

Company number: 01653388

Charity number: 512992

# Father Hudson's Society

Report and financial statements

For the year ended 31 March 2021

Contents

For the year ended 31 March 2021

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## Father Hudson's Society

### Reference and administrative information

For the year ended 31 March 2021

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Company number	01653388
Country of incorporation	United Kingdom
Charity number	512992
Country of registration	England & Wales
Registered office and operational address	St George's House Gerards Way Coleshill BIRMINGHAM B46 3FG
President	Most Rev. Bernard Longley

Father Hudson's Care is a working name of Father Hudson's Society.

**Trustees** Trustees, who are also directors under company law, who served during the year and up to the date of this report were as follows:

Mr Kevin Caffrey MBE	Chair	4
Mrs Anne Plummer	Vice Chair	3, 4
Mrs Gail Brown		1
Mr Brian Basford		1, 4
Mrs Julia Fitzsimons		2
Rev. Michael Gamble		2
Rev. Kevin Kavanagh		3
Mr Peter Deeley		1
Ms Jessica Moore		2
Ms Fionnuala Hegarty		3
Mr Neil Handel		2, 4
Mr Brendan Clifford		2
Mr David Craig		1
Sir Peter Fahy	Appointed 20 April 2020	3
Mrs Jane Wilton	Appointed 09 June 2020	3

1. Member of Finance, Land and Support Services sub-committee
2. Member of Adult Care sub-committee
3. Member of Children and Families sub-committee
4. Member of Monitoring and Review sub-committee

**Reference and administrative information**

**For the year ended 31 March 2021**

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<b>Key management personnel</b>	Mr Andrew Quinn	Company Secretary/Chief Executive
	Mr Noel Stubbs	Financial Controller
	Mrs Eloise Davidson	Fundraising, Communications and Marketing Manager
	Mrs Joanne Walthew	Fostering Service Manager
	Mrs Hardeep Brayna	Human Resources Manager
	Mrs Joanne Watters	Head of Community Projects
	Mr Edward Brown	Head of Adult Care
<b>Bankers</b>	Lloyds Bank plc 3 Maple Walk Chelmsley Wood B37 5TS	
<b>Solicitors</b>	Gateley Legal One Eleven Edmund Street BIRMINGHAM B3 2HJ	
<b>Investment advisors</b>	Smith & Williamson Investment Management LLP 3 <sup>rd</sup> Floor, 9 Colmore Row BIRMINGHAM B3 2BJ	
<b>Property advisors</b>	ehB Reeves Somerset House Clarendon Place Leamington Spa CV32 5QN	
<b>Auditor</b>	Sayer Vincent LLP Chartered Accountants and Statutory Auditor Invicta House 108-114 Golden Lane LONDON EC1Y 0TL	

The Trustees present their report and financial statements for the year ended 31 March 2021. The Reference and Administrative details on pages 1 and 2 form part of this report.

The statements appear in the format required by the Statement of Recommended Practice, Accounting and Reporting by Charities applicable to charities preparing their accounts in accordance with FRS102. The report and statements also comply with the Companies Act 2006 as Father Hudson's was incorporated by guarantee on 22 July 1982, to continue the work started by Father Hudson at the beginning of the 20th Century. It was established under a memorandum of association which established the objects and powers of the organisation and is governed under its articles of association. The Trustees' annual report meets the requirements of a directors' report as required by company law.

## **Review of planned activities and principal achievements for the year**

### **Objectives and activities**

Father Hudson's main objectives include: the relief of financial hardship and suffering, relief of sickness and preservation of health, and the advancement and the promotion of the support, relief and care of children and young people without families able to care for them, or who are in trouble or at risk, elderly people and their carers, people with disabilities, and individuals, families, communities and groups who are in need.

The Trustees review the aims, objectives and activities of the charity each year. This report looks at what the charity has achieved and the outcomes of its work within the last twelve months. The Trustees report the success of each key activity and the benefits the charity has brought to those groups of people that it is set up to help. The review also helps the Trustees ensure the charity's aims, objectives and activities remained focused on its stated purposes.

### **Public benefit**

The Trustees have referred to the guidance contained in the Charity Commission's general guidance on public benefit when reviewing the charity's aims and objectives and in planning its future activities. In particular, the Trustees consider how planned activities will contribute to the aims and objectives that have been set.

The objects are met through a variety of activities which are summarised below. Each activity, the beneficiaries and the public benefit are discussed in greater detail further in the report.

## Adult Care

- St Joseph's Home for older people and those with dementia
- St Catherine's Bungalows for adults with multiple disabilities
- St Catherine's Day Services for adults with multiple disabilities
- Domiciliary Care Services and supported living services for adults with learning disabilities

## Children and Families

- New Routes – a registered fostering agency
- Family Support projects based in school communities
- Origins – a service to former child residents and adopted adults and birth families (a registered Adoption Support Agency)

## Community Projects

### Within Father Hudson's Care (FHC)

- Brushstrokes
- Young at Heart project North Staffordshire
- Tabor House
- Fatima House

### Supporting other Charities & projects

- Hope Community Project – a registered charity serving the Heath Town area of Wolverhampton
- Maryvale Community Project – a registered charity providing services to older people and adults who have disabilities
- Assisting other projects/charities through financial help and/or management/governance support

## Objectives and Strategies

Father Hudson's has a three-tier format for setting its objectives and devising the strategies and activities to meet those objectives:

- A long-term vision document of the future of Father Hudson's "From one millennium to another"
- 3-year development plans, the latest being 2020 to 2023, which are reviewed and updated each year
- Annual budgets

The activities of Father Hudson's are undertaken by dedicated full and part-time staff supported by volunteers who selflessly give their time as committee members, advisors, "panel members", project support and fundraisers. To all the staff and volunteers, the Trustees express their deep gratitude and acknowledge the importance of such valuable support.

## Adult Care

The Adult Care work of Father Hudson's is focussed on three areas of activity; care for people with complex learning and physical disabilities, care for older people including those with dementia, and care for people with moderate learning disabilities. It supports people to lead lives which are fulfilling and meaningful. Last year the Adult Care department had a turnover in excess of £4.6 million. Care is commissioned and funded by local authorities, CCGs or is privately funded in some instances as at St. Joseph's. The work it does is challenging yet rewarding, the needs it meets diverse.

Following a thorough review of the Adult Care department during 2018 –19, a number of changes have now been embedded across the department. This has led to a period of stability in terms of the operational structure and service delivery, prior to the impact of the COVID-19 pandemic. There are now strong leadership structures in place and a continued focus to ensure that there are opportunities for career development within the department.

There is now a well-established quality framework to ensure high quality care is delivered. In July 2019 St Joseph's was inspected by CQC and received a 'Requires improvement' rating. However, improvement in the quality of care and leadership of the home were noted. The service has continued to improve, however CQC inspections have not been taking place on schedule due to the ongoing pandemic. In September 2019 St Catherine's was inspected by CQC and received a 'Good' rating improving on the previous year's 'Requires improvement' rating.

Throughout the pandemic CQC have continued to monitor services and in June 2020 all services were judged to be 'managing well' by the CQC inspector when carrying out their Emergency Response framework.

In November 2020, the Domiciliary Care service was inspected by CQC and received an overall 'Good' rating. The service was rated Good in all five areas of inspection, another improvement on the previous inspection of 2018.

The Head of Adult Care continues to invest time developing the leadership in the services to ensure positive, person centred outcomes for those using the services.

The COVID-19 pandemic has had a significant impact on Adult Care services.

Due to lockdown and shielding of vulnerable clients the day service has faced prolonged periods where it has not been able to provide the support in the way it used to. The day service has been able to adapt and has sustained services by offering outreach support to many clients. Building based services reopened during April 2021 with strict COVID-safe measures in place including increased infection control, social distancing and 'bubbles' used to make the service as safe as possible. Due to the significant changes many clients will need to have packages of support reviewed to reflect the increased need for support to keep safe.

St Joseph's Care home has lost a high number of residents to COVID-19 during the last year. This was largely down to two significant outbreaks in April 2020 and December 2020/January 2021. The home worked effectively with local infection control teams and Public Health England to manage these outbreaks. St Joseph's has operated at reduced capacity for a number of months but there are plans to open fully again in the summer of 2021. During the pandemic the staff teams have faced significant challenges meeting the needs of residents and have prioritised mental wellbeing of residents through-out. Increased infection control, testing and other measures have placed a burden on the service, in terms of resource. The service has had a new visiting pod installed when in person visits cannot take place. The home is following all government and local guidance in relation to visitors and infection control measures. This has allowed the service to continue to accept admission for much of 2021 so far and the service is building up again, whilst managing some new ways of working. The majority of staff and all residents are now vaccinated against COVID-19, giving another level of protection and assurance.

St Catherine's bungalow has also experienced some outbreaks. There have been no residents lost to the virus, despite three in total contracting the virus over the course of the year. Testing, isolation of infected or symptomatic residents, social distancing and increased infection control measures are in place in line with government and local guidance. The majority of staff and residents are now vaccinated against COVID-19, giving another level of protection and assurance.

Domiciliary Care service has not experienced any outbreaks of COVID-19. Testing, isolation of infected or symptomatic residents, social distancing and increased infection control measures are in place in line with government and local guidance. The majority of staff and all clients are now vaccinated against COVID-19, giving another level of protection and assurance.

The increased use of PPE, infection control measures and testing have placed an increased financial burden on to all services as well as the need to pay staff 100% of their wages whilst off

due to illness or the requirement to self-isolate related to COVID-19. Infection Control Fund, Rapid Test Fund, and Workforce Capacity Fund grants from central government have eased this burden. The department has benefitted from working extensively with local authority, Public Health England and the NHS through mutual aid processes led by Warwickshire County Council.

Whilst the challenges posed by the ongoing pandemic on the department cannot be underestimated the staff have shown remarkable commitment, flexibility and innovation. This means the department has been able to continue to provide high quality, safe and person-centred care and support for all those the department serves.

### **St. Joseph's**

St. Joseph's is a 59 bed care home, caring for older, frail people the majority of whom have varying degrees and types of dementia. The aim of the home is to provide nurturing, stimulating and compassionate care, through a variety of interventions and activities which aim to encourage people to participate in and enjoy fulfilling, worthwhile activities with friends, companions and their families. St. Joseph's is a home for life and strives to be a place of nurturing, compassion and homeliness.

The home is regulated and inspected by the Care Quality Commission.

### **St Catherine's Bungalows**

16 people live in three bungalows. They each have complex care and support requirements demanding a range of specialist interventions. Those living at the bungalows are encouraged and enabled to join in with as many opportunities as possible. Support staff believe strongly, that a person's disability should not prevent them from living a fulfilling life and the staff team have real commitment to the ethos of supporting residents to live life to its fullest. Ordinarily, all residents enjoy annual holidays, short breaks and active social lives. The work of the bungalows is supported by resident's families who are encouraged to take part in all aspects of care planning where possible.

The bungalows are regulated and inspected by the Care Quality Commission.

### **St. Catherine's Day Service**

16 people attend the day service on a daily basis. They travel from Warwickshire, Birmingham and Solihull to take part in activities aimed at maximising their potential to join in with daily living tasks, to make new friends and have fun. Access to the wider community provides opportunities for people to develop their skills for independence and enjoy being out and about.

It is a service that also provides valuable and much needed respite on a day to day basis for the families and carers.

## **Domiciliary Care/Supported Living**

15 tenants are supported by the Society in housing it owns additionally, one client is supported in his own home. The service is commissioned and funded by the Local Authority or CCGs. Care and support is designed to develop the necessary skills to live as independently as possible. Interventions aim to support tenants in their own flats and in accessing community resources. This involves managing significant risks for some individuals in order for them to further their personal ambitions. Independence develops through greater skill levels, risk management and confidence building.

The service is regulated and inspected by the Care Quality Commission.

The work of the department is built on the dedication, compassion and loyalty of its many carers, support staff and managers. The reputation of the Society relies on them and their devotion to the values and vision it holds. Father Hudson's is grateful to its teams of staff who work conscientiously to support the work it does.

## **Departmental Aims for Adult Care in 2021 /22**

- To be compliant with Care Quality Commission's Standards
- To comply with Local Authority Contractual Requirements
- To meet budgetary targets and achieve a balanced budget
- To develop services in line with the needs and aspirations of service users
- To reflect the Catholic ethos of the Society
- To respond to the COVID-19 pandemic by opening up services in a safe way and to continue to offer quality services that empower people to live life to the full.

## **Children and Families Services**

The Children and families service provides three services: Origins, New Routes Fostering and the Family Support School's project.

The Origins Service (including Post Adoption Support) provides care to adults who were cared for by Father Hudson's in the past (as residents in the children's homes; as adoptees; as birth family members of residents and adoptees); and, in its capacity as a registered Adoption Support Agency, the Origins Service focuses mainly on providing care to families which have adopted through Father Hudson's during the years in which it operated an adoption agency.

The Fostering Service provides placements for children and young people aged between 0 –18 years who are unable to live with their birth families due to a variety of reasons and subsequently are referred to this service by Local Authorities for fostering placements.

The Family Support Schools Project provides a holistic service to children, the parents and the school in order to improve the child's attendance, educational success and emotional wellbeing. At

the end of the year the service was being provided to 25 schools across the Archdiocese reaching out to faith schools and non-faith schools.

## **New Routes Fostering**

New Routes Fostering was established in 1992. The fostering service is based in Coleshill and is staffed by a Registered Manager, two team leaders, two full-time social workers and one part-time and two fostering administrators.

The service is registered with and inspected by OFSTED. The last Inspection was undertaken in January 2018 and it was marked as 'Good' in all areas under the new framework.

Some children are now able to remain with their foster carers up until the age of 21 years under 'stay put' arrangements. This is a private arrangement between the foster carer, the former fostered child and the responsible Local Authority. The service will work and support those carers who wish to offer this arrangement.

New Routes Fostering provides placements for children and young people who are unable to live with their birth family. This may be for a short period or it may be for a prolonged period until the child reaches adulthood, and in some cases continuing into early adult life.

These children and young people will have experienced some level of adversity. This may include drug and alcohol misuse, domestic violence, physical, sexual and emotional abuse and chronic neglect. As a consequence, they often present with a number of challenges in the form of behaviour, educational underachievement and poor physical and mental health. They are amongst the most vulnerable in society.

New Routes Fostering recruits foster carers in the Midlands area. The service aims to be responsive to the commissioning requirements of Local Authorities mainly through the West Midlands Regional contract. The agency was successful in securing an ongoing contract with the West Midlands Regional Framework on 1<sup>st</sup> April 2000 which continues to be overseen by Sandwell Children's Trust.

The foster carers provide a positive experience of family life which aims to give the children and young people a stable base from which to re-establish themselves in education, re-build relationships with their family and develop their sense of self-worth. New Routes Fostering is committed to providing ongoing training and development opportunities, regular support group meetings, out of hours support and supervision to enable foster carers to provide a high quality standard of care to children and young people who are the ultimate beneficiaries of the service.

The foster carer's skills, experience and ability to meet the specific assessed needs of the child or young person are all considered as part of the matching process. The matching of the carers' skills, knowledge and experience balanced with the needs of the child is vital to ensuring stability, thus minimising the potential of disruptions in the future.

A foster carer fee is provided along with a fee to cover the cost of caring for a child or young person. New Routes Fostering charges Local Authorities for the service it provides.

The foster carers and children continue to receive a quarterly newsletter which provides useful information and celebrates the achievements of both the foster carers and children and young people.

The pandemic has brought many challenges during the last year to everyone in the caring profession including foster carers who care for some of the most vulnerable children and young people in society.

To date, we have encountered a number of national and local lockdowns and restrictions in order to prevent the spread of the infection. We have encountered the easing of lockdowns for short periods, only to find ourselves returning to lockdown. Regardless of this, foster carers have been well supported at all times throughout the pandemic and safeguarding has remained a priority.

Frequency of visits from Supervising Social Workers did not change, however some of these visits were undertaken virtually via Teams, Zoom or WhatsApp. For those carers deemed medically vulnerable, all visits were moved to virtual. Regular telephone contact has also been maintained e.g. weekly calls. Initially, at the outset, there were a high level of calls made outside of working hours and working days and all staff worked with a level of flexibility and creativity.

