

**Faith in Families**

**ANNUAL REPORT  
AND  
FINANCIAL STATEMENTS**

**for the year ended**

**31 March 2020**

Charity Registration No.213692  
Company Registration No.0461813

# Faith in Families

## TRUSTEES, OFFICERS AND ADVISERS

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### **TRUSTEES**

Edward Hayes (Chairperson)  
John Bale  
Margaret Staples  
Patrick Adie  
Sanjeev Kumar  
Derek Huett  
Haidee Watson  
Tracey Hartshorn (Appointed March 2020)

### **CHIEF EXECUTIVE OFFICER**

Lynda Fletcher

### **COMPANY SECRETARY**

Malcolm Dodd

### **MEDICAL ADVISER**

Dr Lesley Cookson

### **ADOPTION LEGAL ADVISER**

Karen Davies - McMillan Williams Solicitors

### **IT ADVISER**

Jason Reed - Cadman Consultants Limited

### **HR ADVISER**

Andrew Larkin / Sheila Shaw – Analysis Legal LLP

### **PROFESSIONAL ISSUES COMMITTEE**

Margaret Staples Chairperson  
Edward Hayes  
Sanjeev Kumar  
Derek Huett  
Tracy Hartshorn (Appointed March 2020)

### **FINANCE AND GENERAL PURPOSE COMMITTEE**

Patrick Adie Chairperson  
John Bale  
Edward Hayes  
Derek Huett  
Haidee Watson

# Faith in Families

## TRUSTEES, OFFICERS AND ADVISERS

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### REGISTERED OFFICE

7 Colwick Road  
West Bridgford  
Nottingham  
NG2 5FR

### SOLICITORS

**Freeths**  
80 Cumberland Place  
Mount Street  
Nottingham  
NG1 6HH

### AUDITORS

**RSM UK Audit LLP**  
Chartered Accountants  
St Philips Point, Temple Row  
Birmingham  
B2 5AF

### BANKERS AND INVESTMENT MANAGERS

**Lloyds Bank**  
Lower Parliament Street  
Nottingham  
NG1 3DA

**Allied Irish Bank (GB)**  
PO Box 73306  
London  
W5 9PB

**Brewin Dolphin**  
12 Smithfield Street  
London  
EC1A 9BD

# Faith in Families

## REPORT OF THE TRUSTEES

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The Trustees present their report together with the financial statements of the Charity for the year ended 31 March 2020. This report has been prepared in accordance with the Statement of Recommended Practice: Accounting and Reporting by Charities March 2015.

### **STRUCTURE, GOVERNANCE AND MANAGEMENT**

Faith in Families is a registered Charity (no.213692) and a company limited by guarantee (no.461813) governed by its Articles of Association dated 1948 as amended, most recently in June 2016.

#### *Trustees*

The Articles of Association set out the appointment requirements of a Trustee. Annual skill audits are undertaken to inform the recruitment strategy and appointment process of Trustees as the Board seeks to maintain and enhance an appropriate range of skills, expertise, communication styles, age, gender and race. Initially, a prospective Trustee will meet with the Chairperson and the Chief Executive following which they are invited to attend a Board meeting as an Observer.

After the meeting and should they wish to proceed with the process, they complete an application form with a brief curriculum vitae submitted to the full Board for consideration prior to the appointment. In addition, all Trustees are asked to complete a declaration of conduct, an annual register of interest's declaration, and a confidentiality statement. They also undergo an enhanced Disclosure and Baring Service check which is renewable every two years.

The Board is made up of eight members who meet quarterly. There are also two executive committees that meet quarterly that have oversight of the Agency's professional services and its financial and administrative management. Their Terms of Reference are approved by the Board and their reports are standing agenda items at each full Board meeting. As part of their induction, Trustees are required to attend the two executive committees in order to decide which Committee would most benefit from their particular skills. Decisions of the Board are aided by the attendance of the Leadership Team which encourages direct dialogue with management.

The Board has an annual strategic away day which allows for the delivery of specialist training and key strategic discussions. In addition, the Trustees are encouraged to attend external training and Agency Away Days that facilitate their understanding of their role. This is monitored by the Chair of the Board and Chief Executive through annual appraisals and regular discussions to ensure their full participation in the Charity.

A Task Group (Chairpersons of the Board and Sub committees with Leadership Team) and other working groups are convened throughout the year to discuss financial strategic plans, pension liability, personnel and property issues facing the Agency.

#### *Management*

The Chief Executive is appointed by the Board and has the delegated authority within terms of the Agency's Scheme of Delegation for strategic development, day to day management including operational activities of finance, employment, administration, information technology and professional services. The Chief Executive is appraised annually by the Chairperson of the Board.

# Faith in Families

## REPORT OF THE TRUSTEES (continued)

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The Leadership Team provides strategic leadership to the Charity and comprises of the Chief Executive, Lynda Fletcher; Head of Professional Services, Laura Payne and the Head of Finance and Resources, Malcolm Dodd.

### *Remuneration*

The Trustees use remuneration pay scales for its Leadership Team that are aligned closely with the Local Authorities scales. These are reviewed annually, however at times the Agency will vary these scales in relation to market pressures, benchmarking against other charities of a similar nature and economic responsibility. Also considered are performance management (annual appraisals) results and the financial situation of the Charity.

### *Risk Management*

The Board formally considers the risks faced by the Agency on a quarterly basis through a risk management exercise. The comprehensive Risk Register, which includes the Disaster Recovery Plan, focuses on all financial and non-financial risks within the Charity and together with the regular reviewing of its Reserves Policy, is seen as a key step in that risk management process. Relevant changes to policy and procedural implementation take place where appropriate and, if necessary a critical analysis of the Agency's management process is undertaken.

### **Public Benefit**

The intention of the Agency is to assist those in need by reason of youth, age, ill-health, disability, financial hardship or other disadvantage as well as other purposes currently recognised as charitable.

The Board confirms that it has complied with its duty in section 4 of the Charities Act 2006 to have due regard to the Charity Commission's general guidance on public benefit. The Board also confirms that the aims and objectives of the Agency are undertaken to further the charitable purpose for the public benefit.

