

Charity Registration No. 1067313

Company Registration No. 03344762 (England and Wales)

**INTERCOUNTRY ADOPTION CENTRE
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2016**

INTERCOUNTRY ADOPTION CENTRE

LEGAL AND ADMINISTRATIVE INFORMATION

| | | |
|--------------------------|---|--|
| Trustees | Jeremy Muller Katherine Samwell Smith Anastasia Ansell Frances Petterson Tabitha Northrup Barbara Hudson | (Appointed 4 November 2015) (Appointed 27 January 2016) (Appointed 27 April 2016) (Appointed 19 October 2016) |
| Secretary | Jeremy Muller | |
| Charity number | 1067313 | |
| Company number | 03344762 | |
| Principal address | 22 Union Street Barnet Hertfordshire EN5 4HZ | |
| Registered office | 22 Union Street Barnet Hertfordshire EN5 4HZ | |
| Auditor | Westbury 2nd Floor 145-157 St John Street London EC1V 4PY | |
| Bankers | Barclays Bank plc Ealing & Greenford Business Centre 53 The Boradway London W5 5SJ | |
| | CAF Bank Limited 25 Kings Hill Avenue Kings Hill West Malling Kent ME19 4JQ | |

INTERCOUNTRY ADOPTION CENTRE

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INTERCOUNTRY ADOPTION CENTRE

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT)

FOR THE YEAR ENDED 31 MARCH 2016

The Trustees of the charitable company are pleased to present their report together with the audited financial statements for the year ended 31 March 2016. For the purpose of these financial statements, the directors have been referred to as Trustees of the charitable company.

The accounts have been prepared in accordance with the accounting policies set out in note 1 to the accounts and comply with the charity's Memorandum and Articles of Association, the Companies Act 2006 and "Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2015)"

Objectives and activities

Intercountry Adoption Centre (IAC) is a Voluntary Adoption Agency (VAA) specialising in intercountry adoption. It also provides domestic adoption services. Information, advice and support is provided for the general public and, through subscription, for local authorities and other VAAs. The agency is especially accredited by the adoption authorities of India, the Philippines and China, Bulgaria and South Africa.

Aims and Activities

IAC is a unique VAA in the UK, as it is the only adoption Agency with a specialist and primary focus on the provision of intercountry adoption services, and it is the only adoption Agency to have been accredited by authorities in States of origin from which children are placed. IAC has also provided a small domestic adoption service since varying the terms of its registration with Ofsted in 2012.

IAC was adjudged by Ofsted to be an 'outstanding' adoption Agency following an inspection of the Agency in February 2014.

IAC continues to work collaboratively, through its subscription services and otherwise, in the UK with other adoption agencies in the statutory and voluntary sectors and with adoption support agencies towards best practice in adoption services. It networks with and lobbies relevant government departments in furtherance of its objects and in pursuit of improved services for those affected by intercountry and domestic adoption.

IAC has also forged links outside the UK which inform and enhance the intercountry adoption work of the Agency. IAC aims to achieve the best outcomes for all children who are placed for adoption.

IAC's unique information and advice line services for adoptive families, adopted people and adoption professionals are supported by a sound information database and appropriately qualified and experienced advisors and facilitators, some of whom have personal experience of adoption.

The Agency works in partnership with local authorities and other VAAs, through subscription and service level agreements to provide, with a minimum of delay, specialist preparation and assessment services for prospective intercountry adopters, those who are adopting again and kinship intercountry adopters.

INTERCOUNTRY ADOPTION CENTRE

TRUSTEES' REPORT (CONTINUED)(INCLUDING DIRECTORS' REPORT) FOR THE YEAR ENDED 31 MARCH 2016

Support to local authority and VAA adoption professionals themselves is provided through a range of dedicated services. Each subscribing agency has access to:

- the Advice Line
- a regular Subscribers' Bulletin
- online publications on the subscriber pages of IAC's website
- a Practitioners' Network which meets three times each year to provide a forum for discussion, debate and peer support, and
- intercountry adoption consultation and training for their adoption professionals and adoption panel members (including legal and medical advisors)

IAC services aim to ensure that the potential life-long needs of all children placed for adoption are understood, and that the ethnic, cultural, religious and linguistic heritage of the children is fully recognised and positively valued. The services are also informed by the outcomes of research, by practice wisdom, by the perspectives of all parties to the adoption circle and by training which the Agency provides for its staff.

The trustees have paid due regard to guidance issued by the Charity Commission in deciding what activities the charity should undertake.