Where possible, Social Workers have continued to undertake routine visits to foster carers homes which has required a level of forward planning to ensure that it is safe to visit. Door-step visits to carers and children and young people have also been undertaken where appropriate. Some children have been seen alone e.g. outdoors with PPE and maintaining social distancing. PPE e.g. masks, gloves and aprons have been sourced by the agency and is available to both staff and carers facilitating contact with the birth family. Virtual tours of the foster carers' homes have been undertaken to ensure that Health and Safety Checks are conducted.

As an agency, we have maintained relevant logs in relation to Covid-19 e.g. carers/children diagnosed, school attendance and any medical vulnerabilities. This more recently has also applied to the vaccine roll out. The majority of carers within the service have received their first vaccine which is great news.

The majority of social work staff have also received their first vaccine.

We have maintained regular updates regarding Covid-19 and have circulated any resources that are useful, especially educational resources.

Online training was sourced by the agency and there appears to be a good uptake of training from foster carers. Some training has been undertaken virtually and the uptake has also been positive. As an agency, we are aware of the importance of contact with birth families for children and young people, however face to face contact has had to be balanced with the safety needs of foster carers. Discussions have taken place between the agency and the respective Local Authority where face to

face contact is proposed to establish the viability of this and explore any risk factors. Robust risk assessments are put in place.

Unannounced visits have taken place to foster carers in the form of door-step visits. This provides opportunities for children to be seen. Any confidential or sensitive issues that arise have been followed up via telephone call or virtual visit at the earliest possible convenience.

A number of meetings have been undertaken virtually or via conference calls. Each Local Authority is different and has their preferred options. Staff have given their full co-operation to this.

Regardless of the relaxing of legislation, all statutory checks have remained in place, therefore our practice has not altered.

As an agency, we were able to trial panel virtually which has proved to be successful, therefore consideration will be given for this to remain in place going forward.

Overall, as an agency, staff and carers have adjusted well to the changes Covid-19 has brought to all of our lives. Although face to face contact may have been limited during the year, the ongoing support provided to carers has not been compromised. For the best part of the lockdowns and restrictions, our young people have coped reasonably well, however the full impact surrounding mental health remains unclear and it will be important to acknowledge the greater need for mental health services for young people going forward.

The other key event during the year was the 'Black Lives Matter' movement. As a social work agency, it is important for us to acknowledge such events and reflect on anti-discriminatory practice and re-visit our practice. Articles in relation to this have been featured in the children and carer's newsletters. One carer also contributed to an article that was featured.

Equality Diversity and Inclusion (EDI) remains at the top of the agency's agenda and there is currently a working group who meet on a regular basis to explore a wide range of issues at an organisational and departmental level. EDI and Unconscious Bias training has been rolled out to all in New Routes which is mandatory. It is hoped that training will be cascaded to all in the organisation.

### The key objectives for the Fostering Service:

- 1 **To recruit, assess and approve foster families.** New Routes Fostering offers a high quality service through the level of support and training provided to the foster carers. It ensures that foster carers are involved in the development of the service. There are 15 approved foster carers in the service.

- 2 **To provide well matched placements.** The service currently has 17 children and young people placed with our carers, ranging in age from 6 to 17 years. Of the 17 children placed we have 3 sibling groups consisting of 6 children and 11 single placements.
- 3 **To provide support to foster carers and children and young people.** As outlined previously, this year has been challenging owing to the pandemic, however the service has continued to support foster carers and has maintained a high level of contact.
- 4 **To monitor the progress of each child placed to ensure they are supported, guided and encouraged to reach their full potential in all areas of their life.**

### Developments of the Fostering service

As mentioned previously, New Routes Fostering was inspected by OFSTED in January 2018 and was assessed to be 'good' in all areas under the new revised inspection framework that came into effect on 1 April 2017.

New Routes Fostering continues to review, amend and implement changes or developments arising as and when and in accordance with the Fostering Service Regulations, National Minimum Standards 2011 and Safeguarding and Child Protection legislation.

New Routes Fostering panel membership is reviewed regularly and we currently have 11 members on the 'central list'. The breadth of experience and knowledge includes: foster carers, adopters, social worker and teachers with expertise in special education provision. There is a Medical and Legal Advisor.

The Fostering Panel continues to provide invaluable support. The Panel Chair is also involved in a forum which enables good practice to be shared with the agency in order to improve service delivery. The Vice Chair recently retired and a new Vice Chair has been appointed. As a longstanding member of the panel, the Registered Manager has no doubt that he will be an asset in this role.

New Routes Fostering remains committed to reviewing and evaluating the service. This includes consulting with the foster carers, staff and children and young people. Children and young people are also consulted via questionnaires to ascertain their views on activities and the service provided and how this can be improved.

New Routes Fostering Service is a preferred provider of fostering services for the 'West Midlands Regional Framework Contract' which was renewed in April 2020 and continues to be overseen by Sandwell Children's Trust. Referrals continue to be accessed via the West Midlands portal.

We continue to utilise social media platforms to raise the profile of the service.

**Achievements:**

**CEOP Ambassador/Lead:** We have an allocated member of staff who has undertaken the CEOP training and has access to current resources in this area.

**Therapeutic Input:** The Psychotherapist continues to provide training and individual sessions to foster carers as and when needed. More recently, this support has been extended to young people and a number of direct sessions have been undertaken.

**West Midlands Tender:** We continue to be part of the West Midlands Framework.

**Virtual Panel:** The majority of panels undertaken have been virtual. This is a new concept for the service and consideration will be given going forward as this appears to be working well. This will need to be trialled when considering assessments.

In moving forward, it is important to focus on the following areas for the forthcoming year:

- Recruitment
- Growth
- Carer Retention

New placements is key to progression. This year, we have seen a number of children and young people re-habilitated to birth family. Our carers have been pivotal to these successes and we should not lose sight of the fact that this is a positive outcome for children and young people.

Recruitment has somewhat been stifled by the pandemic as there were plans in place to target specific areas within local communities within the West Midlands. The carers identified to assist with this task are keen to move forward and it is hoped that they will have the time and commitment to give to this as home schooling has had to take priority.

**Plans for the Fostering service for 2021– 2022**

- New Routes will continue to work to its core objectives of placing children and young people with families.
- New Routes is committed to the protection and safeguarding of all children who receive the service.
- New Routes will work to recruit, assess and retain a range of foster carers suitable to care for the range of children and young people in need.
- New Routes will comply with current legislation, regulations and practice guidance, and ensure regular review of practice, policy and procedures.
- New Routes will continually review service provision to maintain high quality and cost effective services.
- New Routes will continue to work within agreed financial parameters.

- New Routes will ensure staff, and foster carers are offered training opportunities and support, in line with service development requirements.
- New Routes will continue to work in partnership with foster carers to ensure compliance with the training standards.
- New Routes will work in partnership with Local Authorities to ensure that service provision meets the needs of looked after children.
- New Routes is committed to quality assurance and ensuring the consultation and participation of children and young people, foster carers, staff and stakeholders as and when required.
- New Routes will continue to recognise the achievements of the children and young people and foster carers.
- New Routes is committed to EDI and will keep this high on the agenda.

## Origins Service

The Origins service provides support after adoption and support after care for those who have been impacted by childhood separation from their family of origin. The separation may have been through adoption or through being in care.

Father Hudson's Care recognises the lifelong impact of being separated from one's family of origin, both for the person concerned and for their relatives. It has a long tradition of childcare and preserves over 40,000 records on children going back to 1902. It believes in the value of treasuring personal histories and understands how looking back into one's past can enhance one's personal identity. It focuses on assisting adults to understand their childhood experiences, and the decisions made for them, and to gain knowledge of their origins. Reconnecting people separated from their family of origin can bring healing and can help people in moving forward. Although Father Hudson's no longer provides residential care for children or arranges adoptions, it remains committed to providing quality services for those with a childhood connection to Father Hudson's.

A fee structure (applicable to some areas of service provision and compliant with regulatory requirements) was implemented with effect from 1 April 2011. This is kept under review. Service users may, in addition, also choose to make a donation.

Origins, in its "support after adoption" services, recognises there can be a lifelong impact for all those connected to an adoption. Adoption laws have changed over the years to reflect the needs of various people connected to adoption. These laws enable them to apply to be put in touch with the relative separated by adoption. After Father Hudson's ceased involvement in 2009 in arranging adoptions, it registered as an Adoption Support Agency in order to continue to work with adults affected by adoption. Therefore, the quality of the work is regularly inspected by Ofsted, who have consistently judged the quality of the adoption support agency to be "outstanding", the highest rating. Through Ofsted inspections, the quality of the "Origins" post adoption work is measured against National Standards.

Support to Father Hudson's adoptive families with adopted children still under 18 is provided under a service level agreement, by another adoption agency that specialises in working with

children in adoptive families. This is called Adoption Focus, which formed when Father Hudson's ceased involvement in new adoptions.

The following services are provided for adults:

- Information from the adoption records can be provided to all adults whose adoption was arranged by Father Hudson's. A portfolio is provided of information from the records which is shared by a social worker experienced in adoption.
- Intermediary (tracing & making contact) services provided by the agency are not restricted to adults connected to adoptions arranged by Father Hudson's. Birth relatives as well as adopted adults and their descendants or other relatives can apply for intermediary services under the law in England & Wales.
- If the agency did not arrange the adoption the agency has to try and identify any agency that may still have records of the adoption. However, even if no records are located, relatives can still be successfully traced. Due to the additional work involved in such cases a higher fee is charged.
- Once a relative is traced and contacted advice and support is offered to both parties, as contact is established and progresses.

Origins, in its "support after care" services understands the importance of being able to find out information about one's origins and about the period of time spent in care, so it provides an Origins Service to those who previously stayed in the various Catholic homes it was connected with, including those connected to former child migration schemes. It also recognises the importance of people's family history and so it can also help with providing family history information from the childcare records when the person formerly in care is deceased.

Sometimes, those formerly in the homes connected with Father Hudson's wish to visit where their former home was, and so those who would like to arrange a visit to our Coleshill base are welcomed. Assistance can also be given in tracing relatives and reconnecting with family members.

### **The key objectives for Origins**

The key objectives for the service are:

- 1 As an Adoption Support Agency, to provide birth records counselling and access to information from adoption records for adults whose adoptions were arranged by Father Hudson's and also to provide intermediary services for anyone connected with an adoption who is legally entitled to such a service. In the last year there were a total of 193 new referrals to this service, in addition to ongoing work from the previous year. Of the new referrals, 80 were made by the adopted person, 26 were made by the adopted person's immediate family, 84 were made by birth relatives of the adopted person and 3 by non-related persons. Ofsted has rated the adoption support agency as outstanding in its last inspection.
- 2 To commission the provision of post adoption support to families and young people where the adopted person is under 18 and whose adopted family adopted through Father Hudson's

prior to 2009. However, the numbers of those still under 18 are dwindling and in the last year, there were no requests for this service. The service level agreement between both agencies is reviewed annually and Ofsted regulates the agency providing the service, which has also been rated outstanding in its last inspection.

- 3 To provide services mainly in relation to accessing information from our records of those formerly in children's homes connected to Father Hudson's or those whose migration records we held. In the last year there were a total of 69 new referrals to this service. Of the new referrals, 29 were made by those formerly in the children's homes, 34 made by relatives and 6 made by non-related persons.
- 4 Other achievements during the past year include:
  - Origins was represented at national forums during the year, such as the Consortium of Adoption Support Agencies (CASA) and South East Post Adoption Network (SEPAN).
  - Origins continued to provide an effective and timely service in a safe way during the Covid-19 pandemic. Technology such as Zoom was embraced to enable more personal discussions than a telephone conversation could have provided.

#### Plans for Origins in 2021–2022

- The Origins Service will continue to offer a professional service for adults previously in Father Hudson's Children's Homes, and for adults adopted via Father Hudson's Society, their birth families and immediate families.
- The Origins Service will continue to be extended to people without a former connection with Father Hudson's Society, in line with the service's expertise and regulatory remit, and subject to the fee structure.
- The Origins Service will continue to regularly review the Service Level Agreement with Adoption Focus to ensure the continued and appropriate provision of services aimed to support adoptive families with children under the age of 18 years, in cases where Father Hudson's adoption agency had approved and supported the adopters, and Local Authorities arranged the placements.
- The Origins Service will continue to comply with current legislation, regulations and practice guidance, and ensure that any amendments and new guidelines are incorporated into practice, policy and procedures.
- The Origins Service will continue to work within agreed financial parameters.
- The Origins Service will continue to monitor and evaluate the service to ensure quality standards are maintained.

- The Origins Service will continue to ensure members of staff are offered training opportunities and support, in line with Service development requirements.
- The Origins Service will continue to co-operate fully with any safeguarding matters whether recent or non-recent.

### **Schools Family Support Project**

The schools' family support service was established in 2006 to provide early intervention and prevention support to vulnerable children and their families. The service is embedded in Catholic schools in Birmingham, Newcastle-under-Lyme, Stoke and Banbury. The benefits to schools are enormous and the service addresses wide ranging concerns and adversity such as parental neglect and abuse, domestic abuse, poverty, poor housing and poor parental mental health. The impact of these negative factors on children presents in their poor mental health, low self-esteem and confidence, challenging behaviour, poor attendance, self-harm and poor educational achievement. Schools recognise the importance of addressing these harmful factors to improve the life chances for children. Support to children is through child centred interventions that encourage positive growth and build resilience. Parents are supported to address concerns and build positive parenting skills for healthy and stable home environment. Family support workers are a bridge between home and school and promote parents to better engage with school and their children's educational attainment.

Safeguarding children is at the heart of the service and close working with schools' Designated Safeguarding leads ensures that early signs and risks are identified and addressed. This prevents escalation to more serious concerns. Through the Early Help process family support workers are able to co-ordinate support from a team of professionals around the family to manage complex concerns. Referrals to Social Care agencies are made where there is a need to escalate Safeguarding concerns and complex issues. Through partnership work with statutory agencies, family support workers undertake joint home visits, monitor and deliver on support plans.

The team consists of a project manager, senior supervising family support worker, Data Officer and family support workers. At the start of the year, 7 family support workers (this includes the senior supervising family support worker who delivers family support) were delivering the service in 19 primary and secondary schools. By the end of March 2021 this had reduced to 16 schools receiving support from 5 workers. Due to financial constraints, four schools did not renew contracts in September 2020. One new contract was secured with a Birmingham primary school in February 2021. The schools involved have expressed a high satisfaction of the service.

### **Intervention and Support Needs April 2020 –March 2021**

This year was unusual due to Covid –19 and lockdowns which presented with the challenge of adapting quickly to working differently. Lockdown resulted in increased parental contact by phone, text and through video calls. The face-to-face work with children was adapted to suit their needs and much of this happened on video calls. Support to vulnerable children and families became

even more critical and their wellbeing was monitored through regular contact. Established strong relationships with parents led to high levels of engagement and parents welcomed the advice and support. Through the lockdown periods, home visits (outside the home) took place to provide families with food, essential supplies, and educational packs. Door stop visits, garden visits and walk and talk sessions were welcomed by children and parents during isolating times. For schools knowing that the children and families were engaging with the family support worker was hugely reassuring. It also meant that the safety and needs of vulnerable children could be monitored.

This year there was an increase in grants and charitable donations. As families went into lockdown more charities were offering support with food, household goods, clothing and equipment for children to support school work. Of the 168 applications made, 153 were successful. A small number were unsuccessful and others are awaiting a decision.

Most of the work with children and parents is delivered as casework and length of involvement is determined by the level of need and support is provided until objectives are achieved. This flexibility enables workers to build positive relationships that promote longer and sustained change. In many other services, children and families experience short term involvement that can often result in inadequate support that does not meet the desired change.

Family support workers aim to empower parents to better support their children and become solution focused to resolve issues and concerns. We recognise the importance of building strength in families so that when intervention ceases, families are better able to deal with life challenges.

Direct one to one work with children has included: raising low self-esteem and confidence, reducing anxiety, building resilience factors and raising aspirations so that children can feel happier and safer and have improved life chance. The work with parents addressed housing concerns, poverty and debt, poor parental mental health, parental separation and improving parent – child relationships. Being a listening ear to parent's concerns on how to manage home schooling, keep children occupied and manage behaviour has been part of the ongoing support to parents particularly this year.

