees was: | 2014 | 2013 |
| Senior staff | 5 | 4 |
| Social workers | 3 | 3 |
| Placement support | 2 | 2 |
| Administrative staff | 2 | 3 |
| | 12 | 12 |

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

£80,000 - £90,000 1 1

For the employee whose remuneration exceeded £80,000 pension contributions amounting to £7,942 (2013: £7,706) were paid into a money purchase pension scheme.

**COMMUNITY FOSTER CARE
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4. OTHER COSTS

| | Directly charitable | Support costs | Governance | 2014 Total | 2013 Total |
|---------------------------------------|------------------------|------------------|---------------|------------------|------------------|
| | £ | £ | £ | £ | £ |
| Foster carers costs | 985,192 | - | - | 985,192 | 955,470 |
| Insurance | 9,665 | 362 | - | 10,027 | 9,324 |
| Children's care & activities | 12,930 | 936 | - | 13,866 | 10,688 |
| Travel and subsistence | 8,476 | 10,291 | - | 18,767 | 18,567 |
| Staff training | 15,178 | - | - | 15,178 | 9,365 |
| Cleaning | 1,398 | 1,698 | - | 3,096 | 1,695 |
| Premises expenses | 23,586 | 28,636 | - | 52,222 | 35,651 |
| Printing postage & stationery | 11,863 | 2,074 | - | 13,937 | 15,628 |
| Telephone | 4,922 | 5,976 | - | 10,898 | 7,796 |
| Legal, professional, & consultancy | 22,339 | 23,242 | - | 45,581 | 18,555 |
| Accountancy & Audit | - | - | 13,332 | 13,332 | 8,538 |
| Social work consultancy | 1,050 | - | - | 1,050 | - |
| Miscellaneous | 492 | 1,471 | 12,747 | 14,710 | 16,847 |
| Subscriptions | 2,510 | 3,047 | - | 5,557 | 6,036 |
| Equipment maintenance | 8,004 | 9,718 | - | 17,722 | 25,549 |
| Recruitment | 62,677 | - | - | 62,677 | 16,976 |
| Advertising & promotion | 21,746 | - | - | 21,746 | 22,446 |
| Surplus on disposal | (18) | (22) | - | (40) | - |
| Provision of grants | <u>37,349</u> | <u>-</u> | <u>-</u> | <u>37,349</u> | <u>-</u> |
| | <u>1,229,359</u> | <u>87,429</u> | <u>26,079</u> | <u>1,342,867</u> | <u>1,179,131</u> |

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

5. NET OUTGOING RESOURCES

Net outgoing resources are stated after charging:

| | 2014 | 2013 |
|--|-------------|----------|
| | £ | £ |
| Depreciation of tangible fixed assets (note 6) | | |
| - owned assets | 3,350 | 8,254 |
| Operating lease rentals | 58,402 | 34,638 |
| Auditor's remuneration | 6,900 | 6,695 |
| Surplus on disposal of fixed assets | <u>(40)</u> | <u>-</u> |

**COMMUNITY FOSTER CARE
NOTES TO THE FINANCIAL STATEMENTS
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6. TANGIBLE FIXED ASSETS

| | Office equipment | Fixtures & fittings | Total |
|--------------------------|---------------------|------------------------|---------------|
| | £ | £ | £ |
| Cost or valuation | | | |
| At 1 April 2013 | 47,718 | 20,091 | 67,809 |
| Additions | <u>2,579</u> | <u>-</u> | <u>2,579</u> |
| At 31 March 2014 | <u>50,297</u> | <u>20,091</u> | <u>70,388</u> |
| Depreciation | | | |
| At 1 April 2013 | 40,727 | 18,544 | 59,271 |
| Charge for the year | <u>3,162</u> | <u>388</u> | <u>3,550</u> |
| At 31 March 2014 | <u>43,889</u> | <u>18,932</u> | <u>62,821</u> |
| Net book value | | | |
| At 31 March 2014 | <u>6,408</u> | <u>1,159</u> | <u>7,567</u> |
| At 31 March 2013 | <u>6,991</u> | <u>1,547</u> | <u>8,538</u> |

7. FIXED ASSETS INVESTMENTS

| | 2014 | 2013 |
|--|----------------|----------------|
| | £ | £ |
| Market value 1 April 2013 | 101,936 | - |
| Additions at cost | - | 100,000 |
| Unrealised (losses)/gains on investments | (1,113) | 1,936 |
| Market value at 31 March 2014 | <u>100,823</u> | <u>101,936</u> |
| Historic cost: | | |
| At 31 March 2014 | <u>100,000</u> | <u>100,000</u> |

