

**Faith in Families**  
**ANNUAL REPORT  
AND  
FINANCIAL STATEMENTS**  
**for the year ended**  
**31 March 2016**

Charity Registration No.213692  
Company Registration No.461813

# Faith in Families

## TRUSTEES, OFFICERS AND ADVISERS

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### TRUSTEES

Edward Hayes (Chairperson)  
Anna Ledger  
John Bale  
Phil Iley  
Meg Staples  
Donna Jackman (resigned March 2016)  
Martin Cooper  
Patrick Adie

### CHIEF EXECUTIVE OFFICER

Sumerjit Ram

### COMPANY SECRETARY

Malcolm Dodd

### MEDICAL ADVISER

Dr Colin Horsbough  
Dr Lesley Cookson (appointed January 2016)

### ADOPTION LEGAL ADVISER

Karen Davies - McMillan Williams Solicitors

### EDUCATION ADVISER

Gerry McMahon

### IT ADVISER

Jason Reed - Cadman Consultants Limited

### HR ADVISER

Andrew Larkin

### PROFESSIONAL ISSUES COMMITTEE

Meg Staples (Chairperson appointed June 2015)  
Anna Ledger (Chairperson resigned June 2015)  
Edward Hayes  
Donna Jackman (resigned March 2016)  
Martin Cooper

### FINANCE AND GENERAL PURPOSE COMMITTEE

John Bale  
Phil Iley  
Edward Hayes  
Martin Cooper  
Patrick Adie

# Faith in Families

## TRUSTEES, OFFICERS AND ADVISERS

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### REGISTERED OFFICE

7 Colwick Road  
West Bridgford  
Nottingham  
NG2 5FR

### SOLICITORS

**Massers**  
15 Victoria Street  
Nottingham  
NG1 2EW

### AUDITORS

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

### BANKERS AND INVESTMENT MANAGERS

**Lloyds Bank**  
Old Market Square  
Nottingham  
NG1 6FD

**Nottinghamshire Building Society**  
5/13 Upper Parliament Street  
Nottingham  
NG1 2BX

**Allied Irish Bank (GB)**  
Maid Marion Way  
Nottingham  
NG1 6HS

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

**CCLA Investment Management Ltd**  
Senator House  
85 Queen Victoria Street  
London EC4V 4ET

# Faith in Families

## REPORT OF THE TRUSTEES

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The Trustees present their report together with the financial statements of the charity for the year ended 31 March 2016.

This report has been prepared in accordance with the Statement of Recommended Practice: Accounting and Reporting by Charities March 2015.

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

Faith in Families is a registered Charity (no.213692) and a company limited by guarantee (no.461813) governed by its Memorandum and Articles of Association dated 1948 as amended, most recently in late 2008.

#### *Trustees*

The Articles of Association set out the appointment requirements of a Trustee. A regular skills audit is undertaken to inform the recruitment strategy and appointment process of Trustees as the Board seeks to maintain and enhance an appropriate range of skills, expertise, communication styles, age, gender and race. Initially, the prospective Trustee will meet with the Chairperson and the Chief Executive following which they are invited to attend a Board meeting as an Observer. After meeting the other Trustees informally, they complete an application form with a brief curriculum vitae submitted to the full Board for consideration prior to the appointment. In addition, all Trustees are asked to complete a declaration of conduct, a register of interests, and a confidentiality statement and undergo an enhanced Disclosure and Baring Service check which is renewable every two years.

Trustees initially are required to attend the two executive committees (Professional Issues and Finance and General Purposes) in order to decide which Committee would most benefit from their particular skills.

The Board is made up of seven members who meet quarterly. There are also two standing committees that meet quarterly that have oversight of the Agency's professional services and its financial and administrative management. Their Terms of Reference are approved by the Board and their reports are standing agenda items at each full Board meeting. The Board also has strategic away days which allows for the delivery of specialist training and key strategic discussions. In addition, the Trustees are encouraged to attend external training and Agency Away Days that facilitate their understanding of their role. This is monitored by the Chief Executive through annual appraisals and regular discussions to ensure their full participation in the Charity.

Throughout the year, the Task Group (Chairperson of the Board and Sub committees with Leadership Team) met twice to discuss the deficit reduction strategy, pension liability, personnel and property issues facing the Agency. Decisions of the Board are also aided by the attendance of representatives from the staff stakeholders group which encourages direct dialogue with all tiers of the staffing structure.

#### *Management*

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

# Faith in Families

## REPORT OF THE TRUSTEES (continued)

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The Chief Executive, Sumerjit Ram, and the leadership team; Deputy Chief Executive / Head of Professional Services, Lynda Fletcher, and Head of Finance and Resources, Malcolm Dodd, provide strategic leadership.

### *Remuneration*

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

### *Risk Management*

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

### **Public Benefit**

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

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

### **Aims and Objectives**

Faith in Families preserves and promotes the mental, spiritual and physical health of children and young people and vulnerable adults by:

- a) arranging and supporting the adoption of children with sustainable persons and families irrespective of creed but particularly those of the Roman Catholic faith
- b) promoting and assisting in the welfare of adopted persons, birth parents and adoptive parents
- c) providing therapeutic support to children and their families
- d) providing training and consultancy services in relation to children, young people and their families
- e) providing advice, support and care for vulnerable adults
- f) providing any other services deemed appropriate to help the Agency achieve its objectives.