Covid-19 and lockdown left some children and families feeling more anxious and unstable. Cases were kept open for longer than average (of 10 months) to provide continued support during this unstable time. As a result, fewer new cases were allocated. However, there was an increase in support to a large number of additional families not on caseloads. This involved delivering free school meals, food parcels, school work and offering regular wellbeing checks to children and families not attending schools. Family support workers offered 1,408 sessions totalling 796 hours to over 234 families over the year.

#### Casework figures

- Casework was undertaken with 160 children and families, from 142 families.

**Trustees' annual report**

**For the year ended 31 March 2021**

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- 71 cases closed within the year and 89 opened. 44 cases were open 1 year or less (59%) and 30 cases were open 1 year or more (41%). Average length cases were open was 12 months compared with previous year's average and expected average of 10 months.
- 30% casework was undertaken with secondary aged school children and 70% with primary aged school children. This remains the same proportion as last year.
- We worked with 57 complex cases that required the support of a team of professionals. These include: 29 Early Help, 12 Children in Need, 11 Child Protection, 5 Looked after Children.
- 23 of the complex cases had or were currently experiencing domestic abuse.
- In addition to the 160 children supported, 163 siblings of those children in the family would have benefitted from support to parent
- 54% of children were White British and 42% from Black, Asian, and other Minority Ethnic communities.

**Presenting concerns and support needs for children:**

- 58 children (36%) needed support to manage behaviour
- 68 (43%) had difficulty with the child-parent relationship
- 37 families and 44 children were currently experiencing domestic abuse or had in the past
- 78 children living in single parent households (49%)
- 43 children with parents separating (34 families – 24%)
- 50 parents had depression or other mental health concern (31%) – likely to be an underestimate
- Number of children presenting with: anxiety =76 (48%), low self- esteem =70 (44%) and attachment issues = 29 (18%).

**Group work**

A limited number of groups could be delivered this year. These included an 8 week Nurture group to 7 primary aged children, two transition groups to 15 primary aged children, one Parenting groups to 2 parents (5 sessions over Zoom). Some groups that started could not continue due to lockdown and children's bubble restrictions.

**Report on the key objectives for the Schools Family Support service in 2020 –2021**

**1 Promote the service and increase school contracts**

Discussions on the take up of family support by Catholic MAC's has not developed further. The Covid pandemic and lockdown prevented undertaking promotional activity. It has been a challenging time to engage in conversations with schools who have been caught up with supporting learning over lockdown. The Fundraising and Communications Manager has drawn up plans to raise the profile of the service with a view to engage more schools. On a positive note, one new contract was secured with a Birmingham primary school in February 2021.

**2 To continue to offer a professional service to schools.**

An internal review of our practice, policies and procedures was undertaken in July 2020. Our practice, reporting and communication with schools was effective and of a high standard. The retention of children and families was 94% and this remains high. 3% of parents chose to withdraw consent for work and 3% disengaged.

Lockdown presented new and positive ways of working which are now enabling us to reach the more isolated families. The use of technology and in particular video contact has made us think about alternative methods of communication whilst continuing to offer high quality support.

**3 Improve knowledge, skills and practice for best practice.**

Online courses and webinars were encouraged. This enabled family support workers to individually complete a wide range of training listed below.

- Bereavement and Loss
- Adverse Childhood experiences
- Prevent, County lines and knife crime
- Wellbeing sessions
- Graduated approach to SEN needs
- IT training
- Neuroscience of parenting
- Super Skills facilitator training
- Understanding Autistic Spectrum disorders
- IFS therapy, working with anxiety, substance misuse and trauma
- Trauma and Attachment in children, young people and families
- Covid 19 Psychological First Aid
- Managing your mental health as a keyworker during coronavirus outbreak

Early Help training was delivered to 10 school staff in a high school. A training program to pastoral school staff is being developed and it is hoped that this will be ready to be rolled out after September 2021.

**4 Improve data collation to evidence impact and outcomes.**

- 66% of children had a positive change in feelings and behaviour – biggest area of change.

33 'My Stars' for primary aged children were completed, with 18 children having completed more than one Star. This allowed a comparison between first and last Star. Areas of highest need were: Feelings and Behaviour, Confidence and Self-esteem and Education and Learning. All areas saw an increase in the average score between the first and last Star except, 'Where you live'. The area of biggest positive change being Feelings and Behaviour (66% increase) followed by Confidence and Self-esteem (50% increase).

10 Teen Stars closed within the year, with 7 having completed more than one Star. Areas of highest need were wellbeing and family and other key adults, with lowest being drugs and alcohol. Over half the young people experienced positive changes in wellbeing and family and other key adults. However, 5/7 also had negative changes against structure and education and there were also more negative than positive changes in behaviour and citizenship (3/7). This could be due to lockdown/pandemic with loss of school day and teenagers may have been affected by the exam decisions.

5 Increase the completion of feedback forms from children and parents.

We received 51% feedback on all closed cases which is an increase on last year (49%). With less cases closing this year and reduced face to face meetings meant that we could not prompt closures as easily. The service satisfaction from children and parents has been very high.

51 completed feedback forms were received, all rating the service as good or very good. 23 child/young person responses and 28 parent/carer responses from 35 families (parent and child/sibling responses from the same family). The satisfaction number is consistent with last year.

#### Key objectives for 2021 –2022

- 1 To promote the service and increase school contracts.
- 2 To continue to offer a professional service to schools.
- 3 Continuous professional development of staff
- 4 To continue with evidencing impact and outcomes.
- 5 Progress with at least 50% completion of feedback forms from children and parents.

#### Father Hudson's Care – Community Projects

Father Hudson's Care works in collaboration with partners and local communities to reach out and support those in need, some are delivered directly under our charity and others are delivered by smaller charities and groups whom we support. Each partnership community project has its own local focus, identity and governance structure. Volunteers are at the heart of service delivery, with the majority of projects also having a core staff team. Our project models are a mixture of community-based service delivery and accommodation projects housing those who are homeless. We prioritise service provision for the most vulnerable and specialise in support for refugees, asylum seekers and migrants, rough sleepers, older people and deprived communities. We have a particular interest in reaching out and supporting women; through our community-based projects (such as provision of baby packs and maternal resources), by dedicating two of our three accommodation projects to women-only and through our support for local charity Anawim.

The last year has inevitably been focused and shaped by the Covid-19 pandemic. Community Projects have adapted to respond to the crisis and have continued to support those most marginalised and in need throughout this difficult year. We have continued to deliver a mix of

face to face and remote support in our community-based projects with a focus on practical support for those in poverty and crisis including food provision and advice, alongside social support for those who are isolated such as welfare telephone calls and zoom meetings.

The needs of those we support have become increasingly complex with people turning to Father Hudson's Care where other services have closed. Our community accommodation projects have adapted to continue to house and support those who are homeless during the pandemic. Even with the governments 'everyone in' policy there has continued to be a need to provide shelter for those who fall through the gaps or struggle to access other provision.

During 2020/21, five community projects were delivered directly under the Father Hudson's Care charity. With 43 employed staff at the end of March 2021 and 197 active volunteers reaching out and supporting 4,490 individuals in need, including providing direct accommodation to 32 individuals.

During 2020/21 we have continued to support local groups including more intense support to three local charities, providing employment, payroll, HR, management, governance, funding, finance and policy support. During 2020/21 two of these charities have provided FHC with a financial contribution towards this support. We have employed 13 members of staff on their behalf over the year. These three charities have supported a further 2,002 individuals in need and have 94 volunteers. We also continued to be a key partner for the local charity Anawim, Caritas AOB and for two local Community Sponsorship – Refugee Resettlement Schemes.

**Supporting Refugees, Asylum Seekers and Migrants in the community**

During 2020/21 we have supported 4,139 refugees, asylum seekers and migrants through our partnership community projects delivered as part of the Father Hudson's Care charity and many more as part of our wider partnerships including through St Chads Sanctuary and Hope Community. We promote the ethos of 'Welcome the Stranger', helping those in crisis as well as supporting for the long-term.

Brushstrokes is our largest community project delivered as part of the Father Hudson's Care Charity. The project is a partnership with the Infant Jesus Sisters, the parish of St Philip Neri and the Sisters of Our Lady of Charity of the Good Shepherd. Based in Smethwick and covering Sandwell, West Birmingham and surrounding areas, the project provides specialist and holistic support to refugees, asylum seekers and migrants through advice and outreach including accredited OISC immigration advice, welfare and housing; provision of practical resources including food and clothes; education and employment support including accredited ESOL, IELTS and OET. The project is funded from a wide range of sources including Sandwell Borough Council, Home Office, NHS and charitable trusts.

With 24 staff and 50 active volunteers, supporting over 3,978 new and existing clients, during 2020/21 the Brushstrokes Community Project has had many key achievements. We were one of the only remaining organisations locally to keep our doors open throughout the Covid pandemic, focusing on support for those in crisis.

Through a revised focus on food provision and delivery to those vulnerable and self-isolating clients and increased referrals from outside agencies we made over 3,000 delivered and 17,334 provisions of food to those in need over the year during this past year. Targeting the socially isolated and vulnerable, we developed a telephone welfare call service providing vital support, information and advice on COVID and a range of other issues. COVID focus groups and survey on the mental health impact of COVID has informed our provision of information in a range of community languages to service users on COVID, staying safe and how to access tests.

Our social policy and advocacy work resulted in refused asylum seekers being able to be accommodated during the initial lockdown; access to food vouchers for families with No Recourse to Public Funds and in asylum support with children in School; developing a coordinated response at a Sandwell level to the changes in entitlement to benefits for individuals with pre-settled status; joint work with a local authority on individuals with No recourse to public funds and new referral pathways into advice.

As a leading specialist organisation, Brushstrokes shares good practice, works in partnership with others and ensures the voices of migrants are heard in commissioning, service review and policy discussions. This includes working with the local authority, NHS, Public Health, Local groups and charities, regional organisations and national organisations such as Refugee Action and NACCOM. We have shared our learning over the pandemic and our face to face advice has been documented as good practice nationally.

Brushstrokes have responded to local and national changes. Our Settling Well and post Brexit support projects delivered in partnership with Citizens Advice Sandwell have helped hundreds of new arrivals in Sandwell to settle, secure access to services and access specialist advice to resolve immigration, housing and benefit issues. We secured further funding from the Home Office to provide advice and assistance to EU nationals wishing to apply to the EU Settlement Scheme, developing a strategic partnership with a Romanian community organization (R.U.D.A) and helping 462 individuals to submit applications.

We have worked in partnership with Sandwell council to support rough sleepers with no recourse to public funds, resolving their immigration status, securing benefits or employment has enabled several longstanding rough sleepers to be able to move into settled accommodation etc. This has led to a data sharing protocol and funding for further advice on these issues for Sandwell residents.

Our focus on learning and employment has continued with ESOL delivered remotely through What's App and Zoom, alongside new one to one IT skills support started to address digital exclusion amongst some of our service users. We have secured further funding through the Sandwell Language network as part of our ongoing partnership with Sandwell and West Birmingham Hospital Trust to deliver higher English qualifications for migrant health professionals, enabling them to move on to work in the local Health service.

Brushstrokes objectives for 2021/22 include:

- Following government guidance, to increase face to face delivery including advice, ESOL and social activities at the centre, satellite sites and through outreach.
- Continue to develop a local ESOL teachers' network that provides training, resources and supports the development of good practice in community based ESOL provision in Sandwell and beyond.
- To secure additional larger multi-year funding streams for the future sustainability of the project such as National Lottery and Paul Hamlyn.
- To sustain our advice and advocacy work with EU citizens once the grace period for EU settlement scheme expires.
- Continue to share our practice and build partnerships that can respond to issues faced by new communities in Sandwell and West Birmingham.
- To increase and develop user involvement including our service user group, evaluation of existing work and feedback and planning for future developments.
- To reduce digital exclusion and increase our support for our clients to access and engage with the digital world including learning and employment.
- To evaluate our advice services to ensure they are best modelled at responding to the increased levels of crisis, complexity and longer-term case work.
- To publish a new Brushstrokes Community Project 3-year plan, including development of the Brushstrokes Management Committee.

#### Social support for Older People in the community

During 2020/21 we have supported 315 isolated older people our community project Young at Heart in North Staffordshire delivered directly as part of the Father Hudson's Care charity.

Young at Heart reaches out to isolated older people providing telephone befriending, online friendship groups, volunteer-led gardening and a specialist musical project targeting older men. Young at Heart is also working in partnership with Methodist Homes Association and three local parishes.

During 2020/21 Young at Heart supported 100 volunteers to support 315 beneficiaries and facilitated 7 separate social groups to take place weekly and biweekly. Over this 12-month period the project has successfully reached out to an additional 122 vulnerable elderly residents. The project is achieving its National Lottery targets and we have begun the process of applying for further Lottery funding working in partnership with Methodist Homes Association and The Beth Johnson Foundation.

#### Young at Heart objectives 2021/22:

- As a result of the Pandemic, a key longer-term priority for 2021/22 is to enable our clients to come back out to social groups when the government advises this.
- We are also keen to explore more use of digital applications for our clients to stay in touch with people in the coming 12 months.

- We will also continue to develop our application to the Lottery for further funding for November 2021.

We reach out to many older people through our wider partnerships including with Hope Community and Maryvale Community Project.

Accommodation and shelter for rough sleepers, refugees, asylum seekers and migrants  
Through our three community accommodation projects, Tabor House, Fatima House and Sophia House, we have provided safe shelter to 32 individuals in Birmingham during 2020/21 and supported an additional 171 through outreach and a council contract.

Tabor House has seen the most change this year. Operating before Covid-19 as a night shelter accepting up to 11 guests, they closed on 24 March 2020 due to the pandemic and moved guests into the local Holiday Inn as part of the governments 'everyone in' scheme. The Tabor House staff team delivered the Holiday Inn project on behalf of Birmingham City Council and supported 52 individuals to make a positive move on from this temporary accommodation – a huge achievement.

Tabor House reopened on 27 July 2020 as a 24/7 accommodation project with 8 new perspex pods between beds to improve Covid safety and daytime activities for guests including English lessons and creative activities. Between July 20 – March 21 we have provided support and safe shelter to 15 guests. Tabor House remains a volunteer-led project, however due to social distancing some volunteers have been on hold with 39 currently active.

In addition to a new delivery model, we have set-up and delivered two new services. Funded through the West Midlands Combined Authority/Rough Sleepers Initiative funding we piloted a new outreach project engaging with rough sleepers in Birmingham and supported 119 people. Funded through a Charitable Trust and Friel Homes we also converted and leased a local 3-bedroom property, Tabor Cottage. This move on project has to date housed 2 individuals and will be used as a stepping-stone from Tabor House to longer-term tenancies.

Tabor House objectives for 2021/22:

- To evaluate the project model during 2020/21 and make a decision on the future delivery; 24/7 or reverting to a night shelter. In addition, return the existing 43 inactive volunteers on-hold during the pandemic.
- To secure additional corporate funding for the project include growing the Sponsor a Bed scheme.
- To explore further accommodation move-on projects and potential buildings/sites.
- To develop Tabor cottage as a move on step from Tabor house, ensuring that it runs at full capacity.
- To pilot a 'Community Response to Homelessness' through Tabor House and feedback to national working group.

Fatima House in central Birmingham operates as part of the Father Hudson's Care charity and is a collaborative project with the Columban Missionaries, a local parish, Caritas Archdiocese of Birmingham, The St Vincent de Paul Society and the Archdiocese of Birmingham.

The project provides short-term accommodation for up to 9 female asylum seekers who are destitute and in the process of appealing asylum decisions. During 2020/21 Fatima House supported 7 women with a safe place to stay, supported by 6 active volunteers. The SVP kindly provide destitution funds to support the ladies for 6 months of the year with the project's budget covering the remaining 6 months and day to day management and support is provided through the Columban Missionaries, this has been more important than ever during the pandemic. The residing women now have access to counselling, immigration advice and a volunteer nurse.

