



Charity Registration No. 1018963

Charity Registration No. SC039052 (Scotland)

Company Registration No. 2779751 (England and Wales)

THE ADOLESCENT AND CHILDREN'S TRUST

(A COMPANY LIMITED BY GUARANTEE)

TRUSTEES' ANNUAL REPORT AND ACCOUNTS

FOR THE YEAR ENDED 31 MARCH 2023

THE ADOLESCENT AND CHILDREN'S TRUST

(A COMPANY LIMITED BY GUARANTEE)

LEGAL AND ADMINISTRATIVE INFORMATION

| | |
|--|---|
| Trustees | Mr M. R. Doyle Ms L. Waterman-Glasgow Mrs M. Griffith-Jones Mr O. Evans Mr D. Rankin Mr M. Scott Mr P. Anderson Mrs J O'Connell Mr T, Bingham |
| Chief Executive | Mr A. Elvin |
| Secretary | Mr P. Oldfield |
| Charity number (England and Wales) | 1018963 |
| Charity number (Scotland) | SC039052 |
| Company number | 02779751 |
| Principal address and registered office | 98 Station Road, Sidcup, Kent, DA15 7BY |
| Auditors | HW Fisher LLP Acre House 11-15 William Road London NW1 3ER |
| Bankers | HSBC Plc Level 3 8 Canada Square London E14 5HQ |

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CHAIRMAN'S STATEMENT

This is my fifth introduction to TACT's Annual Report. I have re-read the last five introductions, and what resonated with me was the organisation's consistent sense of ambition to help our children reach their potential.

You can measure yourself and your success in many ways, one of which is by financial outcomes. In the last year, we were successful in generating a surplus of £2m. Being a charity, this is all channelled back into services to support better outcomes for our children, and to support our carers.

This surplus has already been utilised to provide an over inflation 10% rise in carer fees and allowances, and a 3.5% pay rise to all staff. We have also designated a £100,000 fund over the next two years to provide opportunities for our children to enjoy experiences that they would not otherwise have access to across both sporting and cultural activities.

In addition to these payments, we have been able to set aside an innovation fund of £1.5m over a two-year period, that will allow us to transform the way that we care for our children and support our carers. This is vital, as it will ensure we have the support and capacity to care for the children LAs are asking us to care for. Through this fund, we are embedding a trauma informed approach, so that foster carers and staff can work together to care for children with increasingly complex needs. We are enhancing our education and health/behaviour support offer and are looking at how we provide short break back up care for children and families to enhance stability. Offering safe, stable, and loving long-term homes for children is our overarching aim. In order to underpin this, we need to provide high quality 24/7 support for our carers and children, and this requires investment.

Another way of measuring success is gauging the support we provide to our children, carers and staff. In the last twelve months, we have continued to grow our Education service, which has improved children's outcomes. Our Education service continues to be extremely successful in unlocking funding for our young people, by advocating for, and supporting applications for Personal Education Plans and Education, and Health and Care Plan (EHCP) funding, where schools and virtual schools have not wanted, or have not had the capacity, to progress these. We have accessed over £1 million to be spent on our children's education through these in recent years.

We have started working on our Employment service and have co-opted Philip Woodman (more on Philip later), as our Employment Tsar to help improve outcomes for care experienced young people, and to get the best opportunities as they start their careers. We will work with employers to access work experience, paid internships, apprenticeships and employment opportunities for our young people and care experienced community, and our aim is that we have no young people aged 18-25 who are not in employment,

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continuing education, or vocational training, an apprenticeship, or a pathway to employment.

We have launched our new five-year strategy. Thank you to the children, carers, staff and Board members who worked to bring together an ambitious statement of what we will achieve over the next five years. I would like to take this opportunity to thank and acknowledge Scott Ruddock's leadership in this process.

The strategy makes it clear that there is a long way to go to provide the environment for children that will allow them to be able to reach their potential. However, our robust financial position allows us to fund the work needed to achieve our strategy.

The strategy lists a series of clear objectives. These are:

1. To enhance life opportunities for all our children, improving their attainment and achievement.
2. To be an excellent organisation, and the agency of choice for our foster carers, and the employer of choice for our people.
3. To be a sector leader through investment in innovation, and service improvement.
4. To be financially strong, stable and sustainable, by generating a healthy surplus.

Our future annual reports will provide a detailed review of how we are progressing against these objectives.

This year, we said goodbye to Philip Woodman from the Board of Trustees. Philip has served 10 years on the Board, as Chair of the Finance Committee, and as Vice-Chair of the Board. Philip's expert and committed oversight of our finances has been a major contributory factor in ensuring that we are in robust financial health that has allowed the above-mentioned investments. While Philip has stood down from the Board due to our term limits, he remains active with the organisation, and has accepted a role as TACT's Employment Tsar (as noted above). This role will see him work to help us achieve our ambitions around employment opportunities for care experienced youngsters.

After reflecting on the year that was, I am very confident about the organisation's ability, through our wonderful carers and outstanding staff, to continue to set and meet our ambitious goals for our children.

Matthew Doyle

Chair

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STRUCTURE, GOVERNANCE AND MANAGEMENT

The Board presents its report with the accounts and the auditor's report for the financial year ending 31 March 2023. The financial statements comply with current statutory requirements, the Memorandum and Articles of Association and the Statement of Recommended Practice – Accounting and Reporting by Charities (FRS102) (effective 1st January 2019)

LEGAL STATUS

The Adolescent and Children's Trust (TACT) was incorporated as a company limited by guarantee, on the 14 January 1993, under the Companies Act 1985 and 1989. On the 19 March 1993, TACT sought and obtained charitable status.

TACT is described as an 'incorporated' charity with company registration number of 277951 and charity registration number 1018963. On the 8 April 2008, TACT was formally registered as a charity in Scotland (Reg No: SC039052).

THE ORGANISATIONAL AND DECISION-MAKING STRUCTURE

The Board of Trustees

The Trustees who served during the year were:

| Name | Occupation | Appointed | Resigned |
|------------------------------|--|------------|------------|
| Matthew Robert Doyle | Company Director | 04/08/2016 | |
| Philip B. Woodman | Accountant | 26/09/2012 | 26/09/2022 |
| Lisa Waterman-Glasgow | Communications Director | 30/06/2015 | |
| Mary Griffith-Jones | Retired Social Worker | 27/09/2017 | 31/03/2023 |
| Owen Evans | Charity CEO | 27/03/2019 | |
| David Rankin | Accountant | 23/09/2020 | |
| Michael Scott | Retired | 23/09/2020 | |
| Paul Anderson | Social Worker | 26/01/2021 | |
| Jennifer O'Connell | Lawyer | 21/09/2021 | |
| Tom Bingham | Marketing and Communications Director. | 30/11/2021 | |

Structure

At the 31 March 2023, the Board of Trustees comprised ten members. During the year we were pleased to welcome to the Board Paul Anderson, Jennifer O'Connell and Tom Bingham. We wish Martine Bond and Andrew White well in their future endeavours and thank them for their valued contribution to the Board during their tenure. Philip Woodman completed his term of office in September 2022 and we express our deep gratitude for his long standing commitment and energy to TACT and whilst no longer a Trustee we are pleased that Philip has agreed to work with TACT at developing employment opportunities for our children. We also thanks Mary Griffith-Jones for her long and excellent service both as an employee and then Trustee of TACT

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Throughout the last year, the Board of Trustees governed the Charity and managed its resources so that it could meet its charitable objectives. They review the mission, vision and values regularly and have concluded that they are still relevant.

To effectively undertake its governance responsibility, the Board delegates detailed scrutiny to: (i) the Finance, Audit and Risk Committee; (ii) the Safeguarding and Children's Services Committee. The membership of each Committee is as follows:

| Finance, Audit and Risk (FARC) Committee | Safeguarding and Children's Services Committee |
|--|---|
| P. B. Woodman (Chair – resigned 20 th September 2022). M Scott (Chair 20 th September 2022) O Evans T Bingham | M. Griffith-Jones (Chair) D Rankin P Anderson (from 26 th January 2021) T Bingham (from September 2021) |

The Chair of each Committee reports to the Board and this informs the decision making at that level. All **new** Trustees undergo an induction process, which includes TACT's governance arrangements, and clarifies the Trustees duties and responsibilities and sets out its key organisational policies. Ongoing training is provided for Trustees as need identified through annual performance review discussions.

The Board of Trustees is always keen to evaluate its effectiveness and to find varying ways to add value to the Charity. Every year, the Trustees undertake an 'Away Day'. The intent is to enable them to consider their inter-relationships at Board level, the degree of cohesiveness and how these factors influence 'decision making', especially on matters of critical strategic significance.

