

Registered number: 00392550

Charity number: 211670

St.Francis'
**CHILDREN'S
SOCIETY**

(a company limited by guarantee)

**ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021**

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ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021

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CHARITY INFORMATION

Trustees	Safia Boot (Chair) Roy Bean (appointed 2 June 2021) Dawn Jarvis (appointed 2 June 2021)
Chief Executive	Angela Dakin
Registered office	Collis House 48 Newport Road Woolstone Milton Keynes MK15 OAA
Registered company number	00392550
Registered charity number	211670
Independent auditor	Mercer & Hole Silbury Court 420 Silbury Boulevard Milton Keynes MK9 2AF
Bankers	National Westminster Bank Market Hill Branch 31 George Street Luton LU1 2YN
Lawyers – Governance	HCR Hewitsons Elgin House Billing Road Northampton NN1 5AU
Management Accounts & Payroll Provider	MacIntyre Hudson Moorgate House 201 Silbury Boulevard Milton Keynes MK9 1LZ

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TRUSTEES'REPORT

Chair's Introduction

I am pleased to be writing this introduction to our annual accounts and report after my first year as the Chair of SFCS. 2020 brought unprecedented challenges for everyone in the wake of the Covid-19 pandemic, it also brought dramatic change for all of us in SFCS. In March 2020, we closed our offices, and our 20+ staff moved to working remotely from home while continuing to work with our adopters, prospective adopters and children seeking new families. We continued to do this through the rest of the year.

SFCS also faced other enormous challenges. We started the year with an operating deficit, barely any reserves and had just survived near insolvency. The previous long serving Chair of SFCS resigned in April 2020 and I was elected as the new Chair to lead the board of trustees and the management team to strengthen our operations and make us more financially secure. We ended the year by placing the greatest number of children with families in our long history, generating a significant income surplus of more than £900,000 through the hard work and dedication of our employees and through generous legacies, donations, and support from government grants.

We also saw the departure of Alison Miller our CEO for the last ten years and Kate Graves who had served as a Trustee for many years and more recently as the Finance Manager. We also saw the loss of several trustees during the year as their personal circumstances and time commitments changed. Through hard work and commitment, we have got through these changes and now have a new team of trustees on board and more to follow after the second recruitment exercise currently underway. I also recruited a new CEO, Angela Dakin, and a new Business and Accounting team on board, all supported by several external legal, finance and pensions advisers.

The personal challenges for me as the Chair have been considerable. I stepped into the Chair role at short-notice and towards the end of 2020 also became the acting CEO and Acting Finance Manager having to set aside my own personal business interests to support SFCS for a sustained period until July 2021. I am tremendously happy and pleased with what we have been able to achieve in 2020/21. As an adoptive parent, I know how important the work we do is to the many adoptive parents and children in the world. I am also extremely grateful for the help and support of the senior management team, the trustees, our external advisors, and friends of SFCS. I would also like to recognise the support and love I have received from my own family as, yet another SFCS commitment takes me away from time with them.

We ended the year with a record number of placements (38 children) in our history to-date, which is an indication of how much untapped potential we have to progress with a team working collaboratively for a common purpose and values. Our successes are testament to the hard work and expertise of the SFCS staff, adoption panel members and its wider supporters.

The new SFCS leadership have developed a confidence in who we are and how we wish to lead our team by example. The work outlined in this report demonstrates a modern, independent SFCS that has the courage to take on the role of assessing and supporting prospective adopters and resources and expertise to provide post adoption support to ensure sustainable families that remain and grow together in their love and support to each other and to have courageous conversations about the challenges life throws at them.

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I will conclude with a simple note of thanks. Every day I have worked at SFCS I have been impressed and inspired by the commitment and passion of the staff, new CEO, new board and support staff who have joined since June 2021 and our external advisors who have held our hand along the way. It remains one of the greatest privileges of my life to work with such dedicated colleagues and I am grateful for their support.

DocuSigned by:

Safia Boot

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Safia Boot

Chair of the Board of Trustees

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TRUSTEES'REPORT

About Us

Constitution

St Francis' Children's Society (SFCS) is a registered charity and a company limited by guarantee. Founded as a charitable organisation in 1869, SFCS was incorporated on 16 January 1945 and its Memorandum and Articles of Association have been amended by special resolutions in 1949, 1978, 1987, 1991, 2004, 2008, 2017 and mostly recently 14 October 2020.

The company is governed by the terms of its constitution and the memorandum and articles of association. Governance is provided by the Board of Trustees. The registered charity number is 211670.

SFCS is a specialist adoption agency which has over the years continued to grow the provision of professional and comprehensive adoption services. The Society operates within current adoption legislation and regulations and is registered with and inspected by Ofsted. The Society recruits prospective adopters within and around a 50-mile radius of its offices in Milton Keynes and is a regional charity.

We believe all children have the right to grow up as part of a loving family and we will deliver services to support this.

The focus is on placing vulnerable children with new families through the Adoption Connections service. The majority of children placed for adoption by SFCS fall into the hard to place category and are older than 4, have additional needs, are sibling groups or are from Black and Minority Ethnic (BAME) backgrounds. We welcome families from all backgrounds to meet the needs of these children and we provide our adopters with full support throughout their adoption journey.

Services are delivered by paid staff and charitable activities are supported by volunteers. All social workers are registered with Social Work England.

Our Beneficiaries

Our beneficiaries are:

- Children from the care system who are unable to live with their birth families due to neglect, abuse or trauma
- Adopters who wish to become parents and are unable to or who have birth children and would like to adopt a sibling
- Adoptive families who need post adoption support to manage a range of issues
- Birth relatives who are provided with support regarding their child being adopted
- Adopted adults who wish to access their records and connect with their birth family
- Ex-residents of the St. Francis Home for Boys' at Shefford who wish to access their records

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Our values

- Integrity: to be professional in our approach and deliver high quality services, treating each case on its individual merits
- Respect: to treat all individuals with respect given the variety of life experiences
- Knowledge: to be a learning organisation, valuing expertise of staff to deliver quality services
- Enabling; to enable all service users to contribute to and influence the development of services and to reach their full potential
- Resilience: to support service users in developing skills to enable them to manage life's challenges
- Inclusive: to ensure equality of opportunity for all service users, staff and volunteers
- Collaborative: to work with service users and organisations to develop services that are innovative and responsive to need
- Hope and Optimism: for the future, that change is possible

Our Vision and Aims

- We believe all children have the right to grow up as part of a loving family and we will deliver services to support this.
- We believe that the child's welfare, safety and needs are at the centre of the adoption process and therefore the focus is on permanency and creating a stable family life. Safeguarding children and vulnerable adults is core to our work.
- We acknowledge that adoption is a lifelong evolving process for all those involved and therefore adopted people should have access to information and services to help them deal with adoption-related matters.
- We will provide a personal, effective and flexible service to everyone affected by adoption - before, during and after placement.
- We believe in a holistic approach and in working in partnership with other agencies and Local Authorities to achieve the best outcomes for children and their families and everyone affected by adoption.
- Our services aim to be non-judgmental, diverse and inclusive.
- As an employer we support workforce development and are committed to providing staff members with suitable opportunities for development of skills and responsibilities.

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STRUCTURE, GOVERNANCE AND MANAGEMENT

Constitution

The company is governed by the terms of its constitution and the memorandum and articles of association. Governance is provided by the Board of Trustees. The registered charity number is 211670.

Principal activities

The main Objects are:

- to promote the support, care, education and maintenance of, and otherwise to promote and develop the physical, mental, moral and spiritual capacity of children and young persons who are either poor or deprived of home, family or parents (or in danger of such deprivation) or disabled, and to promote support for adults in need;
- to promote the health and welfare of children, parents and families in the community and to advance education for the public benefit by promoting good parenting practice and skills.

As a specialist adoption agency SFCS provides a range of services to people for whom adoption is part of their life or might become a part of their life.