Information of matters of concern to employees is given through information bulletins and reports which seek to achieve a common awareness on the part of all employees of the financial and economic factors affecting the agency's performance.

Applications for employment by people with disability are always fully considered, bearing in mind the aptitudes of the applicant concerned. It is the policy of the charity that the training, career development and promotion of people with disability should, as far as possible, be identical to that of other employees.

INTERCOUNTRY ADOPTION CENTRE

TRUSTEES' REPORT (CONTINUED)(INCLUDING DIRECTORS' REPORT) FOR THE YEAR ENDED 31 MARCH 2016

Achievements and performance

Service and Achievements

The Agency successfully undertook further significant investment in its infrastructure during the 12 months leading to the date of this report.

Key appointments have been made at management, senior practitioner and administrative levels to better support the growth in intercountry adoption, and to provide for the demand for the conversion of approved prospective adopters from intercountry to domestic, reflecting recruitment activities for the placement of children of BME and Asian heritage and children of dual heritage, including those with additional needs and in sibling groups.

The Agency has become established in the delivery of domestic services alongside its intercountry adoption specialism.

Since April 2015 to the date of this report, 12 children, all of whom are defined as harder to place, have been placed domestically with 10 families, this includes 2 sets of sibling groups of 2. In the same period, 37 children have been placed from overseas and are now living with their adoption families in the UK.

In total there are now 7 children adopted through IAC's China Special Needs Adoption Programme.

The Advice Line, which was the Agency's very first charitable activity, continues to be well used and in addition to the information and advice it offers to prospective adopters, established adopters and adoption professionals in other organisations, it is playing an ever increasing role in the support of prospective adopters who are receiving an assessment service through IAC.

Between 1st April 2015 and the date of this report 4,137 contacts were made with IAC's Advice Line.

Further service level agreements were entered into during the year and currently 53 local authorities contract with IAC for the provision of these services.

Following developmental loan support provided in 2014, CAF Venturesome provided further funding to support the Agency in mid-2016.

In late 2014, IAC was also awarded a Booster Grant under the Consortium of Voluntary Adoption Agencies' administered Department for Education Grant Round, to support additional domestic adopter recruitment. In 2015/16, further funding was made available, under the Department for Education's programme for regionalisation of adoption, to scope and define a national framework for the delivery of intercountry adoption services across England.

In addition to the support available through the Advice Line, IAC provides support to adopters after approval through senior practitioners dedicated to that role. IAC provides consultation and counselling following placement and its staff is trained in a range of therapeutic techniques in order to better support adoptive families. IAC also collaborates with adoption support agencies and with professionals from disciplines, other than social work, to which adopters may be sign-posted for the support they need.

The Board of Trustees wishes to express its continuing thanks and admiration to Gill Haworth, the Chief Executive, the management, staff and volunteers for their outstanding achievements.

INTERCOUNTRY ADOPTION CENTRE

TRUSTEES' REPORT (CONTINUED)(INCLUDING DIRECTORS' REPORT) *FOR THE YEAR ENDED 31 MARCH 2016*

Plans for the future

The Agency has continued the development of a national framework for intercountry adoption in England in collaboration with other VAAs.

IAC continues to explore further partnerships with States of origin towards adoption by prospective adopters in the UK, including those with additional or special needs. In so doing, IAC is manifesting its commitment to finding families for both looked after children with adoption plans in the UK and for those children overseas for whom no suitable families can be found in their original countries.

Support to families before, during and after adoption is provided either by the Agency directly, through arrangements with the consortia of which IAC is in membership to access adoption support services for adoptive parents and their children, or through signposting to other generic or specialist adoption services. The Agency plans to develop further the range and reach of its adoption support provision consistent with demand from the Agency's service users, taking into account the availability of support in other parts of the sector. As a result of lobbying by IAC and other stakeholders the scope of the Adoption Support Fund has been extended and it is now available to fund therapeutic adoption support services should they be needed by intercountry adopters and their children. IAC has continued to advocate for change where inequality of service provision continues to exist for intercountry adoptive families when compared to their domestic peers.

IAC will continue to seek opportunities to contribute to professional training for the adoption workforce.

The coming year will be characterised by further change to the adoption landscape and IAC will be seeking to ensure its service users continue to receive quality services in the best interests of the children whom they will or have adopted from wherever they are placed.