# Faith in Families

## REPORT OF THE TRUSTEES (continued)

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### ACHIEVEMENTS AND PERFORMANCE

The Trustees wish to note that despite financial pressures, the charity has performed exceptionally well in an ever changing adoption landscape. Regulatory changes, slowing of adoption enquiries, B's Ruling in court system and its impact on placement orders for children in care are some of the difficulties the charity has faced.

**Adoption Services** Ofsted inspected Adopt Together (the adoption service of the Agency) in November 2015 and again the work of the Agency resulted in an 'Outstanding' achievement, the third in succession. The inspection looks at all aspects of the adoption service, including adoption support, quality assurance and evidence based monitoring and interviewing a range of stakeholders before a determination is made. Children remain at the heart of its work.

For the fifth year in succession, Adopt Together has placed more children than ever before; **36** children were placed with adoptive parents with **97%** of these placements falling into the category of *'the hardest to place children'* according to the DfE.

Adopt Together continues to improve its strategic adoption recruitment strategies however the adoption environment during the year has been a challenging one. The Agency remains positive that children will benefit from the government changes and works strategically and creatively to ensure that there are no undue delays in placing those vulnerable children in loving homes.

The year has also seen a **14%** increase in applicants approved by the Panel during 2015/16.

Enhancing good working partnerships with local authorities is crucial to future innovative adoption practices. During 2015/16 the Agency has been actively engaged with two local authorities who have provided direct access to their children in order to speed up the adoption process. **40%** of the children placed this year were through these partnerships.

Adopt Together continues to place a greater emphasis on supporting children and adoptive parents throughout the whole adoption process; from initial enquiry to beyond adoption and into later life by continually enhancing its process of preparation, support, education and provision of care. The comprehensive nature of this approach is evidenced by the continuing low adoption placement disruption rate which is considerably below the national average.

A DfE Grant funded additional staff and resources to increase the Agency's capacity to place even more children with loving families, however the adverse adoption landscape during the year which affected all VAA's (Voluntary Adoption Agency's), impacted on the Agency's budgetary targets. It was unable to reach the projected 45 placements for the year.

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# Faith in Families

## REPORT OF THE TRUSTEES (continued)

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Over **240** children and adults attended planned therapeutic and activity based support events during 2015/16.

The Agency has also worked with and received support from a number of small trusts and foundations which have funded day trips for children and their families as part of the Agency's commitment to providing on-going support to adoptive families.

During 2015/16 **60** referrals for adoption support were received with another **36** adoption orders granted for that same period.

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### Five year strategic plan

2015/16 was to be the final year in a five year deficit reduction strategy, however with years one and two progressing well, in the third and fourth years the Agency faced some difficult financial factors that were beyond its control. In that year i.e. 2013/14, the Trustees extended the deficit reduction plan by a further two years and with the results of 2015/16 and cost savings measures taken, the 'break even' plan of 2017/18 remains achievable.

The Trustees are fully aware of their responsibilities to reduce the deficit and the over reliance on reserves, therefore have established a Task Group to regularly review and monitor the charity's activities. Reporting to the Board, the Group will ensure the 'break even' point will be realised, allowing the future replenishment of the reserves.

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### Therapeutic training

During the year the Agency was able to train the social work team, both adoption and school services, in 'Theraplay'. Theraplay is a child and family focused therapy for building and enhancing attachment, self-esteem, trust in others and joyful engagement.

This training not only has enhanced the skills and knowledge of all social workers but also provides the Agency with the potential to bespoke therapeutic support to service users. The number of cases requiring this specialist support is increasing; consequently the Agency has the best possible opportunity now to tailor the therapeutic support to the children, who have experienced chaotic and very traumatic early lives.

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### REACH—children's group

The Agency continues to be committed to adoption support and part of its programme is the provision of therapeutic and activity based groups for adopted children. During 2015/16 the Team provided over **100** children with positive experiences that help address the impact of their early life experiences of neglect, abuse and loss. Children participating in this initiative continue to benefit from such a service.

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# Faith in Families

## REPORT OF THE TRUSTEES (continued)

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### Schools and Community Services

Each of the schools in which the Agency works greatly value the service because it removes barriers to learning, ensures early intervention to identify problems, and nurtures the emotional and spiritual development of individual children. It addresses critical personal, family and social issues and develops support networks through the extended school collaboration.

During 2015/16 over **3,000** children were supported through this service with over **500** parents or families benefiting from the Agency's support. The service now operates in **23** schools, both primary and secondary, ranging from 1 day per week to 5 days per week.

The service offers to work with a family as a whole when needed for those children and their families who are facing tragic or challenging times. These emergency sessions are spasmodic but provide highly specialist support and assistance to the school, teachers, parents and students.

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### Development of creative initiatives and partnerships

The Agency during 2015/16 has continued to work in collaboration with Nottinghamshire County Council and other local authorities on adoption placements which is speeding up the placement of 'harder to place' children, that provide opportunities to co-operate with the Councils on all levels. The year also saw the first 'foster to adopt' placements which contribute to the Government's social care reform agenda in reducing delay for children who are waiting for permanence, minimising moves and increasing placement numbers.

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### Wider community, service users and the Diocese

The Agency's relationship with the Roman Catholic Diocese of Nottingham continues to grow with presentations made to many deanery meetings, parishes and schools throughout the year. Faith in Families remains committed to being the 'agency of choice' for Catholic parents willing to adopt, for Catholic children in the care system, and for working within Catholic schools and parishes.

