

Charity number: 1172481
Company number: 10152838



SAFE PLACES FOR CHILDREN UK

FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2019

SAFE PLACES FOR CHILDREN UK
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SAFE PLACES FOR CHILDREN UK
TRUSTEES AND ADMINISTRATIVE INFORMATION

Trustees

Keith Mason
Christopher Saunders
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Independent Examiner

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Bankers

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Western Avenue
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ME4 4RT

Solicitors

Veale Wasbrough Vizards LLP
Narrow Quay House
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Trustees' Report

The trustees, who are also directors of the charity for the purposes of the Companies Act 2006, are pleased to present their annual trustees' report together with the financial statements for the year to 31 December 2019 which are also prepared to meet the requirements for a directors' report and accounts for Companies Act purposes.

The financial statements comply with the Charities Act 2011, the Companies Act 2006, the Memorandum and Articles of Association, 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 (FRS 102).

Objectives and activities

The charity's objectives are:

- The relief of:
 - a) children, young adults and disabled people in need; and
 - b) the families of children, young adults and disabled people in need in particular but not exclusively by providing residential, therapeutic and rehabilitation services and family support services;
- the relief of those in need by reason of financial hardship, ill health, disability, youth, age or other disadvantage; and
- the advancement of such other objects or purposes in any part of the world which are exclusively charitable according to the law of England and Wales and are in the opinion of the trustees connected with children, young adults or disabled people in need in such manner as the trustees may in their absolute discretion think fit.

The purposes of the charity are:

- To provide therapeutic residential care of high needs children, young adults and disabled people, providing rehabilitation services in addition to the immediate needs of the young people.
- In addition, we seek to use the experiences and knowledge gained working with traumatised young people in other locations to bring about improvements in the efficiency and effectiveness of other organisations working in this sector.
- Working with the local authorities and departments, we aim to raise the standards and the quality of care delivered to all high needs young people by the various agencies and charities.

The objectives for this year are:

- To continue to develop a team of educated, excellent, enthusiastic staff to guide young people along a personal growth journey.
- To select and appropriately fit out houses within the community to provide accommodation for the young people in a way that facilitates their care, safety and rehabilitation.
- To institute training, review and verification programs to ensure the highest possible standard of care is provided.

Funding

We have established working relationships with various Trustees of the Health and Social Care trusts in a range of jurisdictions in Northern Ireland and England. We have broad agreement on the pricing structure and cost recovery models for caring for young people in their custody. We have successfully established England operations and expanded Northern Ireland operations despite the impact of COVID-19.

We have determined that we can provide the appropriate services at the best cost to ensure the viability of Safe Places for Children UK.

Fundraising

The Trustees take their responsibilities under the Charities (Protection and Social Investment) Act 2016 seriously and have considered the implications on their activities. The charity does not actively raise funds or solicit donations directly from the general public at present. The charity does not work directly with commercial sponsors in relation to fundraising. The Trustees are not aware of any complaints made in respect of fundraising during the period.

Public Benefit

In planning the activities for the year to meet the charitable objects, the trustees have complied with their duties in Section 17 of the Charities Act 2011 and have considered the Charity Commission's general guidance on public benefit.

Financial Review

The charity received income of £335,659 (2018 – £188,969). There was an increase in income compared to 2018 as the charity took on more contracts to provide services to local authorities.

Expenditure of £1,091,109 (2018 – £542,123) was incurred in relation to the charity's operations. The operations included therapeutic residential services and ancillary activities.

Reserves policy

The charity held a deficit on unrestricted funds of £962,484 as at 31 December 2019 (2018 – deficit of £207,034). The charity recognises the need to have positive unrestricted funds and is taking steps to achieve this in due course. The charity expects to receive continued support from the connected charity Safe Places for Children Secretariat.

Impact of COVID-19

COVID-19 has a limited impact on operations, but increased costs have adversely impacted profitability and cash flow. Numerous valuable lessons have been learnt and the organisation is stronger as result.

Going Concern

We were supported during start-up by the parent organisation, Safe Places for Children Secretariat, and by the Australian not-for-profit Safe Places Community Services Limited. These organisations continue to provide backup funding, management expertise, emergency staffing requirements and administrative support. With these arrangements in place, we are able to continue establishing our presence in the industry and bring better outcomes for young people. The charity recognises the need to have positive unrestricted funds and is taking steps to achieve this in due course. The charity expects to receive continued support from the connected charity Safe Places for Children Secretariat.

