

Substitute Families for Abandoned Children

Report and Accounts

for the year ended

31st March 2016

UK Charity Number 1095091

Substitute Families for Abandoned Children

Contents	Page
Legal & Administrative Details	3
Report of the Trustees	4-8
Independent Examiner's Report	9
Statement of Financial Activities	10
Statement of Assets and Liabilities	11
Notes to the Accounts	12-13

Substitute Families for Abandoned Children

Legal & Administrative Details **for the year ended 31st March 2016**

Address for Correspondence	PO Box 237 Leeds LS12 9DR	
Status	Declaration of Trust dated 29 th August 2002 Registered Charity 1095091	
Trustees	John Ellerington Michael Pease John Swift Rev. Claude Ellerington (appointed 18 th July 2015)	
Director	Michael Pease	
Bankers	HSBC 1 Stocks Hill Armley Leeds West Yorkshire LS12 2AA	Reliance Bank Limited Faith House 23-24 Lovat Lane London EC3R 8EB

Substitute Families for Abandoned Children
for the year ended 31st March 2016

The Trustees have pleasure in submitting the Report and Accounts for the year.

Objects of the Charity

To develop foster care projects for abandoned children in Brazil and other developing countries including demonstrating better child care practice.

To provide family and child support services within local communities.

Any other activity that is charitable by law that would aid the relief of hardship and poverty to children.

Governance

The policy and operating decisions of the charity rest with the Trustees who meet regularly to monitor the activities of the Trust.

Structure

SFAC has 1 Director and 4 trustees

Michael Pease (Director & Trustee)

Trustees:

John Ellerington

John Swift

Claude Ellerington – appointed as trustee in April 2015 following a process of interviews and discussions

How SFAC is managed

The trustees meet formally at least twice a year and have regular informal communication about matters that arise throughout the year.

The Director is employed on a full time basis by SFAC in accordance with the registered deeds. We also employ a part time administrative assistant. SFAC's Accounts Manager is a volunteer.

SFAC has no office and operates from the Director's home thereby keeping operating costs to a minimum.

SFAC's income comes largely from one particular UK Business supported by monthly donations from another business and a number of individuals. We also have occasional small donations from other groups.

We generally operate with international organisations by SFAC covering costs of flights to a destination and the inviting organisation covering in-country costs. SFAC do not charge training or consultancy fees unless working with larger organisations that have budgets to cover such training costs.

Occasionally we work with governments / organisations who cover all SFAC expenditure.

Substitute Families for Abandoned Children **for the year ended 31st March 2016**

Throughout the 2015-16 financial year SFAC formalised an operations team to assist with training and consultancy services:

Dan Hope – Registered UK social worker

Caitlin Hope – Australian Clinical Psychologist

Walter Young – Registered UK social worker

Ranjit Uppal – Children and Family Lawyer / Advocate and Deputy District Judge

All SFAC training is based on and in line with UK Government expectations and Minimum Standards for good social work practice and Family Based Care. This is applied and adapted to suit various contexts, cultural needs and religions. Child Protection is central to our operations and we expect all organisations we work with to have Child Protection Policies to safeguard children.

The SFAC team do not work directly with children overseas. Our focus is working with organisations who have that contact and train them to understand children's issues better. However, all SFAC operations team are currently DBS checked.

Achievements and Performance

In the past year SFAC has once again broadened its scope of operations whilst continuing with our core work and charitable objectives – to see orphaned and abandoned children placed into families. We promote 6 dimensions of Family Based Care for children at risk, Prevention, Kinship Care, Foster Care, Reintegration, Domestic Adoption and finally, Residential Care.

SFAC is a professional social work training and consultancy provider working with organisations in developing countries to promote alternative Family Based Care programmes. All the operations team are qualified workers in their field of expertise. We run workshops, seminars, provide on-site consultancy, attend, and speak at international conferences to inform best child care practice in other countries.

It is clear that some of SFAC work has been instrumental in shaping government policies on the safe care of children as in Kurdistan, Uganda, Brazil, Sri Lanka and Myanmar.

SFAC do not own projects neither do we take the lead for the development of programmes. Such programmes grow from grass roots level where there is a desire to learn. Thereby empowering local workers, families and organisations to better care for their own children.