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The Board of Trustees

The Board is responsible for the overall governance and strategic direction of the charity. The full Trustee Board meet monthly to set strategic direction and review management and financial reports and is supported by external legal, finance and pensions advisers. During 2021 the Finance and Audit sub-committee was integrated into the main board to enable closer trustee scrutiny of the financial affairs of the Society. The Chair was also supported during 2021 by pro-bono legal advisers from Dentons LLP and Arnold and Porter LLP for which she is extremely grateful.

Trustees are recruited to the Board taking account of existing skills and experience on the Board. Casual vacancies may be filled by the Board and generally follow an invitation to observe a Board meeting. New trustees are appointed by a simple majority vote of members at a Board Meeting. In accordance with the articles of association, members retire by rotation every three years and may offer themselves for re-election.

The Directors, who are also Trustees of the charity, who served during the year, were:

Safia Boot (Chair – since 20 April 2020 to present & Trustee since June 2017)

Roy Bean (appointed 2 June 2021 - present)

Dawn Jarvis (appointed 2 June 2021 - present)

Carol Jarvis (resigned 7 April 2020)

Jodie Thomson (resigned 7 April 2020)

John Wallace (resigned 20 April 2020)

Kim Opszala (resigned 16 October 2020)

Sheena Marsh (resigned 2 November 2020)

Tom Perry (resigned 18 May 2021)

Claire Dickinson (resigned 18 May 2021)

Laura Weedon (appointed 7 June & Resigned 17 August 2021)

There has been considerable change in the board of trustees during 2020 and 2021. Two trustees resigned in early April 2020 and the long-standing Chair, John Wallace resigned with immediate effect on 20 April 2020 following trustee concerns about the strategic and operational performance of the charity. Safia Boot was duly elected as the new Chair to provide leadership to the remaining trustees and CEO to restore the operational effectiveness, financial affairs and strategic direction of the charity. This proved a significant challenge for the new Chair and remaining trustees as volunteers and a significant drain on their own personal time. During 2020 two further trustees, Kim Opszala and Sheena Marsh, stepped down due to the demands on their personal and family time. The reduced board of trustees whilst the Chair, Safia Boot continued to progress the operational and strategic direction of SFCS during 2020 and into 2021. However, during 2021 two further trustees, Claire Dickinson, and Thomas Perry, also stepped down in May 2021 due to workload demands and the impact on their personal time. The chair would like to express her thanks for the support given to her and SFCS for the time and commitment of the previous trustees during what has been a difficult and challenging time for the charity.

Three new trustees, Dawn Jarvis, Roy Bean and Laura Weedon were recruited to replace the resigning trustees in June 2021 (although due to family commitments, Laura

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then had to reluctantly resign in August 2021) and a further trustee recruitment drive is currently underway to strengthen and broaden the skills and experience of the board of trustees. Newly appointed trustees receive induction training through external advisers covering good governance principles and practices, finance, adoption services and safeguarding.

Trustees act in accordance with the code of conduct for trustees, the good governance code for the voluntary and community sector, and in line with legislation and regulations.

Trustees' Indemnity insurance is provided with a limit of liability of £1 million

Organisational structure

The key management personnel to whom the trustees have delegated authority and responsibility in the day-to-day running of the charity are as follows:

Chief Executive. This position was held by Alison Miller until 31 March 2021, when she left the charity by mutual agreement. The Chair, Safia Boot became Acting CEO and Chair from February to July 2021 to temporarily oversee the operational management of the society. The board of trustees appointed a new CEO, Angela Dakin effective from 13 July 2021. The CEO role provides leadership to the organisation as a whole, holds overall operational accountability and has a focus on promoting and representing SFCS with all of its stakeholders.

The Finance Manager role was outsourced to Kate Graves, K8 Transitions Limited until this service effectively ceased from mid-December 2020 (with formal exit 16 February 2021) and was replaced by outsourced accounting and payroll services from MacIntrye Hudson and supported by the SFCS Office Manager, Sharon Kempson until June 2021. An interim Finance and Operations Manager, David Waterson temporarily covered these roles from 4th June 2021 to 2nd November 2021 (with a new part-time Finance Manager due to join in November 2021). The CEO, Finance and Operations functions were also overseen by Safia Boot, Chair, during this period and before the arrival of Angela Dakin as the new CEO. These support functions have now been re-organised under Jasmin Padmore, the new Business Manager from 22nd October 2021 to manage the business support function, building and facilities and provide strategic support to the CEO.

The adoption and social worker functions of the Society are organized as follows:

- Adoption Manager, Suzanne Strachan. Manages a team of qualified social workers, whose focus is on the recruitment, assessment, and preparation of prospective adopters, and offering early support to adoptive parents and families. Suzanne is also the Registered Manager with Ofsted.

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- Adoption Support Manager and Panel Adviser, Sarah McGrory. Manages a team of qualified social workers responsible for overseeing the adoption panel, post-adoption support services, the Birth Records service and the commissioned contract with Buckinghamshire County Council for supporting birth parents.

The Agency Decision-Maker role was previously held by Alison Miller, CEO and was temporarily passed in January 2020 to Anna Sharkey, CEO of Adoption Focus/Family Society Ltd (ADM for her own organisation and qualified Social Worker) under an agreement between SFCS and Adoption Focus when Alison Miller left the Society. SFCS has since recruited a part-time employed Agency Decision Maker in October 2021 and the new ADM will take up their post in November 2021.

An experienced senior social worker, the ex-CEO of another voluntary adoption agency was engaged during 2021 to carry out an Ofsted inspection readiness review and additional training on the CHARMS adoption database was carried out for staff.

The key management personnel are supported by a team of administrators, a fundraiser and a marketing officer. The Human Resources function is outsourced to the HR Department, a local franchise and overseen by the CEO and Business Manager. Safia Boot, also temporarily provided strategic HR cover during the non-availability of key personnel.

The remuneration for these roles is set by the Board within the organisation's agreed pay-scales. All staff roles are subject to annual performance reviews.

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SFCS is a registered voluntary adoption agency and operates under the Adoption and Children Act 2002 and Part 2 of the Care Standards Act 2000. The Adoption Agency roles are:

- Agency Decision Maker: Alison Miller (CEO) to 31 March 2021 and Anna Sharkey (CEO Adoption Focus) - current
- Responsible Individual: Safia Boot (Chair of Trustees - from 20 April 2020)
- Registered Manager: Suzanne Strachan, (Adoption Manager) from 1 April 2021
- Adoption Panel Chair: Graham Pellew (Independent Chair)

Related party relationships

SFCS works in co-operation with Local Authorities within its local area to deliver contracts and with other voluntary adoption agencies and voluntary organisations.

SFCS offers Social Work placements to students of local universities.

SFCS is regularly inspected by Ofsted, most recently in January 2019 where the agency was given a Requires Improvement rating overall. The agency continues to follow its improvement plan and was expecting to be re-inspected this year; however, this has been delayed by Covid-19. The inspection report comments that Children are making good progress in their adoptive families. They are developing positive attachments and are thriving. The recruitment, preparation and assessment of prospective adopters are good. This has helped in the provision of placements for harder to place children, including older children and sibling groups. The changes in the board of trustees and the key management personnel have also significantly strengthened the leadership and management of the Society, something Ofsted had asked the Society to address.

SFCS is a member of several umbrella organisations including the Consortium of Voluntary Adoption Agencies (CVAA), Coram BAAF, the Association of Chief Executives of Voluntary Organisations (ACEVO), The Association of Chairs (AoC) and the National Council for Voluntary Organisations (NCVO)

At a regional level, SFCS is represented on the Eastern Region Adoption Leadership Board which meets quarterly.

SFCS is part of the Government initiative to develop regional adoption agencies and is represented on the Board of the local Regional Adoption Agency, Adoption Connects.

Delivery of Public Benefit

The Trustees confirm that they have referred to the guidance contained in the Charity Commission's general guidance on public benefit when reviewing the objectives and aims and in planning future activities for the year.

The Trustees consider that the aims of SFCS are demonstrably to the public benefit in that the main aim is the recruitment and preparation of people willing and able to adopt children deemed 'hard to place'. Research has demonstrated the outcome for children in adoptive placements is significantly better than those who remain in public care.