The results for 2015/16 shows that £170k was raised as a result of donations, gifts, regular giving and legacies by that community for Faith in Families.

In 2015/16 the Agency was successful in engaging with various communities that reflect the children who are in care and have plans for adoption, processing prospective adopters from a wide range of backgrounds.

Through the generosity of a legacy from the Timerick family, the Agency has been able to financially support **6** families (**14** children) during the year by funding various items as school uniforms, food, school trips for children and caring support for disabled students.

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# Faith in Families

## REPORT OF THE TRUSTEES (continued)

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At Christmas 2015 the Agency provided over 77 families (184 children) with hampers and toys which were packed and delivered by its team of staff and volunteers. The food and toys were generously donated by the parishes and schools in the Diocese of Nottingham and from corporate suppliers. The Agency remains committed to supplying the vulnerable in society, viewing this work as vital to its mission and vision.

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### **Financial review**

For the year ended 31 March 2016, the Agency's deficit was (£42,276) after recording a net loss on investments of (£26,489) and actuarial gain on the Pension Fund of £361,000. The Agency has Net Assets of £1,763,153 before accounting for the share of the local government pension scheme deficit, of which £408,997 was held in tangible fixed assets. The members of the Board believe that prior to accounting for the Pension Liability, there are sufficient resources to meet the needs of the Agency and for it to continue its activities for the foreseeable future.

The Agency continues to benefit from its various fundraising strategies, including a legacy strategy and remains committed to long term sustainable activities that will focus on benefiting the needs of children and families in the East Midlands and the RC Diocese of Nottingham.

The Board have reviewed the strategic priorities and corporate plan with a view to minimise the short term impact of the 2013/14 financial results which saw the Agency face a number of developments that had an adverse impact on the deficit reduction programme. Consequently the Trustees after having reviewed the five year strategic deficit reduction plan have agreed to extend the programme until 2017/18. The Board continues to believe that with regular evaluation, detailed forecasts, monitoring of the costs, increasing income targets and implementation of cost saving measures, the revised plan will result in a break-even point by 2017/18.

### *Reserves*

The Reserves Policy states it is necessary to carry reserves (excluding fixed assets) equivalent to 12 months of 'normal' agency operation plus 5 years of adoption support work which is calculated to be £1.8 million. The Board believe there is an obligation to provide on-going support for all children placed for adoption, together with their adoptive and birth parents and this is primarily why the Agency hold reserves.

The Reserve on this basis currently amounts to £1.7 million before taking into consideration the pension liability.

The Agency has disclosed a liability of £1.8m in accordance with FRS102 in relation to the Nottinghamshire County Council Pension Fund. The Trustees are fully aware of the impact of this liability on the unrestricted reserves and are actively considering future options to manage the consequences of such disclosures. See the accounting note 15.

### *Funding Sources*

The principal funding sources in 2015/16 were charitable income of £980k representing the placement of children under the inter-agency agreements determined by the Consortium of

# Faith in Families

## REPORT OF THE TRUSTEES (continued)

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Voluntary Adoption Agencies, school service level agreements generating £337k and the voluntary income programme raising £170k. The programme is well served by people who generously give their time as box holders, box collectors, and community team members and as general administrative helpers. In addition the Agency received £41k from interest and dividends from its managed portfolio and bank interest.

### *Investments*

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

### *Auditors*

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

### **Plans for the Future**

The Agency's strategic aims will ensure that for 2016/17 the Agency will continue to:

- be a centre of excellence in care, welfare and well-being of children and increase the number of children placed by the Agency with adoptive parents
- facilitate the government's reform agenda by playing its role in reducing delay for children waiting for permanence through discussions and active participation with the proposed Regional Adoption Agency in the East Midlands
- monitor the strategic direction of the school service to ensure financial sustainability and continuity that provides early intervention programmes, emergency care and support, that works with partners to build on the Agency's reputation for the provision of services to schools and the wider community
- actively monitor and review the deficit reduction strategy to ensure a break-even result by year 2017/18 and continue to engage with experts in the field of pension provision with a view to obtain robust management of the pension fund liability
- extend its care activity and therapeutic work with vulnerable children and their families through accessing the Adoption Support Fund to provide much needed therapeutic and educational support to ensure the placement of children with their families is loving, safe and sustainable
- sustain and develop the support of Catholic parishioners throughout the RC Diocese of Nottingham and implement other community based fundraising strategies to achieve the targets set in the budget and in co-operation with the Agency Patron, who acts as an ambassador for its work
- research and develop new and creative initiatives and partnerships to ensure the long term sustainability and viability of the Agency and the fulfilment of its Aims and Objectives

# Faith in Families

## REPORT OF THE TRUSTEES (continued)

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

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

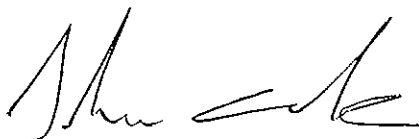
### **Statement as to disclosure of information to Auditors**

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

### *Small Company Exemptions*

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

On behalf of the board



John Bale  
**Trustee**  
**Chair of Finance and General Purposes Committee**



Malcolm Dodd  
**Company Secretary**

21 June 2016

# Faith in Families

## TRUSTEES' RESPONSIBILITIES IN THE PREPARATION OF FINANCIAL STATEMENTS

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

Company law requires the Trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that period.