### **Aims and Objectives**

The Charity's objects are the preservation and promotion of the health and wellbeing of children, young people and their families by:

- arranging and supporting the adoption of children of all ages and nationalities with loving and sustainable persons and families
- promoting and assisting in the welfare of adopted persons, birth parents and adoptive parents
- providing therapeutic care, support to children, vulnerable adults and their families
- providing specialist training and consultancy services in regard to children, young people and their families, and
- providing any other services deemed appropriate to help the charity achieve its objects.

Further, these Objects are for the public benefit in providing services to the public without geographical restrictions, diversity or ability to pay fees.

# Faith in Families

## REPORT OF THE TRUSTEES (continued)

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### ACHIEVEMENTS AND PERFORMANCE

#### **Adoption Services**

Adopt Together, Faith in Families adoption service has placed **21** children with adoptive parents during 2019/20 with **100%** of these placements falling into the category of *'the hardest to place children'* according to the DfE definition.

The Agency continues to improve its strategic adoption recruitment strategies which for 2019/20 resulted in **168** enquiries and has also approved **16** applicants at the Adoption Panel. In addition **35** (30 in 2018/19) registrations of interest were recorded in the year.

Adopt Together continues to place a great emphasis on supporting children and adoptive parents throughout the whole adoption process. The comprehensive nature of this approach is evidenced by the continuing low adoption placement disruption rate which is well below the national average.

The Agency also remains positive that children will benefit from the government changes and continues to work strategically and creatively to ensure there are no undue delays in placing vulnerable children in loving homes.

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#### **Financial Strategic plan**

In early 2018, the Trustees established a 3 year financial strategy that will reduce the reliance on normal income streams and initiate more diverse income streams that will support the Agency services going forward. The aim of this strategy was to move away from reliance on reserve funds.

However the environment in which the Agency operates continues to be a challenge; regional adoption agencies, multi-academy trusts for schools, economic strains on individuals and the needs of placing children are becoming more complex with the introduction of more therapeutic support post placement.

The Trustees are aware that the Agency's financial performance was not in line with the strategy and therefore measures have been instigated including a revision of the time frame during 2019/20 that will lead towards a cost neutral situation in 2020/21, and thereafter provide a reasonable surplus to re-build reserves.

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# Faith in Families

## REPORT OF THE TRUSTEES (continued)

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### **Therapeutic work with children**

During 2019/20 the Team provided support to over **130** children and families with positive experiences that help address the impact of their early life experiences of neglect, abuse and loss. The Agency continues to be committed to adoption support and part of its programme is the provision of therapeutic and activity based groups for adopted children.

Events/Activities throughout the year have provided over **80** children with therapeutic support in a number of different ways. The Agency also undertook adoption support assessments for the local RAA throughout 2019/20, increasing the number of families and children supported through this service.

Theraplay is a child and family focused therapy for building and enhancing attachment, self-esteem, trust in others and joyful engagement. The number of cases requiring this specialist support is increasing and through access to the Adoption Support Fund, the Agency has been able to offer such therapeutic support.

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### **School Social work Service**

During 2019/20 over **4,200** children were supported through this service with over **730** parents or families benefiting from the Agency's support. The service operated in **12** schools, both primary and secondary, ranging from 1 day per week to 5 days per week and spot purchases of tailored support.

The Service facilitates the removal of barriers to learning, ensuring early intervention to identify problems and nurtures the emotional and spiritual development of individual children. **90%** of all cases that the Service has supported in 2019/20 related to mental health and emotional concerns expressed by children and it's through this specific support, children are developing into stronger young people with more self-esteem and better members of the school community.

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### **Wider community, service users and the Diocese**

At Christmas 2019 the Agency provided over **50** families (**130** children) with hampers and toys which were packed and delivered by its team of staff and volunteers. The food and toys were generously donated by 80 different local business, schools and individuals within the area. The Agency remains committed to supplying the vulnerable in society, viewing this work as vital to its mission and vision.

Faith in Families remains committed to being the 'agency of choice' for Catholic parents willing to adopt, for Catholic children in the care system, and for working within Catholic schools and parishes. The results for 2019/20 show that **£58k** was raised as a result of donations, gifts, regular giving and legacies by that community for Faith in Families.

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# Faith in Families

## REPORT OF THE TRUSTEES (continued)

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### FINANCIAL REVIEW

For the year ended 31 March 2020, the Agency's deficit was (£384,005) before recording a net loss on investments of £21,226 and actuarial loss on the Pension Fund of £654,000. The Agency has Net Assets of £703,250; of which £383,436 is held in tangible fixed assets and before accounting for the share of the local government pension scheme deficit.

The members of the Board believe that prior to accounting for the Pension Liability, there are sufficient resources to meet the needs of the Agency and for it to continue its activities for the foreseeable future. The Agency continues to benefit from its various fundraising strategies, remaining committed to long term sustainable activities that will focus on benefiting the needs of children and families in the East Midlands.

During 2019/20 the Board continued to review the strategic priorities and corporate plan, consolidating its resources and putting measures in place to fulfil the Financial Strategy. The Strategy will move the Agency to a more sustainable footing; however during 2019/20 results have shown a decrease in placement numbers that will impact greatly on the financial strategy which the Board are addressing by adjusting their forecasts.

In addition the impact of the East Midlands Regional Adoption Agency and schools forming multi-academy trusts is still largely unknown. It needs to be acknowledged that these major developments are important concerns for the Board, however with regular evaluation, detailed forecasts, new and enhanced income generation programmes and monitoring of the costs, the Agency's ambition to rebuild its financial position will become a reality.

Following the uncertainty presented by COVID-19, management has reassessed the going concern assumption and confirm that it remains appropriate based on the continuation of the Charity's services and stable financial position during the pandemic which enables it to meet its liabilities as they fall due. The Trustees make this assessment in respect of a period of at least one year from the date of authorisation for issue of the financial statements and have concluded that the Trust has adequate resources to continue in operational existence for the foreseeable future and there are no material uncertainties about the Trust's ability to continue as a going concern. Thus they continue to adopt the going concern basis of accounting in preparing the financial statements.

#### *Reserves*

The Reserves Policy states it is necessary to carry reserves (excluding fixed assets) equivalent to 6 months of 'normal' agency operation plus 1 year of adoption support work which is calculated to be £613k. The Board believe there is an obligation to provide on-going support for all children placed for adoption, together with their adoptive and birth parents and this is primarily why the Agency hold reserves.