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Adopted children achieve better outcomes regarding health, education and future life prospects. Adopters are supported throughout their adoption journey and these services are provided free of charge.

Principal risks and uncertainties

The Board has assessed the major risks to which the charity is exposed, in particular relating to the specific operational areas of the charity, its investments and finances. The key risks identified are:

- Drop in the number of adopters recruited or children being placed for adoption affects income. The pipeline is tightly monitored and discussed at management meetings and trustee meetings.
- Lack of funding for adoption support services impacting on available funds. Business planning and fundraising are linked and closely monitored, and services are regularly reviewed to ensure the meeting of recognised needs that will be funded by third parties.
- Maintaining financial sustainability and awareness of the potential for fraud. This is managed through internal financial controls, the systematic scrutiny of financial and management information at monthly management meetings and regular Board Meetings.
- Involvement of the Board in meetings with the external Auditors during the audit process and preparation of draft accounts
- The membership of the Bedfordshire Council Local Government Pension Scheme and the increasing pension liability and contributions relating to actuarial valuation. The ongoing membership of the scheme and current and future pension liabilities is subject to a current review.
- Adapting to the highly changeable adoption sector: by representing SFCS at national and regional level the Chief Executive keeps abreast of changes and shares her knowledge with the Board. The continued development of Local Authority Regional Adoption Agencies may have consequences for the volume and timing of adoption placements with Voluntary Adoption Agencies, such as SFCS.
- Recruitment and retention of skilled workforce: the provision of continuous training and development opportunities and competitive terms and conditions helps attract and retain suitably qualified and experienced staff; completion of exit interviews and staff satisfaction surveys
- Covid-19 - see section below for further consideration.

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Objectives for 2020-21

The Board of Trustees reviewed the business plan and objectives for 2020-21 following the trustee's discussions about the operational and financial performance of SFCS in April 2021.

- To develop a more realistic business plan for 2020/21. The previous operating plans were too optimistic and had resulted in operating deficits. SFCS had to at least break-even during 2020-21. The target placements were revised to 35 children and 28 placements for 2020-21 and were to be closely monitored along with payments and cash-flows from local authorities for placements made in the year.
- To continue to recruit adopters from across the wider geographical area to enable recruitment of a diverse range of adoptive families and continue relationships with Local Authorities across the area.
- To focus on the recruitment of adopters who can adopt sibling groups, given nearly 50% of the children waiting for a placement are part of a sibling group.
- To continue to provide an adoption support service which meets the short-term needs of adoptive families whilst supporting them to access more specialist therapeutic services.
- To develop the Access to Records and Intermediary services, accessing funding for these services in recognition of increasing demand
- To refocus fundraising on trust applications to support the provision and development of adoption support services and to effectively support legacy donation to the Society.
- To be an active part of the local RAA board, focusing on the role of VAA's.
- In response to COVID-19 pandemic to move the provision of services via remote working arrangements and minimise the use of face-to-face meetings and the use of the SFCS Office.
- To participate in Covid-19 government support programmes, such as furlough, and secure Government grants for adoption charities were appropriate.
- To withdraw from the partnership with 'Adoption Focus'/Family Society to deliver the Triangle Project to recruit early permanence carers from 31 March 2020. A final exit settlement payment was made by 'Adoption Focus'/Family Society to SFCS of £2,154.29 on 30 November 2020.

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Achievements against objectives

The Covid 19 pandemic took hold at the beginning of the financial year and a high proportion of staff were initially furloughed during the first quarter. After this time several staff returned to a backlog of assessment work, and of children awaiting placement via a range of local authority partners. To continue our service delivery, we had to adapt to working virtually with both adults and children accessing assessment, training, adoption support, birth records, intermediary and birth relative support services. Our Adoption Panel and dealings with partner agencies also moved to a virtual service under The Adoption and Children (Coronavirus) (Amendment) Regulations 2020. Staff had to cope with a rapid and largely unsupported change in working practices, as well as the isolation of working from home in an area of work that traditionally benefits from in person discussions and face to face support. The trustees wish to express their profound thanks and admiration to the way the staff responded to these changes during the unprecedented and difficult times of the Covid-19 pandemic. In the face of these and the other challenges the Society performed exceptionally well and had the best adoption placement results in its history.

During the year SFCS achieved the following.

1. A total of 29 families became approved adopters during 2020, equal to approvals in the previous year. Two families later withdrew during the year after approval.
2. The placements target of 35 was exceeded this year, with 38 children placed with 28 families. This was a real turnaround for the Society, having previously fallen short of its placement targets and the number of placements in the year were the best results achieved in the 150-year history of the Society. 2020/21 was a good year nationally for adoptions and this has helped position SFCS with a healthy number of approved adopters ready for matching and placement in April 2021.
3. SFCS achieved an Income for 2020/21 of £2,173,743 compared to £1,074,882 for the previous year an increase of £1,098,861, some 102% over the previous year. After operating expenses this was a Net Income surplus of £915,932 compared to a New Income deficit of £118,973 in the previous year. This is a truly magnificent performance for the year and will enable SFCS to address many of the challenges facing it in the coming years.
4. Income from Charitable activities in 2021/21 was £1,1101,441 compared to £947,431 in the previous year an increase of £154,010. This was mainly due to the increased record number of adoption placements. The Society was also able to control the deficit on its charitable activities by containing the increase in expenditure on charitable activities to only £60,038.
5. The major boost to income was due not only to improved fees from adoption placements, but also due to generous legacy gifts of £615,723, significant donations of £126,284, government grants of £212,159 and charitable gifts of £92,368. This has enabled SFCS to move from a situation of no reserves in 2019/20 to significantly replenishing the reserves during the year. The trustees are extremely grateful for the support the Society has received from the generous legacies and donations received from individuals who have had associations with SFCS in the past and from

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government support to help us through the Covid-19 pandemic.

6. The good financial results on income, expenditure and net surplus income has unfortunately not flowed through to the balance sheet as hoped, since the Bedfordshire County Local Government Pension Scheme liability has deteriorated even more adding further actuarial losses of £694,000 in the year to increase the overall pension liability from £1,362,000 in 2019/20 to £2,096,000 in 2020/21.
7. Of the 29 families approved during 2020/21, 12 families had 17 children placed with them by the end of the financial year. Of the remainder, 11 families had children placed with them within 12 months of approval. Only one family resigned from the adoption process in the year, two families were linked for matching and the remaining families are in the active family finding stage.
8. Our partnership with Home for Good remained strong in the year despite the Coronavirus pandemic closing churches during lockdowns. Of the 29 families approved during the year, 5 of these were referred via Home for Good.
9. 16 families were approved and awaiting a match at 31st March 2021
10. Adoption Support Services have continued to develop to meet the short-term needs of adoptive families, with access to funding from the Adoption Support Fund for therapeutic services.
11. A new Fundraiser was appointed in November 2020 and has continued to focus on grant applications, in particular seeking Coronavirus related funding support.
12. The SFCS Birth Records and Intermediary service continued to see high demand, with 31 adult adoptees supported during the period. This service continues to see growth due to the increasing interest from adoptees in researching and contacting their birth families – and the importance of appropriate support should not be underestimated.
13. SFCS continues to provide a commissioned service to Buckinghamshire CC to support birth families who have lost a child to adoption. This contract was re-tendered during the last quarter of 2020-21 and SFCS were successful in retaining the contract for another three years.

Plans for the Future

Objectives for 2021-22

The Impact of the Coronavirus pandemic has led to a growing delay during 2021 in the Courts making orders for adoption for looked after children. The disruption to work during 2020-21 has also delayed many prospective adopter assessments (particularly at stage 1 which relies on data and information sharing from a range of other agencies also impacted). This is expected to have a negative impact on both approval and placement numbers for the coming year. The need to adapt our services to a virtual platform and remote working has also impacted significantly on our ability to deliver post adoption support and events, including providing access to Birth Records and supporting adult adoptees and Birth Families. All of our services have been adapted during the first half of

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2021-22 and this has forced us to reduce our operating targets as shown below.