INTERCOUNTRY ADOPTION CENTRE

TRUSTEES' REPORT (CONTINUED)(INCLUDING DIRECTORS' REPORT) FOR THE YEAR ENDED 31 MARCH 2016

Financial review

Principal Funding Sources

Fees from services to intercountry adopters grew by 47% (2015: 9%) in the period, reflecting continuing growth in assessment services. Fees from subscribing agencies and other Local Authorities reduced in the period by 7% (2015: 18% growth) partially as a result of a reduction to £176k in inter-agency fees from Local Authorities on the placement for adoption of domestically looked-after children. This reduction was mainly neutralised by an increase to £485k in assessment fee income in respect of prospective intercountry adopters.

Grants of £73,218 (2015: £93,580) from the Department for Education were awarded and paid during the period in support of the charity's adoption activities.

Income from other fundraising activities was £9,422. The Trustees express their gratitude to all donors.

A £100,000 three year development loan from CAF Venturesome, a subsidiary of the charity's bankers CAF Bank, was granted in February 2014 to support the growth of the charity and to assist in the smoothing of cash flow caused by receivables due from Local Authorities. The loan is repayable in 36 instalments commencing in the month of the first drawdown. As at the date of this report, the value of outstanding indebtedness in respect of this facility was £9,239. In June 2016, CAF Venturesome extended further working capital loan facilities of £100,000 to support IAC's plans to enhance the operational team and systems commensurate with the Agency's increased and increasing adoption activity.

Reserves

At 31 March 2016, unrestricted reserves were £41,599 (2015: £62,679). Restricted reserves, related to Department for Education grants as described above, were £8,323 (2015: Nil) and result from timing differences between grants received and related expenditure.

Reserves as at 31 March 2016 represent less than one month's expenditure in the current (2016 - 2017) period. As income is characterised by peaks and troughs during the annual cycle, the Trustees have determined that the reserves target should be at the level of 3 months' committed expenditure. Budgeted committed expenditure in the 2016 - 2017 financial year is in excess of £1.2m, and therefore target reserves are a challenging £300,000 as at 31 March 2017.

Realistically target reserves will not be achieved by March 2017, and future budgets will continue to make provision for suitable on-going year-on-year increases in reserves.

Risk Management

Procedures are in place to ensure compliance with health and safety of staff, volunteers, clients and visitors to the organisation. The Agency has the appropriate level of insurance to meet its obligations in respect of employees and members of the public and otherwise has a Business Continuity Plan to cover extreme eventualities. The trustees have assessed major risks to which the charity is exposed, and are satisfied that systems are in place to mitigate exposure to such major risks.

INTERCOUNTRY ADOPTION CENTRE

TRUSTEES' REPORT (CONTINUED)(INCLUDING DIRECTORS' REPORT)

FOR THE YEAR ENDED 31 MARCH 2016

Structure, governance and management

Legal and administrative information

Intercountry Adoption Centre (IAC) was incorporated under its original name Overseas Adoption Helpline on 26 March 1997 as a private company limited by guarantee with the company number 3344762. It has no share capital but each member undertakes, in the event of winding up, to contribute up to £10 towards the cost and expenses of winding up. The company was registered as a charity, number 1067313, with the Charity Commissioners on 9 January 1998.

The company was established under a Memorandum of Association which determines the objects and powers of the charitable company and is governed under its Articles of Association. The governing documents were last amended on 9 January 2014 to reflect borrowing powers.

The charitable company was registered with the Commission for Social Care Inspection (CSCI) as an Adoption Support Agency (ASA) on 23 March 2006.

On 7 November 2008 the charitable company was registered as a VAA with the Office for Standards in Education, Children's Services and Skills (Ofsted), and simultaneously relinquished its ASA registration. The VAA Registration Number is SC386048. In April 2012, the terms of the Agency's registration was extended to include domestic adoption. Tony Sharp is registered with Ofsted as the Responsible Individual for the VAA.

Intercountry Adoption Centre amended its trading name to 'IAC - The Centre for Adoption' from spring 2015 to better reflect the diversification of its activities.

The trustees, who are also the directors for the purpose of company law, and who served during the year were:

Jeremy Muller

Katherine Samwell Smith

Kathy Pring

(Resigned 19 October 2016)

Anastasia Ansell

(Appointed 4 November 2015)

Frances Petterson

(Appointed 27 January 2016)

Tabitha Northrup

(Appointed 27 April 2016)

Barbara Hudson

(Appointed 19 October 2016)

Activities

IAC's current activities are to provide:

- information, counselling, preparation, assessment and other adoption services to prospective intercountry adoptive parents resident in its catchment areas, including in local authorities with which IAC has entered into a service level agreement;
- information, counselling and preparation for prospective adopters who wish to adopt domestically in the UK, including approved intercountry adopters who decide to convert to domestic adoption;
- information, advice, counselling, consultation and training on intercountry adoption matters to other prospective intercountry adopters and established adoptive families who are referred to IAC for those services by local authorities and other adoption agencies;
- consultation and training to adoption professionals working in the field of intercountry adoption;
- birth record counselling and intermediary services provided to adopted adults and birth relatives where the adoption has an international element.
- enhanced support to prospective adopters in the matching process and in the overseas adoption process, through IAC's linking service in States of origin where the Agency is accredited as a foreign partner – Bulgaria, China, India, South Africa and The Philippines
- the China Special Needs Adoption Programme for the UK.
- adoption support to adoptive families before, during and after adoption.

INTERCOUNTRY ADOPTION CENTRE

TRUSTEES' REPORT (CONTINUED)(INCLUDING DIRECTORS' REPORT) FOR THE YEAR ENDED 31 MARCH 2016

Organisational Structure

The Board of Trustees meets quarterly and is responsible for the strategic direction and policy of the charity and for monitoring the management and outcomes of the Agency's services. Board members are drawn from a variety of professional backgrounds relevant to the work of the charity. The Chief Executive, Management Information Manager and the Responsible Individual also sit on the Board but have no voting rights.

A scheme of delegation is in place and day to day responsibility for the provision of the services rests with the Chief Executive, who is the Registered Manager (with Ofsted) of the VAA. The Chief Executive is responsible for ensuring that the charity delivers the services specified and that key performance indicators are met. She is assisted by a team of operational managers who report directly to her and who meet, at least annually, with the Trustees.

IAC operates from Barnet, north London. However, services are commissioned by local authorities, VAAs and other organisations throughout the UK. Services are, therefore, on occasion, delivered offsite.

The Agency is assisted by a multidisciplinary Advisory Panel, whose members are consulted when required. The panel currently comprises legal advisors, medical advisors, notary public, research and literature and human resources advisors.

IAC's "central list" from which its Adoption Panel is drawn has 14 members of diverse heritage, of whom many have personal experience of adoption, in addition to the Panel's legal and panel advisors

IAC's social workers are experienced in both domestic and intercountry adoption. Many are also adoptive parents and a significant number were raised overseas and have direct experience of migration.

Relationships with other organisations and related parties

As at the date of this report, IAC provides subscription services to 51 adoption agencies, both local authorities and VAAs. This gives subscribers' adoption personnel access to advice, publications, professional consultation and training, and their intercountry adopters' access to IAC's full range of adoption support services. 53 further local authorities have commissioned the Agency, under service level agreements, to provide intercountry adoption assessments and other adoption Agency services for their residents.

IAC is a member of a number of umbrella organisations including the Consortium of Voluntary Adoption Agencies, the Consortium of Adoption Support Agencies, the West London Adoption and Permanence Consortium, the South East Post Adoption Network and is an associate member of the North London Adoption and Fostering Consortium. IAC's Chief Executive is Chair of the Network for Intercountry Adoption and the Adoption Agencies Consultant Group on Intercountry Adoption. IAC is represented at meetings of Department for Education's Adoption Stakeholder Group.

INTERCOUNTRY ADOPTION CENTRE

TRUSTEES' REPORT (CONTINUED)(INCLUDING DIRECTORS' REPORT)

FOR THE YEAR ENDED 31 MARCH 2016

Statement of trustees' responsibilities

The trustees, who are also the directors of Intercountry Adoption Centre for the purpose of company law, are responsible for preparing the Trustees' Report and the accounts in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company Law requires the trustees to prepare accounts for each financial year which give a true and fair view of the state of affairs of the charity and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that year.

In preparing these accounts, 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 accounts; and
- prepare the accounts 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 charity and enable them to ensure that the accounts comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Auditors

In accordance with the company's articles, a resolution proposing that Westbury be reappointed as auditors of the company will be put at a General Meeting.

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

On behalf of the board of trustees

Jeremy Muller

Trustee

Dated: 21 December 2016

INTERCOUNTRY ADOPTION CENTRE

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF INTERCOUNTRY ADOPTION CENTRE

We have audited the financial statements of Intercountry Adoption Centre for the year ended 31 March 2016 set out on pages 11 to 21. 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 Financial Reporting Standard 102.