The Reserve on this basis currently amounts to £661k before taking into consideration the pension liability.

The Agency has disclosed a liability of £3.3m in accordance with FRS102 in relation to the Nottinghamshire County Council Pension Fund. The Trustees are fully aware of the impact of this liability on the unrestricted reserves and have actively pursued options to manage the consequences of such a liability. See the accounting note 15.

#### *Funding Sources*



# Faith in Families

## REPORT OF THE TRUSTEES (continued)

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The principal funding sources in 2019/20 were charitable income of £892k representing the placement of children under the inter-agency agreements determined by the Consortium of Voluntary Adoption Agencies, school service level agreements generating £186k and work paid through the Adoption Support Fund for the year amounted to £46k. The voluntary income programme raised £70k and is well served by people who generously give their time as box holders, box collectors, donors and community fundraisers. In addition the Agency received £26k from interest and dividends from its managed portfolio, rental income and bank interest.

# Faith in Families

## REPORT OF THE TRUSTEES (continued)

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### *Investments*

The Board has delegated to our Investment Managers the power to invest funds surplus to immediate requirements in stocks and shares quoted on the London Stock Exchange and overseas. The objective of the Investment Policy is to protect the value of the assets of the Agency, to maintain the real value of the portfolio and to achieve the best rate of return. The Agency does not invest in any companies whose principal activities are at odds with its Aims and Objectives and the Board measures and monitors the performance of the fund in accordance with the policy annually.

### *Auditors*

RSM UK Audit LLP has agreed to offer themselves for re-appointment as auditors of the company.

## **PLANS FOR THE FUTURE**

The Agency's strategic aims will ensure that for 2020/21 the Agency will continue to:

- be a centre of excellence in care, welfare and well-being of children
- increase the number of children placed by the Agency with adoptive parents and work with local authorities so that the delay for children waiting for permanence is reduced
- implement and monitor strategies to fulfil the requirements of the Financial Strategic Plan moving the Agency to surplus that will ensure the long term sustainability of all activities
- work on the strategic direction of the school service to ensure continuity of the service in a financially sustainable way that continues to provide vital intervention programmes and emergency support
- extend its work with vulnerable children and their families who need therapeutic and educational support, and
- sustain and develop other community based fundraising campaigns that complement current support of catholic parishioners throughout the RC Diocese of Nottingham.

Details of the results of the Agency and its financial position are provided on the following pages 14-16.

The Board wish to place on record their thanks to all staff, supporters and stakeholders for their generous support and help, particularly to our volunteers who spent significant periods assisting in the raising of voluntary income.

### **Statement as to disclosure of information to Auditors**

The Trustees who were in office on the date of approval of these financial statements have confirmed, as far as they are aware, that there is no relevant audit information of which the auditors are unaware. Each of the Trustees have confirmed that they have taken all the steps they ought to have taken as Trustees in order to make themselves aware of any relevant audit information and to establish that has been communicated to the Auditor.

# Faith in Families

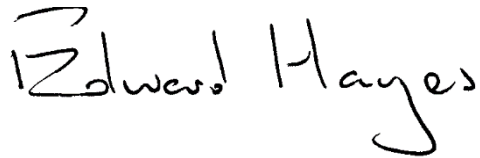
## REPORT OF THE TRUSTEES (continued)

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### *Small Company Exemptions*

The financial statements have been prepared in accordance with the provisions applicable to companies entitled to the Small Companies Regime.

On behalf of the board



Edward Hayes  
**Trustee**  
**Chairperson**  
**Board of Trustees**



Malcolm Dodd  
**Company Secretary**

**Date:**  
22 September 2020

# Faith in Families

## NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 March 2020

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The Trustees (who are also directors of Faith in Families 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
- 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, and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

The Trustees are responsible for 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.

# Faith in Families

## INDEPENDENT AUDITORS REPORT TO THE MEMBERS OF FAITH IN FAMILIES

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### Opinion

We have audited the financial statements of Faith in Families (the 'charitable company') for the year ended 31 March 2020 which comprise the Statement of Financial Activities, the Balance Sheet, the Cash Flow Statement and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 March 2020 and of its incoming resources and application of resources for the year then ended
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, and
- have been prepared in accordance with the requirements of the Companies Act 2006.

### Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the charitable company 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

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the Trustees' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the Trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the charitable company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

### Other information

The Trustees are responsible for the other information. The other information comprises the information included in the Annual Report other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance or conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material

# Faith in Families

## INDEPENDENT AUDITORS REPORT TO THE MEMBERS OF FAITH IN FAMILIES

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misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

### **Opinions on other matters prescribed by the Companies Act 2006**

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Trustees' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Trustees' Report has been prepared in accordance with applicable legal requirements.

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

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

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

- adequate 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; or
- the Trustees were not entitled to prepare the financial statements in accordance with the small companies' regime and take advantage of the small companies exemption from the requirement to prepare a Strategic Report or in preparing the Trustees' Report.

### **Responsibilities of Trustees**

As explained more fully in the Statement of Trustees' responsibilities set out on page 10, the Trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Trustees are responsible for assessing the charitable company'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 charitable company or to cease operations, or have no realistic alternative but to do so.

### **Auditor's responsibilities for the audit of the financial statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

# Faith in Families

## INDEPENDENT AUDITORS REPORT TO THE MEMBERS OF FAITH IN FAMILIES

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

### **Use of our report**

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.