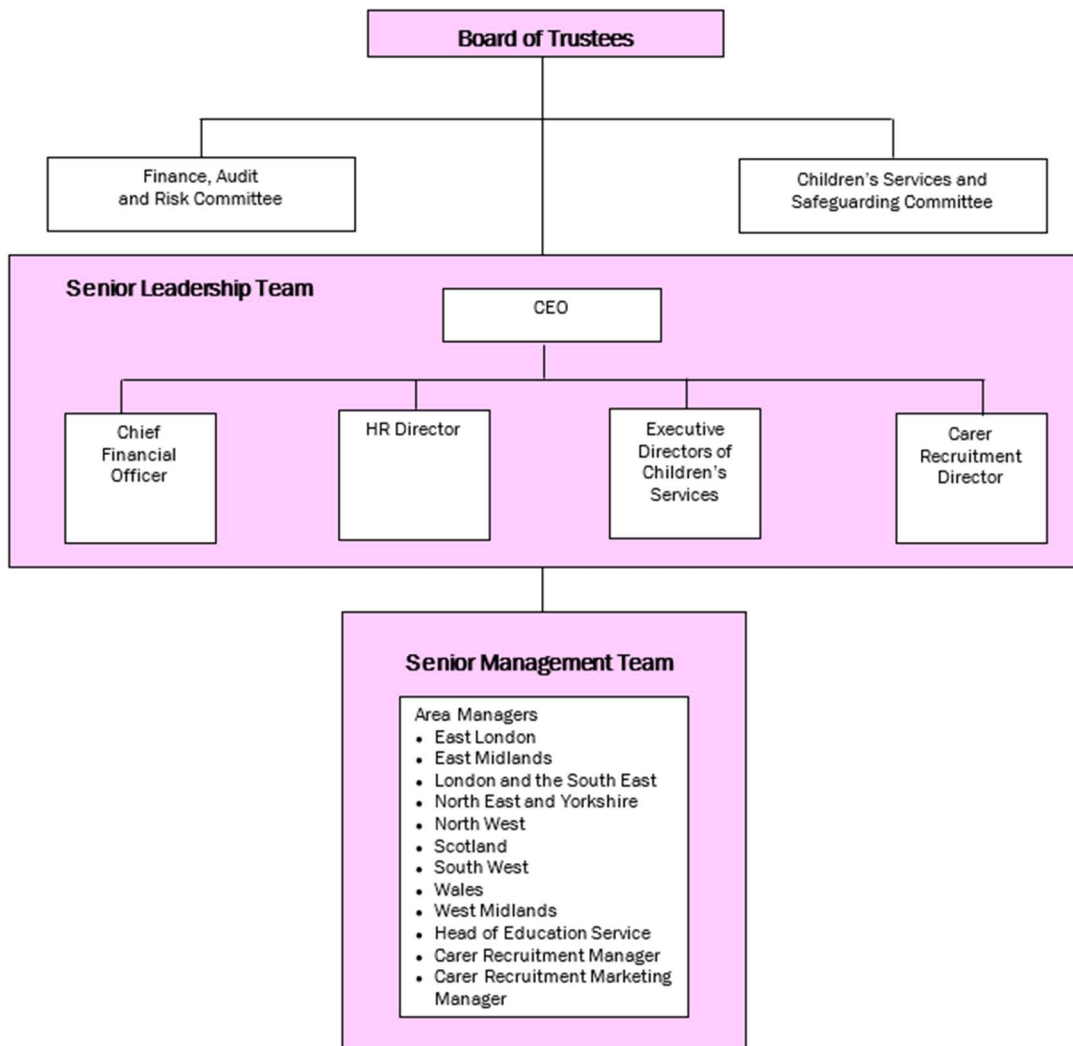
SENIOR MANAGEMENT STRUCTURE

The Senior Leadership Team (SLT) led by Mr Andy Elvin since September 2014, is responsible for driving the strategy delineated in the strategic plan, agreed by the Board. The Senior Management Team (SMT), comprising Area Managers and led by the Executive Directors, manage the processes which underpin the strategy and monitor the outcomes.

Senior Leadership Team pay is predicated on the latest job description and person specification, which is used as a basis for an evaluation by, Reward Connected, an independent agency. Each job is ranked using a matrix which utilises a set of factors including but not exclusively, skills, intellectual demands, judgement and use of resources set against the scope and difficulty of the work involved. The evaluation score emerging from this exercise is set against an agreed 'TACT Pay and Remuneration Table', from which the salary and/or salary range is determined.

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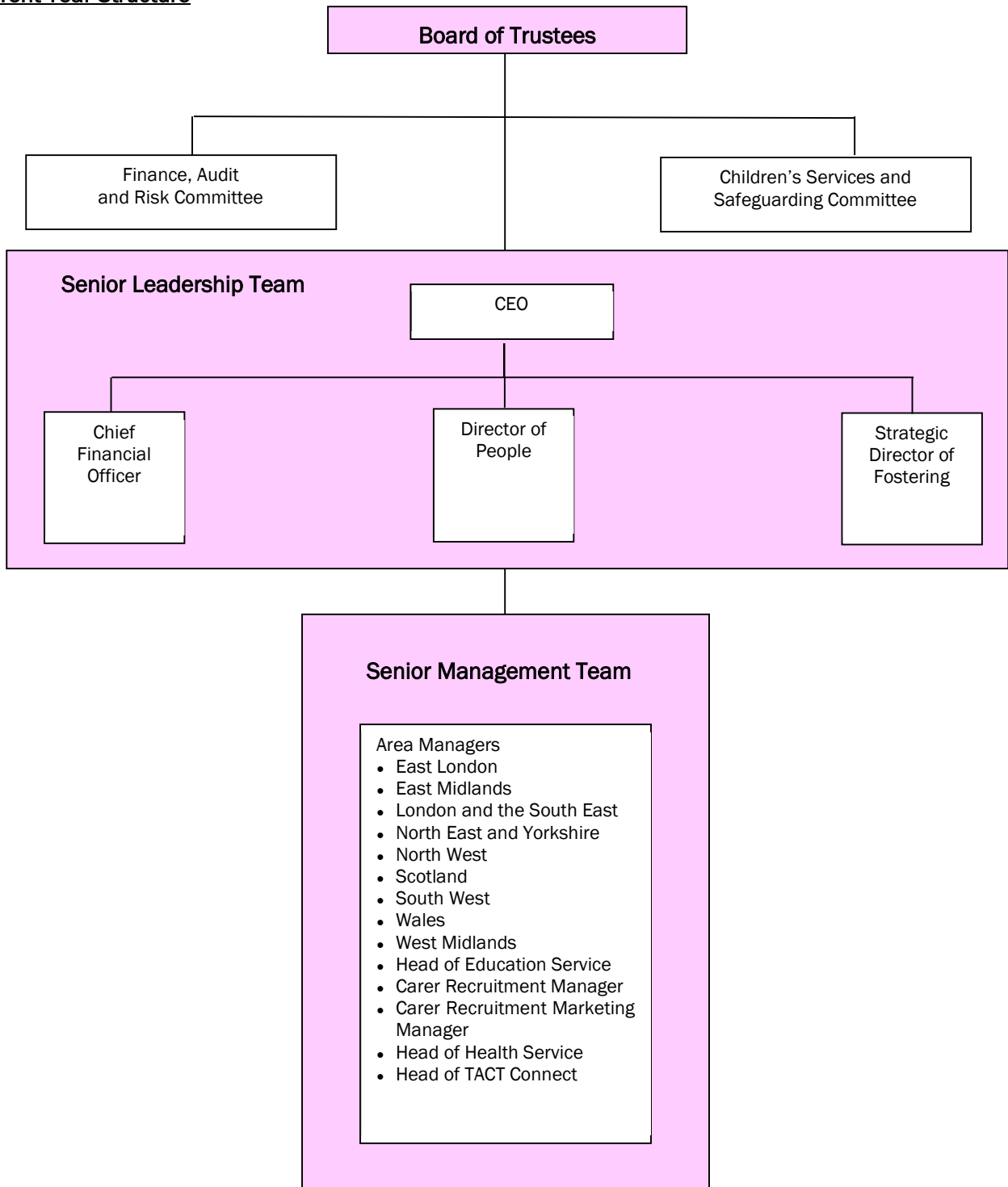
Reporting Year Structure*



* This was the structure in place for majority of the reporting year

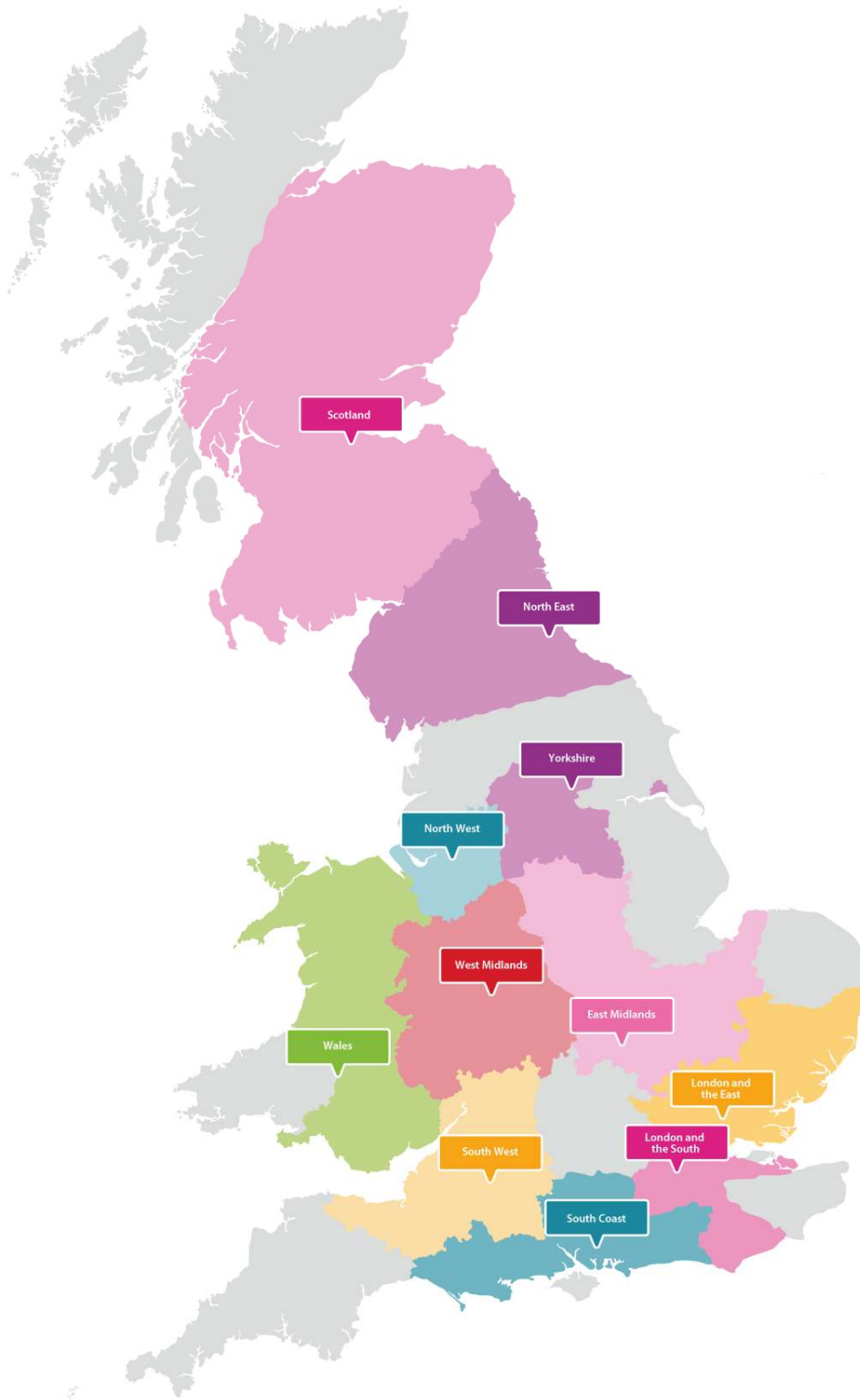
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Current Year Structure