Through the Lottery Community Fund Awards for All funding, the women have been part of a new gardening project and have improved and maintained the churches garden area at the back of the building. Through Respond and Adapt Covid funding, Fatima House was able to purchase a computer suite to enable the ladies to learn online and to maintain video contact with others. Priorities for 2021/22 include securing funding to continue the gardening project and counselling. The management committee are keeping up to date with the developments for the Diocese in terms of Parish sites across the city to safeguard the project for the future.

Sophia House is a partnership project between Father Hudson's Care, St Brigid's Parish and the sisters of Our Lady of Charity of the Good Shepherd. Sophia House provides safe and supportive accommodation in South Birmingham for up to 3 female refugees or migrants. Over the year the project has housed 4 women, with two resulting in a positive move-on to further supported accommodation and an independent private tenancy.

During 2020/21 Sophia House has recruited two volunteer befrienders who work directly with the tenants. We have also introduced Person Centred Support to help the women to maintain their tenancies and develop life skills. Priorities for 2021/22 include filling all vacancies, developing the move on pathways and looking into the housing classification of the house to fund additional support.

Support and capacity building for local charities and voluntary groups

One of the ways Father Hudson's Care demonstrates the Catholic Social Teaching principle of Subsidiarity is by providing support to other charities in the Diocese. We support three local independent charities, Hope Community, Maryvale Community Project and St Chad's Sanctuary providing employment, payroll, HR and support/guidance with management, governance, funding, planning, finance, policy and procedures. During this year we have provided particular support around operating during the pandemic, funding and sustainability.

Hope Community Project, Wolverhampton is a partnership with the Infant Jesus Sisters and St Patricks' Parish. Running for over 30 years, the project aims to seek out, reach and support the most isolated, vulnerable and disadvantaged people in the community of Heath Town. Services including a Helpline, telephone befriending, small group work and online activities with young

people, training and work experience for unemployed local people, community food bank, deliveries of weekly hot lunches and recipe kit boxes and facilitating conversational English skills workshops. They have responded to the pandemic with a new community helpline, new food provision and adapted your activities. The project supported 441 people during 2020/21. In March 2021 they had 43 active volunteers and we employed 4 staff on their behalf.

Maryvale Community Project is situated in Kingstanding, Birmingham. It is a parish partnership project which aims to build community cohesion and overcome barriers caused by poverty, ageing and disability. 86 people are registered to Maryvale Community Project with 16 volunteers and two staff working within the project. The project pre-Covid focused on face-to-face social activities, adapting during the pandemic to deliver services for the elderly and disabled through outreach weekly doorstep visits to the most vulnerable delivering food packs and telephone befriending to breakdown feelings of loneliness and isolation.

St Chad's Sanctuary, Birmingham is a partnership with the infant Jesus Sisters, the Salvation Army and the Archdiocese of Birmingham. The charity is a place of welcome for asylum seekers and refugees which aims to relieve poverty and improve their lives. They have supported 1,475 individuals during 2020/21 through provision of practical items such as clothing, toiletries, food and books and English lessons for adults and children. They also support with welfare issues, registering for school places and signposting. Supporting many asylum seekers based in temporary asylum accommodation, they have continued during the pandemic to provide people with the essentials including through deliveries, and English lessons are provided remotely. They have 120 registered volunteers with 35 active during the pandemic. We now employ 5 staff on behalf of the charity.

This year the BRAID Community Sponsorship Refugee Resettlement Scheme, which was run by a group of volunteers from the congregation in Blackfriars and which we were the sponsoring accountable body to the Home Office for, successfully came to a close. After 3 years of support the Syrian family are now settled and enjoying their lives here in the UK. They will continue to keep in touch with the congregation. During 2020/21 we were accepted as the sponsoring accountable body to the Home Office for another scheme led by a parish in Rugeley. Due to the pandemic the project has been on hold, we hope a family will be accepted during 2021 and also have plans to support a parish in Warwick to set-up and welcome a new refugee family or individual.

Father Hudson's Care are active executive committee members of Caritas Archdiocese of Birmingham and carry out the administration and marketing functions for this network.

Father Hudson's Care also provides ongoing governance support for the charity Anawim in Birmingham, and until this year for the charity Heart of Tamworth in Tamworth, and also for North Staffs Linkline, a parish project in North Staffordshire.

## Fundraising, Communications and Marketing

Total voluntary income was £429,099 (2019–20: £778,123). Most voluntary income comes from five sources: individuals, companies, parishes, Catholic schools and Trusts.

### Individuals

Individual giving remains an important area of our fundraising income. Over the last year we have maintained our number of regular givers and achieved an increase in income from our quarterly mailing; primarily this is due to the value of the gift increasing from an average of £40 last year to £60. This has demonstrated that despite the pandemic our supporters have remained loyal and continued to give and therefore we have also continued to ask.

Over the last year we have also taken a more proactive approach to developing our legacy income. In October, as part of Wills Awareness month, we organised our very first legacy awareness campaign aimed at Father Hudson's staff. As a result of this work, we achieved five new legacy pledgers and will continue this proactive focus in the next financial year.

### Companies

Despite the pandemic our community projects have continued to attract local corporate support in particular at Tabor House. The 'Sponsor-a-bed' scheme at Tabor has attracted significant corporate income this year followed by participation in national fundraising campaign The Big Give at Christmas which generated over £6,000 in corporate sponsorship and nearly £7,000 in public donations. We were also able to achieve corporate sponsorship for our head office activities with local funeral directors Gasgoignes sponsoring our Christmas Fayre with a donation of £500. Gifts in kind continues to be a popular method of corporate giving with continued food donations from companies such as Morrisons and Sainsbury's.

### Parishes

Our Parish collections were severely impacted by the Covid-19 pandemic. Our Parish and School fundraisers were on furlough for a significant period of 2020 when their work would normally focus on parish engagement. Subsequent lockdowns and restrictions on church attendance plus the cancellation of second collections in many areas also meant that our opportunities to generate income were significantly reduced. Despite this we continued with a much smaller collection in October which still generated over £10,000. We also continued to communicate with parishes by email and letter and tell our story, it was felt that this continued engagement would still maintain our excellent relationships with our local parishes and build a strong foundation to continue work in this area once the pandemic was over.

### Catholic Schools

Similar to parishes, our work with Catholic schools was severely impacted by the pandemic. Due to the March 2020 lockdown our planned Good Shepherd Masses for schools had to be cancelled and our School and Parish fundraisers were placed on furlough for the Summer term. However, we used this difficult period as an opportunity to trial a more creative approach by launching our first ever online Good Shepherd Mass in May 2020. Live streamed from the Cathedral we were able to

still engage with the local school community as well as reach a wider audience of families connecting from home. We also used this time to develop our online resources and to review the cost to income ratio of our current resources such as our appeal envelopes which were expensive to print and distribute.

The return of our Parish and School fundraisers in September enabled us to chase some outstanding fundraising income and although donations were severely reduced from previous years (£10k compared to £60k in 2020) we have learned valuable lessons around different ways to engage with schools and possible ways to save money which we will be using in the coming financial year.

We also used this period as an opportunity to look at the development of fundraising product Walk a Mile. Traditionally aimed at secondary schools it is felt that this is an area of opportunity to grow income for all ages which will be developed in the new financial year.

#### Trust and statutory fundraising

Working with colleagues across the charity, we achieved outstanding successes in trust and statutory fundraising during 2020–21 generating over £450k in income. Due to Covid, many trusts put a pause on bigger, longer term funding opportunities and instead distributed more shorter term, emergency Covid funding. With a positive and proactive mindset we were able to use some of this funding to continue to be innovative and deliver our services during this challenging time e.g installation of pods at Tabor House, installation of screens and wi-fi facilities at St Joseph's. The projects receiving the largest sums were Young at Heart, Brushstrokes and Tabor House.

#### Regulation and complaints

Father Hudson's Care is registered with the Fundraising Regulator, follows the Regulator's Code of Fundraising Practice and abides by its Fundraising Promise. Father Hudson's Care received no complaints about its fundraising practice during 2020–21, either internally or through the Regulator. GDPR guidance has adapted the way we need to communicate with our supporters asking them to 'opt in' to receive correspondence with us. When we ask individuals for donations, we do so gently by letter. Supporters have the option to request no further mailings and we abide by such requests immediately.

We are particularly aware of the need to protect our most vulnerable groups through our fundraising activities and have adapted our policies and procedures in accordance with this. We do not make unsolicited asks over the phone and full fundraising requests are made in writing with the consent from those who have previously supported us. We also ensure that any fundraising staff or volunteers have been DBS checked prior to contact with our supporters and are aware of our bullying and whistle blowing policies.

#### Communications and Marketing work

Perhaps the biggest area of change and growth has been in our communications and marketing work as a result of the pandemic. Never has it been more important to tell our story and continue to raise awareness of our work in the community whilst retaining and developing new supporters.

The team have continued to work hard to promote the charity through a variety of channels. We have changed the way we communicate to be less focused on text with facts and figures and instead developed a more story telling model of communication with an increased use of photos and videos available in all formats. We developed a new look Annual review and introduced a new Intranet site for staff to make information more accessible and promote a one team approach. We have refreshed the branding for New Routes introducing a new strapline and imagery.

We have also developed a robust marketing plan for St Joseph's to include the development of a brochure, website and targeted leaflet drop in 2021. Our Communications work included multiple newspaper articles, advertising, newsletters and improved signage on our head office site. We have also continued to work in partnership with Caritas and the Diocesan website to further promote our stories there.

The last year has seen continued growth in our social media accounts and our first ever online event through our annual Christmas Fayre. The team have also continued to support our Community Project teams in developing their social media accounts to further extend our growth.

## **Financial review**

Financial Results for the year are shown in the Statement of Financial Activities (SoFA).

The SOFA shows that a high proportion of the Society's income is in the form of fees towards the cost of services. Such fees are charged for provision of residential and day care, and fostering services. They are paid by local and health authorities and in the case of residential care may be partially or fully paid by private individuals. The fees received for such services do not cover the full cost of provision of the services. The shortfall is met from voluntary income and reserves.

Projects (Origins service and Community based projects) which attract no fee income are supported from the Society's fundraising efforts and investment income.

Staff costs are by far the biggest item of expenditure for the Society. Father Hudson's strives to give residents, clients and service users the highest standard of service and care and relies on the hard work and dedication of its staff for that. It operates in a very competitive environment for staff and therefore offers staff competitive rates of pay and fair leave and sickness benefits. Father Hudson's also offers all staff membership of a pension scheme. All staff undergo a formal induction programme, have regular supervision and staff meetings, and receive staff newsletters.

Inflation is an issue for Father Hudson's with major costs on gas, electricity, water and food continuing to increase. Local Authorities, which are under financial constraints are not generally offering increases in fees in line with headline inflation, and certainly not in line with the specific inflation incurred with social care projects. Whilst Father Hudson's has made some considerable progress in reducing operating deficits, the present economic climate makes further progress difficult without impacting quality of service which is not acceptable to Father Hudson's.

Father Hudson's has centralised administration functions covering accounting and cash and investments, personnel management, fundraising and estates management.

The SOFA shows a net decrease in funds of £195,495 (2020: increase £739,080) before net gains on investments and investment properties of £1,011,401 (2020: loss £722,052). The Society's quoted investments are shown at their market value on 31 March 2021 and are held for the long term to generate income to support the mission of the Society and it is not the intention of Father Hudson's to liquidate them to any significant extent in the short term. Note 19 gives full details of the movements in the assets and liabilities of the Society's pension scheme, in accordance with the disclosure requirements of FRS102. The nature of the assets held by the scheme and the liabilities of the scheme can lead to volatile results. The Scheme closed to future accrual on 31 July 2017.

During the year, the Society sold one property giving rise to a profit on disposal of £113,950 (2020: Profit £763,933).

F.H.S. Projects Ltd, a wholly owned subsidiary company, formed to undertake building development and trading activities, was dormant throughout the year. It has no employees and the directors receive no remuneration. Its existence continues to be kept under review.

## **Reserves and Reserves Policy**

The Trustees of Father Hudson's have established a reserves policy which reflects the long term nature of much of the work of the Society. Father Hudson's provides residential care to vulnerable adults, most of whom would expect to stay in the Society's care for the rest of their lives. Additionally Father Hudson's has a long history of residential care to children and young adults, and of adoption services. This history carries with it an obligation, both legal and moral, to assist those who were in our care, or were adopted, their birth families and adopters to explore their past, learn reasons why decisions were made and increasingly bring parted relatives together. Adoption records must now be kept for a minimum of 100 years and there is an obligation on Father Hudson's to offer a post adoption service to those involved in the adoption process throughout their lives.

The reserves of Father Hudson's are made up of five types of funds:

- Expendable endowment funds.
- Restricted Funds.
- Designated Funds.
- Free reserves.
- Pension Reserve/(Deficit)

The total reserves as at 31 March 2021 were £9,721,208, of which £1,694,336 were restricted and not available for general purposes and £2,664,780 were designated.

## **Expendable Endowment**

Expendable endowment funds comprise the value of lands in Birmingham and Coleshill purchased by Father Hudson for the charitable objects of the Society. When such lands are disposed of, the net proceeds are also held in expendable endowment. Expendable endowment funds are held as capital funds but may be expended at the discretion of the Trustees. The income from the endowments is used to support and develop the activities of the Society.

## **Restricted Funds**

Restricted funds comprise grants or donations made to Father Hudson's for specific purposes. Such funds usually have to be accounted for in detail to the funder and are not available to be spent on anything other than the donor's intention. Restricted funds include donations towards the capital cost of certain assets purchased by the Society. Such funds are transferred to free funds at the same rate as the depreciation on the associated asset.

## **Designated Funds**

Designated funds are funds set aside by the Trustees for specific purposes, or because such funds are unrealised or not capable of being realised in the short term. The property fund is the capital value of property and fixtures held for charitable use by Father Hudson's outside of the endowment fund, and as such is not available for general use. The fair value reserve represents the unrealised revaluation gains on the Society's investments, and being unrealised is unavailable for general use.

## **Free Reserves**

Free Reserves are those funds available to meet the day to day needs of the Society's work. The Trustees have decided that given the long-term commitments in the Society's work, the fragility of external funding for some of its projects and the uncertainty of voluntary income and legacies, free reserves should be held for not less than 3 and not more than 6 months expenditure. At the balance sheet date free reserves amounted to £953,976, equivalent to 1.7 months unrestricted expenditure. However unencumbered reserves, for this purpose defined as the sum of the expendable endowment and free reserves amount to £6,809,905 which equates to 12 months unrestricted expenditure.

## **Pension Reserve**

The pension reserve/(deficit) represents the surplus/(shortfall) in funding of the Society's Pension Scheme as calculated annually by the scheme actuary in line with the requirements of Reporting Standard FRS102. The valuation is a snapshot on a particular day and can vary significantly from year to year and is sensitive to relatively small changes in interest and discount rates.

## Going Concern

After reviewing the Society's budgets and projections, the Trustees have a reasonable expectation that Father Hudson's has adequate resources to continue in operational existence for the foreseeable future. Father Hudson's therefore continues to adopt the going concern basis in preparing the financial statements.

## Investments

Father Hudson's has an investment portfolio, the income from which is used to support the work and the administration of the Society. The fund is invested in quoted shares, fixed interest gilts and bonds rated A or higher, property funds and cash. The investment objectives are for a secure level of income together with some capital appreciation in order to maintain the real value of the fund. Smith Williamson Investment Management LLP manage the portfolio on a discretionary basis. The Trustees have developed a social, environmental and ethical policy for the portfolio. Any investments which do not comply with the policy are divested as market conditions allow. The portfolio is held for the long term, and the Trustees believe that the structure of the portfolio is broadly in balance with its objectives for the long term.

The investment managers use the MSCI WMA Balanced Index as a guideline against which to assess the performance of the portfolio although they are not required to rigidly adhere to the Index. During the year ended 31 March 2021 the portfolio total return (gain) was 25.25% and the Index total return (gain) was 22.00%. In line with the strong recovery in global markets during the year, the portfolio returned realised and unrealised gains of £967,401 of which £366,508 were endowment funds and £600,893 were attributable to general funds.

## Objectives 2021/22

- To work with investment managers to minimise the capital risk within the investment portfolio, whilst maximising the income potential.
- To continue the review of internal controls and governance to ensure application of best practice.
- To review the cost base of Father Hudson's to ensure optimum efficiency in the use of Society funds.