**SAFE PLACES FOR CHILDREN UK
TRUSTEES' REPORT
FOR THE YEAR ENDED 31 DECEMBER 2019**

The Trustees have reviewed cash flow forecasts for 2020 and 2021 in order to consider going concern and are confident that the charity will have the resources available to it that it will need for at least the 12 months following the approval of these financial statements.

Thus, the Trustees continue to adopt the going concern basis of accounting in preparing the financial statements.

Risk management

The trustees have a risk management strategy which comprises:

- monthly review and check to ensure standards are maintained, policies upheld and procedures followed in both practical application and documentation;
- ongoing work by a dedicated Quality and Systems team;
- ongoing work by team reviewing documentation, licencing and other requirements for working in this highly regulated industry;
- an annual review of the principal risks and uncertainties that the charity faces, including financial risks;
- the establishment of policies, systems and procedures to mitigate those risks identified in the annual review; and
- the implementation of procedures designed to minimise or manage any potential impact on the charity should those risks materialise.

This work has identified that barriers to entry is the major financial risk for the charity. The approach of Safe Places for Children UK is different from those used by other organisations in residential care, and requires changes in thinking in the funding and placement agencies.

Attention has also been focussed on non-financial risks arising from fire, health and safety of staff and young people. These risks are managed by ensuring accreditation is up to date, having robust policies and procedures in place, and regular awareness training for staff working in these operational areas.

Future Plans

Since the financial year end, we have made significant progress in continuing to establish the organisation as a premium provider of therapeutic care. Placements have commenced in our homes. We have received payments from the South-Eastern Trust of HSC in Northern Ireland for these services. In addition, we have signed contracts with the Cheshire East Council to provide services for a significant number of young people for the next 4 years, commencing on 1 October 2019.

During 2020 financial year, we secured OFSTED approvals for multiple Cheshire placements for our Crewe and Macclesfield properties. Northern Ireland also secured its third placement that's leads to increase in revenue. We have also established offices in both Northern Ireland and England.

Structure, Governance & Management

Constitution

The charity is constituted as a company limited by guarantee and was incorporated on 28 April 2016. It is governed by its Memorandum and Articles of Association. There is currently one member. The charity was registered with the Charity Commission on 7 April 2017.

**SAFE PLACES FOR CHILDREN UK
TRUSTEES' REPORT
FOR THE YEAR ENDED 31 DECEMBER 2019**

Appointment of trustees

As set out in the Articles of Association the trustees are nominated by Safe Places for Children Secretariat.

Trustee induction and training

The trustees have undergone orientation to brief them on their legal obligations under charity and company law, the Charity Commission guidance on public benefit, and inform them of the content of the Memorandum and Articles of Association, the committee and decision-making processes, the business plan and recent financial performance of the charity.

Related parties and co-operation with other organisations

None of our trustees receive remuneration or other benefit from their work as a trustee with the charity. Any connection between a trustee or senior manager of the charity with an employee or contractor must be disclosed to the full board of trustees in the same way as any other contractual relationship with a related party.

The charity has a close relationship with Safe Places Community Services Limited in Australia, a non-profit with extensive experience and successes in the care and rehabilitation of troubled young people, and Safe Places for Children Secretariat (Registered Charity Number 1173449) the UK charity's parent. Safe Places Community Services Limited provides administration support, training and advice, as well as providing funding for the establishment phase of Safe Places for Children UK. The charity has not been asked to repay any of these funds, and we have assurances that repayment will be required only as and when the charity has capacity to repay.

Our view is that Safe Places Communities Services Limited and the charity are connected parties pursuant to the Australian accounting standards and the United Kingdom accounting standards.

Pay policy for senior staff

The pay of the senior staff is reviewed annually and normally increased in accordance with average earnings, subject to market comparative review.

Trustees Responsibilities

The trustees (who are also directors of the charity for the purposes of company law) are responsible for preparing the Trustees' Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the trustees to prepare financial statements for each financial 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 these financial statements, the trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP (FRS 102);
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in business.

**SAFE PLACES FOR CHILDREN UK
TRUSTEES' REPORT
FOR THE YEAR ENDED 31 DECEMBER 2019**

The trustees are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

This report has been prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small companies.

Signed on behalf of the Trustees on 11/8/2020.



Keith Mason
Trustee

Company Number 10152838

Registered office: Triad House, Mountbatten Court, Worrall Street, Congleton, Cheshire, CW12 1DT

SAFE PLACES FOR CHILDREN UK
INDEPENDENT EXAMINER'S REPORT TO THE TRUSTEES OF SAFE PLACES FOR CHILDREN UK
FOR THE YEAR ENDED 31 DECEMBER 2019

I report to the charity trustees on my examination of the accounts of the charitable company for the year ended 31 December 2019.