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GEOGRAPHICAL COVERAGE OF TACT OPERATIONS



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REGISTERED OFFICE

Head Office, 98 Station Road, Sidcup, Kent, DA15 7BY

ADVISORS

Solicitors – Corporate Lee Bolton Monier-Williams, 1 The Sanctuary, London, SW1 3JT

Solicitors – Social Care S. Carr & Co, 416 Mare Street, Hackney, London E8 1HP

Solicitors – Property Meade King LLP, Springfield House, 45 Welsh Back, Bristol, BS1 4AG

Solicitors – Contracts, Charity & Employment DAC Beachcroft LLP, Portwall Place, Portwall Lane, Bristol, BS1 9HS

VISION AND VALUES

Vision

**Better lives for Children, Young People, &
Care Experienced Adults**

Values

- **Connected & Inclusive**
- **Child & People Centred**
- **Caring & Compassionate**
- **Charitable & Fair**

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To achieve our mission, we must attain these 7 key goals:

1. Great Outcomes:.. Deliver the best possible outcomes for our children.
2. Outstanding People:.. Supporting our staff and foster carers to deliver the best possible childhoods.
3. Innovate: A culture of developing and delivering successful services.
4. Be The Best:.. Be the first choice foster care agency.
5. Speak Up: Advocate for our children, young people and care experienced adults, and encourage them to speak up for themselves.
6. A Community for Life: We will be there for our care experienced people lifelong.
7. Generate a Surplus: Have a strong and sustainable financial position, so that we can invest in our children and care experienced adults.

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STRATEGIC REPORT

ORGANISATIONAL AND ACTIVITY REVIEW

The Year in Perspective

In 22/23, we emerged from the pandemic and lockdowns. Financially, we had a strong year, which positions us well to face the new cost of living challenges that arose in quarter 2, as inflation and governmental chaos and ineptitude made the macro-economic situation extremely uncertain and hostile.

However, we continued to offer children safe, stable, loving homes, and our activity remained steady and constant. The work of our staff and foster carers has, again, been humbling, as has the response of our young people, who have been incredible in dealing with such drastic changes to the world around them.

The last two years have had a significant impact on young people's lives, and there is still much to do to catch up after this interruption in their lives. We are very cognisant of the impact on mental and emotional health that the pandemic, and the economic uncertainty has had on our children and young people, and have invested in services and support to ameliorate this.

It has been a busy year with carer recruitment continuing apace in a difficult and challenging market. We further expanded our Education support service to provide more support to carers and children. This service continues to be highly valued by carers and children, and has contributed to stability in our foster homes. It also continues to be extremely successful in unlocking funding for our young people, by advocating for and supporting applications for PEP and EHCP funding, where school and virtual school have not wanted, or have not had the capacity to progress these.

The decision in January 2021 to move to being a virtual organisation has paid huge dividends as the cost of living crisis hit. Although we in no way foresaw the instability and economic forces that caused the cost of living crisis, the fact that we no longer had energy inefficient offices has been a significant financial benefit. We have continued to offer all staff a home working allowance, and we are exceptional in our sector in doing this. We were also able to provide a substantial one off payment to staff in December 2022, to offset the spiralling energy costs that they were facing at home.

We invested substantial sums in supporting our foster carers. In August 2022, we increased foster carer fees significantly, in response to the emerging cost of living crisis, and we provided additional support during the winter of 22/23.

TACT's main revenue base relates to the provision of foster care services, which is a local authority funded service. We do not engage in any public fundraising activity, however, to enhance our ability to support carers and young people, we are actively seeking new

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opportunities to secure sources of additional funding through grants and donations. We are grateful to the The National Lottery Foundation for their generous support of £72,000 this year to fund our innovative TACT Connect service.

The appetite for change across the organisation has continued. We engaged all levels of staff, alongside carers and young people, in shaping our new Strategic Plan, and launched this at a series of Away Days in autumn 2022. Alongside this, we refreshed our vision and values, and committed to becoming a trauma informed organisation over the coming years.

We continue to play a significant role in lobbying and policy work. We are closely involved in the implementation of the English Care Review, and we are pushing for changes to the care system that will benefit children, young people and care experienced adults

We come out of the year stronger, both financially and organisationally. Having progressed significantly, we are in a better place to face the challenges that the current economic climate presents with confidence in the coming year.

TACT are looking forward to launching our new five year strategy in 2023. Central to this is our aspiration to become a fully Trauma Informed organisation. We are working closely with Dr. Karen Triesman, and this work underpins our new values. We are investing in our children, foster families, care experienced adults and staff to ensure that we give everyone the best possible opportunity to achieve their potential.

We are pleased with the progress we made during the pandemic, and since emerging from it. We now seek to build on this, whilst continuing to focus on:

‘Creating better lives for our children, young people and care experienced adults’.

PUBLIC BENEFIT

The Trustees have complied with their duty under Section 4 of the Charities Act 2016, to have due regard to the guidance published by the Charity Commission. The benefit to the public is demonstrated by the achievements under the strategic objectives below, most of which speak to, or enable, excellent outcomes for the children in TACT's care.

ACHIEVEMENTS FOR THE YEAR 2022-23

Our strategy is governed by four key aims. They are:

1. To enhance life opportunities for all our children, improving their attainment and achievement.

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2. To be an excellent organisation, and the agency of choice for our foster carers, and the employer of choice for our people.
3. To be a sector leader through investment in innovation, and service improvement.
4. To be financially strong, stable and sustainable, by generating a healthy surplus.

TACT is widely recognised for the fantastic quality of support that our social work teams provide foster carers across the UK. Last year, we continued to receive fantastic feedback from Ofsted, with our regional teams consistently receiving good ratings.

In 2022, TACT south west was awarded the highest possible Ofsted rating, “outstanding”, for its work with vulnerable children and young people in the south west of England.

Following the inspection, Ofsted reported that:

“Outcomes for children are consistently outstanding in all areas. Children who spoke to the inspector said that they had made great progress since living with their foster families.”

TACT is striving to become a more trauma informed organisation, and it was noted by Ofsted that the charity... “underpins every aspect of their care for children with trauma informed practice. Carers are skilled in understanding children’s behaviour. They know how to respond to children in ways that promote their self-esteem and resilience. This ethos is led from the top”. During the inspection, the inspector saw this practice in all areas of care.

Caring for Siblings

Most children in care have at least one sibling. Far too often they are separated, usually because of a lack of foster families with available space to accommodate all of them. Separation from siblings has been linked to poorer child well-being. TACT naturally recognises the importance of keeping siblings in care together, whenever possible. We currently look after nearly 300 siblings, with the overwhelming majority living with each other. This is made possible, thanks to our wonderful foster carers, who have opened their homes to enable brothers and sisters to avoid the trauma of separation at an already difficult time in their lives.

Our carers are very keen to welcome siblings into their homes if they have the physical space to do so. We have urged government to find solutions to address the pressing issue of lack of suitably sized foster carer accommodation for sibling groups. Addressing that issue could vastly increase the number of siblings kept together.

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“Quite soon after becoming approved carers, we found out that we were going to have two teenage siblings placed with us. I was excited and scared at the same time, but mostly I was pleased that we would enable the siblings to stay together. They might not be able to live with their family, but they would, at least, have each other. Being fostered together helped them to settle well into family life with us.” - Elaine, TACT West Midlands Foster Carer.

Foster Carer Welfare

The welfare of our foster carers is very important to us, hence why in 2022 we launched our Foster Carer Wellbeing Programme. In addition to the many existing resources and services available to our foster carers, they now have access to the Help@Hand service, giving them free of charge access to an online GP, physio and second opinion services, as well as menopause support and mindfulness, amongst other things.

Last year was a tough one economically for everyone, including our foster carers. While everyone was feeling the pinch as a result of the cost-of-living crisis, we wanted to ensure that none of our foster carers had to consider giving up fostering for financial reasons. As such, following consultations with our Foster Carer Representatives group, we provided £350,000 of additional financial support to our carers to help them through this difficult period. That represented a significant portion of TACT's budget surplus for the year, underlining our commitment to our carers in such unprecedented times, whilst also reflecting our gratitude for the incredible work that they do.

Last year we continued to invest in a wide range of training and development opportunities, to assist and support our carers, and provide them with the necessary skills and knowledge they need to handle whatever comes their way.

More than 80 different training courses were made available, with training delivered in a variety of ways, both online and in person.

Supporting Carers Who Look After Children With Disabilities, & LGBTQ+ Carers

Having listened to our carers of children with disabilities, we realised that they sometimes feel isolated because of their responsibilities and experiences. In response to this feedback, we created a TACT wide network for carers of children with disabilities, to enable them to connect and provide peer support to each other.

The network meets monthly, giving them the opportunity to share their experiences and how they are feeling. They are also regularly joined by guests, such as Heads of Specialist Services, who can provide information and bespoke support or the group.

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In 2022, we also launched our LGBTQ+ Network, the first group meeting of which took place in November. The network aims to be open and inclusive for carers who are part of the LGBTQ+ community, or those that care for or support children who are part of the community, as well as any staff or carers who want to inform others about their practice supporting LGBTQ+ carers and young people.

Meeting virtually, every six weeks, the LGBTQ+ network is a space for people to come together to discuss subjects and issues that are relevant to the LGBTQ+ community.

Both of these new networks are facilitated by foster carers, who are involved in our Foster Carer Reps group. As Foster Carer Reps, they meet with TACT's CEO, Andy Elvin, and raise current issues, and ideas on how to improve the support we provide to our carers and their children.

Support for Children

TACT employs Children's Support Workers (CSWs) who work closely with our children and young people across the UK. Our CSWs lend a listening ear, and provide support and guidance to help them deal with difficulties and challenges that they may be facing, and help them fulfil their full potential.