8. DEBTORS

| | 2014 | 2013 |
|--------------------------------------|----------------|----------------|
| | £ | £ |
| Due within one year | | |
| Trade debtors | 110,168 | 38,933 |
| Prepayments | 17,000 | 22,914 |
| Other debtors | <u>6,299</u> | <u>6,299</u> |
| | <u>133,467</u> | <u>68,146</u> |
| Due after more than one year | | |
| Amounts due from connected companies | <u>40,207</u> | <u>35,000</u> |
| | <u>173,674</u> | <u>103,146</u> |

**COMMUNITY FOSTER CARE
NOTES TO THE FINANCIAL STATEMENTS
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9. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

| | 2014 £ | 2013 £ |
|----------------------------------|----------------|---------------|
| Trade creditors | 14,432 | 18,560 |
| Amounts due to connected company | 37,349 | 2,692 |
| Accruals and deferred income | 27,504 | 47,424 |
| Pension | 9,318 | - |
| Other creditors | 1,288 | 478 |
| Social security and other taxes | <u>12,890</u> | <u>14,194</u> |
| | <u>102,781</u> | <u>83,348</u> |

10. STATEMENT OF FUNDS

| | At 1 April 2013 £ | Income £ | Expenditure £ | Investment Losses £ | Transfers £ | At 31 March 2014 £ |
|---------------------------|----------------------------|------------------|--------------------|---------------------------|----------------|-----------------------------|
| Restricted Funds | | | | | | |
| Education City | 340 | - | - | - | (340) | - |
| Unrestricted Funds | | | | | | |
| General fund | 572,725 | 1,856,353 | (1,870,306) | (1,113) | (100,000) | 457,659 |
| Designated Funds | | | | | | |
| Leaving Care | 19,742 | - | (524) | - | - | 19,218 |
| KEEP | 90,702 | - | (80,728) | - | 100,340 | 110,314 |
| John Bryson | - | <u>1,893</u> | - | - | - | <u>1,893</u> |
| | <u>683,509</u> | <u>1,858,246</u> | <u>(1,951,558)</u> | <u>(1,113)</u> | <u>-</u> | <u>589,084</u> |

Education City

As this fund became inactive for more than a period of 12 months the benefactor requested the Board of Trustees use this money for general funds with a request to use the money towards the ongoing KEEP project for Community Foster Care's foster carers. A letter was submitted and minuted at the Board of Trustees meeting held on 28 November 2013.

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. Two young people benefitted from the fund in the period. One young person was able to stay with his foster carer for an additional number of weeks after his Local Authority funding had ceased and prior to a supported lodgings arrangement being made. Another young person benefitted from having driving lessons paid from the fund.

KEEP

Following a conference arranged by Community Foster Care in Gloucestershire on 29 February 2012 for members of the Fostering Through Social Enterprise Group and local interested parties, the Board of

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Trustees agreed Community Foster Care would explore the KEEP programme with a view to implementing it throughout our foster care services.

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

A sum of £200,000 was set aside from reserves to fund two members of staff for one year, cover the five day training course for all staff and cover accreditation costs for two teams. In the year £80,000 was used with a further £35,000 to be paid to OSLC for the training programme and accreditation costs. The fund is also covering the costs for the in-house supervision which has been absorbed internally but will be outsourced in the next financial year. Therefore the fund will remain in place for the next financial year but would be expected to be closed at the end of 2015. All ongoing costs for running foster carer courses are from 1 April 2015 (with the exception of supervision costs) included in the mainframe budget.

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 CFC 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. The fund will also be used to contribute towards the cost of a young person planning to go on a third world charitable trip. 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.

11. ALLOCATION OF NET ASSETS BETWEEN FUNDS

| | Fixed assets £ | Net current assets £ | Total £ |
|--------------------|----------------------|-------------------------------|----------------|
| Restricted funds | - | - | - |
| Unrestricted funds | 108,390 | 349,269 | 457,659 |
| Designated funds | - | 131,425 | 131,425 |
| | <u>108,390</u> | <u>480,694</u> | <u>589,084</u> |

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12. TRUSTEES EXPENSES

The Charity paid £1,097 to four Trustees (*2013: £585 to three trustees*) during the year to reimburse Trustees' travelling and other expenses. J Jansen received remuneration of £Nil (*2013: £8,932*) for services as a foster carer for the agency under the provision of the Memorandum and Articles.

13. OBLIGATIONS UNDER OPERATING LEASES

The following payments are committed to be paid by the Charity:

| | 2014 | 2013 |
|----------------------------|-----------------|---------------------|
| | £ | £ |
| Expiring: | | |
| Within one year | 1,433 | 25,460 |
| Between two and five years | <u>-</u> | <u>1,560</u> |

14. RELATED PARTY TRANSACTIONS

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

15. CONTROLLING PARTY AND ULTIMATE PARENT UNDERTAKING

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