



Charity Registration No. 1018963

Charity Registration No. SC039052 (Scotland)

Company Registration No. 02779751 (England and Wales)

## **THE ADOLESCENT AND CHILDREN'S TRUST**

(A COMPANY LIMITED BY GUARANTEE)

**TRUSTEES' ANNUAL REPORT AND FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 MARCH 2024**

# THE ADOLESCENT AND CHILDREN'S TRUST

*(A COMPANY LIMITED BY GUARANTEE)*

## LEGAL AND ADMINISTRATIVE INFORMATION

<b>Trustees</b>	Mr B. O'Donoghue (Chair) Mr. P. Woodman Mr M. Scott (Vice Chair & Treasurer) Mr P. Anderson Mrs J O'Connell Mr T, Bingham Mr F. Yeo Ms C.Okaro Mr R. Penney Ms L. Johnstone Ms M.Shafique
<b>Chief Executive</b>	Mr A. Elvin
<b>Secretary</b>	Mr L. King
<b>Charity number (England and Wales)</b>	1018963
<b>Charity number (Scotland)</b>	SC039052
<b>Company number</b>	02779751
<b>Principal address and registered office</b>	98 Station Road, Sidcup, Kent, DA15 7BY
<b>Auditors</b>	HW Fisher Audit Acre House 11-15 William Road London NW1 3ER
<b>Bankers</b>	HSBC Plc Level 3 8 Canada Square London E14 5HQ
<b>Lawyers</b>	
<b>Corporate &amp; Employment</b>	Lee Bolton Monier-Williams, 1 The Sanctuary, London, SW1 3JT
<b>Social Care</b>	S. Carr & Co, 416 Mare Street, Hackney, London E8 1HP
<b>Property</b>	Meade King LLP, Springfield House, 45 Welsh Back, Bristol, BS1 4AG
<b>Contracts &amp; Charity</b>	DAC Beachcroft LLP, Portwall Place, Portwall Lane, Bristol, BS1 9HS
<b>Mergers &amp; Acquisitions</b>	DTM Legal Archway House, Station Road Chester Cheshire CH1 3DR

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**CHAIRMAN'S STATEMENT**

**CHAIRMAN'S STATEMENT**

This is my first introduction to TACT's Annual Report having joined the organisation in March 2024. Following a long career leading businesses around the world, I spent nine years as a trustee with St. Christopher's Fellowship, a wonderful charity working with children and young people in care and on the edge of care. I served as Vice Chair for four of those years and Chair for a further four.

I feel privileged and honoured to have been selected to serve as Chair of TACT. The opportunity appealed to me because of the great work that they do as a charity, the outcomes that they deliver and the values that they operate by.

My first few months have been spent talking to and more importantly listening to as many of our stakeholders as possible and I will continue to do this.

My focus and that of my fellow trustees, our staff and carers is to create better lives for children, young people and care experienced adults. I have three key objectives to keep us focused on delivering this

1. Recruit and retain great foster carers and do all that we can to support them in their fostering journey.
2. Recruit, develop and retain great staff to support our foster carers
3. Ensure that we are financially stable so that we can continue to invest in our staff and carers.

More and more children are coming into care each year and foster care is the preferred option for these children. Unfortunately, there is a national shortage of foster carers so the environment that we work in is extremely challenging. I'm confident that with the wonderful carers, employees and trustees that we have, coupled with a great plan and strong financial position that we will continue to be a leader in delivering wonderful foster care in the United Kingdom

What follows are details of what we have achieved and delivered as an organisation in the past year. My thanks to those trustees who have stepped down during the year, to our current trustees, to our superb staff and carers for all that they do.

**Bert O'Donoghue**

**Chair**

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

## STRUCTURE, GOVERNANCE AND MANAGEMENT

The Board presents its report with the financial statements and the auditor's report for the financial year ended 31 March 2024. 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 1 January 2019)

### LEGAL STATUS

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

TACT is described as an 'incorporated' charity with company registration number of 0277951 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	10/11/2023
Philip B. Woodman	Accountant	05/12/2023	
Lisa Waterman-Glasgow	Communications Director	30/06/2015	19/06/2024
Owen Evans	Charity CEO	27/03/2019	27/03/2024
David Rankin	Accountant	23/09/2020	29/11/2023
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	
Bert O Donoghue	Retired Marketing Director	27/03/2024	

Subsequent to the year end one Trustee resigned (Lisa Waterman on 19/06/24) and five Trustees joined (Francisco Yeo, Chizoma Okaro & Richard Penney who were appointed on 19/06/24 and Lorraine Johnstone &, Marium Shafique who were appointed on 11/09/24).

#### Structure

At 31 March 2024, the Board of Trustees comprised seven members with five new members in the recruitment pipeline. During the year we were pleased to welcome back our former treasurer Philip Woodman who re-joined the Board for a year to assist in a period of transition. We were delighted to welcome our new Chair, Bert O'Donoghue who, amongst other attributes, brought invaluable experience as a previous Chair of Trustees of St. Christopher's Fellowship (SCF). During his time on the Board at SCF, Bert served as Vice Chair until 2018, before becoming Chair of Trustees from 2018

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**TRUSTEES' REPORT**

until he stood down in 2022. SCF is a national charity that works with children and young people in care or on the edge of care. Bert spent 32 years working for the 3M company with assignments based in Ireland, UK, US, Belgium, Hungary and India, he retired in 2013. During these assignments he ran substantial businesses in several industries across Europe, Asia and the United States. Since 2017, Bert has also sat as a Magistrate in the adult criminal courts in Surrey. He also sits as a committee member of the Surrey Magistrates Association and as a member of the Justices' Training, Approvals, Authorisations and Appraisals Committee for Surrey and Sussex.