In preparing these financial statements then the Trustees are required to:-

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

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

In so far as the Trustees are aware:

- there is no relevant audit information of which the charitable company's auditor is unaware; and
- 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.

## INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF FAITH IN FAMILIES

We have audited the financial statements of Faith in Families for the year ended 31 March 2016 on pages 13 to 32. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland".

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.

### **Respective responsibilities of trustees and auditor**

As explained more fully in the Statement of Trustees' responsibilities set out on page 13, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors.

### **Scope of the audit of the financial statements**

A description of the scope of an audit of financial statements is provided on the Financial Reporting Council's website at <http://www.frc.org.uk/auditscopeukprivate>

### **Opinion on financial statements**

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 2016 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the Companies Act 2006.

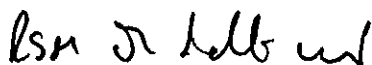
### **Opinion on other matter prescribed by the Companies Act 2006**

In our opinion the information given in the Trustees' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

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

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

- the charitable company has not kept adequate accounting records, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit or
- the Trustees were not entitled to take advantage of the small companies exemption from the requirement to prepare a strategic report or in preparing the Trustees report.



PAUL OXTOBY (Senior Statutory Auditor)  
For and on behalf of RSM UK AUDIT LLP, Statutory Auditor  
Chartered Accountants  
St Phillips Point  
Temple Row  
Birmingham  
B2 5AF

8 July 2016

# Faith in Families

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

for the year ended 31 March 2016

	Notes	Unrestricted funds £	Restricted funds £	Total 2016 £	Total 2015 £
Income from:					
Donations and legacies	3a	170,114	295	170,409	107,484
Charitable activities:	3c	1,235,958	71,048	1,307,006	1,186,821
Other trading activities		6,451	-	6,451	3,481
Investment	3b	41,048	-	41,048	53,928
<b>TOTAL</b>		<b>1,453,571</b>	<b>71,343</b>	<b>1,524,914</b>	<b>1,351,714</b>
Expenditure on:					
Raising funds	4a	102,826	-	102,826	109,936
Charitable activities		1,648,264	66,059	1,714,323	1,538,582
<b>TOTAL</b>		<b>1,751,090</b>	<b>66,059</b>	<b>1,817,149</b>	<b>1,648,518</b>
<b>NET INCOME/(EXPENDITURE) FOR THE YEAR</b>	<b>5</b>	<b>(297,519)</b>	<b>5,284</b>	<b>(292,235)</b>	<b>(296,804)</b>
Net gains/(losses) on investments		(26,489)	-	(26,489)	135,437
Other recognised gains and losses:					
- actuarial gain on defined benefit pension scheme	15	361,000	-	361,000	72,000
<b>NET MOVEMENT OF FUNDS IN YEAR</b>		<b>36,992</b>	<b>5,284</b>	<b>42,276</b>	<b>(89,367)</b>
Reconciliation of funds:					
TOTAL FUNDS BROUGHT FORWARD		(106,934)	9,813	(97,121)	(7,754)
<b>TOTAL FUNDS CARRIED FORWARD</b>	<b>12</b>	<b>(69,942)</b>	<b>15,097</b>	<b>(54,845)</b>	<b>(97,121)</b>

There are no recognised gains or losses other than the results for the year and the prior year.

All activities derive from continuing operations.

## INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF FAITH IN FAMILIES

We have audited the financial statements of Faith in Families for the year ended 31 March 2016 on pages 13 to 32. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland".

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.

### **Respective responsibilities of trustees and auditor**

As explained more fully in the Statement of Trustees' responsibilities set out on page 13, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors.

### **Scope of the audit of the financial statements**

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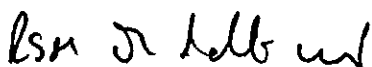
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- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit or
- the Trustees were not entitled to take advantage of the small companies exemption from the requirement to prepare a strategic report or in preparing the Trustees report.



PAUL OXTOBY (Senior Statutory Auditor)  
For and on behalf of RSM UK AUDIT LLP, Statutory Auditor  
Chartered Accountants  
St Philips Point  
Temple Row  
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8 July 2016

# Faith in Families

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Charitable activities		1,648,264	66,059	1,714,323	1,538,582
<b>TOTAL</b>		<b>1,751,090</b>	<b>66,059</b>	<b>1,817,149</b>	<b>1,648,518</b>
<b>NET INCOME/(EXPENDITURE) FOR THE YEAR</b>	<b>5</b>	<b>(297,519)</b>	<b>5,284</b>	<b>(292,235)</b>	<b>(296,804)</b>
Net gains/(losses) on investments		(26,489)	-	(26,489)	135,437
Other recognised gains and losses:					
- actuarial gain on defined benefit pension scheme	15	361,000	-	361,000	72,000
<b>NET MOVEMENT OF FUNDS IN YEAR</b>		<b>36,992</b>	<b>5,284</b>	<b>42,276</b>	<b>(89,367)</b>
Reconciliation of funds:					
TOTAL FUNDS BROUGHT FORWARD		(106,934)	9,813	(97,121)	(7,754)
<b>TOTAL FUNDS CARRIED FORWARD</b>	<b>12</b>	<b>(69,942)</b>	<b>15,097</b>	<b>(54,845)</b>	<b>(97,121)</b>

There are no recognised gains or losses other than the results for the year and the prior year.