## Structure, Governance and Management

### Constitution & Governing Document

Father Hudson's is a charitable company limited by guarantee, incorporated on 22 July 1982 and registered as a charity on 15 September 1982, to continue the work started by Father Hudson at the beginning of the 20th Century. It was established under a memorandum of association which established the objects and powers of the organisation and is governed under its articles of association. Members of the charity guarantee to contribute an amount not exceeding £1 to the

assets of the charity in the event of winding up. The total number of such guarantees at 31 March 2021 was 15 (2020: 14).

The directors at the date of this report are set out on page 1. Mrs Sue Allen resigned on 16 November 2020. Sir Peter Fahy was appointed on 20 April 2020. Mrs Jane Wilton was appointed on 16 June 2020.

### **Recruitment, Appointment and Training of Trustees**

Nominations for Trustees have been made by existing Trustees and other supporters of the Society. Father Hudson's has also successfully advertised for Trustees to replace retiring Trustees. Appointments are made by the Board with the approval of the President in line with identified skills gaps in the existing Board or through retirement. New Trustees undergo a formal induction, managed by the Chief Executive, into their responsibilities, the varied activities and the ethos of the Society. Professional advice is made available to the Trustees at all times and appropriate trustee training is provided.

### **Organisational Structure**

The Board of Trustees has established sub-committees to examine areas of work in more detail and to advise the executive and report to the full Board. Occasionally the Board delegates specific issues and decisions to sub-committees when deemed appropriate. The Board of Trustees sets the strategic direction of Father Hudson's and approves annual budgets. Implementation and day to day management is delegated to the Chief Executive and through him to the senior management team. The Board constantly reviews its governance structure to ensure that it complies with best practice and is committed to achieving compliance with the Good Governance Code.

### **Employee Involvement and Employing People with Disabilities**

We are committed to transparency in our work and to including employees in our decision making. We communicate with employees through day to day line management and supervision meetings and away days. Last year we communicated regularly through internal publications and our monthly "Hudson Headliner" and by email. This year when so many staff were working remotely, we increased our communications, particularly electronically, in a new publication called Hudson Together which focused on a different service each week and on staff well-being. Towards the end of the autumn we developed our new Intranet and launched this early in 2021. This had been an ambition for some time.

In the autumn of 2020 staff were heavily involved in updating the three-year plan taking into account a realistic assessment of the impact of COVID on the previous plan. All SMT managers presented to the full Board at an additional meeting in November a strategic review of the year to that point and their plans for the coming year. This was greatly appreciated by the Trustees who valued the clear presentations and paperwork presented. There were further discussions at the Main Board meeting in December.

In the light of this, the draft Financial strategy was updated, fully discussed at an extra full Board meeting in January, ahead of the annual Trustees' budget meeting in February and at the final Board meeting for this financial year in March.

During the previous year an Equality, Diversity and Inclusion group had been established, facilitated by the Head of the Children and Families' department; membership of the group was widely publicised and was not by appointment. The previous training that had been agreed, but had to be cancelled due to COVID, was reshaped and delivered by BRAP online to all managers (20+) in July 2020 and the National Centre for Diversity was invited to address SMT in February 2021. Following on from this the EDI consultative group has continued to meet and the process of sourcing online EDI training for all staff was progressed.

Two of the key support functions are directly accessible to staff and regularly used by staff. Staff know that they can contact HR directly and HR know that they have a mediating role within the organisation. Staff use this option. During the second half of this year, having sourced an appropriate provider, HR introduced a new electronic system called PeopleHR to replace the dominance of a mainly paper-based system. A great deal of work by the HR Department was undertaken to transfer all the data across, for the launch in March 2021 and all managers were trained in its use in March 2021. This system has an immediate benefit for staff for a number of reasons, including booking of annual leave in a timely and effective way and immediate and easy access to all policies. Every staff member in the organisation was provided with a work email address. This too was a major step forward, enabling easier communication with everyone, and access to SharePoint and Teams. The appointment of the part-time IT support officer has been critical to the success of all these changes.

The Finance team is regularly contacted directly by staff who know that they are approachable, and that the organisation operates with the limited bureaucracy that is necessary. They showed great adaptability when, during this year, the impact of COVID meant that they had to take on extra responsibilities (some of which were usually carried out by Fundraising) and remained office-based (with good protection in place) in order to ensure that everyone (staff and suppliers) was paid promptly and correctly.

The organisation had wanted to improve the coordination of training– a challenging task in terms of the very different needs of the many services. The HR manager during this year took responsibility for the Training coordination across the organisation. The first fruits of working closely with the Head of Adult care led to the sourcing for the nearly 200 care staff of a programme of online training, customised around their particular needs. Together they have planned the next phase of this with the staff teams and managers in Adult Care, providing a blended training programme. At the same time the Training coordination group, involving staff from across the departments, focused on establishing a coherent Induction programme for all new staff.

The quarterly Managers' meeting has grown in strength each year with over twenty project and service managers meeting. This has created a greater understanding of each of the services and

the small group work in particular has enhanced the sharing of learning and expertise on common issues. These have also contributed to a deeper understanding of the mission of the organisation and governance of the Charity. EDI has featured strongly in all these meetings.

Last year the impressive contribution that moving to office 365 had made was noted in the Annual Report– with the use of Teams and also the use of Zoom. Reviewing the year, it has become clear that the benefits of meeting in this way will continue even when face to face meetings are possible again. It has enabled staff teams to communicate and share better, and different service teams to meet more regularly in a way that staff are able to combine their usual day to day work in their services with valuable cross departmental work.

The decision was taken early on and maintained throughout the cycles of lockdown and easing of lockdown to ensure that no staff member came to work for fear of not being paid and having to rely on statutory sick pay. The contractual obligations were overridden by an organisational determination to ensure that staff, if they suspected or had confirmed COVID, did not feel a financial need to attend work.

The Charity does not discriminate against a person with a disability for a reason that relates to their disability, or treat them less favourably than a non-disabled person. The Charity remains committed to conducting individual risk assessments for every employee with a disability in order to identify any reasonable adjustments it needs to make in the workplace, or job, in order for the person to contribute fully to the work of the charity.

Accommodations were made for staff working from home who experienced greater physical challenges due to the increased sedentary nature of their work.

## **Relationships with related parties and other charities**

Father Hudson's owns 100% of the issued share capital of F.H.S. Projects Ltd, a company registered in England and Wales no. 3720516, whose main activity is the development of property for use by the Society. All profits within F.H.S. Projects Ltd are donated to Father Hudson's under Gift Aid. The company is currently dormant and so consolidated financial statements have not been prepared.

In 2009 the Trustees transferred adoption work to a new independent non-denominational Charity, Family Society – Adoption Focus. This is a completely independent and separate charity. Family Society – Adoption Focus undertakes some adoption support work on behalf of Father Hudson's Society. Father Hudson's provides certain administrative support. All such arrangements are undertaken for fees agreed on an arm's length basis.

Father Hudson's has employed the services of NFP Wealth Management Ltd (NFP) in the design and implementation of a Group Personal Pension Scheme. One of the directors of NFP is related to a trustee of the Society. Fees to NFP have been agreed on an arm's length basis and the trustee took

no part in the decision to use NFP nor in the fee negotiations. At 31 March 2021 fees amounting to £1,800 had been paid or accrued to NFP.

Father Hudson's has close relationships with a number of other religious charities with whom it collaborates in the delivery of services in Community based projects. In each case there is a written collaboration agreement.

## **Governance and Internal Controls**

The Trustees are responsible for keeping adequate accounting records which disclose with reasonable accuracy at any time the financial position of Father Hudson's and to enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of Father Hudson's and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities. The systems of internal control are designed to provide reasonable, but not absolute, assurance against material misstatement or loss. They include:

- A strategic plan and an annual budget approved by the Trustees.
- Regular consideration by the Trustees of the financial results, variances from budgets, non-financial performance indicators and benchmarking reviews.
- Delegation of authority, segregation of duties and formal supervision structures.

## Review of Strategic Management 2020/21

### Risk assessment review 2020 – 2021 and Management of risk 2021–2022

Last year, at the start of the pandemic, in the Annual Report the trustees noted that 'FHC has demonstrated in the past great resilience in the face of financial and other challenges and is a stable charity in unstable times'. It is fair to say, that reviewing 2020–21 confirms the resilience that was suggested in this note. Careful financial management, vigorous fundraising activity (accessing especially, pandemic emergency Trust funding), and appropriate use of government and Local authority support has resulted in the better than expected Financial statement included in this Annual report.

Risk	Risk at the start of year	Risk at the end of year
<p><b>Safeguarding children, young people and vulnerable adults</b></p> <p>During this year the Trustees and CEO established a new Safeguarding Leads monitoring and review group, consisting of two Trustees (one from the Adult care and one from the Children and Families subcommittees), the three SMT safeguarding leads and the CEO. This group meets every four months and is also tasked with producing an annual safeguarding report for the summer Board meeting. Stronger links with the Archdiocese safeguarding office were also established.</p> <p>The risk has been raised to low /medium, not because of any evidenced requirement, rather to acknowledge that a charity that runs 17 different services for very vulnerable client groups, provided by a large staff team and volunteer team has to be constantly alert. This applies to both inspected and non-inspected services. The need to provide 'safe' services is greater the more vulnerable the groups supported are.</p>	Low	Low/medium
<p><b>Financial management –income generation and expenditure control</b></p>		
<p><b>St Joseph's</b> –The impact of COVID–19 from March 2020 onwards was profound as anticipated. This resulted in the need to close one of the four wings for a substantial part of the year in order to save costs. Nevertheless the occupancy reduced to an average of 40 for the year and this is why the risk level has remained as high. However, the Trustees agreed to reopen the fourth wing from June 2021. Great energy and investment were put into marketing and refurbishing several of the wings. Confidence in the model has remained following</p>	High	High

on the restructuring two years previously. Nevertheless, the Trustees regards the performance in 2021 /22 as critical.		
<b>Day service</b> – the supportive decision by Birmingham City Council to continue to fund throughout the year, and to a lesser extent similar decisions by Solihull and Warwickshire (though they did end some placements) ensure that the future of the Dayservice is more hopeful than could have been expected. The proactive approach of the Head of Department and the Manager and her staff in providing some ongoing support to families, and outreach when they were permitted, and even some centre-based work on occasion, demonstrated a determination to continue to meet the needs insofar as this was possible, of the clients who use the Dayservice. Nevertheless, we retain the risk at a 'high' rating.	High	High
<b>St Catherine's</b> —until the start of 2021 the service remained COVID-19 free and had full occupancy. The two clients who contracted the disease both recovered. Considering the high level of vulnerability of the residents this has been both a remarkable achievement and a blessing. The work to reassess the needs of most of the clients and to re-cost the provision of this care continued unabated. Trustees recognise the high level of underpaying Local Authorities, however the appointment of the Business manager was postponed on the basis that Local Authorities during the pandemic would be even less likely to commit to increasing fees to a fair and reasonable level. Between Christmas and the end of the financial year a legal service was sourced to assist FHC in challenging Local Authorities. The risk level has been reduced to Moderate on the basis of what is known, however, St Catherine's is always capable of producing a substantial deficit should a resident, sadly, die. Any vacancy would take 4 to 6 months to secure a new resident due to lengthy financial negotiations with the Local Authority concerned.	High	Moderate
<b>New Routes</b> – even though the service has had a very successful year financially (compared to other years) the risk remains as moderate because the number of households is reduced and the number of placements has reduced also because recruitment of new Foster Carers has been very difficult during the pandemic. Substantial work is planned on recruitment as the lockdown eases.	Moderate	Moderate

<p><b>Family Support in Schools' Service</b> – whilst the service continues to be well valued by the schools who use it the service does require significant FHC subsidy from unrestricted funds, which is a challenge. However, the Trustees continue to value the high number of children, young people and families who are supported across the Archdiocese through the service and the effective impact it has. It has been decided to retain the level of risk as moderate/high, partly because of known staff changes during the coming year connected with retirement and the continuing challenge of the formation of new MACs and different decision-making systems in schools when it comes to commissioning external services.</p>	<p>Moderate/High</p>	<p>Moderate/High</p>
<p><b>Tabor House</b> – had a remarkable year, supporting Birmingham City Council as part of the national 'Everyone in' strategy, managing the hotel provision for those who were rough sleeping, until the late summer. In the report further details of the developing services are noted. A strong Management committee contributes to its success, as does good line management and strong company and public support.</p>	<p>Low</p>	<p>Low</p>
<p><b>Staff retention in Community projects' services</b> remains a concern due to the short-term grant funding available and the damaging impact of the pandemic on the normal trust funding cycles. Even though excellent fundraising and significant statutory funding support were achieved during the year its short-term nature affects the stability of employment and the projects' ability to retain staff. Whilst this is always true in Community projects it was particularly evident during 2020/21 and for this reason the risk level has been raised.</p>	<p>Moderate</p>	<p>Moderate /High</p>
<p><b>Pension Fund liability</b>– The triennial valuation on 01 August 2020 caused great concern for the Trustees and yet by the end of the year the improvements in the markets permits FHC to lower the risk slightly. It is perceived to be more manageable than the valuation had suggested.</p>	<p>High</p>	<p>Moderate/High</p>

**Strategic Risk management 2020/2021**

The CEO, SMT and the Trustees met regularly throughout 2020 – 21; indeed, both the use of Zoom and the urgency of responding to the impact of the pandemic on the ability to deliver services and on financial sustainability, called forth the commitment that one would expect from a Charity that has a mission such as ours. Attendance at any meeting was seldom less than full. This meant that the whole strength of governance and managerial oversight was available throughout the year. As noted above the number of Board meetings increased substantially. As evidenced throughout this report the clear response of the services was to keep the doors open and only if insisted upon by the Local Authority or government guidance was any service severely curtailed. Indeed, only one – the Day service – had to close for significant periods of time, but the manager and staff there responded proactively for the benefit of the clients. Although the services that use community buildings (Centres and schools) also had periods of closure they too quickly adapted their services and continued to be there for those in great need.

**Financial management – response to Covid 19**

The Trustees were aware that the pandemic could have a major impact upon the achievement of this year's budget. However, they took a calm and prudent approach and the Finance, Land and Support services subcommittee consistently expressed to the CEO and SMT that the Reserves available to the Charity would be used to sustain the services. Their view was that as a Charity this was the very time to dig deep, not panic, and to calmly adopt a medium – term confident approach. This clear message meant a great deal to those tasked with trying to deliver services in new ways, as client needs in all our services continued and continue to increase.

Even the triennial actuarial valuation of the FHS Pension Scheme on 1<sup>st</sup> August 2020, whilst raising major issues, did not result in an unconsidered response. The patient analysis of the unfolding situation enabled the Trustees to continue to steer a prudent course.

The Finance department managed the online audit within its normal timescales even though a great deal of extra work was required, in terms of the provision of evidence in electronic format for submission to the auditors.

The decision that had been taken by the Finance controller to maintain a large cash amount in the current account, thus requiring no liquidation of assets, ensured that there were no cash flow problems in the year.

The Head of Adult Care and his managers, through participation in weekly or fortnightly Mutual Aid meetings that were set up by the Local authority between themselves and providers ensured that we were always fully aware of what government support was available for Adult Care services. His diligent approach ensured that all the various funds were effectively and efficiently accessed. The work for this was carried out by the Finance department with great thoroughness, working with the HR department and the Head of Adult Care. Finance and HR demonstrated the same methodical and consistent approach to accessing government furlough support. However, in many areas this was only for the necessary periods, because every service sought to work when that was possible rather than simply adopt a passive approach to the pandemic.

In a similar way the Fundraising department and the Head of Community projects, her Deputy and the Project managers, worked closely together, and successfully secured substantial pandemic emergency trust funding. Nevertheless, Community projects also had to make difficult decisions in the course of the year because the normal funding available from Trusts had in many cases been suspended.

The following management actions were and continue to be in place:

**St Joseph's** – a marketing group was established, met regularly, developed an action plan and are delivering fully on this. As a result, the Trustees agreed to the reopening of the fourth wing and a major marketing campaign between April and July, using all the new resources developed, is underway. Trustees will be monitoring carefully whether the occupancy can be increased to permit sustainability for this service.