SFAC has been at the front end of the development of Foster Care programmes in countries such as Cambodia, Brazil, Uganda and others and remains a global advocate for the right of the child to live in a family rather than institutional care.

The repeated requests and demands on our services continue to grow each year. In the year 2015-16 SFAC made 12 overseas trips to train organisations: -

Myanmar – Heaven's Family - April & December

Brazil – ABBA & Judiciary in 2 States - May & November

Uganda – CALM - June

Romania – RICF - July

Thailand – ACCI - August

Bali - August

Sri Lanka – Island Commissioner for children - October

Substitute Families for Abandoned Children **for the year ended 31st March 2016**

Cambodia – Children in Families - October

Switzerland – YWAM - January 2016

Thailand – WWO conference Bangkok & Mae Sot – February 2016

We work alongside local government and locally registered NGOs. We are increasingly becoming involved with teaching on good social work practice such as developing individual care plans for children, caseload management and monitoring and supervision. We have recently commenced training at judiciary and lawyer level, which we do through our UK contacts with judges and lawyers. All of this is leading to a more holistic approach to the childcare provision that SFAC promotes.

SFAC also conduct many international Skype consultancy calls with overseas organisations seeking assistance with particular issues related to the work we do.

SFAC has carried out numerous consultancy visits to UK organisations in Leeds, Newcastle, Manchester and London around the subject of transitioning to Family Based Care programmes.

During 2015-16 SFAC stopped its financial support of other programmes due to the need for SFAC to increase its funding. Following a review with the Trustees no short or long term commitments have been made to any worker or organisations.

SFAC has not had any serious incidents since its inception in 2002.

SFAC does not take on commitments where there is deemed to be a risk to health through disease or internal / external conflict. If such a request were made SFAC would conduct a thorough risk assessment prior to making any commitment.

During the year the charity's income and reserves have been maintained. The expenditure on SFAC's work has continued to remain within budget.

Public Benefit

SFAC's work has clear International Public Beneficiaries. The trustees have given due attention to the commission's guidance on public benefit and identify the following as Public Beneficiaries to SFAC services.

1. The vulnerable children who have already lost out on family life and placed into institutions or left on the streets, these are SFACs foremost concern and beneficiaries
2. Birth families that 'lose' their children to the streets, orphanages or trafficked for financial reward. SFAC promotes advocacy at community level to prevent such actions whilst giving public awareness that families can and should be re-united with their children. Depending on the organisation doing the work and family need there is sometimes the possibility of Income Generating Activities or Micro Loans to develop small business enterprises.
3. The Kinship Carers and Foster Carers who, through training and support learn new skills and knowledge and are able to pass this onto other family members, and friends in their networks.
4. Wider communities also benefit as knowledge is shared on a range of subjects such as understanding safe care of children, behaviours, parenting skills, health needs, educational opportunities and so on. SFAC's training is geared to building self-esteem amongst the participants who are often poorly educated, but we recognise that each member of society has an intrinsic worth to local communities.

Substitute Families for Abandoned Children **for the year ended 31st March 2016**

Future Developments

SFAC continues to have remarkable success in terms of servicing international, national and local NGO's in various countries in promoting and developing Family Based Care for orphaned and abandoned children. Not only have we been successful in networking with a range of different organisations and some governments we have also been able to maintain operations within our low cost structure.

We are already moving into a new season whereby we are offering legal and judicial training overseas and anticipate that developing.

We recognise the need to grow the charity to recruit more trustees over the coming 1-2 years and also more volunteers and service assistants to accommodate the growing requests for SFAC services. To that end we plan to develop a new website with a host of resources listed and other important information.

We plan to develop a modernised SFAC logo and method of operations. All to be completed in the coming financial year. As more workers become involved SFAC will adjust operations to include roles and responsibilities for each worker.

Income streams needs to be increased so as to fulfil the tasks ahead of us. There are no plans to employ new workers but we will begin to pay a daily rate for operation team members and some volunteers who give up their own time and lose important personal income to travel and train and consult or help us to develop the technical requirements needed here in the UK to service the Charity.