All activities derive from continuing operations.



# Faith in Families

## BALANCE SHEET

31 March 2016

Company Registration No. 461813

	Notes	2016 £	2015 £
<b>FIXED ASSETS</b>			
Tangible assets	8	408,997	230,277
Investments	9	1,080,288	1,796,167
		<hr/>	<hr/>
		1,489,285	2,026,444
<b>CURRENT ASSETS</b>			
Debtors	10	308,445	305,121
Cash at bank and in hand		107,234	25,577
		<hr/>	<hr/>
		415,679	330,698
<b>CREDITORS: Amounts falling due within one year</b>	11	(141,809)	(431,263)
		<hr/>	<hr/>
<b>NET CURRENT ASSETS</b>		273,870	(100,565)
		<hr/>	<hr/>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<b>1,763,155</b>	<b>1,925,879</b>
<b>NET ASSETS EXCLUDING PENSION SCHEME LIABILITY</b>		<b>1,763,155</b>	<b>1,925,879</b>
Defined benefit pension scheme liability	15	(1,818,000)	(2,023,000)
		<hr/>	<hr/>
<b>NET LIABILITIES INCLUDING PENSION SCHEME LIABILITY</b>		<b>(54,845)</b>	<b>(97,121)</b>
		<hr/>	<hr/>
<b>FUNDS</b>			
Restricted funds	12	15,097	9,813
<b>UNRESTRICTED FUNDS</b>			
- general unrestricted funds	12	1,215,058	1,539,452
- designated funds	12	533,000	376,614
		<hr/>	<hr/>
Unrestricted funds excluding pension liability		1,748,058	1,916,066
Pension reserve	12/15	(1,818,000)	(2,023,000)
		<hr/>	<hr/>
Total unrestricted (deficit)/funds	12	(69,942)	(106,934)
		<hr/>	<hr/>
<b>TOTAL (DEFICIT)/FUNDS</b>		<b>(54,845)</b>	<b>(97,121)</b>
		<hr/>	<hr/>

The financial statements on pages 13 to 32 were approved on behalf of the Board on 21/6/2016 and authorised for issue and signed on its behalf by:

*E. J. Hayes*

**Edward Hayes**  
Chairman

# Faith in Families

## STATEMENT OF CASH FLOWS

For the year ended 31 March 2016

Company Registration No. 461813

Statement of cash flows	2016 £	2015 £
<b>Cash Flows from Operating Activities:</b>		
NET CASH USED IN OPERATING ACTIVITIES	(443,944)	(363,652)
<b>Cash flows from investing activities:</b>		
Dividends, interest from investments	41,048	53,928
Purchase of property, plant and equipment	(204,837)	(6,985)
Proceeds from sale of investments	792,847	400,955
Purchase of investments	(103,457)	(108,576)
NET CASH USED IN INVESTING ACTIVITIES	525,601	339,322
Change in cash and cash equivalents in the reporting period	81,657	7,901
Cash and cash equivalent at the beginning of the reporting period	25,577	17,676
Cash and cash equivalent at the end of the reporting period	107,234	25,577
<b>Reconciliation of net income/(expenditure) to net cash flow from operating activities</b>	<b>2016 £</b>	<b>2015 £</b>
Net income/(expenditure) for the reporting period (as per the statements of financial statements)	(292,235)	(296,804)
<b>Adjustments for:</b>		
Depreciation charges	26,117	23,059
Dividends, interest and rents from investments	(41,048)	(53,928)
Defined benefit pension adjustments	156,000	146,000
Increase in debtors	(3,324)	(82,645)
Increase in creditors	(289,454)	(99,334)
NET CASH USED IN OPERATING ACTIVITIES	(443,944)	(363,652)

# Faith in Families

## ACCOUNTING POLICIES

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### BASIS OF PREPARATION

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

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

### *Reconciliation Upon Previous Generally Accepted Accounting Practice*

In preparing the accounts, the Trustees have considered whether in applying the accounting policies required by FRS 102 and the Charities SORP FRS 102 the restatement of comparative items was required.

In accordance with FRS 102, an adjustment of £58,000 has been made to reclassify certain other finance costs, relating to the defined benefit plan, as actuarial gains within the income and expenditure account for the year ended 31 March 2015.

In addition to this, in accordance with FRS102, an adjustment of £119,322 has been made to reclassify unrealised gains on investments to net gains on investments within the income and expenditure account for the year ended 31 March 2015

These adjustments have the effect of increasing the 2015 Net income/expenditure as previously reported from a deficit of £222,689 to a deficit of £161,367

There has been no impact on the charities funds.

### FINANCIAL INSTRUMENTS

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

#### *Debtors*

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

#### *Cash at bank and in hand*

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

#### *Creditors*

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

# Faith in Families

## ACCOUNTING POLICIES (continued)

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### GOING CONCERN

The charity has funds in deficit at 31 March 2016 of £54,845 (2015 deficit funds of £97,121) after accounting for its share of the local government pension scheme deficit of £1,818,000 (2015 £2,023,000).

As explained in note 15 on page 24 the Charity will make contributions to the pension scheme based on an employer contribution rate of 13.1%, these contributions are estimated to be £131,000 for the year to 31 March 2017.