- To consolidate the new ways of working and revert to face to face services where appropriate
- To approve a total of 26 families in the year to 31st March 2022, and to place a total of 28 children
- To increase the number of sibling placements to 40% of all children placed by 2024-25
- To develop and expand the therapeutic adoption support service
- To develop the Birth Records Service in a more commercial service
- To develop specialist training programmes for commissioning by external agencies
- To continue to strengthen the skills and expertise of the management team
- To grow and develop the skills and expertise of the board of trustees.
- To improve our rating at the next Ofsted inspection.
- To review our membership and the costs of the Bedfordshire County Local Government Pension Scheme
- To review the use of our property assets.
- To review and strengthen our information technology infrastructure as we are more dependent on remote and virtual working arrangements.

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Medium term plans

The current adopter pipeline is healthy, but the current year has incurred a significant level of one-off and transformation costs and the expected reduced number of placements will lead to an approved operating deficit budget forecast for 2021-22. This is a planned overspend and well within the financial reserves of the organisation. It is our intention to move towards a balanced budget and a surplus in future years. The current year budget is reviewed monthly by both the Management Team and the Board.

The board of trustees are conscious of the growing balance sheet liability of the Bedfordshire County Local Government Pension Scheme and are working with external advisers and other stakeholders to review membership of this scheme and the costs and liabilities it presents to the ongoing long-term viability of SFCS. The number of active pension members of this scheme are reducing, and many are approaching retirement in the next ten years.

The experiences of the Covid-19 pandemic and the success of our remote and virtual working have demonstrated that we must investigate the best use of main property asset to ensure we are using our resources in the best interests of the charity and our beneficiaries.

The changing nature of the adoption services in the United Kingdom require the board to closely monitor the opportunities and risk this poses for SFCS. The continued development of Regional Adoption Agencies may place increasing pressure on many Voluntary Adoption Agencies, including SFCS. The board are therefore interested in exploring greater cooperation and collaboration with other voluntary and regional adoption agencies in the coming years.

Factors relevant to achieving our objectives

As noted above, the national rate of adoption placements has slowed significantly during 2021, due to delays in the Courts process. There are currently a surplus of adopters awaiting matches with children, though there are still in some areas a shortage of adopters with the right skills and ability to support children who wait the longest.

The government's policy to develop Regional Adoption Agencies has had a notable impact on the VAA sector. Currently around 25% of all adoption placements are made to VAA adopters and the sector has a reputation for specialising in recruiting and preparing adoptive families for children who wait the longest, particularly those from minority ethnic backgrounds, with disabilities, children with more complex trauma, older children and sibling groups.

Significant key management changes during 2020-21 and 2021-22 have slowed momentum in our relationship building with RAA's and local authorities. This will be an area of focus for the coming year.

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National reports indicate that in March 2021 there were increasing numbers of approved adopters awaiting matching with a child/children. However, this has had little impact on the experience of those children who wait the longest, since adopters who are able to meet those particular needs are still in short supply. Regional Adoption Agencies are increasingly seeking to place children internally wherever possible, though they are also often struggling to match children awaiting placement with their own adopters. In the main, during 2020-21 SFCS adopters were being matched quickly and we continued to experience increased demand for our adopters. SFCS continues to operate a spot purchase model of placing children from across the country, working with established RAA's, Children's Trusts and individual Local Authorities.

Strategies for achieving objectives

- Maintaining a skilled and experienced board of trustees and workforce, motivated to deliver services to a high standard.
- Developing a targeted range of income streams to safeguard future provision.
- Participating in local and national arenas where policy and practice are determined and open to influence.
- Promoting effective links with other service providers and commissioners to ensure comprehensive provision and afford choice within the social care sector.
- Maintaining robust systems for monitoring and evaluating activity, with reference to incorporating the views of service users and commissioners.

Activities for achieving objectives

- Recruit, train and support a growing board of trustees to provide strategic and operational leadership to the senior management.
- Consolidate and develop the senior management of the Society
- Recruiting and supporting capable and confident staff and providing access to relevant and high-quality training and development opportunities.
- All employment activities have a clear remit in relation to the application of safer recruitment policies and safeguarding practices in general. Safeguarding training is delivered internally on an annual basis.
- Development of the business planning and monitoring processes to support the financial sustainability of the Society.
- Continuation of the Buckinghamshire Birth Connections contracts.
- Ongoing participation in relevant national bodies (Coram BAAF, CVAA, Buckfast CEO group) to influence and promote good practice in adoption, and to secure the future position of SFCS within the adoption sector, and within the wider voluntary childcare sector.
- Engagement of key volunteers to support the work of SFCS.
- Dialogue with existing and potential new partners regarding development of adoption services.
- Ensure Ofsted Inspection readiness

ST FRANCIS' CHILDREN'S SOCIETY

(a company limited by guarantee)

TRUSTEES'REPORT

Reserves Policy

As at 31 March 2021, SFCS had an accumulated deficit of £306,908. (The 2020 deficit was £528,840) following the increased provision for pension liability of 2,096,000. The pension liability has increased from £1,362,000 in 2019/20.

Within the general deficit of £306,908, there is a retention of £740,995 which can be regarded as the Tangible Fixed Asset Fund, which represents the amount invested in fixed assets, primarily the office property from which SFCS operates.

SFCS aims to preserve sufficient reserves to provide flexibility to cover temporary shortfalls in income, avoid problems with cash flow and to allow SFCS to function in response to any unforeseen emergencies. The significantly improved financial results for 2020/21 has enable SFCS to set aside funds to replenish the reserves to address temporary shortfalls in operating cash flows and invest in projects to improve the longer-term sustainability of the Society.

The trustees will continue to build up reserves where possible by seeking to generate an operating surplus, by making savings where possible, monitoring cash-flow, increasing placements and seeking to diversify income streams. The SFCS reserves policy is to have a minimum level of free reserves (excluding uncrystallised pension liability) that are neither restricted nor designated sufficient to cover expenditure for at least a three-month period.

Investment Policy

In respect of Investment Policy SFCS would like its investments to provide a balance between income and capital growth to support its charitable works and help achieve its purposes. SFCS purposes are contained in its main Object as detailed earlier in the Report under Structure, Governance and Management. However, SFCS sold its remaining investment properties 2019/20 and now has no sizable investments.

In the event SFCS was to acquire significant investments its investment policy would be to seek performance returns above the rate of inflation to achieve good, steady, long-term performance rather than high short-term gains. Our attitude to investment is low to medium-risk and ethically based. The Board of Trustees of SFCS reviews its investment policy regularly.

ST FRANCIS' CHILDREN'S SOCIETY

(a company limited by guarantee)

TRUSTEES'REPORT

Fundraising activities/income generation

During 2020-21 SFCS received a total of £212k in Coronavirus related grant funding from DfE as part of the government's financial support package. Legacies totalling £615,000 and donations totalling £126,000 were instrumental in creating a more secure financial basis for the organisation to move into the 2021-22 financial year.

In general, SFCS receives income from both fee earning and non-fee earning sources, in broadly a 90:10 split. The legacies, donations and grants during 2020/21 were quite exceptional and very gratefully received giving for that year a split of 60:40 between fee earning and non-fee-earning sources. Non fee earned income, being classed as voluntary income, breaks down into donations, fundraising and other grants, activities for generating funds and investment income. In future years it is expected that SFCS will be more reliant on fee-earning sources of income and will have to generate income through adoption placements and support services.

Other fundraising activities during the year raised a total of £92,000. These activities include funding bids, regular donors and other fundraising activities and events. We will continue to develop our funding raising activities during 2021/22.

No professional fundraisers or commercial participators were utilised in the year. A new Donations Policy was introduced in October 2020 to ensure appropriate due diligence and financial compliance. We accept donations and legacies on a good faith basis. There is a presumption that a donation or legacy is acceptable unless there is evidence to the contrary. Appropriate risk based due diligence is carried out to mitigate this risk to an acceptable degree

Our adoption support initiatives are also funded through donations from individual supporters and legacies. All information for individual supporters is reviewed and maintained under GDPR regulations. Management reviews all distribution lists ahead of each campaign.