The Board of Trustees govern the Charity and manage its resources so that it can 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 Children's Services and Safeguarding Committee. The membership of each Committee is as follows:

<b>Finance, Audit and Risk (FARC) Committee</b>	<b>Children's Services and Safeguarding Committee</b>
M Scott (Chair) O Evans (resigned 27 March 2024) T Bingham P Woodman	P Anderson T Bingham (Chair)

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.

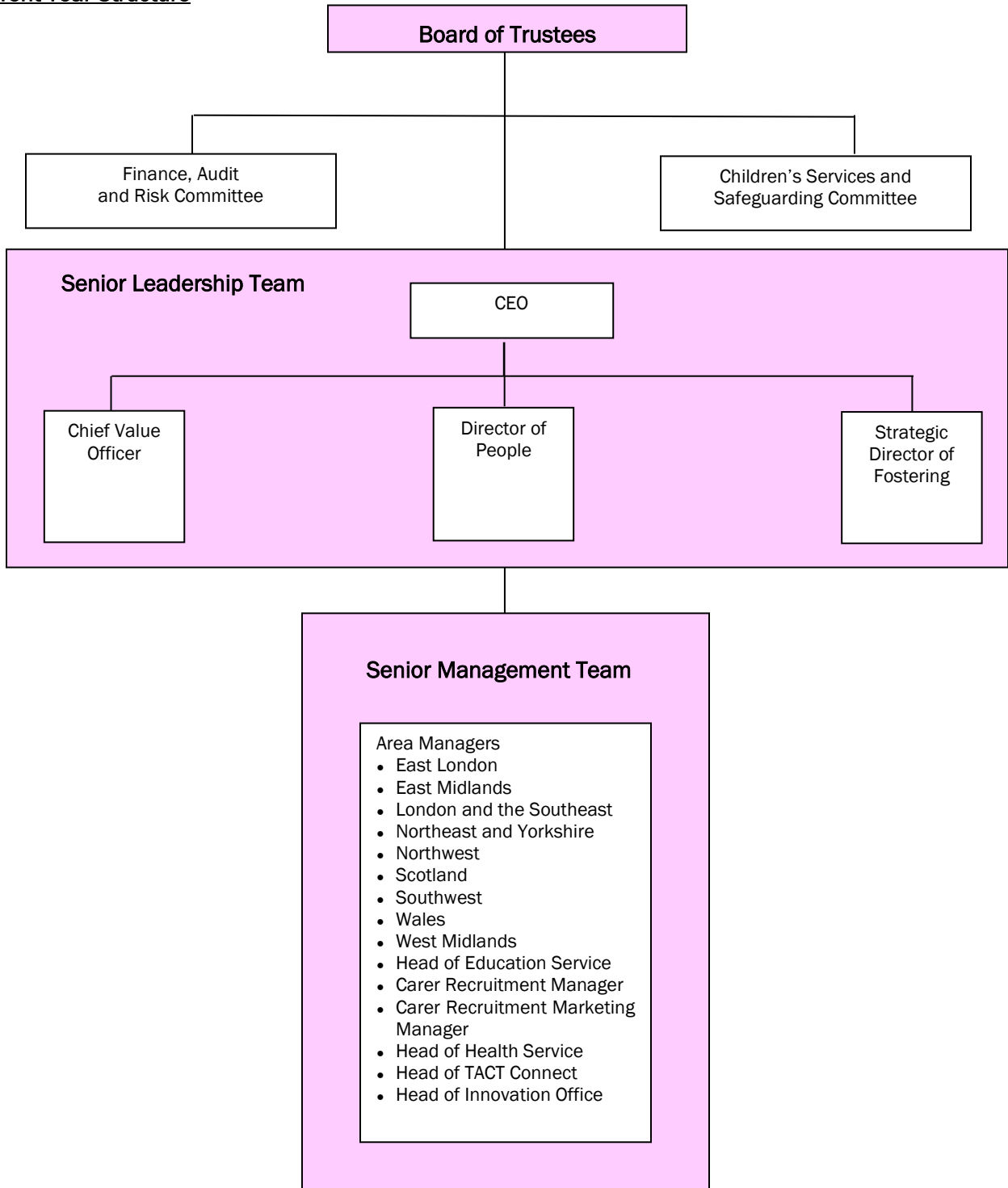
**SENIOR MANAGEMENT STRUCTURE**

The Executive Board has been led by Mr Andy Elvin CEO since September 2014 and 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.

Executive Board 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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**TRUSTEES' REPORT**

Current Year Structure



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 TRUSTEES' REPORT

**GEOGRAPHICAL COVERAGE OF TACT OPERATIONS**



**TACT'S STRATEGIC PLAN**  
 2023 - 2028

TACT's strategic plan for 2023-2028 will focus on ensuring that children, young people and care experienced adults have the

**BEST LIVES**



**OUR STRATEGIC PRIORITIES**

- ★ To begin our journey to become a fully **TRAUMA INFORMED** organisation.
- ★ To be the fostering **CHARITY OF CHOICE** for foster carers, staff and stakeholders.
- ★ To ensure we have the resources to enable TACT to **INNOVATE AND GROW**.
- ★ To be trailblazers in being there for our **CHILDREN FOR LIFE** and ensuring that all our children **HAVE THE BEST CHILDHOOD** and access to a lifelong caring community.

## TACT'S MISSION & VALUES

★  
**CONNECTED & INCLUSIVE**



★  
**CARING & COMPASSIONATE**



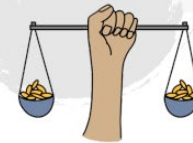
CREATING  
**BETTER LIVES**  
 FOR CHILDREN,  
 YOUNG PEOPLE  
 & CARE EXPERIENCED  
 ADULTS



★  
**CHILD & PEOPLE CENTRED**



★  
**CHARITABLE & FAIR**



★ **BETTER LIVES**

Give children, young people and care experienced adults the **best lives**.