In light of the level of contributions required by the pension scheme during the next financial year and the level of investments held the charity has access to sufficient cash to meet its liabilities as they fall due. On this basis the Trustees consider the charity to be a going concern.

### FUND ACCOUNTING

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

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

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

### INCOMING RESOURCES

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

Investment income is included on an accruals basis.

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

### RESOURCES EXPENDED

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

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

# Faith in Families

## ACCOUNTING POLICIES (continued)

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Charitable activities comprise the cost of care programmes undertaken by the agency and include both the direct and indirect costs relating to those activities. Support costs include those costs of an indirect nature necessary to support the charitable activities.

### OPERATING LEASES

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

### TANGIBLE FIXED ASSETS

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

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

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

### INVESTMENTS

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

### RETIREMENT BENEFITS

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

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

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

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

### CRITICAL ACCOUNTING ESTIMATES AND AREAS OF JUDGEMENT

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

# Faith in Families

## NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 March 2016

### 1 LEGAL STATUS

The Agency is incorporated as a company limited by guarantee having no share capital and, in accordance with the Memorandum of Association; every member is liable to contribute a sum of £1 in the event of the Agency being wound up. As at 31 March 2016 there were 7 (2015:8) members.

### 2 TAXATION STATUS

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

3	INCOME	2016 £	2015 £
a.	Analysis of incoming resources from generated funds		
	Donations and legacies		
	Donations, legacies and gifts*	131,698	67,602
	Parish appeals and box collections*	31,132	36,547
	Other support and income	7,579	3,335
		<u>170,409</u>	<u>107,484</u>

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

b.	Investments	2016 £	2015 £
	Treasury stock	4,023	4,319
	Investments listed on recognised stock exchange	36,704	48,274
	Bank and investment interest	321	1,335
		<u>41,048</u>	<u>53,928</u>

c.	Charitable activities	Unrestricted £	Restricted £	2016 £	2015 £
	Adoption services:				
	Placement, assessment and support	875,918	-	875,918	760,492
	Adoption support	-	3,567	3,567	4,698
	DfE Grant and trust funds	10,000	67,481	77,481	54,000
	Training and consultancy	13,018	-	13,018	20,766
		<u>898,936</u>	<u>71,048</u>	<u>969,984</u>	<u>839,956</u>
	Schools and community services	337,022	-	337,022	346,865
		<u>1,235,958</u>	<u>71,048</u>	<u>1,307,006</u>	<u>1,186,821</u>

# Faith in Families

NOTES TO THE FINANCIAL STATEMENTS  
for the year ended 31 March 2016

4	EXPENDITURE	Staff costs £	Travel and subsistence £	Premises £	Other direct £	2016 £	2015 £
a.	Analysis of total resources expended Unrestricted funds:						
	Fundraising	89,538	5,954	7,209	125	102,826	109,936
	Governance	7,022	467	565	14,419	22,473	25,470
	Charitable activities:						
	Adoption	552,674	36,751	44,497	70,044	703,965	621,641
	Adoption support	242,031	16,095	19,486	1,718	279,330	248,247
	Schools and community	464,835	30,910	37,424	17,085	550,254	563,976
	Central support	48,335	3,214	3,891	23,805	79,245	67,702
	Sub-total	1,307,875	86,970	105,298	112,652	1,612,794	1,501,565
	Restricted funds						
	Charitable activities:						
	Adoption support work	-	-	-	1,894	1,894	3,706
	Adoption DfE Grant	68,830	6,965	-	1,030	76,825	800
	Central support	-	-	-	-	-	6,615
	Intermediary services	-	-	-	337	337	427
	Sub-total	68,830	6,965	-	3,261	79,056	11,548
	Total expended	1,473,265	100,356	113,072	130,457	1,817,149	1,648,518
	Staff costs include £66,000 (2015: £89,000) of costs relating to the finance element of pension costs that are not included in note 6.						

# Faith in Families

## NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 March 2016

### 4 EXPENDITURE (continued)

b.	Analysis of resources expended on charitable activities	2016 £	2015 £
	Adoption services:		
	Placement, assessment and support	739,263	601,059
	Adoption support	200,096	183,290
	Children's Group	65,955	59,719
	Central support services (restricted and unrestricted funds)	76,148	72,326
	School and Community services:		
	School social work	520,466	543,147
		<u>1,601,928</u>	<u>1,459,541</u>

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

c.	Analysis of resources expended on governance costs	2016 £	2015 £
	Central support services	8,054	15,261
	Audit and accountancy	10,500	9,900
	Legal and professional fees	1,869	-
	Other trustee costs	2,050	309
		<u>22,473</u>	<u>25,470</u>

### 5 NET INCOME/(EXPENDITURE)

These are stated after charging:

	2016 £	2015 £
Auditor's remuneration – audit services	10,500	9,900
Operating leases – equipment	8,828	12,406
Depreciation	26,117	23,059
	<u></u>	<u></u>



# Faith in Families

## NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 March 2016

### 6 EMPLOYEE INFORMATION

2016  
No.

2015  
No.

The average number of employees during the year, calculated on the basis of full time equivalents was as follows:

Adoption services	17.4	14.2
School and Community services	9.9	9.3
Central support services	5.8	7.0
Governance	0.0	0.0
Fundraising	2.1	1.9
	<u>35.2</u>	<u>32.4</u>

2016  
£

2015  
£

Employee costs during the year were:

Salaries and wages	1,008,081	971,516
Social security costs	68,122	60,858
Pension costs (including FRS102 adjustments):		
- current service costs	<u>331,062</u>	<u>207,315</u>
	<u>1,407,265</u>	<u>1,239,689</u>

One (2015: one) employee received emoluments in the range of £60,000 - £70,000.