### **PAUL OXTOBY (Senior Statutory Auditor)**

For and on behalf of RSM UK AUDIT LLP, Statutory Auditor

Chartered Accountants

St Philips Point

Temple Row

Birmingham

B2 5AF

Date: 28 January 2021

# Faith in Families

## STATEMENT OF FINANCIAL ACTIVITIES (INCLUDING INCOME AND EXPENDITURE ACCOUNT)

for the year ended 31 March 2020

	<b>Notes</b>	<b>Unrestricted funds £</b>	<b>Restricted funds £</b>	<b>Total 2020 £</b>	<b>Total 2019 £</b>
Income from:					
Donations and legacies	3a	60,254	9,445	69,699	97,485
Charitable activities:	3c	890,929	1,531	892,460	886,133
Investments	3b	26,445	1	26,446	25,039
<b>TOTAL</b>		<b>977,628</b>	<b>10,977</b>	<b>988,605</b>	<b>1,008,657</b>
Expenditure on:					
Raising funds	4a	75,456	-	75,456	121,172
Charitable activities		1,294,391	2,763	1,297,154	1,337,988
<b>TOTAL</b>		<b>1,369,847</b>	<b>2,763</b>	<b>1,372,610</b>	<b>1,459,160</b>
<b>NET INCOME/(EXPENDITURE) FOR THE YEAR</b>	<b>5</b>	<b>(392,219)</b>	<b>8,214</b>	<b>(384,005)</b>	<b>(450,503)</b>
Net (Loss) / Gain on investments					
		(21,226)	-	(21,226)	18,041
		(413,445)	8,214	(405,231)	(432,462)
(Loss) / Gain on remeasurement of defined benefit pension scheme					
	15	(654,000)	-	(654,000)	291,000
<b>NET MOVEMENT IN FUNDS FOR THE YEAR</b>		<b>(1,067,445)</b>	<b>8,214</b>	<b>(1,059,231)</b>	<b>(141,462)</b>
Reconciliation of funds:					
TOTAL FUNDS BROUGHT FORWARD		(1,573,931)	28,412	(1,545,519)	(1,404,057)
<b>TOTAL FUNDS CARRIED FORWARD</b>	<b>12</b>	<b>(2,641,376)</b>	<b>36,626</b>	<b>(2,604,750)</b>	<b>(1,545,519)</b>

All activities derive from continuing operations.



# Faith in Families

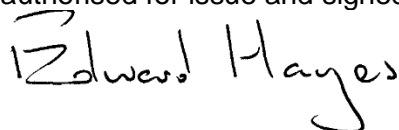
## BALANCE SHEET

31 March 2020

Company Registration No. 00461813

	Notes	2020 £	2019 £
FIXED ASSETS			
Investment property	7	189,579	189,579
Tangible assets	8	193,857	201,056
Investments	9	247,457	522,355
		<u>630,893</u>	<u>912,990</u>
CURRENT ASSETS			
Debtors	10	199,513	143,185
Cash at bank and in hand		31,694	70,517
		<u>231,207</u>	<u>213,702</u>
CREDITORS: Amounts falling due within one year	11	(158,850)	(169,211)
		<u>72,357</u>	<u>44,491</u>
NET CURRENT ASSETS			
		<u>72,357</u>	<u>44,491</u>
<b>TOTAL ASSETS EXCLUDING PENSION SCHEME LIABILITY</b>		<b>703,250</b>	<b>957,481</b>
Defined benefit pension scheme liability	15	(3,308,000)	(2,503,000)
<b>NET LIABILITIES INCLUDING PENSION SCHEME LIABILITY</b>		<b>(2,604,750)</b>	<b>(1,545,519)</b>
FUNDS			
Restricted funds	12	36,626	28,412
UNRESTRICTED FUNDS			
- general unrestricted funds	12	265,202	515,133
- designated funds	12	401,422	413,936
		<u>666,624</u>	<u>929,069</u>
Unrestricted funds excluding pension liability		666,624	929,069
Pension reserve	12/15	(3,308,000)	(2,503,000)
		<u>(2,641,376)</u>	<u>(1,573,931)</u>
Total deficit on unrestricted funds	12	(2,641,376)	(1,573,931)
<b>TOTAL (DEFICIT)/FUNDS</b>		<b>(2,604,750)</b>	<b>(1,545,519)</b>

The financial statements on pages 14 to 33 were approved on behalf of the Board on 22 September 2020 and authorised for issue and signed on its behalf by:



**Edward Hayes**  
Chairman

# Faith in Families

STATEMENT OF CASH FLOWS  
For the year ended 31 March 2020

Company Registration No. 00461813

<b>Statement of cash flows</b>	<b>2020</b>	<b>2019</b>
	<b>£</b>	<b>£</b>
<b>Cash Flows from Operating Activities:</b>		
NET CASH USED IN OPERATING ACTIVITIES	(317,267)	(152,679)
<b>Cash flows from investing activities:</b>		
Dividends, interest from investments	26,446	25,039
Purchase of property, plant and equipment	(1,674)	(13,011)
Proceeds from sale of investments	277,983	211,190
Purchase of investments	(22,751)	(24,899)
Recognised/unrecognised (loss)/gain on investments	(1,560)	5,848
NET CASH FROM INVESTING ACTIVITIES	278,444	204,167
Change in cash and cash equivalents in the reporting period	(38,823)	51,488
Cash and cash equivalent at the beginning of the reporting period	70,517	19,029
Cash and cash equivalent at the end of the reporting period	31,694	70,517
<b>Reconciliation of net income/(expenditure) to net cash flow from operating activities</b>	<b>2020</b>	<b>2019</b>
	<b>£</b>	<b>£</b>
Net income/(expenditure) for the reporting period (as per the statements of financial statements)	(384,005)	(450,503)
<b>Adjustments for:</b>		
Depreciation charges	8,873	14,757
Dividends, interest and rents from investments	(26,446)	(25,039)
Defined benefit pension adjustments	151,000	121,000
(Increase) / decrease in debtors	(56,328)	78,653
Increase/ (decrease) in creditors	(10,361)	108,453
NET CASH USED IN OPERATING ACTIVITIES	(317,267)	(152,679)

# Faith in Families

## NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 March 2020

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### LEGAL STATUS OF THE CHARITY

Faith in Families is an incorporated charity (No.461813) and is registered at the Charity Commission in England and Wales (No.213692). The Charity is governed by its Articles of Association.

The address of the Charity's registered office and principal place of business is 7 Colwick Road, West Bridgford, Nottingham, NG2 5FR.

### BASIS OF PREPARATION

The financial statements have been prepared under the historical cost convention as modified by the inclusion of fixed asset investments at market value, and in accordance with the Companies Act 2006 and the 'Statement of Recommended Practice: Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standard application in the UK and Republic of Ireland (effective 1 January 2015).

Faith in Families meets the definition of the public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction values unless otherwise stated in the relevant accounting policy note(s).