SFCS is currently not registered under any schemes or standards and has received no complaints about fundraising in the year.

Volunteers

Within this financial year, SFCS has 28 volunteers of whom about 22 have actively worked for SFCS. They have assisted in a variety of roles including as speakers at open events, group facilitators at adoption training events, buddies giving peer to peer support, adoption panel members, helpers at family days and fundraising events. Many of the volunteers have shared their personal experiences of adoption and we are extremely grateful for their involvement and contribution.

ST FRANCIS' CHILDREN'S SOCIETY

(a company limited by guarantee)

TRUSTEES'REPORT

Covid-19

The Society followed Government and Ofsted guidance throughout the whole of the year regarding the delivery of services during the Covid-19 Pandemic. This was to ensure as far as is practical the safety of service users, employees, trustees, panel members, independent contractors, suppliers, and customers.

Employees worked from home and the SFCS office was closed to visitors and used as required by employees if work needed to be undertaken that could not be completed at home. Social distancing rules were adhered to and there was a supply of hand sanitiser and cleaning materials in the office. The Society moved very quickly to delivering most of its services virtually, including information events, adopter preparation training and social events and activities via Zoom.

The frequency of all staff meetings was increased to combat feelings of isolation and staff were reminded of the SFCS staff welfare scheme.

A phased approach was implemented from January 2021 for a return to the office. This has continued throughout most of 2021 and a new hybrid model of working is planned be introduced in early 2022.

Post-Brexit

The Trustees do not consider that Brexit will have a noteworthy impact on the Charity given the nature of its operations. Care is being taken to recruit only adopters of European origin who have the right to remain in the UK, acting on advice provided by Coram-BAAF.

Going Concern

The Trustees of SFCS have reviewed the 2021-22 budget, the medium-term business strategy and principal financial risks and consider that there is reasonable expectation that SFCS has sufficient resources to continue operating for the foreseeable future. The trustees have an agreed plan referencing the budget and forecasts generating a modest deficit for 2021/22 which can be offset by the improved financial position and reserves. The forecasts are based on the pipeline of future placements derived from detailed analysis and as evidenced by performance in the first few months of 2021-22. The focus is on ensuring that all services provided are fully funded through fees without the need for grant funding and future windfall donations.

The trustees have also considered the principal risks and uncertainties listed in the Trustees report and considered the ongoing impact of Covid-19 into 2021/22, including the delays in Court adoption cases and the continued development of the Regional Adoption Agencies (RAA's).

The Trustees of SFCS continue to adopt the going-concern basis in preparing the accounts and the financial statements do not include the adjustments that would result if the Agency were unable to continue as a going concern

ST FRANCIS' CHILDREN'S SOCIETY

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TRUSTEES'REPORT

Trustees' responsibilities statement

The Trustees are responsible for preparing the Trustee's Report and the financial statements in accordance with applicable law and United Kingdom Generally Accepted Accounting Practice.

Law applicable to incorporated charities in England and Wales requires the trustees, who are also directors of the company, to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charity at the end of the year and of its financial activities during the year then ended. In preparing those financial statements, the trustees are required to:

- Select suitable accounting policies and then apply them consistently;
- Make judgements and estimates that are reasonable and prudent;
- State whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in these financial statements; and
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in operation.

The Board is responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the charity and to enable them to ensure that the financial statements comply with the Companies Act 2006. It is also responsible for safeguarding the assets of the charity and for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Board confirm that as far as they are aware, there is no relevant audit information of which the charity's auditors are unaware. They have taken all steps that they ought to have taken as trustees in order to make themselves aware of any relevant audit information and to establish that the charity's auditors are aware of that information.

Auditor

Mercer and Hole are deemed to be appointed as our auditors under section 487 (2) of the Companies Act 2006. This report was approved by the Board of Trustees and signed on its behalf by:

Signed  62B79E0E4921467.....

Safia Boot
Chair of Trustees

Date 3 December 2021

ST FRANCIS' CHILDREN'S SOCIETY

(a company limited by guarantee)

INDEPENDENT AUDITOR'S REPORT

Independent auditor's report to the members of St Francis' Children's Society

Opinion

We have audited the financial statements of St Francis' Children's Society (the 'charity') for the year ended 31 March 2021 which comprise the Statement of Financial Activities, the Balance Sheet, the Statement of Cash Flows and 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 FRS 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 charity's affairs as at 31 March 2021 and of 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 charity 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

In auditing the financial statements, we have concluded that the trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the charity's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the trustees with respect to going concern are described in the relevant sections of this report.

ST FRANCIS' CHILDREN'S SOCIETY

(a company limited by guarantee)

INDEPENDENT AUDITOR'S REPORT

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.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the 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 Trustees' Report has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In light of the knowledge and understanding of the charity and its environment obtained in the course of the audit, we have not identified material misstatements in the Trustees' report.

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

- adequate and proper accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specific 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' Report and from the requirement to prepare a Strategic Report.

ST FRANCIS' CHILDREN'S SOCIETY

(a company limited by guarantee)

INDEPENDENT AUDITOR'S REPORT

Responsibilities of Trustees

As explained more fully in the trustees' responsibilities statement set out on page 21, 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 charity'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 charity 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.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below.

Explanation as to what extent the audit was considered capable of detecting irregularities, including fraud

We gained an understanding of the legal and regulatory framework applicable to the charity and the environment in which it operates and considered the risk of acts by the charity that were contrary to applicable laws and regulations, including fraud.

We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements and the financial report (including the risk of override of controls), and determined that the principal risks were related to posting inappropriate entries including journals to overstate revenue or understate expenditure and management bias in accounting estimates.

Audit procedures performed by the engagement team included:

- discussions with management, including considerations of known or suspected instances of non-compliance with laws and regulations and fraud;
- gaining an understanding of management's controls designed to prevent and detect irregularities; and
- identifying and testing journal entries.

ST FRANCIS' CHILDREN'S SOCIETY

(a company limited by guarantee)

INDEPENDENT AUDITOR'S REPORT

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.


A further description of our responsibilities is available on the Financial Reporting Council's website at:

<https://www.frc.org.uk/Our-Work/Audit/Audit-and-assurance/Standards-and-guidance/Standards-and-guidance-for-auditors/Auditors-responsibilities-for-audit/Description-of-auditors-responsibilities-for-audit.aspx>.

This description forms part of our auditor's report.

Use of the audit report

This report is made solely to the 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 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 company and the company's members as a body for our audit work, for this report, or for the opinions we have formed.

DocuSigned by:

5516A04AAA2A4F6...

Steve Robinson FCA
(Senior Statutory Auditor)
for and on behalf of Mercer & Hole

Chartered Accountants and Statutory Audit
Silbury Court
420 Silbury Boulevard
Central Milton Keynes
MK9 2AF

Date: 20/12/2021
Date:

ST FRANCIS' CHILDREN'S SOCIETY

(a company limited by guarantee)

**STATEMENT OF FINANCIAL ACTIVITIES
FOR THE YEAR ENDED 31 MARCH 2021**

	Note	Unrestricted Funds	Restricted funds	Total funds	Total funds
		2021	2021	2021	2020
		£	£	£	£
INCOME FROM:					
Donations and legacies	2	862,555	209,643	1,072,198	124,110
Investments	3	104	-	104	3,341
Charitable activities	4	1,101,441	-	1,101,441	947,431
		1,964,100	209,643	2,173,743	1,074,882
EXPENDITURE ON:					
Raising funds	5	34,371	-	34,371	30,453
Charitable activities	5	989,183	233,546	1,223,440	1,163,402
	5	1,024,265	233,546	1,257,811	1,193,855
NET (EXPENDITURE)/INCOME BEFORE INVESTMENT GAINS/(LOSSES)		939,835	(23,903)	915,932	(118,973)
Revaluation of investment property		-	-	-	-
NET INCOME/(EXPENDITURE)		939,835	(23,903)	915,932	(118,973)
TRANSFERS BETWEEN FUNDS					
Actuarial (losses)/gains on defined benefit pension schemes		(694,000)	-	(694,000)	69,000
NET MOVEMENT IN FUNDS		245,835	(23,903)	221,932	(49,973)
Funds brought forward at 1 April		(568,578)	39,738	(528,840)	(478,867)
FUNDS CARRIED FORWARD AT 31 MARCH		(322,743)	15,835	(306,908)	(528,840)

All activities relate to continuing operations.