### 7 TRUSTEE REMUNERATION AND RELATED PARTY TRANSACTIONS

No Trustees received any remuneration during the year (2015: £Nil). Trustees' expenses were £2,050 (2015: £309) for governance training during the year 2015/16 where 7 trustees attended (2015: 6).

#### Key Management Remuneration

The key management personnel comprise the trustees and employees who are responsible for the day to day running of the charity. The total employee benefits for key management personnel of the charitable company was £209,482 (2015: £203,344).

# Faith in Families

## NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 March 2016

8	TANGIBLE FIXED ASSETS	Freehold land and buildings £	Furniture, fixtures, and fittings £	Total £
	Cost			
	At 1 April 2015	308,552	72,693	381,245
	Additions	197,500	7,337	204,837
	Disposals	-	-	-
	At 31 March 2016	506,052	80,030	586,082
	Accumulated depreciation			
	At 1 April 2015	100,712	50,256	150,968
	Charged in the year	9,163	16,954	26,117
	Disposals	-	-	-
	At 31 March 2016	109,875	67,210	177,085
	Net book value			
	At 31 March 2016	396,177	12,820	408,997
	At 31 March 2015	207,840	22,437	230,277

Included within freehold land and buildings is a valuation of £78,360 (2015: £78,360) which has not been updated since 1988. It is the Agency's policy to maintain these specific assets at this valuation and not to continue the revaluation policy relating to these assets. Land valued at approximately £90,000 (2015: £90,000) is not depreciated. If stated under historical cost principles the amount for the total freehold land and buildings would be:

	2016 £	2015 £
Cost	230,192	230,192
Accumulated depreciation	(63,397)	(60,056)
Historic cost net book value	166,795	170,136

The above fixed assets are used to support all the activities of the Agency. All other tangible fixed assets are stated at historical cost.

# Faith in Families

## NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 March 2016

### 9 INVESTMENTS

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

	2016 £	2015 £
Fair value at 1 April	1,796,167	1,985,340
Additions at cost	103,457	108,576
Disposals at opening book value	(451,752)	(206,872)
Movement in cash on deposit	(325,238)	(210,198)
Unrealised investment loss / gains	(42,346)	119,321
	<u>1,080,288</u>	<u>1,796,167</u>
Fair value at 31 March	1,080,288	1,796,167
	<u>957,694</u>	<u>1,489,775</u>
Historical cost at 31 March		

The fair value of investments consists of:

	Invested in UK £	Invested outside UK £	Total £
Treasury stock	54,043	103,249	157,292
Investments listed on a recognised stock exchange	349,877	479,394	829,271
Cash on deposit	93,725	-	93,725
	<u>497,645</u>	<u>582,643</u>	<u>1,080,288</u>

### 10 DEBTORS DUE WITHIN ONE YEAR

	2016 £	2015 £
Trade debtors	298,173	289,992
Prepayments	6,673	10,229
Accrued income	3,599	4,900
	<u>308,445</u>	<u>305,121</u>

# Faith in Families

## NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 March 2016

11	CREDITORS: Amounts falling due within one year	2016 £	2015 £
	Trade creditors	12,602	15,119
	Taxation and social security	45,217	20,609
	Pension contributions	19,828	-
	Accruals	64,162	75,212
	Deferred Income	-	320,323
		<u>141,809</u>	<u>431,263</u>
	DEFERRED INCOME	2016 £	2015 £
	1 April	320,323	443,000
	Additions	-	-
	Released	(320,323)	(122,677)
	Research project/staff costs	<u>-</u>	<u>-</u>
	31 March	<u>-</u>	<u>320,323</u>

Deferred income related to adoption service income received in advance from Nottingham County Council.

# Faith in Families

## NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 March 2016

12	MOVEMENT IN FUNDS	As at 1 April 2015 £	Incoming resources £	Resources Expended £	Other gains/ losses and Transfers £	As at 31 March 2016 £
	Restricted funds:					
	Hardship fund	4,025	-	-	-	4,025
	Intermediary Services	2,238	1,240	(337)	-	3,141
	Schools work	14,118	-	-	-	14,118
	Adoption Support – Life Story	-	2,000	(257)	-	1,743
	Children's Group	2,428	622	(1,637)	-	1,413
	Adoption	(13,355)	-	13,355	-	-
	Therapeutic Training	359	-	(359)	-	-
	Adoption – DfE Grant	-	67,481	(76,824)	-	(9,343)
		<b>9,813</b>	<b>71,343</b>	<b>(66,059)</b>	<b>-</b>	<b>15,097</b>
	Designated funds:					
	Fixed asset fund	192,574	-	-	180,840	373,414
	Revaluation fund	37,704	-	-	(2,119)	35,585
	Timerick Development Fund	137,663	500	(1,198)	(15,887)	121,078
	Bev Morris fund	8,673	-	-	(5,750)	2,923
		<b>376,614</b>	<b>500</b>	<b>(1,198)</b>	<b>157,084</b>	<b>533,000</b>
	Unrestricted funds	1,539,452	1,453,071	(1,593,892)	(183,573)	1,215,058
	Pension reserve	(2,023,000)	-	(156,000)	361,000	(1,818,000)
		<b>(483,548)</b>	<b>1,453,071</b>	<b>(1,749,892)</b>	<b>177,427</b>	<b>(602,942)</b>
	Total funds	<b>(97,121)</b>	<b>1,524,914</b>	<b>(1,817,149)</b>	<b>334,511</b>	<b>(54,845)</b>

The **Hardship fund** is a restricted fund set up at the request of a donor for the Agency to use in the support of families and children who, in the Trustees' opinion, need extra financial support.