### GOING CONCERN

The charity had funds in deficit at 31 March 2020 of £2,604,750 (2019: deficit funds of £1,545,519) after accounting for its share of the local government pension scheme deficit of £3,308,000 (2019: £2,503,000).

As explained in note 15 on page 30 the Charity makes contributions to the pension scheme based on an employer contribution rate of 20.2%, these contributions are estimated to be £95,950 for the year to 31 March 2021 and will continue over a long term period in line with requests from the pension trustees to bring the scheme back into a surplus position.

In light of these long term funding position for the pension scheme and the charity's ability to fund the contributions required the trustees have a reasonable expectation that the Charity has adequate resources to continue in operational existence for the foreseeable future. Thus, the Trustees continue to adopt the going concern basis of accounting in preparing the financial statements.

Following the uncertainty presented by COVID-19, management has reassessed the going concern assumption and confirm that it remains appropriate based on the continuation of the Charity's services and stable financial position during the pandemic which enables it to meet its liabilities as they fall due. The Trustees make this assessment in respect of a period of at least one year from the date of authorisation for issue of the financial statements and have concluded that the Trust has adequate resources to continue in operational existence for the foreseeable future and there are no material uncertainties about the Trust's ability to continue as a going concern. Thus they continue to adopt the going concern basis of accounting in preparing the financial statements.

### FINANCIAL INSTRUMENTS

The Group only has financial assets and liabilities of a kind that qualify as basic financial instruments and are not considered to be of financial nature. Such financial instruments are initially recognised at transaction value and subsequently measured at their settlement value.

# Faith in Families

## NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 March 2020

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### **DEBTORS**

Trade debtors and other debtors which are receivable within one year and which do not constitute a financing transaction are initially measured at the transaction price. Trade debtors and other debtors are subsequently measured at amortised cost, being the transaction price less any amounts settled and any impairment losses.

### **CASH IN BANK AND IN HAND**

Cash at bank and in hand includes cash and monies on short term deposits at the bank, other short-term liquid investments with original maturities of three months or less.

### **CREDITORS**

Creditors and provisions are recognised where the group 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.

### **FUND ACCOUNTING**

Unrestricted funds are available for use at the discretion of the Board in the furtherance of the objects of the Agency which have not been designated for other purposes.

Designated funds comprise unrestricted funds that have been set aside at the discretion of the Board for particular purposes. The aim and use of each designated funds is set out in note 12.

Restricted funds are subjected to restrictions on their expenditure imposed by the donor or through the terms of the appeal.

### **INCOMING RESOURCES**

All incoming resources (including grants) are accounted for in the Statement of Financial Activities when the agency is legally entitled to the income and the amount can be quantified with reasonable accuracy. For legacies entitlement is the earlier of the agency being notified of an impending distribution or the legacy being received.

Investment income is included on an accruals basis.

The value of services provided by volunteers to the agency is not incorporated into these financial statements. Further details of the considerable contribution made by volunteers can be found in the Trustees' Report.

### **RESOURCES EXPENDED**

Expenditure is recognised when a liability is incurred. Liabilities are recognised as resources expended as soon as there is a legal or constructive obligation committing the charity to the expenditure. Expenditure has been classified under headings that aggregate all costs related to the activity. Where costs cannot be directly attributed to particular headings, they have been allocated to activities on a basis consistent with the use of resources.

Costs of generating funds are those incurred in seeking voluntary income and do not include the costs of disseminating information in support of the charitable activities.

Charitable activities comprise the cost of care programmes undertaken by the agency and include both the direct and indirect costs relating to those activities. Support costs include those costs of an indirect nature necessary to support the charitable activities. Faith in Families are unable to recover VAT, therefore the accounts show expenditure inclusive of VAT.

# Faith in Families

## NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 March 2020

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### **OPERATING LEASES**

Rentals payable under operating leases are charged to the Statements of Financial Activities as incurred over the term of the lease.

### **TANGIBLE FIXED ASSETS**

No depreciation is provided on freehold land. For all other fixed assets depreciation is provided in equal annual instalments over the estimated useful lives of the assets. The rates of depreciation are as follows:

Freehold buildings	2.5% per annum
Furniture, fixtures and fittings	between 20% and 33.3% per annum

Assets with a cost in excess of £500 intended to be of on-going use to the agency in carrying on its activities are capitalised as fixed assets.

### **INVESTMENTS**

Investments held as fixed assets are stated at fair value. Any gain or loss on revaluation is recognised in the Statement of Financial Activities.

### **RETIREMENT BENEFITS**

For defined retirement plans, the cost of providing benefits is determined using the projected unit credit method, with actuarial valuations being carried out at each balance sheet date.

Actuarial gains and losses arising are recognised immediately in the Statement of Financial Activities. Past service costs are recognised as an expense on a straight-line basis over the average period until the benefits become vested. To the extent that the benefits have already vested, the cost is recognised immediately in the Statement of Financial Activities.

The amount recognised in the Balance Sheet represents the present value of the defined benefit obligation, adjusted for unrecognised past service costs and reduced by the fair value of plan assets. Any asset resulting from this calculation is limited to the lower of the asset, and unrecognised past service cost plus the present value of available refunds or reductions in future contributions to the plan.

The rate used to discount the benefit obligations is based on market yields for high quality corporation bonds with terms and currencies consistent with those of the benefit obligations. Gains and losses on curtailment/settlements are recognised when the curtailment/settlement occurs.

### **EMPLOYEE BENEFITS**

Short-term employee benefits include items such as the following, if expected to be settled wholly before 12 months after the end of the annual reporting period in which the employees render the related service: (a) wages, salaries and social security contributions; (b) paid annual leave and paid sick leave for current employees.

### **CRITICAL ACCOUNTING ESTIMATES AND AREAS OF JUDGEMENT**

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. There are no critical accounting estimates and areas of judgement to note.

# Faith in Families

## NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 March 2020

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### 1 LEGAL STATUS

The Agency is incorporated as a company limited by guarantee having no share capital and, in accordance with the Articles of Association; every member is liable to contribute a sum of £1 in the event of the Agency being wound up. As at 31 March 2020 there were 8 (2019: 7) members.

### 2 TAXATION STATUS

The Agency is a registered Charity and its activities are such that it is not liable to corporation tax.