This report is made solely to the charity's trustees, as a body, in accordance with section 144 of the Charities Act 2011 and regulations made under section 154 of that Act. Our audit work has been undertaken so that we might state to the charity's trustees those matters we are required to state to them in an auditors' 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 charity and its trustees 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 8, the trustees, who are also the directors of Intercountry Adoption Centre for the purposes of company law are responsible for the preparation of these accounts and for being satisfied that they give a true and fair view.

The trustees have elected for the accounts to be audited in accordance with the Charities Act 2011 rather than the Companies Act 2006. Accordingly we have been appointed as auditors under section 144 of the Charities Act 2011 and report in accordance with regulations made under section 154 of that Act.

Our responsibility is to audit and express an opinion on the accounts 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 Ethical Standards for Auditors.

Scope of the audit of the accounts

An audit involves obtaining evidence about the amounts and disclosures in the accounts sufficient to give reasonable assurance that the accounts are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the charitable company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the trustees; and the overall presentation of the accounts. In addition, we read all the financial and non-financial information in the Trustees' Annual Report to identify material inconsistencies with the audited accounts and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on accounts.

In our opinion the accounts:

- 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 requirements of the Companies Act 2006.

INTERCOUNTRY ADOPTION CENTRE

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE MEMBERS OF INTERCOUNTRY ADOPTION CENTRE

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Charities Act 2011 requires us to report to you if, in our opinion:

- the information given in the Trustees' Report is inconsistent in any material respect with the accounts; or
- the accounts are not in agreement with the accounting records and returns; or
- we have not received all the information and explanations we require for our audit.

Other matter

Your attention is drawn to the fact that the charity has prepared accounts 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) in preference to the Accounting and Reporting by Charities: Statement of Recommended Practice issued on 1 April 2005 which is referred to in the extant regulations but has now been withdrawn.

This has been done in order for the accounts to provide a true and fair view in accordance with Generally Accepted Accounting Practice effective for reporting periods beginning on or after 1 January 2015.

Keith Graham (Senior Statutory Auditor)
for and on behalf of Westbury

21 December 2016

Chartered Accountants
Statutory Auditor

2nd Floor
145-157 St John Street
London
EC1V 4PY

Westbury is eligible to act as an auditor in terms of section 1212 of the Companies Act 2006

INTERCOUNTRY ADOPTION CENTRE

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 £ |
|---|-------|----------------------------|--------------------------|--------------------|--------------------|
| <u>Income from:</u> | | | | | |
| Donations and legacies | 2 | 9,422 | 73,218 | 82,640 | 101,823 |
| Charitable activities | 3 | 1,022,059 | - | 1,022,059 | 864,661 |
| Investments | 4 | 759 | - | 759 | 456 |
| Total income | | 1,032,240 | 73,218 | 1,105,458 | 966,940 |
| <u>Expenditure on:</u> | | | | | |
| Raising funds | 5 | 2,473 | - | 2,473 | 1,942 |
| Charitable activities | 6 | 1,050,847 | 64,895 | 1,115,742 | 944,234 |
| Total resources expended | | 1,053,320 | 64,895 | 1,118,215 | 946,176 |
| Net (expenditure)/income for the year/ Net movement in funds | | (21,080) | 8,323 | (12,757) | 20,764 |
| Fund balances at 1 April 2015 | | 62,679 | - | 62,679 | 41,915 |
| Fund balances at 31 March 2016 | | 41,599 | 8,323 | 49,922 | 62,679 |

The statement of financial activities also complies with the requirements for an income and expenditure account under the Companies Act 2006.

INTERCOUNTRY ADOPTION CENTRE

BALANCE SHEET

AS AT 31 MARCH 2016

| | Notes | 2016 £ | £ | 2015 £ | £ |
|--|-------|------------------|---------------|------------------|----------------|
| Fixed assets | | | | | |
| Tangible assets | 12 | | 24,011 | | 39,255 |
| Current assets | | | | | |
| Debtors | 14 | 297,945 | | 275,024 | |
| Cash at bank and in hand | | 87,879 | | 55,620 | |
| | | <u>385,824</u> | | <u>330,644</u> | |
| Creditors: amounts falling due within one year | 16 | <u>(326,753)</u> | | <u>(240,061)</u> | |
| Net current assets | | | 59,071 | | 90,583 |
| Total assets less current liabilities | | | <u>83,082</u> | | <u>129,838</u> |
| Creditors: amounts falling due after more than one year | 17 | | (33,160) | | (67,159) |
| Net assets | | | <u>49,922</u> | | <u>62,679</u> |
| Income funds | | | | | |
| Restricted funds | 18 | | 8,323 | | - |
| Unrestricted funds | | | 41,599 | | 62,679 |
| | | | <u>49,922</u> | | <u>62,679</u> |