The notes on pages 19 to 33 form part of these financial statements.

ST FRANCIS' CHILDREN'S SOCIETY

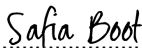
(a company limited by guarantee)

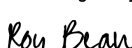
BALANCE SHEET AS AT 31 MARCH 2021

Company number: 00392550

		2021		2020	
		£	£	£	£
	Note				
FIXED ASSETS					
Property, plant and equipment	10	740,995		758,919	
Intangible assets	11	-		403	
Investment property	12	-		-	
		<u>740,995</u>		<u>759,322</u>	
CURRENT ASSETS					
Debtors	13	427,981		113,418	
Cash and cash equivalents		<u>784,780</u>		<u>48,346</u>	
		1,212,761		161,764	
CURRENT LIABILITIES					
Creditors: due within one year	14	<u>(164,664)</u>		<u>(87,926)</u>	
		<u>1,048,097</u>		<u>73,838</u>	
TOTAL ASSETS LESS CURRENT LIABILITIES					
		1,789,092		833,160	
Defined benefit pension scheme liability	17	<u>(2,096,000)</u>		<u>(1,362,000)</u>	
NET ASSETS INCLUDING PENSION SCHEME LIABILITY					
		<u>(306,908)</u>		<u>(528,840)</u>	
CHARITY FUNDS					
Unrestricted funds:					
General funds		1,773,257		793,422	
Revaluation reserve				-	
Pension scheme deficit	17	<u>(2,096,000)</u>		<u>(1,362,000)</u>	
		<u>(322,743)</u>		<u>(568,578)</u>	
Restricted funds		15,835		39,738	
TOTAL FUNDS	15	<u>(306,908)</u>		<u>(528,840)</u>	

The financial statements were approved by the Trustees on 3 December 2021 and signed on its behalf by:

DocuSigned by:

 Signed Safia Boot
 Safia Boot 52B79E9E4931487...
 Chair of Board of Trustees

DocuSigned by:

 Signed Roy Bean
 Roy Bean 54F1FCEC7D6B499...
 Trustee

The notes on pages 19 to 33 form part of these financial statements.

ST FRANCIS' CHILDREN'S SOCIETY

(a company limited by guarantee)

**STATEMENT OF CASH FLOWS
AS AT 31 MARCH 2021**

	2021	2020
	£	£
CASH FLOWS FROM OPERATING ACTIVITIES		
Net movement in funds	221,932	(49,973)
Adjustments for:		
Depreciation	27,777	31,782
Loss/ (Gains) on revaluation of pension fund	694,000	(69,000)
Pension scheme finance costs	40,000	45,000
Interest income	(59)	(283)
(Increase)/ Decrease in debtors	(314,564)	(48,971)
Increase/ (Decrease) in creditors	76,738	15,597
NET CASH INFLOW/ (OUTFLOW) FROM OPERATING ACTIVITIES	745,824	(75,848)
Purchase of fixed assets (9,449)		(3,187)
Sale of investment property	-	82,500
Interest income	59	283
CASH FLOWS GENERATED FROM INVESTING ACTIVITIES	(9,390)	79,596
NET INCREASE/ (DECREASE) IN CASH	736,434	3,748
CASH AND CASH EQUIVALENTS AT 1 APRIL	48,346	44,598
CASH AND CASH EQUIVALENTS AT 31 MARCH	784,780	48,346

The notes on pages 19 to 33 form part of these financial statements.

ST FRANCIS' CHILDREN'S SOCIETY

(a company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021

1 ACCOUNTING POLICIES

1.1 General information

SFCS is a company limited by guarantee, incorporated in England and Wales. The address of its registered office and principal place of business is disclosed in the company information. The members of the company are the trustees named on page 1. In the event of SFCS being wound up, the liability in respect of the guarantee is limited to £1 per member.

The principal activity of SFCS is to place vulnerable children with new families through its Adoption Connections service.

The financial statements are presented in Sterling and this is the functional currency of SFCS.

1.2 Basis of preparation (including consideration of going concern)

The financial statements have been prepared under the historical cost convention, and in accordance with applicable accounting standards. In preparing the financial statements SFCS follows best practice as set out in the Statement of Recommended Practice: 'Accounting and Reporting by Charities' (SORP 15), the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102) and the Charities and Companies Acts.

The cash position of the Company improved considerably towards the end of the year and the Trustees are developing a medium-term strategic plan which is intended to further replenish reserves and strengthen cash flow.

1.3 Cash and Cash equivalents

Cash and cash equivalents are cash and short term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

ST FRANCIS' CHILDREN'S SOCIETY

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021

1.4 Financial instruments

SFCS only has financial asset and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction values and subsequently measured at their settlement value.

1.5 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 SFCS and which have been designated for other purposes.

Designated funds comprise unrestricted funds that have been set aside by the trustees for particular purposes. The aim and use of each designated fund is set out in the notes to the financial statements.

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by donors or which have been raised by SFCS for particular purposes. The costs 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.

Investment income, gains and losses are allocated to the appropriate fund.

1.6 Income

All income is included in the Statement of Financial Activities when SFCS has entitlement to the funds, certainty of receipt and the amount can be measured with sufficient reliability. For legacies, entitlement is the earlier of SFCS being notified of an impending distribution or the legacy being received.

Donated services or facilities, which comprise donated services, are included in income at a valuation which is an estimate of the financial cost borne by the donor where such a cost is quantifiable and measurable. No income is recognised where there is no financial cost borne by a third party.

Income tax recoverable in relation to donations received under Gift Aid is recognised at the time of the donation.

Income tax recoverable in relation to investment income is recognised at the time the investment income is receivable.

1.7 Expenditure

Expenditure is accounted for on an accruals basis and has been included under expense categories that aggregate all costs for allocation to activities. Where costs cannot be directly attributed to particular activities, they have been allocated on a basis consistent with the use of the expense.

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021

Fundraising costs are those incurred in seeking voluntary contributions and do not include the costs of disseminating information in support of the charitable activities. Support costs are those costs incurred directly in support of expenditure on the objects of SFCS. Governance costs are those incurred in connection with administration of SFCS and compliance with constitutional and statutory requirements.

1.8 Tangible fixed assets and depreciation

All assets costing more than £100 are capitalised

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided on all tangible fixed assets other than leasehold land, at rates calculated to write off the cost of fixed assets, less their estimated residual value, over their expected useful lives on the following bases:

Buildings	2% straight line
Motor vehicles	25% written down value
Fixtures and fitting	8% straight line
Office equipment	33% straight line

1.9 Intangible assets

Intangible assets consist of IT software. Prior to transition to FRS102, these assets were disclosed within tangible fixed assets.

Intangible assets are amortised over a period of 3 years

1.10 Operating leases

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

1.11 Pensions

SFCS operates both a defined contribution pension scheme and a defined benefits pension scheme. The pension charge for the defined benefit scheme is based on a full actuarial valuation dated 31 March 2021.

1.12 Judgements in applying accounting policies and key sources of estimation uncertainty

In applying SFCS's accounting policies, the trustees are required to make judgements, estimates and assumptions in determining the carrying amount of assets and liabilities. The trustees' judgements, estimates and assumptions are based on the best and most reliable evidence available at the time when the

ST FRANCIS' CHILDREN'S SOCIETY

(a company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021

decision is made and are based on historical experience and other factors that are considered to be applicable. Due to inherent subjectivity in making such judgements, estimates and assumptions, the actual results and outcomes may differ.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised, if the revision affects only that period, or in the period of the revision and future periods, if the revision affects both current and future periods.

The key estimates and assumptions made in these accounts are:

- The allocation of expenditure over activities
- Depreciation and amortisation of fixed assets; and
- Defined Benefit Pension Scheme assumptions.