### 3 INCOME

	2020 £	2019 £
a. Analysis of incoming resources from generated funds		
Donations, legacies and gifts*	34,647	60,240
Parish appeals and box collections*	23,601	24,291
Other support and income	11,451	12,954
	<u>69,699</u>	<u>97,485</u>

\* Donations received from the Catholic community, including parishes and box collections, are allocated towards services which are in line with Catholic teaching on marriage and family life.

b. Investments	2020 £	2019 £
Treasury stock	2,062	2,493
Investments listed on recognised stock exchange	10,600	16,498
Bank and investment interest	43	77
Property Rental	13,741	5,971
	<u>26,446</u>	<u>25,039</u>

# Faith in Families

NOTES TO THE FINANCIAL STATEMENTS  
for the year ended 31 March 2020

## 3 INCOME (continued)

c.	Charitable activities	Unrestricted £	Restricted £	2020 £	2019 £
	Adoption services:				
	Placement, assessment and support	646,072	-	646,072	642,107
	Adoption support	46,545	1,531	48,076	20,656
	DfE Grant and trust funds	-	-	-	2,144
	Training and consultancy	11,800	-	11,800	4,975
		<u>704,417</u>	<u>1,531</u>	<u>705,948</u>	<u>669,882</u>
	Schools and community services	<u>186,512</u>	<u>-</u>	<u>186,512</u>	<u>216,251</u>
		<u>890,929</u>	<u>1,531</u>	<u>892,460</u>	<u>886,133</u>

# Faith in Families

NOTES TO THE FINANCIAL STATEMENTS  
for the year ended 31 March 2020

## 4 EXPENDITURE

	Staff costs £	Travel and subsistence £	Premises £	Other direct £	2020 £	2019 £
<b>a. Analysis of total resources expended</b>						
<u>Unrestricted funds:</u>						
Fundraising	64,394	1,979	5,125	3,655	75,153	121,172
Governance	5,813	179	463	14,347	20,802	22,088
Charitable activities:						
Adoption	525,964	16,161	41,866	37,761	621,752	572,884
Adoption support	195,740	6,014	15,580	1,670	219,004	277,486
Schools and community	324,764	9,979	25,851	102	360,696	407,884
Central support	45,986	1,413	3,660	21,381	72,440	53,929
Sub-total	1,092,454	33,567	86,957	60,914	1,273,892	1,312,183
<u>Restricted funds</u>						
Charitable activities:						
Adoption support work	-	-	-	1,727	1,727	1,013
Adoption DfE grant	-	-	-	-	-	1,657
Intermediary services	-	-	-	1,036	1,036	1,047
Sub-total	-	-	-	2,763	2,763	3,717
<u>Total expended</u>	1,162,661	35,725	92,545	81,679	1,372,610	1,459,160

Staff costs include £63,000 (2019: £72,000) of costs relating to the finance element of pension costs that are not included in note 6.



# Faith in Families

NOTES TO THE FINANCIAL STATEMENTS  
for the year ended 31 March 2020

## 4 EXPENDITURE (continued)

b.		2020 £	2019 £
	Analysis of resources expended on charitable activities		
	<u>Adoption services:</u>		
	Placement, assessment and support	621,752	574,541
	Adoption support	221,767	210,174
	Children's Group	-	69,372
	Central support services (restricted and unrestricted funds)	72,440	53,929
	<u>School and Community services:</u>		
	School social work	360,696	407,884
		<u>1,276,655</u>	<u>1,315,900</u>

Central support services costs include premises and associated administration costs and have been allocated to activity cost categories on a basis consistent with the use of resources e.g. staff costs by time spent and other costs by usage.

c.		2020 £	2019 £
	Analysis of resources expended on governance costs		
	Central support services	6,455	6,817
	Audit and accountancy	12,600	11,792
	Legal and professional fees	1,498	3,135
	Other trustee costs	249	344
		<u>20,802</u>	<u>22,088</u>

5	NET (EXPENDITURE)	2020 £	2019 £
	These are stated after charging:		
	Auditor's remuneration – audit services	12,600	11,792
	Operating leases – equipment	1,978	1,481
	Depreciation	8,873	14,757
		<u></u>	<u></u>

# Faith in Families

NOTES TO THE FINANCIAL STATEMENTS  
for the year ended 31 March 2020

## 6 EMPLOYEE INFORMATION

**2020**  
**No.**

**2019**  
**No.**

The average number of employees during the year was as follows:

Adoption services	17	15
School and Community services	7	11
Central support services	4	4
Fundraising	2	3
	<u>30</u>	<u>33</u>

**2020**  
**£**

**2019**  
**£**

Employee costs during the year were:

Salaries and wages	795,415	882,277
Social security costs	59,505	76,177
Pension costs (including FRS102 adjustments):		
- current service costs	244,743	221,137
	<u>1,099,663</u>	<u>1,179,591</u>

One (2019: one) employee received emoluments in the range of £60,000 - £70,000.

## 6a TRUSTEE REMUNERATION AND RELATED PARTY TRANSACTIONS

No Trustees received any remuneration during the year (2019: £nil). Trustees' expenses were £249 (2019: £344) for reimbursed travel costs during the year 2019/20.

Key Management Remuneration

The key management personnel comprise the trustees and employees who are responsible for the day to day running of the charity. The total employee benefits for key management personnel of the charitable company were £191,321 (2019: £189,944).

## 7 INVESTMENT PROPERTY

**Investment**  
**Property**  
**£**

### Valuation

At 1 April 2019 & 31 March 2020

189,579

### Carrying amount

At 31 March 2020

189,579

At 31 March 2019

189,579

# Faith in Families

NOTES TO THE FINANCIAL STATEMENTS  
for the year ended 31 March 2020

## 7 INVESTMENT PROPERTY (CONTINUED)

Investment property relates to a building which was held within Property, Plant and Equipment but during the year has been rented out to earn rental income and therefore meets the definition of investment property.

The Trustees have valued the property on its fair value basis based on an estate agent valuation received. The historical cost of the investment property is £199,500.