Financial Review

According to our accounts SFAC remains in a healthy financial position with no loans or debts. Receipts for the year totalled £56,659 (2015: £70,312) with resources expended of £71,147 (2015: £67,509) resulting in a deficit for the year of £14,488 (2015: surplus of £2,808). Net assets at 31st March 2016 were £73,414 (2015: £87,902).

Reserves Policy

The Board of Trustees has established a policy whereby free reserves held by the charity should not be less than £30,000 which equates to approximately 6 months operational costs. At the end of the financial year reserves were £73,414 (2015: £87,902).

Risk Statement

The Trustees have reviewed the risks to which a small charity operating without employees in areas of political, social and economic volatility is exposed. Appropriate procedures are in place to indentify, monitor and review these risks on a regular basis.

Substitute Families for Abandoned Children
for the year ended 31st March 2016

Trustees' Responsibilities

Charity law requires us as Trustees to prepare financial statements for each accounting year which give a true and fair view of the state of the charity and of its financial activities for the year.

We are required to:

1. Select suitable accounting policies and apply them consistently
2. Make judgements and estimates that are reasonable and prudent
3. State whether the applicable accounting standards have been followed, subject to any material departures disclosed and explained in the accounts.
4. Prepare the financial statements on a going concern basis unless it is inappropriate to presume that the charity will continue in business.

SFAC are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and enable us to ensure that the financial statements comply with the Charities Act 2011.

We also have a responsibility to safeguard the assets of the Charity and to take reasonable steps to prevent fraud or any other irregularities.

Approval

This report was approved by the Trustees on 26 September 2016 and signed on their behalf by:

M. Pease

**Independent Examiners Report to the Trust of Substitute Families
for Abandoned Children**

Report on the accounts of the charity for the year ended 31st March 2016 set out on pages 9 to 13 which have been prepared on the basis of the accounting policies on page 12.

Respective responsibilities of the Trustees and Examiner

The Trustees of the charity are responsible for the preparation of the accounts; they consider that the audit requirement under Section 144 of the Charities Act 2011 (the 2011 Act), does not apply.

It is my responsibility to:

- Examine the accounts under Section 145 of the 2011 Act
- Follow the procedures laid down in the General Directions given by the Charity Commissioners made under Section 145(5)(b) of the 2011 Act
- State whether particular matters have come to my attention

Basis of Independent Examiner's Report

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

Independent Examiner's Statement

Based on my examination, no matter has come to my attention which gives me reasonable cause to believe that in any material respect, accounting records have not been kept in accordance with Section 130 of the 2011 Act, or that the accounts presented do not accord with those records, or comply with the accounting requirement of the 2011 Act. No matter has come to my attention in connection with my examination to which, in my opinion, attention should be drawn to enable a proper understanding of the accounts to be reached.

Torevell Dent Limited
1-3 St Ann's Place
Pellon Lane
Halifax
HX1 5RB

26th September 2016

Substitute Families for Abandoned Children
Statement of Financial Activities
for the year ended 31st March 2016

	Unrestricted Funds £	Restricted Funds £	Total 2016 £	Total 2015 £
Incoming Resources				
Incoming resources from generated funds				
Voluntary income	49,718	5,170	54,888	69,497
Investment income	549	-	549	537
Incoming resources from charitable activities	592	-	592	158
Other incoming resources	630	-	630	120
	-----	-----	-----	-----
Total incoming resources	51,489	5,170	56,659	70,312
	=====	=====	=====	=====
Resources Used				
Cost of generating funds				
Cost of generating voluntary income	195	-	195	288
Charitable activities	69,807	425	70,232	66,501
Governance costs	720	-	720	720
	-----	-----	-----	-----
Total Resources Used	70,722	425	71,147	67,509
	=====	=====	=====	=====
Net Incoming Resources before Transfer	(19,233)	4,745	(14,488)	2,803
Transfers				
Gross transfers between funds – in	-	-	-	14,821
Gross transfers between funds – out	-	-	-	(14,821)
	-----	-----	-----	-----
Net Incoming Resources	(19,233)	4,745	(14,488)	2,803
Total funds brought forward	86,995	907	87,902	85,099
	-----	-----	-----	-----
Total funds carried forward	67,762	5,652	73,414	87,902
	=====	=====	=====	=====