Among their varied responsibilities, CSWs bring our children and young people together for year-round group activities, providing them with the opportunity to have fun, try new things, build confidence and make new friends. They also undertake specifically targeted one-to-one work, based on young people's needs.

CSWs also play a key role in helping to amplify our children and young people's opinions about TACT and being in care, empowering them to help shape our policies, procedures and working practice.

As well as focussing on the needs of children and young people in care, they also offer support to fostering families' birth children, and organise fun activities that give them the opportunity to be with like-minded young people who understand their situation. We have also started an online forum for children who are fostered, so they can share their experiences.

Here are some of 2022's highlights:

- During the Summer, young people across the South of England enjoyed a residential activity break at Bewl Water in Kent. Canoeing and wall climbing were amongst the variety of exciting challenges that our young people participated in, and these activities also provided them with the opportunity to socialise and bond with each other.

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- Young people aged 10-16 from Wales, East Midlands and West Midlands enjoyed a weekend of orienteering, gorge walking and canoeing in North Wales during the Summer. This was rounded off with an evening at the beach to watch the sunset.
- In August 2022, a highly successful three-day cookery residential took place, involving young people from the East Midlands, West Midlands, South West and North West of England. All the young people thoroughly enjoyed learning new culinary skills, and the opportunity to experiment with recipes. Of course, the best part was being able to hang out with each other and make new friends!
- As a Christmas treat, TACT Scotland arranged for over one hundred of their foster carers and young people to attend local pantomime performances in Edinburgh, Falkirk and Glasgow. It was a fantastic opportunity to have fun and socialise together.
- We ran three TACT young people's awards ceremonies during the summer holidays in London, Kent and South Coast, with both young people and carers enjoying a special day together, celebrating their talents and achievements.
- The annual Christmas Card design competition attracted lots of fun and creative entries across TACT from our children and young people. Our Chair of Trustees, Matthew Doyle, chose the winning design.
- Some young people are anxious about joining in with events and activities, because of not knowing anyone. To help overcome this, a buddying system was created to pair those that might be new to TACT with other children who can offer reassurance, and be a familiar face.
- There were lots more activities and fun events organised for TACT's children and young people across the UK, including go karting, ice skating, ten pin bowling and trampolining.

Education Service

Educational attainment for children in care is sadly much lower than those not in care. This is due to a variety of reasons, including having to face difficult circumstances in their home lives, resulting in absence from school, or frequently moving schools. TACT's Education Service works to close that attainment gap, by supporting our foster carers and social workers in ensuring our children and young people achieve the best possible educational outcomes.

In 2022, the Service's team of education professionals expanded, and it now comprises: a Head of Education, Advisory Teachers for each of the three nations, an Education

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Service Administrator, and a Post 16 Advisor, to offer focused support to our care experienced adults.

Last year, the Education Service made a hugely positive impact on our children's and young people's education. A large proportion of the Service's time was spent acting as a communication link between the child / foster family and the school, including advising on educational meetings, Personal Education Plans (PEPs), assessing and assisting with any strategies to deal with issues within the school environment, and providing funding for short falls in resources (for example, Education Psychology Assessments).

In 2022, the Education Service achieved the following:

- Successfully advocated to ensure that no young person has been permanently excluded from school, and worked to significantly reduce other punitive sanctions, including fixed term exclusions, detentions and isolations, which we believe are trauma inducing, and inappropriate ways of teaching our young people to make positive choices.
- Delivered over thirty training sessions to carers, schools and area teams on a range of topics, including Trauma Informed Education, Personal Education Plans (PEPs), Education Health Care plans (EHCPs), Phonics, and Communication Needs, to name but a few.
- Participated in hundreds of meetings from PEPs, EHCP Reviews, Children with Disabilities Network Meetings, Carer Forums, and many more.
- Delivered over thirty one-to-one Career Guidance sessions to our young people, which have been followed up with bespoke personalised pathways plans for Post 16 education.
- Supported young people new to the UK from overseas, to access suitable English for Speakers of Other Languages (ESOL) programs.
- The Education Service also enabled our care experienced adults to access training, further education, higher education, and employment opportunities. It worked with colleges to consider a more trauma informed response to low attendance and young people's personal challenges, overturning two college exclusions and one revoked college place, to ensure our young people are accessing further education.
- We supported young people going to university by helping them to access extra funding from the local authority to cover gaps in their accommodation costs, and to apply to university bursaries, as well as access funds for travel support.

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Health Service

As with children and young people's educational needs, their physical and mental health can suffer as a result of coming into care, particularly if there has been family abuse or neglect leading to disconnection, or feelings of abandonment. In 2022, TACT launched a new Health Service to support foster carers, social workers and other professionals in addressing children's and young people's physical and mental health difficulties. The Service works in line with TACT's trauma informed approach, and helps identify previous and ongoing traumas, and subsequent consequences for the child.

While still in its infancy and evolving, some of the key features that have been developed by the Health Service so far include:

- Consultation for TACT social workers, Children's Support Workers (CSWs), foster carers and external agencies, providing them with a level of clinical oversight which considers past, current and potential difficulties, and finds solutions.
- Attendance at multi-agency and stability review meetings, which offer support and guidance to foster carers, helping to reduce disruption and increase stability in foster placements.
- Implemented peer support for TACT's Children's Support Workers, to help share good practice and resources.
- Engaged with TACT's Children with Disabilities group, to ensure children with additional needs are supported to the best of our ability, and reviewed all current external therapies to ensure all are in line with TACT's values.

The Health Service has lots of exciting plans for the next 12 months, and we are optimistic about the continued positive impact the service will have on the health and wellbeing of young people cared for by TACT.

TACT Connect

TACT Connect is a membership scheme that is offered to TACT care experienced young people and adults who are aged 15 and over. Our TACT Connect members are offered spaces to be together, to connect with each other, and co-create all aspects of our scheme, including who works within it.

We are really proud of the progress we made in 2022. We are now a totally co-created membership scheme, with our members and Advisors' wants and needs completely guiding the way that we develop. We started the year committed to growing our membership in a way that feels safe and comfortable for everyone, and have seen our membership continue to grow.

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As we integrate TACT Connect into TACT, we have visited all of TACT's Area Teams, and have updated staff about our growing scheme. We also send regular newsletters, keeping those colleagues and foster parents who know our young people best of all in the loop, empowering them to spread the word!

Events have been booming, and we launched our very first face-to-face TACT Connect Getaway residential! This was a weekend trip to a house in the Peak District, where our TACT Connect Team and members spent quality time together, participating in activities and cooking meals together. This went down so well that we have planned three more in 2023; one in each country of Great Britain.

Our virtual events have also grown, with new ones being created by our members, such as a gaming group, and a safe space for people who might want to be mentored. Members have been involved with writing articles for our quarterly magazine, utilising external opportunities alongside our support, and coming to events such as the annual TACT Connect Development Day, to make their opinions known.

There have been lots of changes within the political landscape throughout the last year, and our TACT Connect Team have remained alongside our members, as they think through and express their views on matters like the John Lewis advert, and the Government's response to the English Care Review. What we have seen is that many of our care-experienced community members want connection and relationships, especially from those who understand and value the experience of being in care.

Whilst we are always available to chat about the more difficult things, we also understand the importance of providing a safe space to have fun, connect with others, and not talk about the care sector at all. This has been one of our biggest learning curves, and has really shaped our priorities over what we offer to our members.

Going into the next year, we want to continue to offer more opportunities to develop ourselves as a community (not a service) that provides on-going human connection, and strengthens the relationships we have already developed.

Conclusion

TACT continues to innovate, and we strive to offer the best possible support to our foster carers and their children, so that they have the best possible chance of achieving their full potential.

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(A COMPANY LIMITED BY GUARANTEE)

TRUSTEES' REPORT

REVIEW OF THE FINANCIAL RESULTS

It has been another strong year of financial progress, with a reported surplus of £1.951M, and improving cash and net asset positions. The move to being a virtual organisation, which we started in March 2020 and confirmed in January 2021, continues to provide benefits in terms of costs as we have terminated all our rented office space, and at the year end we only had one unsold property on our books.

During the year, we continued to rebuild our reserves and, encouragingly, were in a position to invest back into the services we provide, and improve our reward packages to carers and staff. Our carers and staff are of the utmost importance to the care and support we can provide to the young people placed in our care. Overall, we committed to an investment of over £0.7M into supporting carers and staff during the year, in a mix of one off and recurrent expenditure.

Our primary source of funding is from Local authority commissioned foster care placements. Our activity levels fell by 3.8% (2022: 4.7%) against the prior year. We have consistently seen reducing activity and market share over a number of years, driven by falling carer numbers, and the primary focus is now on stabilising activity in the current year (22/23). Carer recruitment became more challenging from summer 2022 as the cost of living crisis impacted families. Many people who might consider fostering find their adult children still living with them as interest rates and rental costs increase. A focus on carer recruitment and retention will be a major part of our work in 23/24. The fall in activity was mitigated by an increase of 6.5% on our average weekly fees charged to LA's, due to a mix of churn in placements and the continued work on improving our fee proposition. We monitor fee levels across the sector as we have moved our pricing from lowest to market mid-point.

During the year, we made of a number of recurrent investments by uplifting staff and foster carer pay. We also made a number of one-off payments to both groups, as recognition for the amazing work they had undertaken during the pandemic. In addition, we invested in extending our Education service and support.

Whilst we have worked hard over the last three years to turn our finances around and be able to look forward and invest back into the service, we know that there is still much to do, especially around further improving our carer offer and support. Towards the end of the year, we started to see rising inflationary pressures in the economy, and this has been exacerbated with the war in Ukraine impacting on energy and food prices. Initially, this inflationary pressure was seen by most experts as a temporary jolt, but as time has gone on, the outlook is for an extended period of high inflation, which will require careful cost base management to contain.

In conclusion, whilst we have had another strong year financially, the environment is becoming more financially challenging. The hard work undertaken repairing the balance

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TRUSTEES' REPORT

sheet and rebuilding reserves was necessary and leaves us in a strong position to take on the challenges of the new realities facing the sector.

Balance Sheet

We ended the year with £6.57M (2022 £4.25M) of free reserves, which is around 126%, (2022: 87.7%) of the targeted level of reserves that the Trustees believe is necessary to maintain the financial sustainability of the charity.