★ **OUTSTANDING PEOPLE**

Provide staff and foster carers with the **skills and support** they need to enable our children and young people to reach their full potential.

★ **BE THE BEST**

Be the **leading voice** in the fostering sector and the first choice for those who want to foster. Be a **model of excellence** in the care and support we provide children and young people.

## TACT'S AIMS



★ **STRONG FINANCES**

Ensure the organisation has the **resources it needs to create better lives** for children, young people and care experienced adults.

★ **SPEAK UP**

Stand with children, young people and care experienced adults, making sure their **voices are heard** and **choices are respected**.

★ **INNOVATIVE & EMPOWERING**

Be **open to new ideas** to better support our children, young people and care experienced adults.

★ **A COMMUNITY FOR LIFE**

Support those we **care** for **throughout their entire life**, not just until they move out of their foster homes to live independently.

# **THE ADOLESCENT AND CHILDREN'S TRUST**

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### **TRUSTEES' REPORT**

## **STRATEGIC REPORT**

### **ORGANISATIONAL AND ACTIVITY REVIEW**

#### **The Year in Perspective**

2023/24 was a very busy year for TACT. We enacted a management restructure to better reflect TACT's current and future needs, and welcomed a new CFO, whose role we now call "Chief Value Officer". We created our Innovation and Continuous Improvement team, which offers project management expertise, and supports us in achieving our mission.

#### **PUBLIC BENEFIT**

The Trustees have complied with their duty under Section 17 of the Charities Act 2011, to have due regard to the guidance published by the Charity Commission. The benefit to the public is demonstrated by the achievements detailed below, which speak to, or enable, excellent outcomes for the children in TACT's care.

#### **ACHIEVEMENTS FOR THE YEAR 2023-24**

##### **1. Innovation & Continuous Improvement Team**

The Innovation and Business office was established in late 2023 through the appointment of the Innovation and Continuous Improvement Manager. Joined by the Business Support Manager, recruitment for the office took place. The team was fully established in early 2024 with Project Manager, Risk and Information Governance Officer and IT, Risk and Project Support Officer. The office utilises business functions, project management and social work experience, to understand the needs and priorities across TACT, to enable social work practice and organisational excellence in achieving the best outcomes for the children and young people looked after by TACT's foster carers, and for our care experienced adults.

Work has been undertaken to develop TACT's goals and areas of growth, and these have been developed into a working portfolio, owned across TACT. Key achievements have been the development of a project management and governance approach that fits TACT's needs and supports the development and progression of a recruitment and retention strategy. Principal projects include focusing on financial incentives, support and wellbeing, developing communities of carers and support networks, carer learning and development, as well as understanding complexity of care needs.

In relation to trauma informed practice, key projects regarding organisational enhancements and developing trauma informed practice are making steady progress. As we move into the final quarter of 2024, we will continue to support progression of the portfolio, alongside supporting strategic development of children's rights and co-production internally and externally to TACT, as well as a quality improvement framework, to support TACT wide excellence and improvement. The team will ensure that the projects offer a joined-up cycle of continuous improvement.

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## TRUSTEES' REPORT

### 2. Inspection Reports and Activity

- In 2023/24, Ofsted awarded 11 outstanding judgements in the Voluntary IFA sector, 3 of which were to TACT's services, equating to 27% of the total. TACT represents 14% of the total Voluntary sector provision, and whilst 21% of the overall Voluntary sector IFAs are rated Outstanding, 42% of TACT's services are rated Outstanding. If we compare TACT with all IFAs, then 23% of all IFAs are Outstanding, against 42% of TACT's services which are judged Outstanding.
- Our East Midlands Team retained its Outstanding judgement. The inspector wrote:
  - *"Foster carers speak with considerable love and warmth about children. They are excited about their achievements. Carers share in children's joy and help them through sad or difficult times, leaders and managers know that to maintain high standards for children they need to look after their carers and staff. As such, everyone's wellbeing is a priority."*
- TACT Northwest gained an Outstanding judgment. They were praised for the quality of staff and foster carers, and the outstanding outcomes that were being achieved for their children.
- TACT's presence in the Yorkshire and Northeast region continued to grow, with 12 new fostering households recruited.
- Our first inclusive weekend for children with disabilities and their carers took place, with 8 families enjoying a weekend in May together exclusively at a specialist holiday centre in Lincolnshire. The families greatly enjoyed sharing time together with families with similar needs. The activity was funded through additional activity funding made available by our Trustees.
- Our talented young people achieved great things over the year, including one 14-year-old girl, who was selected for Scotland's gymnastic squad.
- A residential activity weekend took place at Lineham Farm activity centre in Leeds. The young people enjoyed a range of activities, including archery, climbing, and mountain biking. The trip was such a huge success that, at our young people's request, we are planning to go away again in 2024.
- Our Wales service was again scored by Local Authorities as being one of the best fostering agencies in the country. They also received a positive inspection report which recognised the quality of its therapeutic support.
- Music and Cookery Residentials were held, with children from across TACT taking part in creative arts and learning basic cooking skills.

### 3. Trauma Informed Journey

TACT is on a journey to embed a trauma informed organisational culture across TACT using our new values, and the five principles of Trauma Informed Practice (Safety, Trustworthiness, Choice, Collaboration and Empowerment).

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Trauma informed organisations assume that people may have had traumatic experiences, adversity and hardships and, as a result, may find it difficult to feel safe within services, and to develop trusting relationships with service providers. This can be exacerbated by organisational adverse experiences, and by the very nature of the work that TACT does, working with children who have experienced high levels of trauma.

Moreover, organisations that are working with and are exposed to trauma, can also become trauma soaked and trauma inducing. It can compromise and impact the organisational immune system, and organisations themselves can operate in survival mode; which can impact organisational culture. Consequently, services need to be structured and organised to promote safety and trust and aim to prevent traumatisation.