**St Catherine's Dayservice** – it has to be said that Local Authorities, particularly Birmingham City Council, have been supportive during this year. The Manager and Head of Department took a consistently proactive approach, indicating what services they could safely deliver in order to convince the various Local Authorities that client needs could be addressed.

**St Catherine's** – as noted above, and as is clear from the Accounts, the service was very fortunate to maintain full occupancy, even with a minor outbreak. Due to the clinical vulnerability of many of the residents it is most difficult to predict what the financial situation will be at any one time. There has also been a major underfunding from Local Authorities going back many, many years. This is partly connected with the fact that over half the residents have been with the service for over 30 years and Local Authorities are reluctant to increase fees as client needs have increased. The Trustees decided this year that this could no longer continue. Legal support has been enlisted and there is also a review of staffing. There is confidence that this specialist service is provided by relatively few agencies and also that families, where choice is possible, would wish to choose this service.

**Family Support in Schools' Service** – the service's plan to work on developing strategic relationships with the new MACs has been limited, partly by the pandemic and partly because the new Business manager post appointment was indefinitely postponed. It will be difficult for the service to grow without substantial support on networking and marketing with and to key decision-makers in the expanding MAC network. At the same time the schools have increasingly valued the way the team were able to support isolated families, children and young people during the pandemic. Indeed, the Family centred approach of this service was clearly validated during the pandemic. There is also substantial evidence that the need for such a service has increased due to the impact of the pandemic on families and especially children and young people.

**Property Management** – there remains a commitment to refurbishing and updating the FHC estate. Considerable capital expenditure on St Catherine's and St Joseph's took place during the year and is planned to continue. A 3 year refurbishment plan for St Joseph's has been completed.

**Fundraising** – The new Manager who took up this post has worked with the team to successfully secure substantial funding. The way the Accounts are presented does indicate a reduction in income, however within this there are success stories. And much of the success of the Department is shown in the Accounts in relation to Community Projects (and therefore not separately identified), and indeed in the marketing for St Joseph's and other services. The financial impact of even one new resident in St Joseph's is substantial.

As well as new fundraising approaches, the marketing and communications work has been remarkable; use of social media, film and storytelling have all been excellent.

Father Hudson's is very confident that it has an excellent story to tell and believes it is now telling it in ways that are reaching many more people and more diverse audiences.

It remains the case that the Charities supported by Father Hudson's, which rely upon external funding themselves, are exposed to risk. Whilst the risk is managed by these Charities, and therefore they do not expose Father Hudson's to unknown or unlimited liabilities, Father Hudson's does all it can to support these much-needed charities.

## **Key Management Personnel Remuneration**

The Trustees consider the Senior Management Team, comprising the Principal Staff listed on page 1, as being the key management personnel of Father Hudson's in charge of running and operating the charity on a day to day basis. All Trustees give of their time freely and no Trustees' remuneration was paid in the year. Details of Trustees' reimbursed expenses and related party transactions are disclosed in notes 9 and 11 to the financial statements.

Trustees are required to disclose all relevant interests and register them in accordance with the Society's policy and highlight them during discussions where a conflict of interest arises.

The pay of the charity's management team is reviewed annually. The remuneration is benchmarked with other charities of a similar size and activity in the West Midlands area to ensure that the remuneration is fair and not out of line with that paid for similar roles.

## Statement of responsibilities of the Trustees

The Trustees (who are also directors of Father Hudson's for the purposes of company law) are responsible for preparing the report of the Trustees' 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 and statements of recommended practice 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 operation.

The Trustees are responsible for keeping adequate 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. 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.

In so far as the Trustees are aware:

- There is no relevant audit information of which the charitable company's auditor is unaware
- The Trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information

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 other jurisdictions.

## Auditor

Sayer Vincent LLP was re-appointed as the charitable company's auditor during the year and has expressed its willingness to continue in that capacity.

The Trustees' annual report which includes the strategic report has been approved by the Trustees on 15 June 2021 and signed on their behalf by

Kevin Caffrey MBE  
Trustee

## Independent auditor's report

To the members of

Father Hudson's Society

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### Opinion

We have audited the financial statements of Father Hudson's Society (the 'charitable company') for the year ended 31 March 2021 which comprise the statement of financial activities, balance sheet, statement of cash flows and 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 2021 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
- 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

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 Father Hudson's Society'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.

## **Other Information**

The other information comprises the information included in the trustees' annual report, including the strategic report, other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. 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 the audit:

- The information given in the trustees' annual report, including the strategic report, for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- The trustees' annual report, including the strategic 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' annual report including the strategic report. We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- Adequate 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 set out in the trustees' annual report, 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

## Independent auditor's report

### To the members of

#### Father Hudson's Society

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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.

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 are set out below.

## Capability of the audit in detecting irregularities

In identifying and assessing risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, our procedures included the following:

- We enquired of management, which included obtaining and reviewing supporting documentation, concerning the charity's policies and procedures relating to:
  - Identifying, evaluating, and complying with laws and regulations and whether they were aware of any instances of non-compliance;
  - Detecting and responding to the risks of fraud and whether they have knowledge of any actual, suspected, or alleged fraud;
  - The internal controls established to mitigate risks related to fraud or non-compliance with laws and regulations.
- We inspected the minutes of meetings of those charged with governance.
- We obtained an understanding of the legal and regulatory framework that the charity operates in, focusing on those laws and regulations that had a material effect on the financial statements or that had a fundamental effect on the operations of the charity from our professional and sector experience.
- We communicated applicable laws and regulations throughout the audit team and remained alert to any indications of non-compliance throughout the audit.

## Independent auditor's report

To the members of

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- We reviewed any reports made to regulators.
- We reviewed the financial statement disclosures and tested these to supporting documentation to assess compliance with applicable laws and regulations.
- We performed analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud.
- In addressing the risk of fraud through management override of controls, we tested the appropriateness of journal entries and other adjustments, assessed whether the judgements made in making accounting estimates are indicative of a potential bias and tested significant transactions that are unusual or those outside the normal course of business.

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

A further description of our responsibilities is available on the Financial Reporting Council's website at: [www.frc.org.uk/auditorsresponsibilities](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.

Fleur Holden (Senior statutory auditor)

7 July 2021

for and on behalf of Sayer Vincent LLP, Statutory Auditor  
Invicta House, 108-114 Golden Lane, LONDON, EC1Y 0TL

**Father Hudson's Society**

**Statement of financial activities** (incorporating an income and expenditure account)

**For the year ended 31 March 2021**

	Note	Endowment £	Restricted £	Unrestricted £	2021 Total £	Endowment £	Restricted £	Unrestricted £	2020 Total £
<b>Income from:</b>									
Donations and legacies	2	–	243,396	349,322	<b>592,718</b>	–	251,372	526,751	778,123
Charitable activities									
Adult Care	3	–	–	4,612,724	<b>4,612,724</b>	–	–	4,869,333	4,869,333
Family Placement	3	–	–	777,263	<b>777,263</b>	–	–	707,697	707,697
Community projects	3	–	1,174,520	164,254	<b>1,338,774</b>	–	899,433	187,787	1,087,220
Other activities	4	–	–	174,604	<b>174,604</b>	–	–	823,131	823,131
Investments	5	64,085	–	164,453	<b>228,538</b>	85,811	–	188,684	274,495
<b>Total income</b>		<b>64,085</b>	<b>1,417,916</b>	<b>6,242,620</b>	<b>7,724,621</b>	<b>85,811</b>	<b>1,150,805</b>	<b>7,303,383</b>	<b>8,539,999</b>
<b>Expenditure on:</b>									
Raising funds	6	–	–	245,535	<b>245,535</b>	–	–	224,202	224,202
Charitable activities									
Adult Care	6	–	69,914	4,961,174	<b>5,031,088</b>	–	99,128	4,934,847	5,033,975
Family Placement	6	–	309	1,218,004	<b>1,218,313</b>	–	18,087	1,176,714	1,194,801
Community Projects	6	–	1,109,670	315,510	<b>1,425,180</b>	–	1,096,397	251,544	1,347,941
<b>Total expenditure</b>		<b>–</b>	<b>1,179,893</b>	<b>6,740,223</b>	<b>7,920,116</b>	<b>–</b>	<b>1,213,612</b>	<b>6,587,307</b>	<b>7,800,919</b>
<b>Net income /(expenditure) before net gains/(losses) on investments</b>		<b>64,085</b>	<b>238,023</b>	<b>(497,603)</b>	<b>(195,495)</b>	<b>85,811</b>	<b>(62,807)</b>	<b>716,076</b>	<b>739,080</b>
Net gains on investment properties	15	–	–	44,000	<b>44,000</b>	–	–	–	–
Net gains/(losses) on investments	16	366,508	–	600,893	<b>967,401</b>	(308,570)	–	(413,482)	(722,052)
<b>Net income/(expenditure) for the year</b>	<b>8</b>	<b>430,593</b>	<b>238,023</b>	<b>147,290</b>	<b>815,906</b>	<b>(222,759)</b>	<b>(62,807)</b>	<b>302,594</b>	<b>17,028</b>
Transfers between funds	22a	(64,085)	–	64,085	–	(85,811)	–	85,811	–
<b>Net income/(expenditure) before other recognised gains and losses</b>		<b>366,508</b>	<b>238,023</b>	<b>211,375</b>	<b>815,906</b>	<b>(308,570)</b>	<b>(62,807)</b>	<b>388,405</b>	<b>17,028</b>
Actuarial losses on defined benefit pension schemes		–	–	(355,000)	<b>(355,000)</b>	–	–	(154,000)	(154,000)
<b>Net movement in funds</b>		<b>366,508</b>	<b>238,023</b>	<b>(143,625)</b>	<b>460,906</b>	<b>(308,570)</b>	<b>(62,807)</b>	<b>234,405</b>	<b>(136,972)</b>
<b>Reconciliation of funds:</b>									
Total funds brought forward		5,489,421	1,456,313	2,314,568	<b>9,260,302</b>	5,797,991	1,519,120	2,080,163	9,397,274
<b>Total funds carried forward</b>		<b>5,855,929</b>	<b>1,694,336</b>	<b>2,170,943</b>	<b>9,721,208</b>	<b>5,489,421</b>	<b>1,456,313</b>	<b>2,314,568</b>	<b>9,260,302</b>

There were no other recognised gains or losses other than those stated above. Movements in funds are disclosed in Note 22 to the financial statements.

Balance sheet

Company no. 01653388

As at 31 March 2021

	Note	£	2021 £	£	2020 £
<b>Fixed assets:</b>					
Tangible assets	13		4,937,290		5,172,550
Investment properties	15		779,000		735,000
Investments	16		5,384,654		4,432,350
			<u>11,100,944</u>		<u>10,339,900</u>
<b>Current assets:</b>					
Land and buildings	14	–	–		
Debtors	17	591,624		574,731	
Cash at bank and in hand		1,206,333		1,043,189	
			<u>1,797,957</u>	<u>1,617,920</u>	
<b>Liabilities:</b>					
Creditors: amounts falling due within one year	18	(468,693)		(398,518)	
<b>Net current assets</b>			<u>1,329,264</u>		<u>1,219,402</u>
<b>Net assets excluding pension liability</b>			<b>12,430,208</b>		<b>11,559,302</b>
Defined benefit pension scheme liability	19		<u>(2,709,000)</u>		<u>(2,299,000)</u>
<b>Total net assets</b>			<u><b>9,721,208</b></u>		<u><b>9,260,302</b></u>
<b>The funds of the charity:</b>	22				
Expendable Endowment			5,855,929		5,489,421
Restricted funds			1,694,336		1,456,313
Unrestricted income funds:					
Designated funds		2,664,780		2,694,625	
Fair value reserve		565,411		9,276	
Revaluation reserve		695,776		651,776	
General funds		953,976		1,257,891	
Pension reserve		(2,709,000)		(2,299,000)	
Total unrestricted funds			<u>2,170,943</u>		<u>2,314,568</u>
<b>Total charity funds</b>			<u><b>9,721,208</b></u>		<u><b>9,260,302</b></u>

Approved by the trustees on 15 June 2021 and signed on their behalf by

Kevin Caffrey MBE  
Trustee

Father Hudson's Society

Statement of cash flows

For the year ended 31 March 2021

	Note	£	2021 £	£	2020 £
<b>Cash flows from operating activities</b>	23				
<b>Net cash provided by / (used in) operating activities</b>			<b>(80,837)</b>		<b>84,864</b>
<b>Cash flows from investing activities:</b>					
Dividends, interest and rents from investments		<b>283,538</b>		327,495	
Proceeds from the sale of fixed assets		<b>158,393</b>		792,791	
Purchase of fixed assets		<b>(158,047)</b>		(318,817)	
Proceeds from sale of investments		<b>1,030,749</b>		397,452	
Purchase of investments		<b>(1,059,529)</b>		(568,835)	
Decrease/(increase) in cash held in listed investments portfolio		<b>43,877</b>		189,496	
Net return on pension scheme		<b>(55,000)</b>		(53,000)	
			<b>243,981</b>		<b>766,582</b>
<b>Change in cash and cash equivalents in the year</b>			<b>163,144</b>		<b>851,446</b>
Cash and cash equivalents at the beginning of the year			<b>1,043,189</b>		<b>191,743</b>
<b>Cash and cash equivalents at the end of the year</b>	24		<b>1,206,333</b>		<b>1,043,189</b>

**1 Accounting policies**

**a) Statutory information**

Father Hudson's Society is a charitable company limited by guarantee and is incorporated in the United Kingdom. The registered office address (and principal place of business) is St George's House, Gerards Way, Coleshill, Birmingham B46 3FG.

**b) Basis of preparation**

The financial statements have been prepared in accordance with 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) (Charities SORP FRS 102), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

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

In applying the financial reporting framework, the trustees have made a number of subjective judgements, for example in respect of significant accounting estimates. 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. The nature of the estimation means the actual outcomes could differ from those estimates. Any significant estimates and judgements affecting these financial statements are detailed within the relevant accounting policy below.

**c) Public benefit entity**

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

**d) Going concern**

The trustees consider that there are no material uncertainties about the charitable company's ability to continue as a going concern.

The trustees do not consider that there are any sources of estimation uncertainty at the reporting date that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next reporting period.

**e) Income**

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

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

For legacies, entitlement is taken as the earlier of the date on which either: the charity is aware that probate has been granted, the estate has been finalised and notification has been made by the executor(s) to the charity that a distribution will be made, or when a distribution is received from the estate. Receipt of a legacy, in whole or in part, is only considered probable when the amount can be measured reliably and the charity has been notified of the executor's intention to make a distribution. Where legacies have been notified to the charity, or the charity is aware of the granting of probate, and the criteria for income recognition have not been met, then the legacy is treated as a contingent asset and disclosed if material.

Income received in advance of the provision of a specified service is deferred until the criteria for income recognition are met.

**1 Accounting Policies (continued)**

**f) Donations of gifts, services and facilities**

Donated professional services and donated facilities are recognised as income when the charity has control over the item or received the service, any conditions associated with the donation have been met, the receipt of economic benefit from the use by the charity of the item is probable and that economic benefit can be measured reliably. In accordance with the Charities SORP (FRS 102), volunteer time is not recognised so refer to the trustees' annual report for more information about their contribution.

On receipt, donated gifts, professional services and donated facilities are recognised on the basis of the value of the gift to the charity which is the amount the charity would have been willing to pay to obtain services or facilities of equivalent economic benefit on the open market; a corresponding amount is then recognised in expenditure in the period of receipt.

**g) Interest receivable**

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.

**h) Fund accounting**

Expendable endowment funds are funds realised from the disposal of assets purchased for the Society by its founder Mgr George Hudson from funds raised by public subscription.

Restricted funds are to be used for specific purposes as laid down by the donor. Expenditure which meets these criteria is charged to the fund.

Unrestricted funds are donations and other incoming resources received or generated for the charitable purposes.

Designated funds are unrestricted funds earmarked by the trustees for particular purposes.

**i) Expenditure and irrecoverable VAT**

Expenditure 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.