8 TANGIBLE FIXED ASSETS	<i>Freehold land and buildings</i>	<i>Furniture, fixtures, and fittings</i>	<i>Total</i>
	£	£	£
Cost			
At 1 April 2019	318,627	20,091	338,718
Additions	-	1,674	1,674
Transfers	-	-	-
Disposals	-	-	-
	<hr/>	<hr/>	<hr/>
At 31 March 2020	318,627	21,765	340,392
	<hr/>	<hr/>	<hr/>
Accumulated depreciation			
At 1 April 2019	123,012	14,650	137,662
Charged in the year	10,921	3,415	14,336
Transfers	(5,463)	-	(5,463)
Disposals	-	-	-
	<hr/>	<hr/>	<hr/>
At 31 March 2020	128,470	18,065	146,535
	<hr/>	<hr/>	<hr/>
<b>Net book value</b>			
<b>At 31 March 2020</b>	<b>190,157</b>	<b>3,700</b>	<b>193,857</b>
	<hr/>	<hr/>	<hr/>
At 31 March 2019	195,615	5,441	201,056
	<hr/>	<hr/>	<hr/>

Land valued at approximately £90,000 (2019: £90,000) is not depreciated. The above fixed assets are used to support all the activities of the Agency. All other tangible fixed assets are stated at historical cost.

# Faith in Families

## NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 March 2020

### 9 INVESTMENTS

No specific investment is considered material in the context of the total investment portfolio, excluding cash on deposit.

	2020 £	2019 £
Fair value at 1 April	522,355	696,453
Additions at cost	22,751	24,899
Disposals at opening book value	(288,495)	(211,190)
Movement in cash on deposit	10,512	-
Unrealised investment gain / (loss)	(19,666)	12,193
	<u>          </u>	<u>          </u>
Fair value at 31 March	247,457	522,355
	<u>          </u>	<u>          </u>
Historical cost at 31 March	233,090	424,450
	<u>          </u>	<u>          </u>

The fair value of investments consists of:

	Invested in UK £	Invested outside UK £	Total £
Treasury stock	17,937	7,686	25,623
Investments listed on a recognised stock exchange	61,072	91,414	152,486
Cash on deposit	69,348	-	69,348
	<u>          </u>	<u>          </u>	<u>          </u>
	148,357	99,100	247,457
	<u>          </u>	<u>          </u>	<u>          </u>

### 10 DEBTORS DUE WITHIN ONE YEAR

	2020 £	2019 £
Trade debtors	192,849	132,549
Prepayments	6,395	9,834
Accrued income	269	802
	<u>          </u>	<u>          </u>
	199,513	143,185
	<u>          </u>	<u>          </u>

# Faith in Families

## NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 March 2020

11	<b>CREDITORS: Amounts falling due within one year</b>	<b>2020</b>	<b>2019</b>
		<b>£</b>	<b>£</b>
	Trade creditors	8,112	4,211
	Taxation and social security	16,425	19,781
	Pension contributions	16,499	783
	Accruals	25,046	21,068
	Deferred Income*	92,768	123,368
		<hr/>	<hr/>
		158,850	169,211
		<hr/> <hr/>	<hr/> <hr/>
	<b>DEFERRED INCOME</b>	<b>2020</b>	<b>2019</b>
		<b>£</b>	<b>£</b>
	1 April	123,368	15,970
	Additions	228,650	232,500
	Rent in advance	-	12,900
	Released	(259,250)	(138,002)
		<hr/>	<hr/>
	31 March	92,768	123,368
		<hr/> <hr/>	<hr/> <hr/>

Deferred income related to adoption service income received in advance from various Local Authorities for Adoption Placements and annual invoice issued for property rental in 2019/20.

# Faith in Families

## NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 March 2020

12	MOVEMENT IN FUNDS	As at 1 April 2019 £	Incoming resources £	Resources Expended £	Other gains/ losses and Transfers £	As at 31 March 2020 £
	Restricted funds:					
	Hardship fund	4,025	-	-	-	4,025
	Intermediary Services	4,031	807	(1,036)	-	3,802
	Schools work	11,234	-	-	-	11,234
	Adoption Support – Life Story	998	-	-	-	998
	Children's Group	807	920	(1,727)	-	-
	No.11 Property Bond	2,150	1	-	-	2,151
	Community Sponsorship	5,167	9,249	-	-	14,416
		<b>28,412</b>	<b>10,977</b>	<b>(2,763)</b>	<b>-</b>	<b>36,626</b>
	Designated funds:					
	Fixed asset fund	390,636	-	(8,874)	1,674	383,436
	Timerick Development Fund	19,625	-	(101)	-	19,524
	Bev Morris fund	3,675	-	-	250	3,925
		<b>413,936</b>	<b>-</b>	<b>(8,975)</b>	<b>1,924</b>	<b>406,885</b>
	Unrestricted funds	515,133	977,628	(1,209,872)	(23,150)	259,739
	Pension reserve	(2,503,000)	-	(151,000)	(654,000)	(3,308,000)
		<b>(1,987,867)</b>	<b>977,628</b>	<b>(1,360,872)</b>	<b>(677,150)</b>	<b>(3,048,261)</b>
	Total funds	<b>(1,545,519)</b>	<b>988,605</b>	<b>(1,372,610)</b>	<b>(675,226)</b>	<b>(2,604,750)</b>

The **Hardship fund** is a restricted fund set up at the request of a donor for the Agency to use in the support of families and children who, in the Trustees' opinion, need extra financial support. **School Social Work** service is the remaining balance of a grant received for the expansion of the service into Catholic schools and the **Adoption Support – Life Story** is the remaining balance of funds from a one off grant received in 2015/16.

**Intermediary Services** are an accumulation of funds received from service users for providing that service and amounts received cover the direct costs. **Children Groups** reflect income by service users and funding received for therapeutic and activity based work.

**Community Sponsorship** Project is a Home Office initiative that one Deanery in Derby has taken on to resettle Syrian refugees. The **rental deposit** for no.11 leasing is held in a restricted fund for when the current tenants vacate the property.

# Faith in Families

## NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 March 2020

### 12 MOVEMENT IN FUNDS (CONTINUED)

**Designated Funds** are those funds which have been set aside at the discretion of the Trustees and include the Fixed Asset Fund. It has been set up to assist in identifying those funds that are not free funds and it represents the net book value of tangible fixed assets excluding the revaluation uplift.

The Revaluation Fund represents the amount by which the re-valued tangible fixed assets exceed their historical net book value.