TACT has an ambition to deliver a strong organisational culture which individuals feel part of and connected to. By following a set of trauma informed principles, we will have well supported, motivated and engaged staff who, in turn, provide more attuned, high levels of care and support to our foster families.

This is also intended to decrease secondary and vicarious trauma, burnout, and compassion fatigue amongst staff. This will have a plethora of benefits, including higher staff satisfaction, increased staff morale, improved organisational reputation, less staff sickness, more staff retention, improved decision making, and better outcomes for our children, young people and the care experienced community.

We are 15 months into this journey and have very good levels of engagement from staff and foster families.

#### **4. Education Service**

The Education service has provided support to 240 of our looked after young people this year, which equates to 36% of all the young people we look after.

We worked directly with 18 unaccompanied asylum-seeking children, providing them with college-ready bags, home language Education support, a UASC Carer Support group, books and equipment, individual advice around suitable schools and admissions guidance, a weekly UASC tuition group in the summer term, and individual support with university applications.

Of our young people who sat GCSEs in 2023:

- 16 Students (66%) achieved at least 5 GCSEs between grades 1-9.
- 7 students (29%) got a good pass in both English & Maths, of at least grade 4.
- 9 students (38%) got a good pass of at least grade 4 in either English or Maths.

We successfully worked with 10 young people in England and Wales to prevent their exclusion from education.

We have had some success stories:

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### TRUSTEES' REPORT

- When LS joined TACT, he had no school placement. We immediately liaised with the SEND team to speed up consultations and advocate for an independent specialist placement, which L started in October. He settled well and is making great progress.
- We challenged a decision that refused JW a place at a special school for children with SEND. A tribunal appeal was lodged, but the LA changed their minds ahead of this. The involvement of TACT's Education team and TACT's foster carers was instrumental in this outcome.
- LG had been on a part-time timetable for many months. We sourced alternative provision for 2 days a week, which supported his reintegration to full time school for the remaining 3 days a week.
- SM was at risk of exclusion. We brought the child's network together and helped to plan and fund a clear package of alternative provision, whilst holding the school to account. We provided access to ASDAN training and worked with a private tutoring company to help SM achieve her ASDAN Life Skills certificate and secure her a continued place at school.
- We supported 11 Year 1 children to pass their Phonics tests, and we helped TM follow her dreams, and successfully apply for Performing Arts School.

#### **5. Health Service**

In the summer of 2024, we recruited a new Health commissioning manager to re-design our Health service. This work will enable us to safely commission clinical health services to work directly with our young people.

We are not only seeing lengthening waiting lists for CAMHS appointments across the UK, but also many of our young people are struggling to engage in traditional clinical models of mental health support. Our Health service will work in partnership with our local authorities and health services, to commission timely diagnosis and support for our young people who are unable to access local services, or who require a more bespoke response.

Through the summer, we analysed the needs of the children we look after and completed research on the link between mental health difficulties and education. Self-harm and suicidal ideation are identified as priority areas for our initial phase of work. Our ambition is to ensure that every child we care for that is struggling with these issues will receive professional clinical help that is timely and effective.

#### **6. Marketing & Communications Team**

Marketing and Communications plays an important role in the success of any organisation, and whilst creating our Strategic Plan, it was acknowledged that it is essential to ensure we have a single, combined, and cohesive Marketing & Communications function with the right skills and resources to support the whole organisation.

As a result, over the past year, TACT's Marketing and Communications functions underwent a comprehensive restructure to align with the organisation's strategic goals. This restructure was led by

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### TRUSTEES' REPORT

Daniella Jackson, Director of People, who took on Executive responsibility for the Marketing and Communications teams following the Senior restructure in early 2023.

In creating the new structure, Daniella worked with existing members of the Marketing and Communications teams, to identify key internal and external audiences, and refine team roles to ensure emphasis was made to enhance our capacity for foster carer recruitment and retention, as well as internal communications and colleague engagement.

The structure of the team was finalised early in 2024 and included the appointment of a Head of Marketing and Communications, with responsibility for ensuring that TACT's marketing and communications efforts are strategically aligned, well-resourced, and equipped to support the organisation's growth and mission.

By the end of March 2024, we had successfully filled any new and vacant posts, and were in the process of onboarding and embedding the new team, which now consists of 11 people covering three core areas: external marketing and carer recruitment, internal communications and engagement, and branding and design.

## 7. TACT Connect

In 2019, TACT Connect launched a membership scheme that provides a supportive community for life for care experienced individuals aged 15 and above, as they transition into adulthood. The transition from foster care to independent living can be immensely challenging, with many facing isolation, uncertainty, and lack of ongoing support networks. TACT Connect aims to bridge this gap by offering meaningful relationships, guidance, and resources tailored to members' needs.

The table below summarises the outcomes TACT Connect aspires to deliver for its members, together with target levels and actual attainment (averaging scoring against indicators for each outcome).

	Target Level	Attainment
Care experienced young people have socially supportive networks in place beyond their foster Families	70%	94%
Care experienced young people broaden their horizons / pursue opportunities to maximise their potential	75%	92%
Care experienced young people are empowered to navigate adult transitions / manage responsibilities	75%	91%
Care experienced young people maintain / improve wellbeing as they move into adulthood	75%	91%
Lived experience of care among young people is understood, recognised and valued	75%	89%

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### **TRUSTEES' REPORT**

Aspirational target levels for each outcome have been significantly exceeded, showing that TACT Connect has delivered over and above expectations in terms of the difference it makes to care experienced young people. Above all else, the scheme is hugely successful in providing a socially supportive network for young people beyond their foster families as they prepare for / transition out of care. The membership offer encourages young people to broaden their horizons, pursue opportunities to maximise their potential, and empowers them to navigate adult transitions and manage responsibilities.