RESERVES POLICY

TACT is committed to ensuring appropriate reserve levels, sufficient to enable the organisation to maintain capacity and, significantly, to enable TACT to accommodate planned growth.

The primary aim of TACT's reserves policy is to preserve a level of 'free' reserves – the unrestricted funds not committed or invested in fixed assets [net of any associated liabilities]. TACT's approach is to maintain free reserves, equivalent to fifty percent of overhead expenditure £5.21M. This leaves a surplus of £1.36M.

The reserves policy also states that TACT should hold cash levels equivalent to two months of operating expenditure, or £3.794M. At 31 March 2023, this requirement was fully satisfied as cash levels were at £6.524M.

Having made continued progress during the year with the financial performance, it is critical that this momentum continues, and that funds can be re-invested in developing the services offered.

At present, the reserves policies are being achieved. Having reviewed the market, the associated risks, the improving financial position in year, and the basis for projected future improvements, the Trustees remain confident that the reserves will continue to be achieved over the next year.

GOING CONCERN

Based upon reserves, the forecast for future trading, and the market environment, the Trustees consider that the Company have adequate resources to remain in operation for the foreseeable future and have, therefore, continued to adopt the going concern basis in preparing the financial statements.

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TRUSTEES' REPORT

FUTURE

The English Care review recognised that the market for fostering services was broken yet acknowledged that in the short to medium term there was little that could be achieved by intervention in the market. Excess profits from private equity investors are seen as inevitable, and that change will take concerted effort over a long period, and a more joined up approach to the market than has been achieved to date. From a TACT perspective, it was comforting to see that the CMA's view of returns in an efficient market would be that they would expect it to be 4%, which is in line with our own aspirations and performance.

After an extended period of economic stability and low inflation, events over the last year have changed the sector's outlook and challenges. Initially, inflation fuelled by a rebound in demand following Covid, which was seen as a temporary blip, has turned into a much more challenging scenario, with energy and food inflation consequences arising from the war in Ukraine. The position and forecasts change constantly, underlining the uncertainty that abounds. As we enter into 2023/24 inflation rates for the UK are currently in the range of 8% to 18%, and the timeframe before inflation starts to fall is also pushed back. Inflationary pressures cause carers and staff to re-evaluate reward. The way in which the sector is commissioned and funded, however, makes passing on cost increases difficult and, therefore, margins are expected to come under pressure.

The impact of cost of living increases also puts most pressure on those at the lowest spectrum of the pay and benefits scale. Poverty is one of the major drivers of rates of looked after children. At the same time, rewards for fostering are diminishing, and the pool of new fostering capacity is struggling to replace the experienced carers leaving the sector.

To respond to these challenges, TACT is looking at further developing support to carers through its Education and Health services, improving our mental health and well-being offer to carers, as well as improving rewards, and looking at ways to bring more new carers, who may not have considered fostering, into the sector. As a charity, we will look to charitable funding and grants to help innovation, and we will work with Commissioners and in partnership to deliver solutions to the problems faced.

PRINCIPAL RISKS AND UNCERTAINTIES

The Trustees meet regularly and, at least annually, review the risks to which the Charity is exposed. The risks are classified for review purposes, as follows:

Strategic and Governance

- Risks associated with a strategy or organisational structure e.g. over-expansion, competitive threats, poor contractual arrangements.

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Financial

- Risks arising from the financial structure, insufficient funding, weak asset base, systems, and transactions of the business, e.g., failure to win tender applications.

Operational

- Risks emerging from operational, administrative, processes and procedures, e.g., substantial technological disruption.

Regulatory and Political

- Risks posed by potential or actual changes in the regulatory and political environment, e.g., failure to comply with minimum standards, serious case review.

Reputational

- Risks to the perceived quality or brand of TACT, e.g., failing Ofsted inspection.

Information Security

- Risks associated with the breach or loss of restricted or personal sensitive data, or infringement of privacy, e.g., the loss of a child's historic file, cyber-attack.

Contingent

- Risks that will arise only if certain events take place, e.g., providing contractual guarantees to a third party.

RISK ASSESSMENT

TACT views risk in the context of the **likelihood** of an adverse outcome that is worse than expected, and where the potential **impact** of such an outcome is very significant. Known or identified risks are colour-coded in terms of severity – Red - Amber - Green (otherwise known as a RAG rating). This will be used to reflect the combination of likelihood, and impact of the severity of each risk. Risk is also viewed as a missed opportunity to add value to the organisation. The risk framework sets out the controls in place to avert risk, and will be pursued by officers with the relevant assigned responsibilities.

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TRUSTEES' REPORT

RISK CONTROLS

The Trustees ensure that a robust risk management policy is in place, as well as associated policies and procedures e.g., business continuity, information security, health, and safety. Performance indicators, and the associated reporting processes, are in place to manage and mitigate identified and potential risks. The Trustees regularly approve a delegation of authority process, which enables Executive action to be undertaken on their behalf, should any material risks arise and require action.

RISK MINIMISATION

The Trustees annually review TACT's risk management framework in detail, and focus on those risks to which the Charity is pre-eminently exposed. The risks are classified for review purposes. The reputational and political risks are minimised through the frequent validation and quality inspections undertaken by our regulators, e.g., Ofsted. Also, quality tests such as Customer Service Excellence, Investors in People, and the Sunday Times Best 100 companies, in which TACT participates and succeeds, will help to reduce the likelihood of these risks.

Internal scrutiny though external audits (financial) foster carer reviews, supervision, appraisals and training, all assist with risk minimisation. Finally, through its sub-committees, 'Finance, Audit and Risk' and 'Safeguarding and Children's Services', the Trustees ensure that relevant operational matters are regularly scrutinised, to provide comfort to the main Board that attendant risks are identified and addressed.

KEY RISKS

The Trustees have identified the principal risks as:

Market risk. Covid has placed a significant financial burden on the economy, and both the disruption from Covid and Brexit are beginning to filter through into inflationary pressures. The war in Ukraine has also destabilised both the energy and food sectors, adding significantly to the cost of living crisis. At the same time, anticipated public sector funding squeezes are likely to put pressures on our ability to pass on cost increases. Of significant importance, is the impact on foster carers of both the results of the last two years, and a period of high inflation and pay restraints presenting potential challenges for the sector in terms of recruitment and retention of a pool of experienced, committed, and talented foster carers. Cost of living pressures are likely to compress margins, and could accelerate the number of small independent providers exiting the market.

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TRUSTEES' REPORT

Workforce Development

Nationally, we have more job vacancies than people seeking work. Brexit, the impact of Covid, and a richer post fifty population not needing to work as much, has led to a contraction in the workforce. Demand for services we provide continues to be strong, and the impact of extended lockdown restrictions and financial pressures on families is yet to be fully understood, with potentially increasing demand for more complex placements than previously. It is important we need to continue to invest in developing, supporting, and training our staff and carers to be able to support these young people in the future. Ability to recruit and retain in a labour market with scarcity will be challenging, and risk to quality of service will be heightened. Paying more, or looking at new models of delivering service, will be key.

Foster Carer Recruitment

The key to our business model is having a pool of foster carers, with the requisite training and skills to be able to provide good quality placement opportunities to local authorities. Attracting and retaining these highly skilled and committed carers is critical. We are developing our offer to attract more new carers, and to support them in their journeys.

Competition Risk

The fostering market place is still fragmented, but recent years have seen the emergence of large private equity backed operators who have been driving consolidation in the independent providers market. Local authorities act as both commissioners and providers of foster care placements. Differentiation in a crowded market becomes increasingly difficult. We continue to differentiate our offer in terms of the quality of services, stability of placements, and our commitment to helping young people achieve their aspirations through support, pre and post eighteen, within the TACT family. Placing young people's outcomes at the heart of everything we do, and continuing to invest in services that contribute to support these through our fundraised initiatives, gives TACT a unique opportunity to develop its brand and offering.

Liquidity Risk

Cash flow and financial projections with associated risks are routinely scrutinised by the Finance Committee.

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TRUSTEES' REPORT

Cyber and Technological Risk

The increasing reliance on technology, move to home working, and the increase in cyber attacks worldwide, presents additional challenges in protecting our data and systems from attack. We continue to proactively monitor our systems, and strengthen our controls in this area.

ASSET COVER FOR FUNDS

Note 15 sets out analysis of the assets attributable to the various funds, and a description of the funds. These assets are sufficient to meet the Charity's obligations on a fund by fund basis.

DISCLOSURE OF INFORMATION TO AUDITORS

Each of the Trustees has confirmed that they are not aware of any information which is relevant to the audit, of which the auditor is unaware. They have further confirmed that they have taken appropriate steps to identify such relevant information, and to establish that the auditors are aware of such information.

AUDITORS

HW Fisher LLP were appointed auditors to the company, and in accordance with Section 485 of the Companies Act 2006, a resolution proposing that they be re-appointed will be put to the Annual General Meeting.

The Board of Trustees Report, and the Strategic Report, have been approved by the Board of Trustees.

Signed: 

.....

M. Doyle (Chair)
Trustee

Date: 26 Sep 2023

.....

THE ADOLESCENT AND CHILDREN'S TRUST

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TRUSTEES' REPORT

The Charity's Trustees (who are also the directors of The Adolescent and Children's Trust for the purposes of company law) are responsible for preparing a Trustees' Annual Report and Financial Statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) including FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

Company law requires the Charity Trustees to prepare Financial Statements for each year which give a true and fair view of the state of affairs of the charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that period. In preparing the 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 (Statement of Recommended Practice);
- Make judgements and estimates that are reasonable and prudent;
- State whether applicable UK accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Charity will continue in business.

The Trustees are responsible for keeping proper accounting records that 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 and Regulation 8 of the Charities Accounts (Scotland) Regulations 2006. They are also responsible for safeguarding the assets of the Charity and the group and hence taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Trustees are responsible for the maintenance and integrity of the corporate and financial information included on the charitable company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in the other jurisdictions.