The accounts were approved by the Trustees on 21 December 2016

Jeremy Muller
Trustee

Company Registration No. 03344762

INTERCOUNTRY ADOPTION CENTRE

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 MARCH 2016

| | Notes | 2016 £ | £ | 2015 £ | £ |
|---|-------|-------------------|-------------------|-------------------|-------------------|
| Cash flows from operating activities | | | | | |
| Cash generated from operations | 20 | | 65,946 | | 12,371 |
| Investing activities | | | | | |
| Purchase of tangible fixed assets | | (447) | | (39,208) | |
| Interest received | | 759 | | 456 | |
| | | <u> </u> | | <u> </u> | |
| Net cash generated from/(used in) investing activities | | | 312 | | (38,752) |
| Financing activities | | | | | |
| Repayment of borrowings | | (33,999) | | 67,159 | |
| | | <u> </u> | | <u> </u> | |
| Net cash (used in)/generated from financing activities | | | (33,999) | | 67,159 |
| Net increase in cash and cash equivalents | | | 32,259 | | 40,778 |
| Cash and cash equivalents at beginning of year | | | 55,620 | | 14,842 |
| | | | <u> </u> | | <u> </u> |
| Cash and cash equivalents at end of year | | | <u>87,879</u> | | <u>55,620</u> |

INTERCOUNTRY ADOPTION CENTRE

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2016

1 Accounting policies

Company information

Intercountry Adoption Centre is a private company limited by guarantee incorporated in England and Wales. The registered office is 22 Union Street, Barnet, Hertfordshire, EN5 4HZ.

1.1 Accounting convention

These accounts have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102"), "Accounting and Reporting by Charities" the Statement of Recommended Practice for charities applying FRS 102, the Companies Act 2006 and UK Generally Accepted Accounting Practice as it applies from 1 January 2015. The charity is a Public Benefit Entity as defined by FRS 102.

The accounts are prepared in sterling, which is the functional currency of the charity. Monetary amounts in these financial statements are rounded to the nearest £.

The accounts have been prepared under the historical cost convention. The principal accounting policies adopted are set out below.

These accounts for the year ended 31 March 2016 are the first accounts of Intercountry Adoption Centre prepared in accordance with FRS 102, The Financial Reporting Standard applicable in the UK and Republic of Ireland. The date of transition to FRS 102 was 1 April 2014. The reported financial position and financial performance for the previous period are not affected by the transition to FRS 102.

1.2 Charitable funds

Unrestricted funds are available for use at the discretion of the trustees in furtherance of their charitable objectives unless the funds have been designated for other purposes.

Restricted funds are subject to specific conditions by donors as to how they may be used. The purposes and uses of the restricted funds are set out in the notes to the accounts.

1.3 Incoming resources

Income is recognised when the charity is legally entitled to it after any performance conditions have been met, the amounts can be measured reliably, and it is probable that income will be received.

Cash donations are recognised on receipt. Other donations are recognised once the charity has been notified of the donation, unless performance conditions require deferral of the amount. Income tax recoverable in relation to donations received under Gift Aid or deeds of covenant is recognised at the time of the donation.

Legacies are recognised on receipt or otherwise if the charity has been notified of an impending distribution, the amount is known, and receipt is expected. If the amount is not known, the legacy is treated as a contingent asset.

Income from government 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.

1.4 Resources expended

All expenditure is included on an accrual basis and is recognised when there is a legal or constructive obligation to pay for expenditure.

INTERCOUNTRY ADOPTION CENTRE

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2016

1 Accounting policies (Continued)

1.5 Tangible fixed assets

Tangible fixed assets are initially measured at cost less depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

| | |
|--------------------------------|-------------------------------------|
| Fixtures, fittings & equipment | 33% per annum - straight line basis |
|--------------------------------|-------------------------------------|

1.6 Impairment of fixed assets

At each reporting end date, the charity reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any).

1.7 Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

1.8 Financial instruments

The charity has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the charity's balance sheet when the charity becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

The charity only has financial assets and financial liabilities of a kind that qualifies as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value with the exception of bank loans which are subsequently measured at amortised cost using the effective interest method.

1.9 Employee benefits

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

1.10 Governance costs

Governance costs include costs of the preparation and examination of the statutory accounts, the costs of trustee meetings and the cost of any legal advice regarding governance or constitutional matters.