Respective responsibilities of trustees and examiner

As the charity's trustees of the charitable company (and also its directors for the purposes of company law) you are responsible for the preparation of the accounts in accordance with the requirements of the Companies Act 2006 ('the 2006 Act').

Having satisfied myself that the accounts of the charitable company are not required to be audited under Part 16 of the 2006 Act and are eligible for independent examination, I report in respect of my examination of your charity's accounts as carried out under section 145 of the Charities Act 2011 ('the 2011 Act'). In carrying out my examination I have followed the Directions given by the Charity Commission under section 145(5) (b) of the 2011 Act.

Basis of independent examiner's report

My examination was carried out in accordance with the general Directions given by the Charity Commission. An examination includes a review of the accounting records kept by the charity and a comparison of the accounts presented with those records. It also includes consideration of any unusual items or disclosures in the accounts, and seeking explanations from you as trustees concerning any such matters. The procedures undertaken do not provide all the evidence that would be required in an audit and consequently no opinion is given as to whether the accounts present a 'true and fair view' and the report is limited to those matters set out in the statement below.

Independent examiner's statement

I have completed my examination. I confirm that no matters have come to my attention in connection with the examination giving me cause to believe:

1. accounting records were not kept in respect of the charitable company as required by section 386 of the 2006 Act; or
2. the accounts do not accord with those records; or
3. the accounts do not comply with the accounting requirements of section 396 of the 2006 Act other than any requirement that the accounts give a true and fair view which is not a matter considered as part of an independent examination; or
4. the accounts have not been prepared in accordance with the methods and principles of the Statement of Recommended Practice for accounting and reporting by charities applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102).

SAFE PLACES FOR CHILDREN UK

**INDEPENDENT EXAMINER'S REPORT TO THE TRUSTEES OF SAFE PLACES FOR CHILDREN UK
FOR THE YEAR ENDED 31 DECEMBER 2019**

I have no concerns and have come across no other matters in connection with the examination to which attention should be drawn in this report in order to enable a proper understanding of the accounts to be reached.



Liz Hazell FCA

Saffery Champness LLP
Chartered Accountants

11 August 2020

71 Queen Victoria Street
London
EC4V 4BE

SAFE PLACES FOR CHILDREN UK
STATEMENT OF FINANCIAL ACTIVITIES (incorporating an income and expenditure account)
FOR THE YEAR ENDED 31 DECEMBER 2019

		2019	2018
	Notes	£	Restated £
Income from:			
Charitable activities	2	335,659	188,969
Total income		<u>335,659</u>	<u>188,969</u>
Expenditure on:			
Charitable activities	3, 13	1,091,109	542,123
Total expenditure		<u>1,091,109</u>	<u>542,123</u>
Net expenditure for the year		(755,450)	(353,154)
Deficit balances brought forward at 1 January 2019	14	<u>(207,034)</u>	<u>146,120</u>
Deficit balances carried forward at 31 December 2019		<u>(962,484)</u>	<u>(207,034)</u>

During the above financial period, the charity's activities derived from continuing operations.
The charity has no other recognised gains and losses from those stated above.

All funds are unrestricted.

The notes on pages 11 to 17 form an integral part of these financial statements.

SAFE PLACES FOR CHILDREN UK
BALANCE SHEET
AT 31 DECEMBER 2019

	Notes	2019 £	2018 Restated £
Fixed assets	8	422,688	318,323
Current assets			
Debtors	9	44,271	28,992
Cash at bank and in hand		45,008	1,422
		<u>89,279</u>	<u>30,414</u>
Creditors: Amounts falling due within one year	10	<u>(66,824)</u>	<u>(36,848)</u>
Net current assets/(liabilities)		22,455	(6,434)
Total assets less current assets/(liabilities)		445,143	311,889
Creditors: Amounts falling due after one year	11	<u>(1,407,627)</u>	<u>(518,923)</u>
Net Assets		<u>(962,484)</u>	<u>(207,034)</u>
Represented by			
Unrestricted deficit		<u>(962,484)</u>	<u>(207,034)</u>
Total deficit in funds		<u>(962,484)</u>	<u>(207,034)</u>

The notes on pages 11 to 17 form an integral part of these financial statements.

For the financial year in question the company was entitled to exemption under section 477 of the Companies Act 2006 relating to small companies. No members have required the company to obtain an audit of its financial statements for the period in question in accordance with section 476 of the Companies Act 2006. The directors acknowledge their responsibility for complying with the requirements of the Act with respect to accounting records and for the preparation of financial statements. These financial statements on pages 9 to 17 have been prepared in accordance with the provisions applicable to companies subject to the small companies' regime and constitute the annual financial statements required by the Companies Act 2006 and are for circulation to members of the Company.