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AUDITORS REPORT

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS AND TRUSTEES OF THE ADOLESCENT AND CHILDRENS TRUST

Opinion

We have audited the financial statements of the Adolescent and Children's Trust (the 'charity') for the year ended 31 March 2023 which comprise the Statement of Financial Activities, the Balance Sheet, the Statement of Cash Flows, and the notes to the financial statements, including 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 charitable company's affairs as at 31 March 2023 and of its incoming resources and application of resources, 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, the Charities and Trustee Investment (Scotland) Act 2005 and regulation 8 of the Charities Accounts (Scotland) Regulations 2006 as amended).

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.

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AUDITORS REPORT

Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The Trustees are responsible for the other information. Our opinion on the financial statements does not cover the other information contained within the annual report and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. 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 course of 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 this gives rise to a material misstatement in the financial statements themselves. 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 our audit:

- The information given in the Trustees' Report, which includes the Directors' Report and Strategic Report prepared for the purposes of company law, for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the directors' report included within the trustees' report has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the 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 Directors' Report included within the Trustees' Report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 and the Charities Accounts (Scotland) Regulations 2006 (as amended) require 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 specified by law are not made; or
- We have not received all the information and explanations we require for our audit.

Responsibilities of Trustees

As explained more fully in the Statement of Trustees' Responsibilities, the Trustees, who are also the Directors of the Charity 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, and for such internal control as the directors 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 company or to cease operations, or have no realistic alternative but to do so.

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AUDITORS REPORT

Auditor's responsibilities for the audit of the financial statements

We have been appointed as auditor under section 44(1)(c) of the Charities and Trustee Investment (Scotland) Act 2005 and under the Companies Act 2006 and report in accordance with the Acts and relevant regulations made or having effect thereunder.

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.

As part of our planning process:

- We enquired of management the systems and controls the charity has in place, the areas of the financial statements that are most susceptible to the risk of irregularities and fraud, and whether there was any known, suspected, or alleged fraud. The charity did not inform us of any known, suspected, or alleged fraud.
- We obtained an understanding of the legal and regulatory frameworks applicable to the company. We determined that the following were most relevant: the Charity SORP, FRS 102, Charities Act 2011, Companies Act 2006, the Charities and Trustees (Scotland) Act 2005 and the Charities Accounts (Scotland) Regulations 2006 (as amended).
- We considered the incentives and opportunities that exist in the charity, including the extent of management bias, which present a potential for irregularities and fraud to be perpetuated, and tailored our risk assessment accordingly.
- Using our knowledge of the charity, together with the discussions held with the charity at the planning stage, we formed a conclusion on the risk of misstatement due to irregularities including fraud and tailored our procedures according to this risk assessment.

The key procedures we undertook to detect irregularities including fraud during the course of the audit included:

- Identifying and testing journal entries and the overall accounting records, in particular those that were significant and unusual.
- Reviewing the financial statement disclosures and determining whether accounting policies have been appropriately applied.
- Assessing the extent of compliance, or lack of, with the relevant laws and regulations.
- Testing key income lines, in particular cut-off, for evidence of management bias.
- Assessing the validity of the classification of income, expenditure, assets, and liabilities between unrestricted, designated and restricted funds.
- Documenting and verifying all significant related party balances and transactions.
- Obtaining third-party confirmation of bank balances.
- Reviewing documentation such as the Charity's board minutes, correspondence with solicitors, for discussions of irregularities including fraud.

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AUDITORS REPORT

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements even though we have properly planned and performed our audit in accordance with auditing standards. The primary responsibility for the prevention and detection of irregularities and fraud rests with the trustees of the charity.

A further description of our responsibilities is available on the Financial Reporting Council's website at: <http://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

Use of our report

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and with regulation 10 of the Charities Accounts (Scotland) Regulations 2006. 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 auditors' 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.

Carol Rudge

Carol Rudge (Senior Statutory Auditor)
for and on behalf of HW Fisher LLP

Chartered Accountants
Statutory Auditor
Acre House
11-15 William Road
London
United Kingdom
NW1 3ER

26 Sep 2023
Date:

THE ADOLESCENT AND CHILDREN'S TRUST

(A COMPANY LIMITED BY GUARANTEE)

STATEMENT OF FINANCIAL ACTIVITIES FOR THE YEAR ENDING 31 MARCH 2023

| | Note | Unrestricted funds £'000 | Restricted funds £'000 | Total funds 2023 £'000 | Total funds 2022 £'000 |
|---|------|--------------------------------|------------------------------|---------------------------------|---------------------------------|
| Income from: | | | | | |
| Donations | | - | 11 | 11 | 7 |
| Charitable activities | 2 | 25,903 | 160 | 26,063 | 25,376 |
| Other income | 2 | 190 | - | 190 | 51 |
| Furlough Income | 2 | -- | - | - | 5 |
| Investments – Bank Interest | 2 | 58 | - | 58 | - |
| Total income | | 26,151 | 171 | 26,322 | 25,439 |
| Expenditure on: | | | | | |
| <i>Raising funds:</i> | | | | | |
| Costs of generating donations | | 100 | - | 100 | 98 |
| <i>Charitable activities:</i> | | | | | |
| Foster care | | 24,072 | 160 | 24,232 | 24,100 |
| Campaigning, policy, and research | | 39 | - | 39 | 39 |
| Total expenditure | 3 | 24,211 | 160 | 24,371 | 24,237 |
| Net Income and net movement in funds | | 1,940 | 11 | 1,951 | 1,202 |
| Reconciliation of funds: | | | | | |
| Total funds brought forward | 14 | 5,997 | 74 | 6,071 | 4,869 |
| Total funds carried forward | 14 | 7,937 | 85 | 8,022 | 6,071 |

The statement of financial activities includes all gains and losses recognised in the year. All income and expenditure derive from continuing activities.

THE ADOLESCENT AND CHILDREN'S TRUST
(A COMPANY LIMITED BY GUARANTEE)

STATEMENT OF FINANCIAL ACTIVITIES
FOR THE YEAR ENDING 31 MARCH 2023

Prior year comparatives

| | Note | Unrestricted funds £'000 | Restricted funds £'000 | Total funds 2022 £'000 |
|---|------|--------------------------------|------------------------------|---------------------------------|
| Income from: | | | | |
| Donations | | - | 7 | 7 |
| Charitable activities | 2 | 25,247 | 129 | 25,376 |
| Other income | 2 | 51 | - | 51 |
| Furlough Income | 2 | 5 | - | 5 |
| Investments | 2 | | | |
| Total income | | 25,303 | 136 | 25,439 |
| Expenditure on: | | | | |
| <i>Raising funds:</i> | | | | |
| Costs of generating donations | | 98 | - | 98 |
| <i>Charitable activities:</i> | | | | |
| Foster care | | 23,971 | 129 | 24,100 |
| Campaigning, policy, and research | | 39 | - | 39 |
| Total expenditure | 3 | 24,108 | 129 | 24,237 |
| Net income and net movement in funds | | 1,195 | 7 | 1,202 |
| Reconciliation of funds: | | | | |
| Total funds brought forward | 14 | 4,802 | 67 | 4,869 |
| Total funds carried forward | 14 | 5,997 | 74 | 6,071 |

THE ADOLESCENT AND CHILDREN'S TRUST
(A COMPANY LIMITED BY GUARANTEE)

Company registration number: 02779751
 BALANCE SHEET
 AS AT 31 MARCH 2023

| | Note | 2023 £'000 | 2022 £'000 |
|--|------|---------------|---------------|
| Fixed assets: | | | |
| Tangible assets | 10 | 216 | 511 |
| Current assets: | | | |
| Debtors | 11 | 3,328 | 3,336 |
| Investments | 18 | 1,672 | - |
| Cash at bank and in hand | 12 | 6,524 | 5,960 |
| <i>Total current assets</i> | | 11,524 | 9,296 |
| Liabilities: | | | |
| Creditors: Amounts falling due within one year | 12 | (3,718) | (3,736) |
| <i>Net current assets</i> | | 7,806 | 5,560 |
| <i>Total assets less current liabilities</i> | | 8,022 | 6,071 |
| Total net assets | | 8,022 | 6,071 |
| The funds of the Charity: | | | |
| Restricted funds | 14 | 85 | 74 |
| Unrestricted funds | | | |
| - General funds | | 5,209 | 4,769 |
| - Designated funds | | 2,728 | 1,228 |
| Total funds | | 8,022 | 6,071 |

The notes at pages 35 to 48 form part of these accounts.



M. Doyle (Chair)
 Trustee



M. Scott
 Trustee

Approved by the Trustees on 26 Sep 2023

THE ADOLESCENT AND CHILDREN'S TRUST
(A COMPANY LIMITED BY GUARANTEE)
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 MARCH 2023

| | Note | 2023 £'000 | 2022 £'000 |
|---|-----------|----------------------------|----------------------------|
| Cash flows from operating activities | 17 | 1,764 | 959 |
| Cash flows from investing activities: | | | |
| Proceeds from the sale of property | | 472 | - |
| Cash investments | | <u>(1,672)</u> | <u>-</u> |
| Net Cash provided by investing activities | | (1,200) | - |
| Change in cash and cash equivalents in the year | | <u>2,236</u> | <u>959</u> |
| Cash and cash equivalents at the beginning of the year | | <u>5,960</u> | <u>5,001</u> |
| Cash and cash equivalents at the end of the year | | <u><u>6,524</u></u> | <u><u>5,960</u></u> |

THE ADOLESCENT AND CHILDREN'S TRUST

(A COMPANY LIMITED BY GUARANTEE)

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31 MARCH 2023

1. Accounting Policies

TACT is a charitable company limited by guarantee and is incorporated in England and Wales. The registered office address is 98 Station Road, Sidcup, Kent, DA15 7BY.

The principal accounting policies adopted, judgements and key sources of estimation uncertainty in the preparation of the financial statements are as follows:

1.1 Basis of preparation

The financial statements have been prepared in accordance with the company's Memorandum & Articles of Association, the Companies Act 2006, regulation 8 of the Charities Accounts (Scotland) Regulations 2006 and "Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102) (effective 1st January 2019)

Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy or note.

1.2 Public benefit entity

The charitable company meets the definition of a public benefit entity under FRS 102.