Substitute Families for Abandoned Children
Statement of Assets and Liabilities
for the year ended 31st March 2016

1. Fixed Assets	<u>2016</u>	<u>2015</u>
Computer	1,512	-

2. Bank and Cash Balances	<u>2016</u>	<u>2015</u>
	£	£
Held at bank	71,634	87,762
Cash float	1,184	140
	-----	-----
	<u>72,818</u>	<u>87,902</u>
	=====	=====

3. Other Assets & Liabilities

Assets		
Gift Aid tax recovery not yet received	-	536
	-----	-----
	-	536
	=====	=====
Liabilities		
Unbilled fee for Independent Examination	720	720
	----	----
	<u>720</u>	<u>720</u>
	=====	=====

The accounts were approved by the Trustees and signed on their behalf on 26th September 2016
By:

M. Pease

The notes on pages 12 and 13 form part of these accounts

Substitute Families for Abandoned Children
Statement of Financial Activities
for the year ended 31st March 2016

1. Accounting Policies

The accounts have been prepared on a receipts and payments basis with a statement of assets and liabilities.

2. Cost of Generating Funds

	Unrestricted Funds £	Restricted Funds £	Total 2016 £	Total 2015 £
Fundraising	195	-	195	288
	=====	=====	=====	=====
3. Grants Payable				
Children in Families Cambodia	4,516	-	4,516	4,000
Alternative Care for Children – Uganda	-	-	-	11,000
Fostercare	-	-	-	6,500
Clean water for village school- Uganda	-	-	-	1,400
Step UK – Family program	-	-	-	1,000
Porridge	-	425	425	645
Developing foster care – Brazil	-	-	-	1,250
Child headed household project- Uganda	-	-	-	2,500
Other	-	-	-	305
	-----	-----	-----	-----
To Institutions	4,516	425	4,941	28,600
To Individuals	11,129	-	11,129	300
	-----	-----	-----	-----
	15,645	425	16,070	28,900
	=====	=====	=====	=====

4. Charitable Activities

	Unrestricted Funds £	Restricted Funds £	Total 2016 £	Total 2015 £
Staff and Consultancy Costs	41,183	-	41,183	24,579
Travel Expenses	5,850	-	5,850	10,143
Training	1,653	-	1,653	42
Hospitality	195	-	195	471
Administration Costs	2,204	-	2,204	1,852
Minor Equipment	-	-	-	134
Sundries	3,077	-	3,077	668
	-----	-----	-----	-----
	54,162	-	54,162	37,889
	=====	=====	=====	=====

Substitute Families for Abandoned Children
Statement of Financial Activities
for the year ended 31st March 2016

	<u>Unrestricted</u> <u>Funds</u>	<u>Restricted</u> <u>Funds</u>	<u>2016</u>	<u>2015</u>
5. Governance Costs				
Accounts preparation and Examination	720	-	720	720
	=====	=====	=====	=====

6. Employees and Trustees

The Charity has two employees, Mr & Mrs M Pease. Mr Pease is a Trustee. Gross salaries of £40,683 (2015: £25,128) were paid respectively. No employee was paid at a rate of more than £60,000 per annum.

No other Trustee or related party received any payment.

7. Movement in Funds

	Opening Balances £	Incoming Resources £	Resources Expended £	Transfers £	Closing Balances £
Restricted Funds:					
Work in Cambodia	-	532	-	-	532
Porridge	375	1,170	425	-	1,120
Nepal	532	458	-	-	990
Fostering	-	3,010	-	-	3,010
	-----	-----	-----	-----	-----
	907	5,170	425	-	5,652
	-----	-----	-----	-----	-----
Unrestricted Funds:					
Designated Funds					
Fostering	69,367	47,706	64,213	-	52,860
General Funds	17,628	3,783	6,509	-	14,902
	=====	=====	=====	=====	=====
	86,995	51,489	70,722	-	67,762
	=====	=====	=====	=====	=====
Total Movement in Funds	87,902	56,659	70,722	-	73,414
	=====	=====	=====	=====	=====