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(a company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021

2 VOLUNTARY INCOME

	Unrestricted funds 2021 £	Restricted funds 2021 £	Total funds 2021 £	<i>Total funds 2020 £</i>
Donations	126,284	-	126,284	17,627
Family support donations	-	-	-	3,500
Government Grants	2,516	209,643	212,159	-
Build maintenance donations			-	-
Community foundation			-	-
Charitable trusts	92,368	-	92,368	67,979
Capital project				-
Legacies	615,723	-	615,723	22,500
Project management time				-
Miscellaneous income	15,179	-	15,179	
The friends of St Francis	10,485	-	10,485	12,504
	<u>862,555</u>	<u>209,643</u>	<u>1,072,198</u>	<u>124,110</u>

3 INVESTMENT INCOME

	Unrestricted funds 2021 £	Restricted funds 2021 £	Total funds 2021 £	<i>Total funds 2020 £</i>
Bank Interest receivable	59	-	59	283
Rent Receivable	45	-	45	3,058
	<u>104</u>	<u>-</u>	<u>104</u>	<u>3,341</u>

4 INCOME FROM CHARITABLE ACTIVITIES

	Unrestricted funds 2021 £	Restricted funds 2021 £	Total funds 2021 £	<i>Total funds 2020 £</i>
Home-finding and support services	1,066,348	-	1,066,348	843,484
Contracts	29,700	-	29,700	87,908
Post adoption	5,393	-	5,393	16,039
	<u>1,101,441</u>	<u>-</u>	<u>1,101,441</u>	<u>947,431</u>

ST FRANCIS' CHILDREN'S SOCIETY

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021

5 TOTAL EXPENDITURE -ANALYSIS

	Fundraisin g expenses	Adopter recruitmen t and placement	Post Adoptio n Support	Contracts	Busines s Support Service s	Governance	Total 2021	Total 2020
	£	£	£	£	£	£	£	
Staff costs including expenses Independent workers	34,371	584,409	94,507	64,097	102,063	13,690	893,137	771,365
Staff recruitment, training and welfare		14,758			6,211		-	56,509
Legal and professional		45,071			45,626		6,211	17,811
Fundraising and publicity					22,801		60,384	32,782
Premises and office utilities					56,126		45,071	65,820
Telephone, stationery and IT					27,777		22,801	32,373
Depreciation					56,126	76,404	56,126	52,167
Audit and accountancy		300			29,600		27,777	31,782
General running costs		18,400	7,200	3,600	10,800		76,404	65,571
Other Pension finance costs Total resources expended	34,371	662,938	101,707	67,697	301,004	90,094	29,900	22,675
Reallocation of Support Services Costs - Detail on Note 6	18,060	195,653	57,191	27,090	(301,004)	3,010	40,000	45,000
Reallocation of Governance	5,586	60,518	18,621	8,379		(93,104)		
Total expenditure	58,017	919,109	177,519	103,166			1,257,811	1,193,855

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021****6 SUPPORT SERVICES COST BREAKDOWN BY ACTIVITY**

Support Services Cost-	Management	Administration staff costs	Premises and ICT	Other	Total 2021	Total 2020
	£	£	£	£	£	£
Activity:						
Costs of generating funds						
Fundraising and publicity	903	6,682	8,308	2,167	18,060	14,623
Charitable Activities						
Adopter recruitment and placement	9,783	72,392	90,000	23,478	195,653	164,083
Post Adoption support	2,860	21,161	26,308	6,862	57,191	49,412
Contracts	1,355	10,023	12,461	3,251	27,090	22,689
Governance	151	1,114	1,384	361	3,010	3,025
Total	15,052	111,372	138,459	36,119	301,004	253,832

Support services have been allocated to specific activities on the basis of time spent by employees in each area.

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021****7 NET INCOME/(EXPENDITURE)**

This is stated after charging:

	2021	<i>2020</i>
	£	£
Depreciation and amortisation of tangible fixed assets	27,777	31,782
Auditors' remuneration	16,584	12,600
Operating lease rentals: other	2,436	2,436
	<u>27,777</u>	<u>46,818</u>

8 STAFF COSTS

The average monthly number of full-time equivalent employees, including senior managers, during the year was:

	2021	<i>2020</i>
	No.	<i>No.</i>
Direct charitable	16	13
Fundraising and publicity	1	1
Management	3	3
	<u>21</u>	<u>17</u>

Staff costs were as follows:

	2021	<i>2020</i>
	£	£
Wages and salaries	606,776	613,308
Severance payment : statutory	28,711	-
Social security costs	59,878	60,565
Pension contributions and other pension costs	98,690	97,267
	<u>794,055</u>	<u>771,140</u>

Key management personnel includes the Chief Executive, Finance Manager (contractor - K8 Transitions Ltd), Office Manager, Adoption Manager and Adoption Support Manager. The total employee benefits of the key management personnel of the charity were £283,597 for 5 posts (2020: £240,432 for 5 posts).

One employee earned between £70,000 and £80,000 per annum (2020: 1 between £70,000 and £80,000).

SFCS makes contributions to a multi-employer defined benefit pension scheme for some of six remaining employees. An employer contribution of £16,030 (2020: £22,414) was made on behalf of the one senior manager identified above as part of the total employer pension contribution of £98,690

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021

9 TRUSTEES

There were no expenses or other payments to Trustees for the period to 31 March 2021.

In the year to 31 March 2020 one Trustee received remuneration amounting to £700 during the year for attendance at Adoption Panel during the working day under Adoption Panel procedures. This work is not associated with their role as a Trustee.

In the year to 31 March 2020 two Trustees received reimbursement of travel expenses amounting to £337.

In the year to 31 March 2020 donations of £214 were received from 2 Trustees whilst they were in office.

The premium for the Trustees' Indemnity insurance, arranged through Catholic Mutual Insurance Limited, was included as part of the general business insurance for the period up to 30 September 2020, after which the arrangement ceased via the Catholic Diocese and transferred to AON insurance under SFCS' general insurance.

10 TANGIBLE FIXED ASSETS

	Leasehold land and buildings	Fixtures and fittings	Office equipment	Total
	£	£	£	£
Cost				
At 1 April 2020	952,368	29,210	85,207	1,066,785
Additions	-	-	9,449	9,449
Disposals	-	-	(1,332)	(1,332)
				(1,332)
At 31 March 2021	952,368	29,210	93,324	1,074,902
Depreciation				
At 1 April 2020	214,838	18,235	74,793	307,866
Charge for the year	18,036	1,703	7,634	27,373
Disposals	-	-	(1,332)	(1,332)
				(1,332)
At 31 March 2021	232,874	19,938	81,095	333,907
Net book value				
At 31 March 2021	719,494	9,272	12,229	740,995
At 31 March 2020	737,530	10,975	10,414	758,919

The land and buildings and other assets are held for direct charitable use. The lease of land at Milton Keynes is for 125 years from 1 February 2000.