**School Social Work** service is the remaining balance of a grant received for the expansion of the service into catholic schools and the **Adoption Support – Life Story** is the remaining balance of funds from a one off grant received in 2015/16 to digitise this work into the future. **Intermediary Services** are an accumulation of funds received from service users for providing that service and amounts received cover the direct costs.

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

# Faith in Families

## NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 March 2016

### 12 MOVEMENT IN FUNDS (continued)

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

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

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

13	ANALYSIS OF NET ASSETS BETWEEN FUNDS	Unrestricted £	Designated £	Restricted £	Total £
	Fixed assets:				
	Tangible fixed assets	408,997	-	-	408,997
	Investments	536,216	533,000	11,072	1,080,288
	Current assets:				
	Debtors	308,445	-	-	308,445
	Cash at bank and in hand	103,209	-	4,025	107,234
	Current liabilities:				
	Creditors	(77,647)	-	-	(77,647)
	Deferred Income / accruals	(64,164)	-	-	(64,164)
	Pension reserve	(1,818,000)	-	-	(1,818,000)
		<u>(602,944)</u>	<u>533,000</u>	<u>15,097</u>	<u>(54,847)</u>

### 14 OPERATING LEASE COMMITMENTS

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

	2016 £	2015 £
Amounts due:		
One year	2,064	6,786
Between two and five years	3,096	7,521
	<u>5,160</u>	<u>14,307</u>

# Faith in Families

## NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 March 2016

### 15 PENSION COMMITMENTS

The company participates in a pension scheme operated by Nottinghamshire County Council Pension Fund. The assets of the scheme are held separately from those of the company.

Pension costs are assessed in accordance with the advice of an independent qualified actuary using the projected unit method. The most recent valuation was at 31 March 2013. The pension contributions paid during the year of £158,565 (2015: £150,315) is based on employer contributions of 13.1%. Future contributions based on the latest valuation are 13.1% from 1 April 2016, and are estimated as being £131,000 (2015: £134,000) for the next financial year.

In addition to the above, the following information is required to be disclosed in accordance with the adoption of FRS102 in relation to the part of the Nottinghamshire County Council Pension Fund attributable to the Agency. The last full valuation of this scheme was carried out at 31 March 2013. The Projected Unit Method has been used.

The major financial assumptions used by the actuary were:

	2016 %	2015 %
Rate of increase in salaries	1.5	3.0
Rate of increase of pensions in payment	1.95	2.0
Discount rate	3.65	3.4
Inflation assumption	2.95	3.0
– CPI	1.95	2.0

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

Life expectancy from age 65 years:		2016 No	2015 No
Retiring today	Males	22.1	22.1
	Females	25.3	25.2
Retiring in 20 years		24.4	24.2
	Females	27.7	27.6

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

	Change in assumption	Overall impact on liability
Discount rate	Increase by 0.1%	Decrease by £91,000
Rate of mortality	Increase by 1 year	Increase by £160,000

# Faith in Families

## NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 March 2016

### 15 PENSION COMMITMENTS (continued)

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

	Fair value at 31 March 2016 £'000	Fair value at 31 March 2015 £'000
Equities	2,552	2,536
Government bonds	217	212
Other bonds	251	254
Property	497	420
Cash	149	175
	<hr/>	<hr/>
Total fair value of assets	3,666	3,597
Present value of defined benefit obligation	(5,484)	(5,620)
	<hr/>	<hr/>
Net pension liability	(1,818)	(2,023)
	<hr/>	<hr/>

Actual return on assets was £324,000 (2015: £356,000).

Changes in present value of the defined benefit obligation:	2016 £'000	2015 £'000
Opening defined benefit obligation	5,620	5,131
Current service cost	258	211
Interest cost	190	229
Contributions by scheme participants	67	60
Change in financial assumptions	(515)	144
Benefits paid	(136)	(155)
	<hr/>	<hr/>
Closing defined benefit obligation	5,484	5,620
	<hr/>	<hr/>



# Faith in Families

## NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 March 2016

### 15 PENSION COMMITMENTS (continued)

Change in the fair value of Fund assets:	2016 £'000	2015 £'000
Opening fair value of Fund assets	3,597	3,182
Interest on assets	124	140
Returns on assets less interest	(154)	216
Contributions by employer	168	154
Contributions by scheme participants	67	60
Benefits paid	(136)	(155)
	<hr/>	<hr/>
Closing fair value of Fund assets	3,666	3,597
	<hr/>	<hr/>
Amount recognised in statement of financial activities:	2016 £'000	2016 £'000
Current service cost	258	211
Net interest cost	66	88
	<hr/>	<hr/>
Total operating charge	324	299
	<hr/>	<hr/>

### 16 ULTIMATE CONTROLLING PARTY

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