Expenditure is classified under the following activity headings:

- Costs of raising funds relate to the costs incurred by the charitable company in inducing third parties to make voluntary contributions to it, as well as the cost of any activities with a fundraising purpose
- Expenditure on charitable activities includes the costs of delivering services undertaken to further the purposes of the charity and their associated support costs
- Other expenditure represents those items not falling into any other heading

Irrecoverable VAT is charged as a cost against the activity for which the expenditure was incurred.

**1 Accounting Policies (continued)**

**j) Allocation of support costs**

Resources expended are allocated to the particular activity where the cost relates directly to that activity. However, the cost of overall direction and administration of each activity, comprising the salary and overhead costs of the central function, is apportioned on the following basis which are an estimate, based on staff time, of the amount attributable to each activity.

Support and governance costs are re-allocated to each of the activities on the following basis which is an estimate, based on staff time, of the amount attributable to each activity

● Adult Care	55%
● Family Placement	16%
● Community Projects	16%
● Costs of generating voluntary income	4%

Governance costs are the costs associated with the governance arrangements of the charity. These costs are associated with constitutional and statutory requirements and include any costs associated with the strategic management of the charity's activities.

**k) Grants payable**

Grants payable are made to third parties in furtherance of the charity's objects. Single or multi-year grants are accounted for when either the recipient has a reasonable expectation that they will receive a grant and the trustees have agreed to pay the grant without condition, or the recipient has a reasonable expectation that they will receive a grant and that any condition attaching to the grant is outside of the control of the charity.

Provisions for grants are made when the intention to make a grant has been communicated to the recipient but there is uncertainty about either the timing of the grant or the amount of grant payable.

**l) Operating leases**

Rental charges are charged on a straight line basis over the term of the lease.

**m) Tangible fixed assets**

Items of equipment are capitalised where the purchase price exceeds £1,000. 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. Major components are treated as a separate asset where they have significantly different patterns of consumption of economic benefits and are depreciated separately over its useful life.

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:

● Land (no depreciation)	
● Buildings	3%
● Motor Vehicles	12.5 – 25%
● Computers	20%
● Fixtures, Fittings and Equipment	10 – 25%

**n) Investment properties**

Investment properties are measured initially at cost and subsequently included in the balance sheet at fair value. Investment properties are not depreciated. Any change in fair value is recognised in the statement of financial activities and any excess of fair value over the historic cost of the investments will be shown as a revaluation reserve in the balance sheet. The valuation method used to determine fair value will be stated in the notes to the accounts.

**1 Accounting Policies (continued)**

**o) Listed investments**

Investments are a form of basic financial instrument and are initially recognised at their transaction value and subsequently measured at their fair value as at the balance sheet date using the closing quoted market price. Any change in fair value will be recognised in the statement of financial activities and any excess of fair value over the historic cost of the investments will be shown as a fair value reserve in the balance sheet. Investment gains and losses, whether realised or unrealised, are combined and shown in the heading 'Net gains/(losses) on investments' in the statement of financial activities. The charity does not acquire put options, derivatives or other complex financial instruments.

**p) Investments in subsidiaries**

Investments in subsidiaries are at cost. FHS Projects Limited, a wholly owned subsidiary was dormant for the year and so consolidated accounts were not needed.

**q) Debtors**

Trade and other debtors are recognised at the settlement amount due. Prepayments are valued at the amount prepaid.

**r) Cash at bank and in hand**

Cash at bank and cash in hand includes cash. Cash balances exclude any funds held on behalf of service users.

**s) 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.

**t) Financial instruments**

With the exception of the defined benefit pension liability, the charity only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value. Non-basic financial instruments are measured at fair value with any gain or loss going to the statement of financial activities. Full details of the non-basic financial instruments are given in the financial instruments note.

**u) Pensions**

The society operates a defined benefit pension scheme. The cost of providing pension and related benefits is charged to the SOFA over the employees' service lives on the basis of a constant percentage of earnings which is an estimate of the regular cost. Variations from regular cost, arising from periodic actuarial valuations are allocated over the expected remaining service lives of current employees on the basis of a constant percentage of current and estimated future earnings. Any difference between the charge to the SOFA and the contributions payable to the scheme is shown as an asset or liability in the balance sheet.

Contributions payable on behalf of employees to money purchase pension schemes are charged to the Statement of Financial Activities as they become payable.

Notes to the financial statements

For the year ended 31 March 2021

2 Income from donations and legacies

	Restricted £	Unrestricted £	2021 Total £	Restricted £	Unrestricted £	2020 Total £
Restricted donations	243,396	–	243,396	251,372	–	251,372
Legacies	–	5,500	5,500	–	234,419	234,419
Schools	–	14,556	14,556	–	48,468	48,468
Parishes	–	19,944	19,944	–	63,111	63,111
Other Donations	–	142,337	142,337	–	157,795	157,795
Coronavirus Job Retention Scheme	–	152,986	152,986	–	–	–
Tax Recoverable	–	13,999	13,999	–	22,958	22,958
	243,396	349,322	592,718	251,372	526,751	778,123

3 Income from charitable activities

	Restricted £	Unrestricted £	2021 Total £	Restricted £	Unrestricted £	2020 Total £
Local Authority	–	2,918,645	2,918,645	–	2,856,276	2,856,276
Adult Social Care Workforce Capacity Fund Grant	–	230,245	230,245	–	–	–
Private	–	1,463,834	1,463,834	–	2,013,057	2,013,057
Sub-total for Adult Care	–	4,612,724	4,612,724	–	4,869,333	4,869,333
Local Authority	–	777,263	777,263	–	707,697	707,697
Sub-total for Family Placement	–	777,263	777,263	–	707,697	707,697
Other Charities	269,581	–	269,581	272,630	–	272,630
Grants	904,939	–	904,939	626,803	–	626,803
Schools	–	164,254	164,254	–	187,787	187,787
Sub-total for Community Based Projects	1,174,520	164,254	1,338,774	899,433	187,787	1,087,220
<b>Total income from charitable activities</b>	1,174,520	5,554,241	6,728,761	899,433	5,764,817	6,664,250

4 Income from other activities

	Restricted £	Unrestricted £	2021 Total £	Restricted £	Unrestricted £	2020 Total £
Administration Charges	–	60,654	60,654	–	54,998	54,998
Profit on Disposal of Fixed Assets	–	113,950	113,950	–	768,133	768,133
<b>Total income from other activities</b>	–	174,604	174,604	–	823,131	823,131

5 Income from investments

	Endowment £	Unrestricted £	2021 Total £	Endowment £	Unrestricted £	2020 Total £
Income from UK listed Investments	64,085	93,724	157,809	85,811	114,977	200,788
Interest receivable	–	229	229	–	1,337	1,337
Net return on pension scheme	–	(55,000)	(55,000)	–	(53,000)	(53,000)
Rental Income	–	125,500	125,500	–	125,370	125,370
<b>Total income from investments</b>	64,085	164,453	228,538	85,811	188,684	274,495

Father Hudson's Society

Notes to the financial statements

For the year ended 31 March 2021

6a Analysis of expenditure (current year)

	Cost of raising funds £	Charitable activities			Support Costs £	Governance Costs £	Obsolete Property £	2021 Total £
		Adult Care £	Family Placement £	Community Based Projects £				
Staff costs (Note 9)	158,088	3,226,820	480,261	901,171	530,822	–	–	5,297,162
Client Costs	–	311,262	478,113	66,305	–	–	–	855,680
Property Costs	8,800	457,243	8,297	155,283	128,326	–	–	757,949
Publicity Costs	3,086	2,272	203	–	–	–	–	5,561
Agency Costs	–	128,569	–	2,838	1,849	–	–	133,256
Travel Costs	85	21,164	12,040	4,114	8,764	–	–	46,167
Professional Fees	3,263	28,627	9,692	42,766	74,834	32,551	–	191,733
Other Direct Costs	23,323	89,910	61,173	79,750	17,519	–	–	271,675
Grants Payable (Note 7)	–	–	–	–	–	–	–	–
Depreciation	–	241,943	3,950	–	102,970	–	–	348,863
Audit Fee	–	–	–	–	–	12,070	–	12,070
	196,645	4,507,810	1,053,729	1,252,227	865,084	44,621	–	7,920,116
Support costs	41,846	457,535	142,278	150,647	(865,084)	72,778	–	–
Governance costs	7,044	65,743	22,306	22,306	–	(117,399)	–	–
<b>Total expenditure 2021</b>	<b>245,535</b>	<b>5,031,088</b>	<b>1,218,313</b>	<b>1,425,180</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>7,920,116</b>

Father Hudson's Society

Notes to the financial statements

For the year ended 31 March 2021

6b Analysis of expenditure (prior year)

	Cost of raising funds £	Charitable activities			Support Costs £	Governance Costs £	2020 Total £
		Adult Care £	Family Placement £	Community Based Projects £			
Staff costs (Note 9)	134,280	3,135,892	493,347	825,011	487,271	–	5,075,801
Client Costs	–	410,961	442,227	35,621	–	–	888,809
Property Costs	1,514	400,200	44,069	152,908	160,735	–	759,426
Publicity Costs	12,016	3,001	–	–	–	–	15,017
Agency Costs	–	199,169	–	7,039	916	–	207,124
Travel Costs	3,455	35,887	15,395	12,940	14,731	–	82,408
Professional Fees	2,898	23,073	7,125	70,499	38,708	37,792	180,095
Other Direct Costs	31,533	85,043	33,869	83,017	–	–	233,462
Grants Payable (Note 7)	–	–	–	1,250	–	–	1,250
Depreciation	–	249,503	3,950	3,438	88,806	–	345,697
Audit Fee	–	–	–	–	–	11,830	11,830
	185,696	4,542,729	1,039,982	1,191,723	791,167	49,622	7,800,919
Support costs	31,647	427,230	133,100	134,499	(791,167)	64,691	–
Governance costs	6,859	64,016	21,719	21,719	–	(114,313)	–
<b>Total expenditure 2020</b>	<b>224,202</b>	<b>5,033,975</b>	<b>1,194,801</b>	<b>1,347,941</b>	<b>–</b>	<b>–</b>	<b>7,800,919</b>

**7a Grant making (current year)**

	Grants to institutions £	Support costs £	2021 £	2020 £
<b>Cost</b>				
Pastoral Care Project	-	-	-	2,500
Anawim WWT	-	-	-	16,908
Hope Community Project	-	41,436	<b>41,436</b>	53,844
Sanctuary	-	20,472	<b>20,472</b>	14,964
Maryvale	-	18,276	<b>18,276</b>	33,864
At the end of the year	-	80,184	<b>80,184</b>	122,080

**7b Grant making (prior year)**

	Grants to institutions £	Support costs £	2020 £	2019 £
<b>Cost</b>				
Pastoral Care Project	1,250	1,250	<b>2,500</b>	2,500
Anawim WWT	-	16,908	<b>16,908</b>	22,392
Hope Community Project	-	53,844	<b>53,844</b>	47,088
Sanctuary	-	14,964	<b>14,964</b>	21,348
Maryvale	-	33,864	<b>33,864</b>	29,220
At the end of the year	1,250	120,830	<b>122,080</b>	122,548

**8 Net income / (expenditure) for the year**

This is stated after charging / (crediting):

	2021 £	2020 £
Depreciation	<b>348,864</b>	345,697
Profit on disposal of fixed assets	<b>(113,950)</b>	(768,133)
Operating lease rentals:		
• Property	<b>36,750</b>	14,150
• Other	<b>58,033</b>	46,561
Auditor's remuneration (excluding VAT):		
• Audit	<b>12,070</b>	11,830

Notes to the financial statements

For the year ended 31 March 2021

**9 Analysis of staff costs, trustee remuneration and expenses, and the cost of key management personnel**

Staff costs were as follows:

	2021 £	2020 £
Salaries and wages	4,712,874	4,525,387
Redundancy and termination costs	4,027	11,492
Social security costs	339,004	318,292
Employer's contribution to defined contribution pension scheme	241,257	220,630
	<b>5,297,162</b>	<b>5,075,801</b>

Redundancy and termination costs were paid and settled in the year. The redundancy and termination costs accrued at the balance sheet date were £nil (2020: £nil).

The following number of employees received employee benefits (excluding employer's national insurance and employer pension costs) during the year between:

	2021 No.	2020 No.
£70,000 – £79,999	1	1

The total employee benefits including employer's national insurance and pension contributions of the key management personnel were £387,892 (2020: £372,426).

The charity trustees were not paid nor received any other benefits from employment with the charity in the year (2020: £nil). No charity trustee received payment for professional or other services supplied to the charity (2020: £nil).

Trustees' expenses represents the payment or reimbursement of travel and subsistence costs totalling £nil (2020: £775) incurred by 0 (2020: 2) members relating to attendance at meetings of the trustees.

**10 Staff numbers**

The average number of employees (head count based on number of staff employed) during the year was as follows:

	2021 No.	2020 No.
Raising funds	6	6
Adult Care	198	204
Family Placement	10	10
Community projects including schools	62	57
Support	16	14
Governance	2	2
	<b>294</b>	<b>293</b>

## 11 Related party transactions

There are related party transactions to disclose for 2020/21 as detailed below.

Aggregate donations from related parties were £25,000 all of which was received from Birmingham Diocesan Trust (2020: £25,000).

The Society has employed the services of NFP Wealth Management Ltd (NFP) in the design and implementation of a Group Personal Pension Scheme. One of the directors of NFP is related to a trustee of the Society. Fees to NFP have been agreed on an arms length basis and the trustee took no part in the decision to use NFP nor in the fee negotiations. At 31 March 2021 fees amounting to £1,800 (2020: £nil) had been paid to NFP.

The President of the Society, the Most Rev. Bernard Longley, is a trustee of Birmingham Diocesan Trust (registered charity number 234216). During the year, the Trust paid for residential care for sick and retired priests in St Joseph's Care Home amounting to £52,228 (2020: £94,121). The balance at the year end was £nil (2020: £nil) due to the Society.

Mrs Jo Watters, Head of Community Projects, is a trustee of Hope Community Project (registered charity number 1139362). During the year the Society made a donation of £nil (2020: £nil) to the Project and provided support services in kind to the value of £41,436 (2020: £53,844) for which payment of £8,000 was received (2020: £8,000). The balance at the year end was £nil (2020: £nil).

The Society is a corporate trustee of Maryvale Community Project (registered charity number 1147691). During the year the Society provided support services in kind to the Project to the value of £18,276 (2020: £33,864). The balance at the year end was £nil (2020: £nil).

## 12 Taxation

The charitable company is exempt from corporation tax as all its income is charitable and is applied for charitable purposes.

Notes to the financial statements

For the year ended 31 March 2021

13 Tangible fixed assets

	Freehold property £	Leasehold property £	Fixtures and Fittings £	Computer equipment £	Motor vehicles £	Total £
<b>Cost</b>						
At the start of the year	7,162,565	151,716	912,122	113,394	177,655	8,517,452
Additions in year	–	–	129,083	19,689	9,275	158,047
Disposals in year	(96,103)	–	(104,983)	(15,006)	–	(216,092)
At the end of the year	7,066,462	151,716	936,222	118,077	186,930	8,459,407
<b>Depreciation</b>						
At the start of the year	2,853,571	1,896	369,449	21,496	98,492	3,344,904
Charge for the year	209,273	4,552	91,250	24,846	18,943	348,864
Eliminated on disposal	(51,660)	–	(104,983)	(15,006)	–	(171,649)
At the end of the year	3,011,184	6,448	355,716	31,336	117,435	3,522,119
<b>Net book value</b>						
<b>At the end of the year</b>	<b>4,055,278</b>	<b>145,268</b>	<b>580,506</b>	<b>86,741</b>	<b>69,495</b>	<b>4,937,290</b>
At the start of the year	4,308,994	149,820	542,673	91,898	79,163	5,172,550

Land with a value of £31,000 (2020: £41,000) is included within freehold property and not depreciated.

All of the above assets are used for charitable purposes.

14 Land and buildings (within current assets)

	2021 £	2020 £
<b>Cost</b>		
At the start of the year	–	86,694
Disposals in year	–	(86,694)
At the end of the year	–	–
<b>Depreciation</b>		
At the start of the year	–	62,036
Eliminated on disposal	–	(62,036)
At the end of the year	–	–
<b>Net book value</b>		
<b>At the end of the year</b>	<b>–</b>	<b>–</b>
At the start of the year	–	24,658

All of the above assets are used for charitable purposes.