1.3 Preparation of the accounts on a going concern basis

The Trustees receive regular updates on current and forecast trading taking into account risks within the overall market and anticipated costs pressures and investment funds. These projections are scrutinised by Finance Audit and Risk Committee (FARC) and consider sensitivities to the projections and the impact on cash reserves. Based on these forecasts and the reserves maintained the Trustees are confident that the Charity can continue as a going concern for a period of at least twelve months from the date of approval of these financial statements. The charity therefore continues to adopt the going concern basis in preparing its financial statements.

1.4 Income

Income is recognised when the Charity has entitlement to the funds, any performance conditions attached to the item(s) of income have been met, it is probable that the income will be received, and the amount can be measured reliably.

Income from foster carer fees is accounted for on a receivable basis.

Income from government or other grants, whether 'capital' grants or 'revenue' grants is recognised when the Charity has entitlement to the funds, any performance conditions attached to the grants have been met, it is probable that the income will be received and the amount can be measured reliably and is not deferred. Investment income is recognised on a receivable basis.

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the Charity; this is normally upon notification of the interest paid or payable by the bank.

Government grants are recognised at the fair value of the amount received or receivable when there is reasonable assurance that the grant conditions will be met and the grants will be received. The charity has received grants under the Coronavirus Job Retention Scheme. The scheme is designed to compensate for staff costs, so amounts received or receivable are recognised in the income statement as part of other operating income over the same period as the costs to which they relate.

THE ADOLESCENT AND CHILDREN'S TRUST

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FOR THE YEAR ENDED 31 MARCH 2023

1.5 Expenditure

Expenditure including redundancy and termination payments is recognised once there is a legal or constructive obligation to make a payment to a third party, it is probable that settlement will be required and the amount of the obligation can be measured reliably. Irrecoverable VAT is charged as a cost against the activity for which the expenditure was incurred. Expenditure is classified under the following activity headings:

- Costs of raising funds comprise those costs associated with attracting voluntary income, in particular grant funding.
- Expenditure relating to Foster care, Campaigning & Policy and Research are those elements of expenditure directly incurred in performing these activities. It also includes allocated support costs relating to this activity.
- Governance costs include those costs associated with meeting the constitutional and statutory requirements of the Charity and include the audit fees and costs linked to the strategic management of the Charity.

1.6 Allocation of support costs

Resources expended are allocated to the particular activity where the cost relates directly to that activity. However, the cost of overall direction and administration of each activity, comprising the salary and overhead costs of the central function, is apportioned in the same proportion as direct costs.

1.7 Critical accounting estimates and judgements

In the application of the Charity's accounting policies, the Trustees are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities not readily apparent from other sources.

The Trustees are satisfied that there are no significant estimates or assumptions in the financial statements.

1.8 Tangible fixed assets and depreciation

Items of equipment are capitalised where the purchase price exceeds £5,000. Depreciation costs are allocated to activities on the basis of the use of the related assets in those activities. Assets are reviewed for impairment if circumstances indicate their carrying value may exceed their net realisable value and value in use. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss.

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided at rates calculated to write down the cost of each asset to its estimated residual value over its expected useful life. The depreciation rates in use are as follows:

| | |
|-----------------------------------|-------------------------|
| Freehold land is not depreciated | |
| Freehold buildings | 2% straight line |
| Leasehold property | 2% straight line |
| Fixtures, fittings, and equipment | 25-33.33% straight line |

THE ADOLESCENT AND CHILDREN'S TRUST

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NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31 MARCH 2023

1.9 Debtors

Trade and other debtors are recognised at the settlement amount due after any trade discount offered and provision for bad and doubtful debts. Prepayments are valued at the amount prepaid net of any trade discounts due.

1.10 Cash at bank and in hand

Cash at bank and cash in hand includes 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.

1.11 Creditors and provisions

Creditors and provisions are recognised where the Charity has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors and provisions are normally recognised at their settlement amount after allowing for any trade discounts due.

1.12 Financial instruments

The Charity only has financial assets and liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value with the exception of bank loans which are subsequently measured at amortised cost using the effective interest method.

1.13 Pensions

For defined-contribution schemes, the amount charged to the SoFA in respect of pension costs and other post-retirement benefits is the contributions payable in the period. Any difference between the charge to the SoFA and the contributions payable to the scheme is shown as an asset or a liability in the balance sheet.

1.14 Operating leases

Rentals payable under operating leases are charged against income on a straight-line basis over the period of the lease.

1.15 Fund accounting

Unrestricted funds are available for use at the discretion of the Trustees in furtherance of the general objectives of the Charity.

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by donors or which have been raised by the Charity for particular purposes. The aim and use of each restricted funds is set out in the notes to the financial statements.

Designated funds are earmarked by the Trustees for a specific purpose

THE ADOLESCENT AND CHILDREN'S TRUST

(A COMPANY LIMITED BY GUARANTEE)

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31 MARCH 2023

2. Income

| | Unrestricted funds 2023 £'000 | Restricted funds 2023 £'000 | Total 2023 £'000 | Unrestricted funds 2022 £'000 | Restricted funds 2022 £'000 | Total 2022 £'000 |
|----------------|--|--------------------------------------|---|--|--------------------------------------|------------------------|
| Fostering Fees | 25,871 | - | 25,871 | 25,216 | - | 25,216 |
| Grants | 32 | 160 | 192 | 31 | 129 | 160 |
| | <u>25,903</u> | <u>160</u> | <u>26,063</u> | <u>25,247</u> | <u>129</u> | <u>25,376</u> |

Other Income

| | 2023 £'000 | 2022 £'000 |
|---------------------------------------|-------------------|---------------|
| Net gain on disposals of fixed assets | 183 | - |
| Furlough Income | - | 5 |
| Other income | <u>7</u> | <u>51</u> |
| | <u>190</u> | <u>56</u> |

Investment Income

| | 2023 £'000 | 2022 £'000 |
|---------------------------------------|------------------|---------------|
| Investment Income from fixed deposits | <u>58</u> | - |
| | <u>58</u> | <u>-</u> |

THE ADOLESCENT AND CHILDREN'S TRUST
(A COMPANY LIMITED BY GUARANTEE)

NOTES TO THE ACCOUNTS
 FOR THE YEAR ENDED 31 MARCH 2023

3. Analysis of expenditure

| | Raising Funds | Foster Care | Campaigning, Policy, and Research | Governance Costs | Support Costs | Total 2023 | Total 2022 |
|---|------------------|---------------|---|---------------------|------------------|---------------|---------------|
| | £'000 | £'000 | £'000 | £'000 | £'000 | £'000 | £'000 |
| Staff Costs (Note 5) | 79 | 4,440 | 31 | - | 3,696 | 8,246 | 7,559 |
| Fees and reimbursements paid to foster carers | - | 13,909 | - | - | - | 13,909 | 14,210 |
| Training costs | - | 152 | - | - | 107 | 259 | 231 |
| Legal and professional fees | - | - | - | 88 | - | 88 | 432 |
| Audit and accountancy fees | - | - | - | 39 | - | 39 | 51 |
| Trustee meeting expenses | - | - | - | - | 12 | 12 | 13 |
| Depreciation | - | - | - | - | 4 | 4 | 14 |
| Other costs | - | 673 | - | - | 1,141 | 1,814 | 1,727 |
| | 79 | 19,174 | 31 | 127 | 4,960 | 24,371 | 24,237 |
| Governance costs | 1 | 126 | - | (127) | - | - | - |
| Support costs | 20 | 4,932 | 8 | - | (4,960) | - | - |
| | 100 | 24,232 | 39 | - | - | 24,371 | 24,237 |

THE ADOLESCENT AND CHILDREN'S TRUST
(A COMPANY LIMITED BY GUARANTEE)

NOTES TO THE ACCOUNTS
 FOR THE YEAR ENDED 31 MARCH 2023

Prior year comparatives

| | Raising Funds | Foster Care | Campaigning, Policy, and Research | Governance Costs | Support Costs | Total 2022 |
|--|------------------|-------------|---|---------------------|------------------|---------------|
| | £'000 | £'000 | £'000 | £'000 | £'000 | £'000 |
| Staff Costs (Note 5) | 78 | 4,193 | 31 | - | 3,257 | 7,559 |
| Fees and reimbursements paid to foster carers | - | 14,210 | - | - | - | 14,210 |
| Training costs | - | 172 | - | - | 59 | 231 |
| Legal and professional fees | - | - | - | 432 | - | 432 |
| Audit and accountancy fees | - | - | - | 51 | - | 51 |
| Trustee meeting expenses | - | - | - | - | 13 | 13 |
| Depreciation | - | - | - | - | 14 | 14 |
| Other costs | - | 593 | - | - | 1,134 | 1,727 |
| | 78 | 19,168 | 31 | 483 | 4,477 | 24,237 |
| Governance costs | 2 | 480 | 1 | (483) | - | - |
| Support costs | 18 | 4,452 | 7 | - | (4,477) | - |
| | 98 | 24,100 | 39 | - | - | 24,237 |

THE ADOLESCENT AND CHILDREN'S TRUST

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NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31 MARCH 2023

4. Net income for the year

This is stated after charging:

| | 2023 £'000 | 2022 £'000 |
|---|---------------|---------------|
| Depreciation | 4 | 14 |
| Auditor's remuneration – audit services | 33 | 29 |
| Auditor's remuneration – other services | - | - |
| Operating lease charges | 50 | 99 |

5. Analysis of staff costs, Trustee remuneration and expenses, and the cost of key management personnel

| | 2023 £'000 | 2022 £'000 |
|----------------------------------|---------------|---------------|
| Wages and salaries | 7,099 | 6,651 |
| Social security costs | 741 | 644 |
| Pension | 264 | 246 |
| Redundancy and termination costs | 142 | 18 |
| | 8,246 | 7,559 |

Included within staff costs are £126K (2022: £164K) of costs relating to agency staff.

The number of employees whose annual emoluments were £60,000 or more were:

| | 2023 Number | 2022 Number |
|-------------------|----------------|----------------|
| £60,000- £69,999 | 11 | 8 |
| £70,000- £79,999 | 2 | 1 |
| £80,000- £89,999 | 1 | 6 |
| £90,000- £99,999 | 4 | - |
| £100,000-£109,999 | - | - |
| £110,000-£119,999 | - | 1 |
| £120,000-£129,999 | - | - |
| £130,000-£139,999 | - | 1 |
| £140,000-£149,999 | 2* | - |
| £200,000-£209,999 | 1* | - |

The key management personnel of the Charity comprise the Trustees and Senior Leadership Team, as detailed on page 5 of the Trustees' report. The total employee benefits of the key management personnel of the Charity were £985K (2022- £822K).