The financial statements were approved and authorised for issue by the Trustees on 11/8/2020 and signed on their behalf by:



Keith Mason
Trustee

Company Number 10152838

1 Accounting policies

1.1 Basis of preparation

The financial statements have been prepared under the historical cost convention and in accordance with applicable accounting standards. They also comply with the Statement of Recommended Practice: Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the requirements of the Companies Act 2006 as applicable to companies subject to the small companies regime.

The charity constitutes a public benefit entity as defined by FRS 102.

1.2 Accounting exemptions

The charity meets the definition of a qualifying entity under FRS102 and has therefore taken advantage of the disclosure exemptions available to it in accordance with paragraph 1.12 of FRS102. Exemptions have been taken in relation to financial instruments, presentation of a cash flow statement and the compensation of key management personnel.

1.3 Going concern

At the time of approving the financial statements, the trustees are of the view that the relationship between Safe Places Community Services Limited and Safe Places for Children UK, along with the long-term viability and resources of the Australian operation, and the demonstrated willingness of the placement agencies to utilise our services and pay the associated costs, indicate that the charity is a going concern. The Trustees have reviewed cash flow forecasts for 2020 and 2021 in order to consider going concern and are confident that the charity will have the resources available to it that it will need for at least the 12 months following the approval of these financial statements.

Thus, the Trustees continue to adopt the going concern basis of accounting in preparing the financial statements.

The charity recognises the need to have positive unrestricted funds and is taking steps to achieve this in due course. The charity expects to receive continued support from the connected charity Safe Places for Children Secretariat.

1.4 Fund accounting

All funds are unrestricted general funds and are available for use at the discretion of the Trustees in furtherance of the general objectives of the charity.

1.5 Tangible fixed assets

Expenditure on the acquisition of individual fixed assets are capitalised at cost. Depreciation is provided to write off the cost of the asset less estimated residual value in equal instalments over their expected useful economic lives as follows:

- Buildings and improvements 50 years
- Motor Vehicles 4 years
- Computer Equipment 5 years

Land is estimated to represent 20% of the value of buildings and is not depreciated.

1.6 Incoming resources

All incoming resources are included on the Statement of Financial Activities when the charity is legally entitled to the income and the amount can be quantified with reasonable accuracy. The following specific policies are applied to particular categories of income:

- Income from charitable activities represents the delivery of the charity's core services and is recognised as the service is performed.
- Income received by way of donations, legacies and gifts is included in full in the Statement of Financial Activity when receivable.

1.7 Expenditure recognition

Liabilities are recognised as expenditure as soon as there is a legal or constructive obligation committing the charity to that expenditure, it is probable that settlement will be required and the amount of the obligation can be measured reliably.

All expenditure is accounted for on an accruals basis. All expenses including support costs and governance costs are allocated or apportioned to the applicable expenditure headings.

1.8 Taxation

The company is a registered charity and is not normally liable to United Kingdom income tax or corporation tax on its charitable activities. The company is unable to recover all of its VAT which is therefore expended through the Statement of Financial Activities.

1.9 Critical accounting 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 that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

No key judgements or assumptions have been made by the Trustees in the preparation of the financial statements.

2 Income from charitable activities

	2019	2018
	£	£
Residential care	203,143	87,108
Outreach care	132,516	101,861
	<hr/>	<hr/>
	335,659	188,969
	<hr/>	<hr/>

SAFE PLACES FOR CHILDREN UK
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019

3 Charitable activities costs

	Direct costs (Note 4)	Support costs (Note 5)	Total 2019
	£	£	£
Therapeutic residential services	601,931	-	601,931
Other	-	489,178	489,178
	<u>601,931</u>	<u>489,178</u>	<u>1,091,109</u>
	Direct costs (Note 4)	Support costs (Note 5)	Total 2018 Restated
	£	£	£
Therapeutic residential services	340,400	-	340,400
Other	-	201,723	201,723
	<u>340,400</u>	<u>201,723</u>	<u>542,123</u>

4 Direct costs of charitable activities

	2019	2018
	£	£
Staff and related costs	509,065	290,310
Residential premises costs	80,520	43,259
Travel costs	12,346	6,831
	<u>601,931</u>	<u>340,400</u>

5 Support costs

Support costs are as follows:

	2019	2018 Restated
	£	£
Staff and related costs	219,759	84,554
Travel	116,851	12,947
Office costs	18,906	7,297
Depreciation	9,188	1,476
Legal and professional	85,759	80,693
Irrecoverable VAT (see note 13)	38,715	14,756
	<u>489,178</u>	<u>201,723</u>

SAFE PLACES FOR CHILDREN UK
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019

6 Direct staff costs

	2019	2018
	£	£
Wages and salaries	474,685	289,817
Social security costs	49,045	26,405
Other pension costs	20,887	10,490
	<u>544,617</u>	<u>326,712</u>

The average monthly number of employees (based on head count) during the year was 21 (2018: 14).