Notes to the financial statements

For the year ended 31 March 2021

15 Investment properties

	2021 £	2020 £
Fair value at the start of the year	735,000	735,000
Revaluation during the year	44,000	–
Fair value at the end of the year	779,000	735,000

The investment properties were last valued on an open market (assuming vacant possession) or investment basis by ehBReeves Chartered Surveyors as at 31 March 2021.

16 Listed investments

	2021 £	2020 £
Fair value at the start of the year	4,254,150	4,804,819
Additions at cost	1,059,529	568,835
Disposal proceeds	(1,030,749)	(397,452)
Net gain / (loss) on change in fair value	967,401	(722,052)
	5,250,331	4,254,150
Cash held by investment broker pending reinvestment	134,321	178,198
Fair value at the end of the year	5,384,652	4,432,348

Investments comprise:

	2021 £	2020 £
UK Collective Funds	1,928,941	1,599,033
Shares listed on the London Stock Exchange	2,717,618	1,898,197
Fixed Interest	384,961	527,986
Property Funds	218,811	228,934
Cash	134,321	178,198
	5,384,652	4,432,348

Shares in group undertaking

	2021 £	2020 £
Cost at 1 April 2020 and 31 March	2	2

The Society owns 100% of the issued share capital of F.H.S. Projects Limited. The company was dormant during the current and previous financial years.

**17 Debtors**

	2021 £	2020 £
Trade debtors	305,271	275,084
Accrued income	233,998	242,958
Prepayments	52,355	56,689
	<u>591,624</u>	<u>574,731</u>

**18 Creditors: amounts falling due within one year**

	2021 £	2020 £
Trade creditors	153,942	103,929
Taxation and social security	78,199	73,319
Accruals	236,552	221,270
	<u>468,693</u>	<u>398,518</u>

## 19 Pension Scheme

The charity operates a defined benefit scheme in the UK which closed to future accrual on 31st July 2017. The assets are held separately from those of the group, being invested in managed funds with insurance companies. Contributions to the scheme are charged to the statement of financial activities so as to spread the cost of pensions over employees' working lives with the company. The contributions are determined by a qualified Actuary on the basis of triennial valuations using the projected unit method.

The most recent full actuarial valuation was carried out at 1 August 2017 by a qualified independent actuary. The actuarial value amounted to £5,062,000 at that date. Scheme assets were 99% of that figure.

Until 31st July 2017 contributions were paid at 13.4% of pensionable pay and employee members contributed 8% of pensionable pay. The charity continues to pay all costs of running the Scheme.

The assumptions which have the most significant effect on the results of the valuation are those relating to the rate of return on investments and the rate of increase in salaries and pensions. It was assumed that:

The rate of return on the Scheme's assets will be 5.25% (6.0%) p.a.

The rate of return appropriate for determining the cost of pensions once in payment will be 3.25% (4.0%) p.a.

The rate of future pensionable salary increases (both from inflation and promotion) will be 0% (3.1%) p.a.

Mortality will be in line with appropriate mortality tables. There will be no withdrawals of membership in service.

Limited Price Indexation (LPI) in payment subject to a minimum of 3% p.a. will average 3.25% (3.00%) p.a.

Members will commute 25% (25%) of their pension at retirement.

The employer's contribution for the period was £47,405 (2020: £38,708).

The employee benefit obligations recognised in the balance sheet are as follows:

	2021 £'000	2020 £'000
Present value of funded obligations	(8,212)	(6,872)
Fair value of plan assets	5,503	4,573
	<b>(2,709)</b>	<b>(2,299)</b>

Amounts in the balance sheet

	2021 £'000	2020 £'000
Liabilities	(8,212)	(6,872)
Assets	5,503	4,573
Net Liability	<b>(2,709)</b>	<b>(2,299)</b>

Amounts recognised in net income\ (expenditure) are as follows:

	2021 £'000	2020 £'000
Current service cost	–	–
Interest on obligation	(164)	(182)
Expected return on plan assets	109	129
Total	<b>(55)</b>	<b>(53)</b>
Actual return on plan assets	<b>1,008</b>	<b>(553)</b>

Notes to the financial statements

For the year ended 31 March 2021

19 Pension Scheme (continued)

Changes in the present value of the defined benefit obligation are as follows:

	2021 £'000	2020 £'000
Opening defined benefit obligation	6,872	7,284
Interest cost	164	182
Actuarial gains	1,254	(528)
Benefits paid	(78)	(66)
Closing defined benefit obligation	8,212	6,872

Changes in the fair value of plan

	2021 £'000	2020 £'000
Opening fair value of plan assets	4,573	5,192
Expected return	109	129
Actuarial gains	899	(682)
Benefits paid	(78)	(66)
	5,503	4,573

The major categories of plan assets as a percentage of total plan assets are as

	2021 %	2020 %
Equities	63	59
Bonds	22	26
Property	11	14
Cash	4	1

Principal actuarial assumptions at the balance sheet date (expressed as weighted averages):

	2021	2020
Discount rate at the end of the year	2.05%	2.40%
Expected return on plan assets at the end of the year	2.40%	2.82%
Future salary increases	0.00%	0.00%
Future pension increases	3.40%	2.75%

Amounts for the current and previous four periods are as follows:

	2021 £'000	2020 £'000	2019 £'000	2018 £'000	2017 £'000
Defined benefit obligation	(8,212)	(6,872)	(7,284)	(6,846)	(6,755)
Plan assets	5,503	4,573	5,192	5,075	5,009
Deficit	(2,709)	(2,299)	–	(1,771)	(1,746)
Experience adjustments on plan liabilities	39	33	(3)	(246)	7
Experience adjustments on plan assets	899	(682)	76	32	702

**20 Financial instruments**

	2021 £	2020 £
<b>Financial assets measured at fair value through profit and loss</b>		
Investments	<u>5,250,331</u>	<u>4,254,150</u>
<b>Financial liabilities measured at fair value through profit or loss</b>		
Defined pension scheme liability	<u>2,709,000</u>	<u>2,299,000</u>

**21a Analysis of net assets between funds (current year)**

	Endowment funds £	Restricted funds £	Unrestricted funds £	Total funds £
Tangible fixed assets	3,621,534	803,024	512,732	4,937,290
Investment properties	–	–	779,000	779,000
Investments	2,234,395	–	3,150,259	5,384,654
Net current assets	–	891,312	437,952	1,329,264
Defined benefit pension liability	–	–	(2,709,000)	(2,709,000)
<b>Net assets at 31 March 2021</b>	<u>5,855,929</u>	<u>1,694,336</u>	<u>2,170,943</u>	<u>9,721,208</u>

**21b Analysis of net assets between funds (prior year)**

	Endowment funds £	Restricted funds £	Unrestricted funds £	Total funds £
Tangible fixed assets	3,618,655	860,348	693,547	5,172,550
Investment properties	–	–	735,000	735,000
Investments	1,870,766	–	2,561,584	4,432,350
Net current assets	–	595,965	623,437	1,219,402
Defined benefit pension liability	–	–	(2,299,000)	(2,299,000)
<b>Net assets at 31 March 2020</b>	<u>5,489,421</u>	<u>1,456,313</u>	<u>2,314,568</u>	<u>9,260,302</u>

22a Movements in funds (current year)

	At the start of the year £	Income and gains £	Expenditure and losses £	Transfers £	At the end of the year £
<b>Expendable Endowment</b>	5,489,421	430,593	–	(64,085)	<b>5,855,929</b>
<b>Restricted funds:</b>					
<b>Capital</b>					
St Joseph's Care Home	860,348	–	(57,324)	–	<b>803,024</b>
<b>Income</b>					
Hope Community project	–	96,213	(96,213)	–	–
Brushstrokes	269,850	701,776	(462,426)	–	<b>509,200</b>
Brushstrokes – Lottery	15,121	94,026	(99,311)	–	<b>9,836</b>
Ishelter/ Tabor 2	51,586	–	–	(51,586)	–
Day Service	24,667	–	(3,149)	–	<b>21,518</b>
Fatima House	38,589	52,930	(25,724)	–	<b>65,795</b>
Tabor House	87,942	155,117	(171,981)	51,586	<b>122,664</b>
North Staffs YAH	63,376	161,717	(133,601)	–	<b>91,492</b>
Other	44,834	156,137	(130,164)	–	<b>70,807</b>
<b>Total restricted funds</b>	<b>1,456,313</b>	<b>1,417,916</b>	<b>(1,179,893)</b>	<b>–</b>	<b>1,694,336</b>
<b>Unrestricted funds:</b>					
<b>Designated funds</b>					
<b>Capital Funds</b>					
Property Fund	2,197,015	–	–	–	<b>2,197,015</b>
<b>Income Funds</b>					
Post Adoption Support Fund	264,609	–	–	–	<b>264,609</b>
Emrys John Ellis Fund	13,001	–	–	–	<b>13,001</b>
Helena Woolley Fund	220,000	–	(29,845)	–	<b>190,155</b>
<b>Total designated funds</b>	<b>2,694,625</b>	<b>–</b>	<b>(29,845)</b>	<b>–</b>	<b>2,664,780</b>
<b>Fair value reserve</b>	9,276	–	–	556,135	<b>565,411</b>
<b>Revaluation reserve</b>	651,776	–	–	44,000	<b>695,776</b>
<b>General funds</b>	1,257,891	6,942,513	(6,710,378)	(536,050)	<b>953,976</b>
<b>Total unrestricted funds</b>	<b>4,613,568</b>	<b>6,942,513</b>	<b>(6,740,223)</b>	<b>64,085</b>	<b>4,879,943</b>
<b>Pension reserve</b>	(2,299,000)	(55,000)	(355,000)	–	<b>(2,709,000)</b>
<b>Total funds including pension fund</b>	<b>9,260,302</b>	<b>8,736,022</b>	<b>(8,275,116)</b>	<b>–</b>	<b>9,721,208</b>

**Transfers**

**Expendable Endowment**

The transfer of £64,085 (2020: £85,811) to general funds comprises income arising on Expendable Endowment listed investments.

**Designated Funds**

In 2020 the transfer of £220,000 to the new designated fund, Helena Woolley fund, represents a transfer of the accrued legacy income from general funds, to support service development and business sustainability.

22b Movements in funds (prior year)

	At the start of the year £	Income and gains £	Expenditure and losses £	Transfers £	At the end of the year £
<b>Expendable Endowment</b>	5,797,991	85,811	(308,570)	(85,811)	<b>5,489,421</b>
<b>Restricted funds:</b>					
<b>Capital</b>					
St Joseph's Care Home	917,672	–	(57,324)	–	<b>860,348</b>
<b>Income</b>					
Hope Community project	–	157,444	(157,444)	–	–
Brushstrokes	217,772	472,517	(420,439)	–	<b>269,850</b>
Brushstrokes – Lottery	21,339	127,010	(133,228)	–	<b>15,121</b>
Ishelter/ Tabor 2	26,802	24,784	–	–	<b>51,586</b>
Day Service	35,984	29,792	(41,109)	–	<b>24,667</b>
Fatima House	48,847	4,404	(14,662)	–	<b>38,589</b>
Tabor House	113,946	96,850	(122,854)	–	<b>87,942</b>
North Staffs YAH	56,028	120,861	(113,513)	–	<b>63,376</b>
Other	80,730	117,143	(153,039)	–	<b>44,834</b>
<b>Total restricted funds</b>	<b>1,519,120</b>	<b>1,150,805</b>	<b>(1,213,612)</b>	<b>–</b>	<b>1,456,313</b>
<b>Unrestricted funds:</b>					
<b>Designated funds</b>					
<b>Capital Funds</b>					
Property Fund	2,197,015	–	–	–	<b>2,197,015</b>
<b>Income Funds</b>					
Post Adoption Support Fund	264,609	–	–	–	<b>264,609</b>
Emrys John Ellis Fund	13,001	–	–	–	<b>13,001</b>
Helena Woolley Fund	–	–	–	220,000	<b>220,000</b>
<b>Total designated funds</b>	<b>2,474,625</b>	<b>–</b>	<b>–</b>	<b>220,000</b>	<b>2,694,625</b>
<b>Fair value reserve</b>	<b>432,712</b>	<b>–</b>	<b>–</b>	<b>(423,436)</b>	<b>9,276</b>
<b>Revaluation reserve</b>	<b>651,776</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>651,776</b>
<b>General funds</b>	<b>613,050</b>	<b>7,356,383</b>	<b>(7,000,789)</b>	<b>289,247</b>	<b>1,257,891</b>
<b>Total unrestricted funds</b>	<b>4,172,163</b>	<b>7,356,383</b>	<b>(7,000,789)</b>	<b>85,811</b>	<b>4,613,568</b>
<b>Pension reserve</b>	<b>(2,092,000)</b>	<b>(53,000)</b>	<b>(154,000)</b>	<b>–</b>	<b>(2,299,000)</b>
<b>Total funds including pension fund</b>	<b>9,397,274</b>	<b>8,539,999</b>	<b>(8,676,971)</b>	<b>–</b>	<b>9,260,302</b>

### Purposes of restricted funds

#### Capital Funds

Capital funds comprise grants/donations towards the costs of fixed assets to be used by the Society for its charitable purposes. Such income may not be treated as a deduction from the capital cost, therefore the depreciation on the underlying asset is treated as restricted expenditure.

#### St Josephs Care Home

This fund represents grants and donations towards the building of St Joseph's Care Home for older people and people with dementia. At 31 March 2021 costs of £3,318,826 (2020: £3,318,826) have been incurred and capitalised.

#### Income Funds

These funds are in receipt of grants to assist in the development of these projects.

### Purposes of designated funds

#### Capital Funds

The Property Fund represents the book value of land, buildings and fixtures (less any associated restricted funds) currently held or in construction for charity use. The funds are therefore unavailable for other use.

The unrealised revaluation gains on investment properties represent the difference in valuation and book cost and being unrealised are not available for use.

The unrealised gains on investments fund represent the gains in value of investments over book cost, which being unrealised are not available for use.

#### Income Funds

Emrys John Ellis Fund – the income and some of the capital from this fund, which is held within the total investments of the Society, will be used to fund new social projects in the diocese.

Post Adoption Support Fund – a fund set aside to cover the Society's ongoing legal obligation to provide post adoption services where specified in the local authority placement agreement.

Helena Woolley Fund – this fund will be used to support service development and business sustainability initiatives.

The pension reserve represents the deficit as calculated under FRS102.

## 23 Reconciliation of net income / (expenditure) to net cash flow from operating activities

	2021 £	2020 £
<b>Net (expenditure) for the reporting period (as per the statement of financial activities)</b>	<b>460,906</b>	(136,972)
Dividends, interest and rent from investments	(228,538)	(274,495)
Depreciation charges	348,864	345,697
Losses / (gains) on investments	(1,011,401)	722,052
(Profit) on the disposal of fixed assets	(113,950)	(768,133)
FRS102 Pension adjustments (non cash)	55,000	53,000
Actuarial losses on investments	355,000	154,000
Decrease / (increase) in debtors	(16,893)	98,555
(Decrease) / increase in creditors	70,175	(108,840)
<b>Net cash provided by / (used in) operating activities</b>	<b>(80,837)</b>	84,864

**24 Analysis of cash and cash equivalents**

	At 1 April 2020 £	Cash flows £	Other changes £	At 31 March 2021 £
Cash at bank and in hand	1,043,189	163,144	–	<b>1,206,333</b>
<b>Total cash and cash equivalents</b>	<b>1,043,189</b>	<b>163,144</b>	<b>–</b>	<b>1,206,333</b>

**25 Operating lease commitments**

The charity's total future minimum lease payments under non-cancellable operating leases is as follows for each of the following periods:

	Property 2021 £	2020 £	Equipment 2021 £	2020 £
Less than one year	<b>28,333</b>	22,516	<b>47,083</b>	49,225
One to six years	<b>90,851</b>	119,184	<b>120,677</b>	167,760
	<b>119,184</b>	141,700	<b>167,760</b>	216,985

**26 Capital commitments**

At the balance sheet date, the charity had committed to £nil (2020: £nil).

**27 Legal status of the charity**

The charity is a company limited by guarantee and has no share capital. The liability of each member in the event of winding up is limited to £1.