The project amplifies the voice of young people, enables access to services and an incredibly complex system, utilises trauma-informed approaches to improve wellbeing, and enables individuals to realise their potential.

#### **8. Lobbying and Influencing**

TACT continued to play a lead role in campaigning and lobbying for improvements in the care system, especially in foster care. Our calls for change are based on the issues raised by our children, young people, foster carers and care experienced community. Our CEO continues to Chair the Fairer Fostering Partnership (FFP), an umbrella partnership for charitable and not for profit fostering agencies. During the year, the DfE formed the Fostering Advisory Board and, as Chair of the FFP, our CEO was a founding member. The Board have focused on practical improvements suggested by TACT, including making delegated authority automatic, so LAs must opt out rather than opt in. This proposal will shortly be consulted on across the sector. We also pressed that the allegations process is reviewed and reformed, and this is a work in progress.

Our Welsh service manager has given evidence twice to the Senedd on the Welsh Government plan to remove profit from the Welsh children's social care sector, and its transformation agenda for social services. We also hold regular meetings with the Scottish civil service lead on fostering and are supporting them in looking at removing profit from the sector in Scotland.

We have also strongly advocated that the Independent Review proposals are enacted in England, and that a national foster carer recruitment campaign is urgently enacted.

#### **9. TACT's 30<sup>th</sup> Birthday**

2023 was TACT's 30<sup>th</sup> Birthday year. We also celebrated 15 years working in Scotland, and 20 years working in Wales. In September, all of TACT's staff gathered in Manchester to celebrate 30 years of achieving better lives for our children, young people and care experienced adults. We were privileged to have BBC Journalist and presenter, Ashleigh John-Baptiste, give the keynote speech and the day highlighted the many successes we have had over the past 30 years.

Thursday 10<sup>th</sup> August marked TACT Scotland's 15-year anniversary, a remarkable milestone in the charity's journey in creating better lives for children and young people in care. Around 130 carers, young people and staff from across TACT enjoyed a fantastic day at Blair Drummond Safari Park, on a warm and almost sunny day. Since TACT Scotland was established in 2008, over 1000 children and young people have received much needed care and support within safe, stable and loving homes provided by TACT's foster carers.

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In August 2023, we held a special event at the Urdd Cultural and Activity Centre in Llangrannog, to mark 30 years since TACT was founded, and 26 years since our Welsh service opened. It was a wonderful day, and the children's awards were very special. We wanted to let carers get a taste of what our children and young people experience when they attend Llangrannog on their residential weekends, and to spend the day in a place that means so much to TACT's staff and children and has done over the many years we have been going there. All our carers had a great time seeing their children and young people having such a wonderful time, and the sing song on the bus home was something to treasure.

#### **10. Conclusion**

2023/24 was a busy and productive year for TACT. We introduced a new management structure, and added an Innovation Office, dedicated Marketing & Communications team, and a Health commissioning service to further strengthen our offer to our children and foster families. The Welsh plan for government, and direction of travel in Scotland & England suggest opportunities for TACT to extend and strengthen its services in all 3 countries. In doing this, our focus will always remain on creating better lives for our children, young people and care experienced community.

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### TRUSTEES' REPORT

#### REVIEW OF THE FINANCIAL RESULTS

It has been another strong year of financial progress and improving cash and net asset positions. with a reported surplus of £1.17M (£427K before the reversal of the provision – see Note 3), prior year surplus of £1.95M. During the year, we continued to rebuild our reserves and, encouragingly, were able 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 5.8% (2023: 3.8%) 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. Activity has stabilised during second half of 2023/24 and we aim to continue with this stability through 2024/25. 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 24/25 following the launch of our new strategy. The fall in activity was mitigated by an increase of 5.9% 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 increased our matched contribution to staff pensions from 4% to 6%. We introduced a payment towards council tax for carers. In addition, we invested in extending our education service and support. We also created and developed the innovation office and project management capability.

During the year, agreement was reached to settle a longstanding contractual dispute at a cost of £575K. This resulted in the release of a provision made in prior years in the sum of £1,322K. The net adjustment of £747K to foster care costs is shown separately on the SOFA and for the year ended 31 March 2024 the surplus for the year, before the write back of the provision, was £427K.

In conclusion, whilst we have had another strong year financially, it is difficult to maintain historic levels of activity due to a very challenging carer recruitment market. The hard work undertaken repairing the balance 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 £6.67M (2023 £4.99M) of free reserves, which is around 2.43 times, (2023: 0.96 times, but 1.82 times based on 2023/24 targets) of the minimum level of reserves that the Trustees believe is necessary to meet the financial obligations of the charity. The foster carer recruitment market remains challenging, and the Board of Trustees wish to ensure that TACT can weather any decline in activity but also be ready to invest in capital opportunities to drive growth including but not limited to Mergers and Acquisitions.

# **THE ADOLESCENT AND CHILDREN'S TRUST**

## ***(A COMPANY LIMITED BY GUARANTEE)***

### **TRUSTEES' REPORT**

#### **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 from April 2023 is to maintain free reserves, equivalent to 25% percent of overhead expenditure £2.74M. This leaves a surplus of £3.93M.

The reserves policy also states that TACT should hold cash levels equivalent to two months of operating expenditure, or £4.16M. On 31 March 2024, this requirement was fully satisfied as cash levels were at £8.23M.

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 has 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.

#### **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 2024/25 inflation rates for the UK have begun to fall back to normalised levels closer to the Bank of England target of 2%. This is positive for our staff and carers and reduces the pressure upon us to need to pass on increased costs to our Local Authority customers.

The impact of cost-of-living increases will likely continue to put 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.

# THE ADOLESCENT AND CHILDREN'S TRUST

## *(A COMPANY LIMITED BY GUARANTEE)*

### TRUSTEES' REPORT

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.