The Timerick Development Fund will support the development of the Agency into community work based in catholic schools and parishes for early intervention and community support to vulnerable children and families.

The Beverley Morris Fund will support on-going training for social work staff in their direct work with children.

13 ANALYSIS OF NET ASSETS BETWEEN FUNDS	Unrestricted £	Designated £	Restrict ed £	Total £
Fixed assets:				
Tangible fixed assets	-	383,436	-	383,436
Investments	191,407	23,449	32,601	247,457
Current assets:				
Debtors	199,513	-	-	199,513
Cash at bank and in hand	27,669	-	4,025	31,694
Current liabilities:				
Creditors	(41,036)	-	-	(41,036)
Deferred Income / accruals	(117,814)	-	-	(117,814)
Pension reserve	(3,308,000)	-	-	(3,308,000)
	<b>(3,048,261)</b>	<b>406,885</b>	<b>36,626</b>	<b>(2,604,750)</b>

### 14 OPERATING LEASE COMMITMENTS

The total future minimum lease payments under non-cancellable operating leases for equipment as at 31 March 2020 are as follows:

	2020 £	2019 £
Amounts due:		
One year	1,928	1,928
Between two and five years	5,784	7,712
	<b>7,712</b>	<b>9,640</b>

# Faith in Families

## NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 March 2020

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### 15 PENSION COMMITMENTS

The company participates in two pension schemes. The defined benefit scheme is operated by Nottinghamshire County Council Pension Fund and the defined contribution fund is operated by the Peoples Pension. Both funds are compliant under the auto-enrolment regulations.

The assets of the schemes are held separately from those of the Agency.

In terms of the defined benefit fund, the Pension costs are assessed in accordance with the advice of an independent qualified actuary using the projected unit method. The most recent valuation was at 31 March 2019. The pension contributions paid during the year of £141,027 (2019: £165,873) are based on employer contributions of 16.5%. Future contributions based on the latest valuation are 20.2% from 1 April 2020 and are estimated as being £95,950 (2019: £163,900) for the next financial year.

In addition to the above, the following information is required to be disclosed in accordance with the adoption of FRS102 in relation to the part of the Nottinghamshire County Council Pension Fund attributable to the Agency.

The major financial assumptions used by the actuary were:

	<b>2020</b> %	<b>2019</b> %
Rate of increase in salaries	2.9	2.35
Rate of increase of pensions in payment	1.9	2.35
Discount rate	2.35	2.5

The mortality assumptions used in the valuation of the pension liabilities were:

Life expectancy from age 65 years:		<b>2020</b> No.	<b>2019</b> No.
Retiring today	Males	21.8	21.6
	Females	24.4	24.4
Retiring in 20 years	Males	23.2	23.3
	Females	25.8	26.2

The sensitivity of the overall impact on pension liabilities/assets to changes in the weighted principal assumptions is as follows:

	Change in assumption	Overall impact on total obligation
Discount rate	Increase by 0.1%	Decrease by £156,000
Rate of mortality	Increase by 1 year	Increase by £333,000



# Faith in Families

NOTES TO THE FINANCIAL STATEMENTS  
for the year ended 31 March 2020

## 15 PENSION COMMITMENTS (continued)

The fair value of assets in the scheme at the balance sheet date was:

	<b>Fair value at 31 March 2020 £'000</b>	<b>Fair value at 31 March 2019 £'000</b>
Equities	3,005	3,242
Government bonds	154	155
Other bonds	408	537
Property	597	839
Pooled fund / Infrastructure	420	481
Cash	115	162
	<hr/>	<hr/>
Total fair value of assets	4,699	5,396
Present value of defined benefit obligation	(8,007)	(7,889)
	<hr/>	<hr/>
Net pension liability	(3,308)	(2,503)
	<hr/> <hr/>	<hr/> <hr/>

Actual return on assets was (£491,000) (2019: £133,000).

<b>Changes in present value of the defined benefit obligation:</b>	<b>2020 £'000</b>	<b>2019 £'000</b>
Opening defined benefit obligation	7,899	7,624
Current service cost	183	211
Interest cost	195	203
Contributions by scheme participants	35	41
Change in financial assumptions	(137)	71
Past service costs	54	-
Benefits paid	(222)	(251)
Experience (gain) / loss	-	-
	<hr/>	<hr/>
Closing defined benefit obligation	8,007	7,899
	<hr/> <hr/>	<hr/> <hr/>

# Faith in Families

## NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 March 2020

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### 15 PENSION COMMITMENTS (continued)

Change in the fair value of Fund assets:	2020 £'000	2019 £'000
Opening fair value of Fund assets	5,396	4,951
Interest on assets	134	133
Returns on assets less interest	(625)	362
Contributions by employer	149	160
Contributions by scheme participants	35	41
Benefits paid	(222)	(251)
Other actuarial gain	(168)	-
	<hr/>	<hr/>
Closing fair value of Fund assets	4,699	5,396
	<hr/> <hr/>	<hr/> <hr/>
Amount recognised in statement of financial activities:	2020 £'000	2019 £'000
Current service cost	237	211
Net interest cost	63	72
	<hr/>	<hr/>
Total operating charge	300	283
	<hr/> <hr/>	<hr/> <hr/>

### 16 FINANCIAL INSTRUMENTS

	2020 £	2019 £
The carrying amount of the charity's financial instruments at 31 March were:		
<b>Financial assets:</b>		
Debt instruments measured at amortised cost	192,849	132,539
	<hr/>	<hr/>
Instruments measured at fair value through the SOFA	247,457	522,355
	<hr/>	<hr/>
<b>Financial liabilities:</b>		
Measured at amortised cost	33,158	25,279
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# Faith in Families

## NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 March 2020

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### **17 RELATED PARTY TRANSACTION**

Faith in Families has a service level agreement with Sacred Heart Voluntary Academy Leicestershire to provide a school social work service. Mr Edward Hayes, a Trustee of the Agency is also a member of the school governors of Sacred Heart. During 2019/20, the service based on one day per week, invoiced St Pauls Catholic Academy on their behalf for the amount of £10,150. The SLA was agreed prior to Mr Hayes being a governor and he played no part in the decision by the Agency to enter into the school SLA.

### **18 ULTIMATE CONTROLLING PARTY**

The Trustees do not consider there to be the ultimate controlling party.