One employee had emoluments for the year over £60,000 (2018 – none over £60,000) in the band of £60,000 - £70,000.

The key management personnel of the charity currently comprise individuals working for Safe Places Community Services Limited in Australia. There is no charge to the charity for their services at present.

7 Trustees' remuneration and benefits

There was no trustees' remuneration or other benefits for the year ended 31 December 2019 or for the year ended 31 December 2018.

Trustees' expenses

There were no trustees' expenses paid for the year ended 31 December 2019 or for the year ended 31 December 2018.

SAFE PLACES FOR CHILDREN UK
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019

8 Tangible fixed assets

	Computer equipment	Buildings	Motor vehicles	Totals
	£	£	£	£
Cost				
At 1 January 2019	-	312,396	6,466	318,862
Additions	4,185	104,468	4,900	113,553
At 31 December 2019	4,185	416,864	11,366	432,415
Depreciation				
At 1 January 2019	-	-	539	539
Charge for year	279	6,966	1,943	9,188
At 31 December 2019	279	6,966	2,482	9,727
Net book value				
At 31 December 2019	3,906	409,898	8,884	422,688
At 1 January 2019	-	312,396	5,927	318,323

9 Debtors

	2019	2018
	£	Restated £
Trade debtors	22,263	8,158
Prepayments	4,884	9,031
Other debtors	17,124	11,803
	44,271	28,992

10 Creditors: Amounts falling due within one year

	2019	2018
	£	Restated £
Trade creditors	5,812	4,200
Tax and social security	17,136	10,206
Accruals and other creditors	43,876	22,442
	66,824	36,848

11 Creditors: Amounts falling after one year

	2019	2018
	£	£
Loan from parent charity	1,407,627	518,923
	<u>1,407,627</u>	<u>518,923</u>

Creditors greater than one year represent a loan from Safe Places for Children Secretariat (Registered Charity Number 1173449). The loan is interest free and has no fixed repayment date.

12 Parent company and Related Party Transactions

The company is controlled by its parent Safe Places for Children Secretariat (Registered Charity Number 1173449).

During the year the charity received income of £nil (2018: £9,077) from Safe Places for Children Secretariat in relation to management fees. The charity paid £nil (2019: £87,232) to Safe Places for Children Secretariat in relation to management fees.

The charity also received loans in the year of £700,476 (2018: £518,923) from Safe Places for Children Secretariat.

Safe Places Communities Services Limited is a similar organisation operating in Australia on which this charity has been modelled. The view of the Trustees is that Safe Places Communities Services Limited and this charity are connected parties pursuant to the Australian accounting standards and the United Kingdom accounting standards.

During the year Safe Places Communities Services Limited paid expenses of £188,228 on behalf of the charity. These amounts are included in the increased loan payable to Safe Places for Children Secretariat at 31 December 2019.

As at 31 December 2019 the balance of loans owing to Safe Places for Children Secretariat is £1,407,627 (2018: £518,923).

There are no other related party transactions that require disclosure.

SAFE PLACES FOR CHILDREN UK
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019

13 Prior year restatement

In the year to 31 December 2018, £14,756 of irrecoverable VAT was held on the balance sheet incorrectly as recoverable from HMRC. This amount was never recoverable from HMRC under the VAT regime in the UK and as a result a prior period adjustment has been made in the accounts to 31 December 2018.

The comparative figures have been restated to correct this error.

	£
Debtors as previously reported at 31 December 2018	43,748
Adjustment	<u>(14,756)</u>
Restated debtor balance at 31 December 2018	<u><u>28,992</u></u>

	£
Expenditure as previously reported at 31 December 2018	527,367
Adjustment	<u>14,756</u>
Restated expenditure as at 31 December 2018	<u><u>542,123</u></u>

	£
Deficit of the charity as previously reported at 31 December 2018	(192,278)
Adjustment	<u>(14,756)</u>
Restated deficit of the charity at 31 December 2018	<u><u>(207,034)</u></u>