##### 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.

# THE ADOLESCENT AND CHILDREN'S TRUST

*(A COMPANY LIMITED BY GUARANTEE)*  
TRUSTEES' REPORT

## 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.

## 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:

### **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.

# **THE ADOLESCENT AND CHILDREN'S TRUST**

## ***(A COMPANY LIMITED BY GUARANTEE)***

### **TRUSTEES' REPORT**

#### **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 marketplace 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, Audit & Risk Committee.

#### **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 auditors are 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.

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

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

Signed:

*Bert O'Donoghue*

.....  
Bert O'Donoghue (Chair)  
**Trustee**

Date: 28 Nov 2024

# **THE ADOLESCENT AND CHILDREN'S TRUST**

## ***(A COMPANY LIMITED BY GUARANTEE)***

### **STATEMENT OF TRUSTEE'S RESPONSIBILITIES**

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, Regulation 8 of the Charities Accounts (Scotland) Regulations 2006 and the Charity and Trustee Investment (Scotland) Act 2005. They are also responsible for safeguarding the assets of the Charity 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.

# THE ADOLESCENT AND CHILDREN'S TRUST

*(A COMPANY LIMITED BY GUARANTEE)*

AUDITOR'S REPORT

## INDEPENDENT AUDITORS' REPORT TO THE MEMBERS AND TRUSTEES OF THE ADOLESCENT AND CHILDREN'S TRUST

### Opinion

We have audited the financial statements of the Adolescent and Children's Trust (the 'charity') for the year ended 31 March 2024 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 2024 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006, 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 Auditors 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.

# THE ADOLESCENT AND CHILDREN'S TRUST

## *(A COMPANY LIMITED BY GUARANTEE)*

### AUDITOR'S REPORT

#### **Other information**

The other information comprises the information included in the annual report, other than the financial statements and our auditors 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 Strategic Report and the Directors' Report included within the Trustees' report have been prepared in accordance with applicable legal requirements.

#### **Matters on which we are required to report by exception**

In 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.

# THE ADOLESCENT AND CHILDREN'S TRUST

## *(A COMPANY LIMITED BY GUARANTEE)*

### AUDITOR'S REPORT

#### **Auditors responsibilities for the audit of the financial statements**

We have been appointed as auditors 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 auditors 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.

# THE ADOLESCENT AND CHILDREN'S TRUST

*(A COMPANY LIMITED BY GUARANTEE)*

## AUDITOR'S 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 auditors 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.

*HW Fisher Audit*

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

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

Date: 28 Nov 2024  
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# THE ADOLESCENT AND CHILDREN'S TRUST

## (A COMPANY LIMITED BY GUARANTEE)

### STATEMENT OF FINANCIAL ACTIVITIES FOR THE YEAR ENDING 31 MARCH 2024

	Note	Unrestricted funds £'000	Restricted funds £'000	Total funds 2024 £'000	Total funds 2023 £'000
<b>Income from:</b>					
Donations		-	6	6	11
Charitable activities	2	25,960	196	26,156	26,063
Other income	2	3	-	3	190
Investments – Bank Interest	2	213	-	213	58
<b>Total income</b>		<b>26,176</b>	<b>202</b>	<b>26,378</b>	<b>26,322</b>
<b>Expenditure on:</b>					
<i>Raising funds:</i>					
Costs of generating donations		78	-	78	100
<i>Charitable activities:</i>					
Foster care		25,665	208	25,873	24,232
Reversal of foster care costs provision	3	(747)	-	(747)	-
Campaigning, policy, and research		-	-	-	39
<b>Total expenditure</b>	<b>3</b>	<b>24,996</b>	<b>208</b>	<b>25,204</b>	<b>24,371</b>
<b>Net Income and net movement in funds</b>		<b>1,180</b>	<b>(6)</b>	<b>1,174</b>	<b>1,951</b>
<b>Reconciliation of funds:</b>					
Total funds brought forward	14	7,937	85	8,022	6,071
<b>Total funds carried forward</b>	<b>14</b>	<b>9,117</b>	<b>79</b>	<b>9,196</b>	<b>8,022</b>

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)**

**Prior year comparatives**

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

# THE ADOLESCENT AND CHILDREN'S TRUST

(A COMPANY LIMITED BY GUARANTEE)

Company registration number: 02779751  
BALANCE SHEET  
AS AT 31 MARCH 2024

	Note	2024 £'000	2023 £'000
<b>Fixed assets:</b>			
Tangible assets	10	150	216
<b>Current assets:</b>			
Debtors	11	3,446	3,328
Investments	18	-	1,672
Cash at bank and in hand	12	8,225	6,524
<i>Total current assets</i>		<u>11,671</u>	<u>11,524</u>
<b>Liabilities:</b>			
Creditors: Amounts falling due within one year	12	(2,625)	(3,718)
<i>Net current assets</i>		<u>9,046</u>	<u>7,806</u>
<b>Total net assets</b>		<u>9,196</u>	<u>8,022</u>
<b>The funds of the Charity:</b>			
Restricted funds	14	79	85
Unrestricted funds			
- General funds		6,815	5,209
- Designated funds		2,302	2,728
<i>Total Unrestricted funds</i>		<u>9,117</u>	<u>7,937</u>
<b>Total funds</b>		<u>9,196</u>	<u>8,022</u>

The notes at pages 30 to 42 form part of these financial statements.