INTERCOUNTRY ADOPTION CENTRE

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2016

2 Donations and legacies

| | Unrestricted funds | Restricted funds | Total 2016 | Total 2015 |
|---|--------------------|------------------|---------------|----------------|
| | £ | £ | £ | £ |
| Donations and gifts | 9,422 | - | 9,422 | 8,243 |
| Government grants | - | 73,218 | 73,218 | 93,580 |
| | <u>9,422</u> | <u>73,218</u> | <u>82,640</u> | <u>101,823</u> |
| For the year ended 31 March 2015 | <u>101,823</u> | <u>-</u> | | <u>101,823</u> |

3 Charitable activities

| | Services to adopters | Fees and services to professionals | Total 2016 | Total 2015 |
|---|----------------------|------------------------------------|------------------|----------------|
| | £ | £ | £ | £ |
| Incoming resources from charitable activities | <u>585,219</u> | <u>436,840</u> | <u>1,022,059</u> | <u>864,661</u> |

4 Investments

| | 2016 | 2015 |
|---------------------|------------|------------|
| | £ | £ |
| Interest receivable | <u>759</u> | <u>456</u> |

5 Raising funds

| | 2016 | 2015 |
|---|--------------|--------------|
| | £ | £ |
| <u>Fundraising and publicity</u> | | |
| Other fundraising costs | <u>2,473</u> | <u>1,942</u> |
| | <u>2,473</u> | <u>1,942</u> |
| For the year ended 31 March 2015 | | |
| Fundraising and publicity | | <u>1,942</u> |

INTERCOUNTRY ADOPTION CENTRE

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2016

6 Charitable activities

| | 2016 £ | 2015 £ |
|---|------------------|----------------|
| Staff costs | 826,896 | 765,766 |
| Depreciation and impairment | 15,691 | 13,547 |
| Charitable direct expenditure | 85,961 | 11,003 |
| | <u>928,548</u> | <u>790,316</u> |
| Share of support costs (see note 7) | 183,849 | 151,406 |
| Share of governance costs (see note 7) | 3,345 | 2,513 |
| | <u>1,115,742</u> | <u>944,235</u> |
| Analysis by fund | | |
| Unrestricted funds | 1,050,847 | |
| Restricted funds | 64,895 | |
| | <u>1,115,742</u> | |
| For the year ended 31 March 2015 | | |
| Unrestricted funds | | 944,235 |
| | | <u>944,235</u> |

INTERCOUNTRY ADOPTION CENTRE

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2016

7 Support costs

| | Support costs £ | Governance costs £ | 2016 £ | 2015 £ | Basis of allocation |
|---|--------------------|-----------------------|----------------|----------------|---------------------|
| Staff costs (Unrestricted fund) | 28,187 | - | 28,187 | 7,005 | |
| Staff costs (Restricted fund) | 9,667 | - | 9,667 | - | |
| Building and office costs (Unrestricted fund) | 113,545 | - | 113,545 | 94,893 | |
| Building and office costs (Restricted fund) | 1,900 | - | 1,900 | - | |
| Bank charges | 4,052 | - | 4,052 | 6,303 | |
| General office expenses | 6,174 | - | 6,174 | 20,915 | |
| Travelling | 20,324 | - | 20,324 | 22,290 | |
| Audit fees | - | 2,500 | 2,500 | 2,500 | Governance |
| Travelling | - | 250 | 250 | - | Governance |
| Legal and professional | - | 595 | 595 | 13 | Governance |
| | <u>183,849</u> | <u>3,345</u> | <u>187,194</u> | <u>153,919</u> | |
| Analysed between | | | | | |
| Charitable activities | <u>183,849</u> | <u>3,345</u> | <u>187,194</u> | <u>153,919</u> | |

8 Auditor's remuneration

The analysis of auditor's remuneration is as follows:

| | 2016 £ | 2015 £ |
|--|--------------|--------------|
| Audit of the company's annual accounts | 2,500 | 2,500 |
| | <u>2,500</u> | <u>2,500</u> |

9 Trustees

None of the trustees (or any persons connected with them) received any remuneration or benefits from the charity during the year.