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021****11 INTANGIBLE FIXED ASSETS**

	Computer Software £
Cost	
At 1 April 2020	41,498
Additions	-
Disposals	-
At 31 March 2020	<u>41,498</u>
Depreciation	
At 1 April 2020	41,095
Charge for the year	403
At 31 March 2020	<u>41,498</u>
Net Book Value	
At 31 March 2021	<u>-</u>
<i>At 31 March 2020</i>	<u>403</u>

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NOTES TO THE FINANCIAL STATEMENTS**FOR THE YEAR ENDED 31 MARCH 2021****13 DEBTORS: Amounts due within one year**

	2021	2020
	£	£
Trade debtors	205,454	93,140
Other receivables	-	-
Prepayments and accrued income	222,528	20,278
	<u>427,982</u>	<u>113,418</u>

14 CREDITORS: Amounts due within one year

	2021	2020
	£	£
Trade creditors	42,868	29,588
Other taxation and social security	16,008	16,409
Other creditors	13,192	11,817
Accruals and deferred income	92,596	30,112
	<u>164,664</u>	<u>87,926</u>

15 FUND ANALYSIS

	Brought forward	Income	Expenditure	Transfers in/ (out)	Gains/ (losses)	Carried forward
	£	£	£	£	£	£
Unrestricted funds						
General funds	793,422	1,964,100	(984,265)	-	-	1,773,257
Revaluation reserve						
Pension scheme deficit	(1,362,000)	-	(40,000)	-	(694,000)	(2,096,000)
	<u>(568,578)</u>	<u>1,964,100</u>	<u>(1,024,265)</u>	<u>-</u>	<u>(694,000)</u>	<u>(322,743)</u>
Restricted funds						
Triangle project	7,767	-	(7,767)	-	-	-
Building Maint	12	-	(12)	-	-	-
Family Events	10,137	-	(6,317)	-	-	3,820
Family Support	10,547	-	(1,505)	-	-	9,042
Computers	6,749	-	(6,749)	-	-	-
Training	2,500	-	-	-	-	2,500
Marketing	2,026	-	(2,026)	-	-	-
Furlough Claims	-	21,358	(21,358)	-	-	-
Government Grants	-	188,285	(187,812)	-	-	473
	<u>39,738</u>	<u>209,643</u>	<u>(233,546)</u>	<u>-</u>	<u>-</u>	<u>15,835</u>
Total funds	<u>(528,840)</u>	<u>2,173,743</u>	<u>(1,257,811)</u>	<u>-</u>	<u>(694,000)</u>	<u>(306,908)</u>

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021

16 ANALYSIS OF NET ASSETS/ (LIABILITIES)

	Unrestricted funds 2021 £	Restricted funds 2021 £	Total funds 2021 £	<i>Total funds</i> 2020 £
Tangible fixed assets	740,995	-	740,995	758,919
Intangible fixed assets	-	-	-	403
Current assets	1,196,926	15,835	1,212,761	161,764
Creditors due within one year	(164,664)	-	(164,664)	(87,926)
Pension fund deficit	(2,096,000)	-	(2,096,000)	(1,362,000)
	(322,743)	15,835	(306,908)	(528,840)

17 PENSION COMMITMENTS

SFCS operates both a both a defined contribution pension scheme operated by The Pensions Trust and a defined benefit pension scheme operated under the Local Government Pension Scheme

The pension charge for the year before actuarial adjustment was £98,690 (2020: £97,267) of which £18,747 (2020: £15,594) relates to the defined contribution scheme.

For the defined contribution scheme, SFCS matches the employees' contributions which currently range from 5% to 7%. Any additional amounts above this level can be paid by employees.

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021

17.1 Defined contribution pension scheme

The Charity operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the Company pays fixed contributions into a separate entity. Once the contributions have been paid the Company has no further payment obligations.

The contributions are recognised as an expense in the Statement of Financial Activity when they fall due. Amounts not paid are shown in accruals as a liability in the Balance Sheet. The assets of the plan are held separately from the Company in independently administered funds.

17.2 Defined benefit pension scheme

SFCS contributes to a multi-employer defined benefit scheme for employees as an admitted body of the Bedfordshire Council Local Government Pension Scheme (LGPS).

Local Government Pension Scheme

The LGPS is a funded defined benefit scheme, with the assets held in separate trustee-administered funds. The total contribution made for the year ended 31 March 2021 was £100,000 (2020: £102,000), Employer's contributions totalled £80,000 (2020: £82,000) and employees' contributions totalled £20,000 (2020: £20,000). The agreed contribution rates for employers for future periods are 26.9% to 1 April 2022 plus an additional monetary contribution of £23,000 following the triennial valuation carried out in year ended 31 March 2020.

The amounts recognised in the Balance Sheet are as follows:

	2021	2020
	£	£
Present value of funded obligations	(5,397,000)	<i>(4,109,000)</i>
Fair value of scheme assets	3,301,000	<i>2,747,000</i>
	<hr/>	<hr/>
Net liability	(2,096,000)	<i>(1,362,000)</i>

The amounts recognised in the Statement of Financial Activities are as follows:

	2021	2020
	£	£
Current service cost	(86,000)	<i>(118,000)</i>
Interest on obligation	(96,000)	<i>(99,000)</i>
Expected return on scheme assets	65,000	<i>67,000</i>
Administration expenses	(3,000)	<i>(3,000)</i>
Gains on curtailments and settlements	-	-
	<hr/>	<hr/>
Total	(120,000)	<i>(153,000)</i>

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021**

Movements in the present value of the defined benefit obligation were as follows:

	2021	2020
	£	£
Opening defined benefit obligation	4,109,000	4,152,000
Current service cost	86,000	95,000
Interest cost	96,000	99,000
Contributions by scheme participants	20,000	20,000
Actuarial losses/ (gains)	1,188,000	(199,000)
Losses on curtailments and settlements	-	23,000
Benefits paid	(102,000)	(81,000)
	<hr/>	<hr/>
Total	5,397,000	4,109,000

Changes in the fair value of scheme assets were as follows:

	2021	2020
	£	£
Opening fair value of scheme assets	2,747,000	2,766,000
Expected interest income	65,000	67,000
Actuarial gains and (losses)	494,000	(104,000)
Administration Expenses	(3,000)	(3,000)
Contributions by employer	80,000	82,000
Contributions by scheme participants	20,000	20,000
Benefits paid	(102,000)	(81,000)
	<hr/>	<hr/>
Total	3,301,000	2,747,000

The cumulative amount of actuarial gains and losses recognised in the Statement of Total Recognised Gains and Losses was £334,000 (2020: £461,000).

SFCS expects to contribute £80,000 to its Defined Benefit Pension Scheme in 2022. Principal actuarial assumptions at the Balance Sheet date (expressed as weighted averages):

	2021	2020
Pension increase rate	2.8%	1.7%
Salary increase rate	3.8%	2.7%
Discount rate	2.00%	2.35%

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021**

The current mortality assumptions include sufficient allowance for future improvements in mortality rates. The assumed future life expectancies at age 65 are:

	2021	<i>2020</i>
Retiring today		
Males	21.9	22.2
Females	24.3	24.3
Retiring in 20 years		
Males	22.8	23.4
Females	26.0	26.1

18 OPERATING LEASE COMMITMENTS

At 31 March 2020 the Charity had future minimum lease payments under non-cancellable operating leases as follows:

	2021	<i>2020</i>
	£	£
Operating leases that expire:		
Less than one year	2,436	2,436
Between one and five years	609	3,045
	<u>3,045</u>	<u>5,481</u>

19 RELATED PARTY TRANSACTIONS

The charity held 40% of the voting rights of Triangle Project up to 31st March 2020, a company limited by guarantee. SFCS donated services and staff time to a value of £nil in the year to 31st March 2021 (2020: £15,420). No additional staff were employed to specifically cover this commitment.

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021

20 STATEMENT OF FINANCIAL ACTIVITIES (COMPARATIVES)

	Unrestricted Funds	Restricted funds	Total funds
	2020	2020	2020
	£	£	£
INCOME FROM:			
Donations and legacies	93,564.	30,546	124,110
Investments	3,341	-	3,341
Charitable activities	947,431	-	947,431
	1,044,336	30,546	1,074,882
EXPENDITURE ON:			
Raising funds	30,453	-	30,453
Charitable activities	1,136,266	27,136	1,163,402
	1,166,719	27,136	1,193,855
NET (EXPENDITURE)/INCOME BEFORE INVESTMENT GAINS/(LOSSES)	(122,383)	3,410	(118,973)
	-	-	-
Net gain (losses) on investments	(122,383)	3,410	(118,973)
NET (EXPENDITURE)/INCOME	2,941	(2,941)	-
TRANSFERS BETWEEN FUNDS			
Actuarial gains/(losses) on defined benefit pension schemes	69,000	-	69,000
	(50,442)	469	(49,973)
NET MOVEMENT IN FUNDS	(518,136)	39,269	(478,867)
Funds brought forward at 1 April	(568,578)	39,738	(528,840)
FUNDS CARRIED FORWARD AT 31 MARCH			