*Bert O'Donoghue*  
Bert O'Donoghue (Chair)  
Trustee

*M C Scott*  
M. Scott (Treasurer)  
Trustee

Approved by the Trustees on 28 Nov 2024

**THE ADOLESCENT AND CHILDREN'S TRUST**  
**(A COMPANY LIMITED BY GUARANTEE)**  
**STATEMENT OF CASH FLOWS**  
**FOR THE YEAR ENDED 31 MARCH 2024**

	Note	2024 £'000	2023 £'000
Cash flows from operating activities	17	29	1,764
<b>Cash flows from investing activities:</b>			
Proceeds from the sale of property		0	472
Cash investments		<u>1,672</u>	<u>(1,672)</u>
<b>Net Cash provided by investing activities</b>		<b>1,672</b>	<b>(1,200)</b>
Change in cash and cash equivalents in the year		<u>1,701</u>	<u>564</u>
Cash and cash equivalents at the beginning of the year		<u>6,524</u>	<u>5,960</u>
Cash and cash equivalents at the end of the year		<u><b>8,225</b></u>	<u><b>6,524</b></u>

# THE ADOLESCENT AND CHILDREN'S TRUST

## *(A COMPANY LIMITED BY GUARANTEE)*

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2024

### 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 1 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 financial statements 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 the foreseeable future. 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 by following the performance model, 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 ADOLESCENT AND CHILDREN'S TRUST

## *(A COMPANY LIMITED BY GUARANTEE)*

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2024

### 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 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:

Leasehold property	2% straight line
Fixtures, fittings, and equipment	25-33.33% straight line

# THE ADOLESCENT AND CHILDREN'S TRUST

## *(A COMPANY LIMITED BY GUARANTEE)*

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2024

### **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 has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments. These 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 fund 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 FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2024

## 2. Income

	Unrestricted funds 2024 £'000	Restricted funds 2024 £'000	<b>Total</b> <b>2024</b> <b>£'000</b>	Unrestricted funds 2023 £'000	Restricted funds 2023 £'000	<b>Total</b> <b>2023</b> <b>£'000</b>
Fostering Fees	25,960	-	<b>25,960</b>	25,871	-	25,871
Grants	-	196	<b>196</b>	32	160	192
	<b>25,960</b>	<b>196</b>	<b>26,156</b>	<b>25,903</b>	<b>160</b>	<b>26,063</b>

## Other Income

	<b>2024</b> <b>£'000</b>	<b>2023</b> <b>£'000</b>
Net gain on disposals of fixed assets	-	183
Other income	<b>3</b>	<b>7</b>
	<b>3</b>	<b>190</b>

## Investment Income

	<b>2024</b> <b>£'000</b>	<b>2023</b> <b>£'000</b>
Investment Income from fixed deposits	<b>213</b>	<b>58</b>
	<b>213</b>	<b>58</b>

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

NOTES TO THE FINANCIAL STATEMENTS  
 FOR THE YEAR ENDED 31 MARCH 2024

**3. Analysis of expenditure**

	Raising Funds	Foster Care	Campaigning, Policy, and Research	Governance Costs	Support Costs	Total 2024	Total 2023
	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Staff Costs (Note 5)	61	4,660	-	-	3,976	8,697	8,246
Fees and reimbursements paid to foster carers	-	14,252	-	-	-	14,252	13,909
Training costs	-	136	-	-	105	241	259
Professional fees	-	-	-	-	405	405	76
Legal fees	-	-	-	33	-	33	12
Audit and accountancy fees	-	-	-	60	-	60	39
Trustee meetings & recruitment	-	-	-	-	41	41	12
Depreciation	-	-	-	-	4	4	4
Other costs	-	646	-	-	825	1,471	1,814
	61	19,694	-	93	5,356	25,204	24,371
Governance costs	-	93	-	(93)	-	-	-
Support costs	17	5,339	-	-	(5,356)	-	-
	78	25,126	-	-	-	25,204	24,371

During the period, agreement was reached to settle a longstanding contractual dispute at a cost of £575K. This resulted in the release of a provision made in prior years in the sum of £1,322K. Foster care costs of £14,252 above are net of the reversal of the provision of £747K (shown separately on the SOFA) and for the year ended 31 March 2024 the surplus for the year, before the write back of the provision, was £427K.

**THE ADOLESCENT AND CHILDREN'S TRUST**  
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NOTES TO THE FINANCIAL STATEMENTS  
 FOR THE YEAR ENDED 31 MARCH 2024

**Prior year comparatives**

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

# THE ADOLESCENT AND CHILDREN'S TRUST

## (A COMPANY LIMITED BY GUARANTEE)

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2024

### 4. Net income for the year

This is stated after charging:

	2024 £'000	2023 £'000
Depreciation	4	4
Auditors remuneration – audit services	47	33
Auditors remuneration – 2023 under provision	13	-
Operating lease charges	-	50

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

	2024 £'000	2023 £'000
Wages and salaries	7,541	7,099
Social security costs	726	741
Pension	373	264
Redundancy and termination costs	57	142
	<b>8,697</b>	<b>8,246</b>

Included within staff costs are £286K (2023: £126K) of costs relating to agency staff.

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

	2024 Number	2023 Number
£60,000- £69,999	13	11
£70,000- £79,999	3	2
£80,000- £89,999	0	1
£90,000- £99,999	2	4
£110,000-£119,999	1	-
£120,000-£129,999	1	-
£140,000-£149,999	-	2*
£150,000-£159,999	1	-
£200,000-£209,999	-	1*

The key management personnel of the Charity comprise the Trustees and Senior Leadership Team, as detailed on page 2 of the Trustees' report. The total employee benefits of the key management personnel of the Charity were £701K (2023- £985K).