*Includes an element of a one off payment relating to a restructure of senior staff.

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NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31 MARCH 2023

6. Trustees

None of the Trustees (or any person connected with them) received any remuneration during the year in their capacity as Trustees.

5 Trustees (2022 - 10) were either reimbursed for or had expenses relating to travel and accommodation paid on their behalf by the Charity £12K, (2022 - £13K). There were no other related party transactions during the year.

7. Staff Numbers

The average monthly head count of employees during the year was as follows:

| | 2023 Number | 2022 Number |
|-----------------------------------|----------------|----------------|
| Fundraising | 2 | 2 |
| Fostering | 103 | 99 |
| Campaigning, policy, and research | 1 | 1 |
| Support | 93 | 89 |
| | 199 | 191 |

8. Pension and other post-retirement benefit commitments

The Charity operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the Charity in an independently administered fund. The pension cost charge represents contributions payable by the Charity to the fund.

| | 2023 £'000 | 2022 £'000 |
|---|---------------|---------------|
| Contributions payable by the company for the year | 264 | 246 |

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NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31 MARCH 2023

9. Corporation tax

As a charity, The Adolescent and Children's Trust is exempt from UK tax on income and gains to the extent that these are applied to its charitable objects. No UK tax charges have arisen in the Charity, during the year or the previous year.

10. Tangible fixed assets

| | Freehold land and buildings £'000 | Leasehold land and buildings £'000 | Fixtures, fittings, and equipment £'000 | Total £'000 |
|-----------------------------|--|---|---|----------------|
| Cost: | | | | |
| As at 1 April 2022 | 461 | 342 | 11 | 814 |
| Disposals | (461) | - | - | (461) |
| As at 31 March 2023 | - | 342 | 11 | 353 |
| Depreciation: | | | | |
| As at 1 April 2022 | 170 | 122 | 11 | 303 |
| On disposals | (170) | - | - | (170) |
| Charge for year | | 4 | - | 4 |
| As at 31 March 20223 | - | 126 | 11 | 137 |
| Net book value | | | | |
| As at 31 March 2023 | - | 216 | - | 216 |
| As at 31 March 2022 | 291 | 220 | - | 511 |

All assets were used for charitable purposes.

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NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31 MARCH 2023

11. Debtors

| | 2023 | 2022 |
|--------------------------------|--------------|--------------|
| | £'000 | £'000 |
| Trade debtors | 2,751 | 3,003 |
| Other debtors | 114 | 95 |
| Prepayments and accrued income | 463 | 238 |
| | 3,328 | 3,336 |

12. Creditors: amounts falling due within one year

| | 2023 | 2022 |
|------------------------------------|--------------|--------------|
| | £'000 | £'000 |
| Trade creditors | 214 | 381 |
| Taxation and social security costs | 204 | 182 |
| Other creditors | 277 | 245 |
| Children Savings | 289 | - |
| Accruals and deferred income | 2,530 | 2,796 |
| Termination costs | 204 | 132 |
| | 3,718 | 3,736 |

Children Savings refers to monies saved on behalf of children and the corresponding amount is held in a separate ring fenced HSBC bank account.

13. Deferred income

| | 2023 | 2022 |
|----------------------|------------|------------|
| | £'000 | £'000 |
| Brought forward | 185 | 171 |
| Released in the year | (186) | (222) |
| Recognised in year | 125 | 236 |
| Carried forward | 124 | 185 |

Deferred income represents funds received in 2022-23 for delivery of services in 2023-24.

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NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31 MARCH 2023

14. Movements in funds (current year)

| | Balance as at 1 April 2022 £'000 | Transfers between Funds £000's | Income and gains £'000 | Expenditure and losses £'000 | Balance as at 31 March 2023 £'000 |
|--------------------------------------|--|---|---------------------------------|------------------------------------|--|
| Restricted income funds | | | | | |
| Donations for children's activities | 74 | - | 11 | - | 85 |
| Skills to Care | - | - | 1 | (1) | - |
| Big Lottery Fund | - | - | 159 | (159) | - |
| Total restricted income funds | 74 | - | 171 | (160) | 85 |
| Unrestricted funds | | | | | |
| - General funds | 4,769 | (1,600) | 26,151 | (24,211) | 5,109 |
| - Designated funds | | | | | |
| o Capital Fund | 1,200 | - | - | - | 1,200 |
| o Transformation Fund | - | 1,500 | - | - | 1,500 |
| o YP Fund | - | 100 | - | - | 100 |
| o Adoption Fund | 28 | - | - | - | 28 |
| Total unrestricted funds | 5,997 | - | 26,151 | (24,211) | 7,937 |
| Total funds | 6,071 | - | 26,322 | (24,371) | 8,022 |

THE ADOLESCENT AND CHILDREN'S TRUST

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NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31 MARCH 2023

Movement in funds (prior year)

| | Balance as at 1 April 2021 | Transfers between Funds | Income and gains | Expenditure and losses | Balance as at 31 March 2022 |
|--------------------------------------|----------------------------------|-------------------------------|---------------------|---------------------------|-----------------------------------|
| | £'000 | £000's | £'000 | £'000 | £'000 |
| Restricted income funds | | | | | |
| Donations for children's activities | 67 | - | 7 | - | 74 |
| Children in Need grant | - | - | 8 | (8) | - |
| Confidence in Care grant | - | - | 4 | (4) | - |
| Skills to Care | - | - | 9 | (9) | - |
| Big Lottery Fund | - | - | 73 | (73) | - |
| Lord Laming | - | - | 4 | (4) | - |
| Covid Grant | - | - | 18 | (18) | - |
| Murgatroyd Foundation | - | - | 13 | (13) | - |
| Total restricted income funds | 67 | - | 136 | (129) | 74 |
| Unrestricted funds | | | | | |
| - General funds | 3,574 | - | 25,303 | (24,108) | 4,769 |
| - Designated funds | | | | | |
| o Capital Fund | 1,200 | - | - | - | 1,200 |
| o Adoption Fund | 28 | - | - | - | 28 |
| Total unrestricted funds | 4,802 | - | 25,303 | (24,108) | 5,997 |
| Total funds | 4,869 | - | 25,439 | (24,237) | 6,071 |

Purposes of restricted funds

The donations for children's activities fund relate to amounts received to be spent for the benefit of children in care.

Skills to care fund provides funding for training staff on specialist equipment.

Big Lottery Fund is provided to support our TACT Connect offering for care leavers.

Purposes of designated funds

Adoption Fund. TACT established a designated fund in 2016/17 following the receipt of a legacy donation from an ex-adopter. The Trustees have decided that this fund will be spent on positive activities for adopted children and support for adopter families.

Capital Fund. Following a review of the Charity's property portfolio the Trustees made a decision during 2018/19 to divest itself of its estate which was deemed no longer fit for purpose and to use the monies raised to reinvest back into property assets or such other capital purposes in the future which would support the ongoing operations of the charity. A programme of disposals commenced in March 2019 and cash receipts were designated.

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FOR THE YEAR ENDED 31 MARCH 2023

Transformation & Innovation Fund. The Trustees have decided that this fund will be used to increase our capacity to meet our strategic goals of becoming Trauma Informed, assist us in being able to look after children who bring more complexity, increase service innovation and enable process improvement.

YP Fund. The Trustees have decided that this fund will be used for outdoor and culture activities and encourage young people to try out of the ordinary adventure.

15. Analysis of net assets between funds

Fund balances at 31 March 2023 are represented by:

| | Unrestricted funds 2023 £'000 | Restricted funds 2023 £'000 | Total Funds 2023 £'000 |
|---------------------------------|--|--------------------------------------|---------------------------------|
| Tangible fixed assets | 216 | | 216 |
| Current assets | 11,439 | 85 | 11,524 |
| Creditors of less than one year | (3,718) | - | (3,718) |
| | 7,937 | 85 | 8,022 |

Fund balances at 31 March 2022 were represented by:

| | Unrestricted funds 2022 £'000 | Restricted funds 2022 £'000 | Total Funds 2022 £'000 |
|---------------------------------|--|--------------------------------------|---------------------------------|
| Tangible fixed assets | 511 | | 511 |
| Current assets | 9,222 | 74 | 9,296 |
| Creditors of less than one year | (3,736) | - | (3,736) |
| | 5,997 | 74 | 6,071 |

16. Commitments under operating leases

The Charity had future minimum lease payments under non-cancellable operating leases for each of the following periods:

| | Property | | Equipment | |
|----------------------------|---------------|---------------|---------------|---------------|
| Expiry date: | 2023 £'000 | 2022 £'000 | 2023 £'000 | 2022 £'000 |
| Within one year | - | 14 | - | 14 |
| Between two and five years | - | - | - | - |
| | - | 14 | - | 14 |

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FOR THE YEAR ENDED 31 MARCH 2023

The following lease payments were recognised as an expense during the year:

| | 2023 £'000 | 2022 £'000 |
|--------------------|---------------|---------------|
| Land and buildings | 15 | 66 |
| Equipment | 35 | 33 |
| | <u>50</u> | <u>99</u> |

17. Reconciliation of cashflows from operating activities

| | 2023 £'000 | 2022 £'000 |
|--|---------------|---------------|
| Net (expenditure) / income for the reporting period | 1,951 | 1,202 |
| Depreciation charges | 4 | 14 |
| Loss / (profit) on sale of fixed assets | (181) | - |
| (Increase) / decrease in debtors | 8 | (355) |
| Increase / (decrease) in creditors | (18) | 98 |
| Net cash provided by / (used in) operating activities | <u>1,764</u> | <u>959</u> |

18. Current Assets Investment

| | 2023 £'000 | 2022 £'000 |
|----------------|---------------|---------------|
| Fixed Deposits | 1,672 | - |
| | <u>1,672</u> | <u>-</u> |

During the year £1.672m was placed in a 12 month fixed deposit with a maturity date of December 2023.