INTERCOUNTRY ADOPTION CENTRE

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2016

10 Employees

Number of employees

The average monthly number employees during the year was:

| 2016 Number | 2015 Number |
|----------------|----------------|
| 21 | 18 |

Employment costs

| | £ | £ |
|--------------------|---------|---------|
| Wages and salaries | 826,896 | 765,766 |

The number of employees whose annual remuneration was £60,000 or more were:

| | 2016 Number | 2015 Number |
|------------|----------------|----------------|
| Management | 1 | 1 |

11 Taxation

No taxation has been provided in the financial statements because, as a registered charity, it applies all income to its charitable objective and is exempt in accordance with Sections 505 of the Income and Corporation Taxes Act 1998

12 Tangible fixed assets

| | Fixtures, fittings & equipment £ |
|------------------------------------|-------------------------------------|
| Cost | |
| At 1 April 2015 | 83,947 |
| Additions | 447 |
| At 31 March 2016 | 84,394 |
| Depreciation and impairment | |
| At 1 April 2015 | 44,692 |
| Depreciation charged in the year | 15,691 |
| At 31 March 2016 | 60,383 |
| Carrying amount | |
| At 31 March 2016 | 24,011 |
| At 31 March 2015 | 39,255 |

INTERCOUNTRY ADOPTION CENTRE

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2016

| | | | | |
|-----------|--|-------|-------------------|-------------------|
| 13 | Financial instruments | | 2016 | 2015 |
| | | | £ | £ |
| | Carrying amount of financial assets | | | |
| | Debt instruments measured at amortised cost | | 280,966 | 247,825 |
| | | | <u> </u> | <u> </u> |
| | Carrying amount of financial liabilities | | | |
| | Measured at amortised cost | | 258,609 | 214,933 |
| | | | <u> </u> | <u> </u> |
| 14 | Debtors | | 2016 | 2015 |
| | | | £ | £ |
| | Amounts falling due within one year: | | | |
| | Trade debtors | | 215,294 | 247,825 |
| | Other debtors | | 65,672 | - |
| | Prepayments and accrued income | | 16,979 | 27,198 |
| | | | <u> </u> | <u> </u> |
| | | | 297,945 | 275,023 |
| | | | <u> </u> | <u> </u> |
| 15 | Loans and overdrafts | | 2016 | 2015 |
| | | | £ | £ |
| | Other loans | | 33,160 | 67,159 |
| | | | <u> </u> | <u> </u> |
| | Payable after one year | | 33,160 | 67,159 |
| | | | <u> </u> | <u> </u> |
| 16 | Creditors: amounts falling due within one year | | 2016 | 2015 |
| | | | £ | £ |
| | Other taxation and social security | | 29,647 | 6,865 |
| | Trade creditors | | 110,847 | 70,000 |
| | Other creditors | | 114,602 | 77,774 |
| | Accruals and deferred income | | 71,657 | 85,422 |
| | | | <u> </u> | <u> </u> |
| | | | 326,753 | 240,061 |
| | | | <u> </u> | <u> </u> |
| 17 | Creditors: amounts falling due after more than one year | | 2016 | 2015 |
| | | | £ | £ |
| | Loans and overdrafts | Notes | 33,160 | 67,159 |
| | | 15 | <u> </u> | <u> </u> |

INTERCOUNTRY ADOPTION CENTRE

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2016

18 Restricted funds

The income funds of the charity include restricted funds comprising the following unexpended balances of donations and grants held on trust for specific purposes:

| | Balance at 1 April 2015 | Movement in funds | | Balance at 31 March 2016 |
|--------------------------|----------------------------|----------------------------|----------------------------|-----------------------------|
| | £ | Incoming resources £ | Resources expended £ | £ |
| Department for Education | - | 73,218 | (64,895) | 8,323 |
| | <u> </u> | <u> </u> | <u> </u> | <u> </u> |

19 Analysis of net assets between funds

| | Unrestricted £ | Restricted £ | Total £ |
|--|-------------------|-------------------|-------------------|
| Fund balances at 31 March 2016 are represented by: | | | |
| Tangible assets | 24,011 | - | 24,011 |
| Current assets/(liabilities) | 50,748 | 8,323 | 59,071 |
| Long term liabilities | (33,160) | - | (33,160) |
| | <u> </u> | <u> </u> | <u> </u> |
| | <u>41,599</u> | <u>8,323</u> | <u>49,922</u> |

20 Cash generated from operations

| | 2016 £ | 2015 £ |
|--|-------------------|-------------------|
| (Deficit)/surplus for the year | (12,756) | 20,763 |
| Adjustments for: | | |
| Investment income recognised in profit or loss | (759) | (456) |
| Depreciation and impairment of tangible fixed assets | 15,691 | 13,547 |
| Movements in working capital: | | |
| (Increase)/decrease in debtors | (22,922) | 64 |
| Increase/(decrease) in creditors | 86,692 | (21,547) |
| | <u> </u> | <u> </u> |
| Cash generated from operations | <u>65,946</u> | <u>12,371</u> |