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

# THE ADOLESCENT AND CHILDREN'S TRUST

## (A COMPANY LIMITED BY GUARANTEE)

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2024

### 6. Trustees

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

6 Trustees (2023 - 5) were either reimbursed for or had expenses relating to travel and accommodation paid on their behalf by the Charity £2K, (2023 - £12K). 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:

	2024	2023
	Number	Number
Fundraising	1	2
Fostering	109	103
Campaigning, policy, and research	-	1
Support	94	93
	<hr/> 204	<hr/> 199

### 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.

	2024	2023
	£'000	£'000
Contributions payable by the company for the year	373	264

# THE ADOLESCENT AND CHILDREN'S TRUST

## (A COMPANY LIMITED BY GUARANTEE)

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2024

### 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

	Leasehold land and buildings £'000	Fixtures, fittings, and equipment £'000	Total £'000
<b>Cost:</b>			
As at 1 April 2023	342	11	353
Disposals	-	(11)	(11)
Impairment	(62)	-	(62)
<b>As at 31 March 2024</b>	<b>280</b>	<b>-</b>	<b>280</b>
<b>Depreciation:</b>			
As at 1 April 2023	126	11	137
On disposals	-	(11)	(11)
Charge for year	4		4
<b>As at 31 March 20224</b>	<b>130</b>	<b>-</b>	<b>130</b>
<b>Net book value</b>			
<b>As at 31 March 2024</b>	<b>150</b>	<b>-</b>	<b>150</b>
As at 31 March 2023	216	-	216

All assets were used for charitable purposes.

# THE ADOLESCENT AND CHILDREN'S TRUST

## (A COMPANY LIMITED BY GUARANTEE)

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2024

### 11. Debtors

	2024 £'000	2023 £'000
Trade debtors	2,817	2,751
Other debtors	14	114
Prepayments and accrued income	615	463
	<hr/>	<hr/>
	3,446	3,328

### 12. Creditors: amounts falling due within one year

	2024 £'000	2023 £'000
Trade creditors	321	214
Taxation and social security costs	186	204
Other creditors	104	277
Children Savings	452	289
Accruals and deferred income	1,542	2,530
Termination costs	20	204
	<hr/>	<hr/>
	2,625	3,718

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

	2024 £'000	2023 £'000
Brought forward	124	185
Released in the year	(222)	(186)
Recognised in year	127	125
Carried forward	<hr/>	<hr/>
	29	124

Deferred income represents funds received in 2023-24 for delivery of services in 2024-25.

# THE ADOLESCENT AND CHILDREN'S TRUST

*(A COMPANY LIMITED BY GUARANTEE)*

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2024

## 14. Movements in funds (current year)

	Balance as at 1 April 2023 £'000	Transfers between Funds £000	Income and gains £'000	Expenditure and losses £'000	Balance as at 31 March 2024 £'000
<b>Restricted income funds</b>					
Donations for children's activities	85	-	6	(12)	79
Skills to Care	-	-	1	(1)	-
Big Lottery Fund	-	-	195	(195)	-
<b>Total restricted income funds</b>	85	-	202	(208)	79
<b>Unrestricted funds</b>					
- General funds	5,109	128	26,176	(24,598)	6,815
- Designated funds					
o Capital Fund	1,200	-	-	-	1,200
o Transformation Fund	1,500	-	-	(398)	1,102
o YP Fund	100	(100)	-	-	-
o Adoption Fund **	28	(28)	-	-	-
<b>Total unrestricted funds</b>	7,937	-	26,176	(24,996)	9,117
<b>Total funds</b>	8,022	-	26,378	(25,204)	9,196

\*\* TACT ended its adoption services a number of years ago

# THE ADOLESCENT AND CHILDREN'S TRUST

## (A COMPANY LIMITED BY GUARANTEE)

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2024

### Movement in funds (prior 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
<b>Restricted income funds</b>					
Donations for children's activities	74	-	11	-	85
Skills to Care	-	-	1	(1)	-
Big Lottery Fund	-	-	159	(159)	-
<b>Total restricted income funds</b>	<b>74</b>	<b>-</b>	<b>171</b>	<b>(160)</b>	<b>85</b>
<b>Unrestricted funds</b>					
- 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
<b>Total unrestricted funds</b>	<b>5,997</b>	<b>-</b>	<b>26,151</b>	<b>(24,211)</b>	<b>7,937</b>
<b>Total funds</b>	<b>6,071</b>	<b>-</b>	<b>26,322</b>	<b>(24,371)</b>	<b>8,022</b>

### 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

Capital Fund. Following a review of the Charity's property portfolio the Trustees decided 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 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.

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.

# THE ADOLESCENT AND CHILDREN'S TRUST

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NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2024

YP Fund. This year the Trustees took the decision to move the YP budget back within the remit of the area teams and keep track of it that way.

### 15. Analysis of net assets between funds

Fund balances at 31 March 2024 are represented by:

	Unrestricted funds 2024 £'000	Restricted funds 2024 £'000	Total Funds 2024 £'000
Tangible fixed assets	150		150
Current assets	11,592	79	11,671
Creditors of less than one year	(2,625)	-	(2,625)
	<b>9,117</b>	<b>79</b>	<b>9,196</b>

Fund balances at 31 March 2023 were 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)
	<b>7,937</b>	<b>85</b>	<b>8,022</b>

### 16. Commitments under operating leases

The Charity had no future minimum lease payments under non-cancellable operating leases:

No lease payments were recognised as an expense during the year:

	2024 £'000	2023 £'000
Land and buildings	-	15
Equipment	-	35
	<b>-</b>	<b>50</b>

# THE ADOLESCENT AND CHILDREN'S TRUST

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NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2024

### 17. Reconciliation of cashflows from operating activities

	2024	2023
	£'000	£'000
Net (expenditure) / income for the reporting period	1,174	1,951
Depreciation charges	4	4
Loss / (profit) on sale of fixed assets	-	(181)
Impairment of Fixed Assets	62	-
(Increase) / decrease in debtors	(118)	8
Increase / (decrease) in creditors	(1,093)	(18)
<b>Net cash provided by / (used in) operating activities</b>	<b>29</b>	<b>1,764</b>

### 18. Current Assets Investment

	2024	2023
	£'000	£'000
Fixed Deposits	-	1,672
	<hr/>	<hr/>
	-	1,672

During the year £1.672m matured in December 2023 and was reinvested in a liquidity fund.