

**Substitute Families for Abandoned Children**

**Report and Accounts**

**For the year ended**

**31<sup>st</sup> March 2017**

**UK Charity Number 1095091**

## **Substitute Families for Abandoned Children**

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## **Substitute Families for Abandoned Children**

### **Legal & Administrative Details** **For the year ended 31<sup>st</sup> March 2017**

<b>Address for Correspondence</b>	PO Box 237 Leeds LS12 9DR	
<b>Status</b>	Declaration of Trust dated 29 <sup>th</sup> August 2002 Registered Charity 1095091	
<b>Trustees</b>	John Ellerington Michael Pease John Swift Rev. Claude Ellerington (resigned 9/10/16) Peter White (commenced December 2016)	
<b>Director</b>	Michael Pease	
<b>Bankers</b>	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 31<sup>st</sup> March 2017**

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

Peter White – appointed as trustee December 2016

**How SFAC is managed**

There are at least 2 Trustee's meetings a year plus occasional meetings and frequent contact throughout the year on matters that require discussion prior to the next trustees meeting.

The Director is employed 4 days a week by SFAC, permissible under SFAC's registered deeds. We also employ a part time (10 hours a week) administrative assistant. SFAC's Accounts manager is currently a volunteer.

SFAC operates from the Directors home at zero cost thereby keeping operational costs to a minimum.

Currently SFAC's income derives largely from a UK Business supported by monthly donations from several individuals. We occasional small donations from groups.

Currently we operate with international organisations by SFAC covering costs of flights to a destination with inviting organisation the in-country costs. Traditionally SFAC rarely charge training or consultancy fees unless working with larger organisations that have budgets to cover such training/ development.

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

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**For the year ended 31<sup>st</sup> March 2017**

SFAC operations team continues to develop and gain expertise providing training and consultancy services:

Mick Pease – Director SFAC and retired UK social worker

Dan Hope – Registered UK social worker

Caitlin Hope – Australian Clinical Psychologist / UK registered chartered Psychologist

Walter Young – Registered UK social Worker

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

All SFAC social work, psychology and legal training is based on and in line with UK Government expectations and minimum standards. This is applied and adapted to suit various contexts, cultural needs and religious beliefs. 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. Our focus is to work with child care organisations training them on relevant children's issues and to provide consultancy. All SFAC operations team are currently DBS checked.

**Achievements and Performance**

SFAC continues with its core work and charitable objectives – to see orphaned and abandoned children placed into safe families through training and consultancy on best practice prevention, reintegration, kinship care, foster care, domestic adoption.

SFAC is a professional training and consultancy organisation providing professional knowledge and skill in social work, psychology and legal training to organisations in developing countries. We promote alternative family based care solutions to institutional care. All the operations team are qualified workers in their field of expertise. We run workshops, seminars, provide on-line consultancy, attend, and speak at international conferences to inform best child care practice.

We work with small to large NGO's (Non-Government Organisations) to states and governments. Our aim is always to ensure those who work with vulnerable children have good quality training, professional advice and support that is accessible, adaptable, relevant and practical in their own culture and context. We work closely with our partners to help them set up and implement systems and procedures appropriate for their organisation to provide the best quality care and decision making for the children they are responsible for.

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. This empowers local workers, families and organisations to better care for their own children.

Some of SFAC's work has been instrumental in helping shape government policies on the safe care of children such as, Kurdistan, Uganda, Brazil, Sri Lanka and Myanmar.

SFAC has been at the front end of the development of foster care programmes in Brazil and other countries over several years. In Brazil that remains the case with frequent invitations to speak at international, national and regional conferences. SFAC remains a Global advocate for the right of the child to live in a family rather than institutional care.

## **Substitute Families for Abandoned Children**

### **For the year ended 31<sup>st</sup> March 2017**

The repeated requests and demands on our services continued this year with 7 overseas trips to train organisations plus several skype consultancy calls:-

Myanmar – June and November 16

Brazil – 2 States – August 16 and March 17

Romania – October 16

Lesotho – January 17

Paraguay – February 17

SFAC are increasingly involved teaching government professionals and NGO workers on specific social work practice such as developing individual care plans for children, caseload management, monitoring placements, supervision, assessments and risk analysis. We have recently commenced training with Brazilian judiciary and legal advocates. We are frequently informed that SFAC has great skill in making these messages culturally relevant to different cultures and contexts.

SFAC can achieve this outcome through combining professional knowledge alongside our low-cost operations. Up until this point we have generally paid for flights to a country and not charged training and consulting fees using UK donations to cover this. The inviting organisations cover all in country expenses. The reason is that most smaller organisations do not have a budget to include training opportunities. SFAC believe that finance alone should never be the determining factor why important training for vulnerable children should not occur. However, where we work with larger organisations we expect a larger contribution towards costs.

Throughout the year 16 – 17 SFAC has not made donations to overseas partners.

Over the past year SFAC has developed a new web site, new logo and a more concentrated focus on increasing attention and income via social media platforms.

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

SFAC does not take on overseas commitments where there is risk to health or danger through internal / external conflict. SFAC has recently declined a request to work in Kurdistan due to the UK Foreign and Commonwealth Office advising against all but essential travel to that area.

During the year, the charity's income and reserves have been maintained. The expenditure on SFAC's work has continued to remain within budget and the outlook remains strong and we can be optimistic for the future.

SFAC's accounts are inspected annually by Independent Accountants.

### **Public Benefit**

SFAC's work has always had clear international public beneficiaries. The trustees give due attention to the commission's guidance on public benefit and identify the following as public beneficiaries of SFAC services.

1. Vulnerable or at risk children who have lost biological families, placed into institutions or left on the streets. These are SFAC's foremost concern and beneficiaries, to get them back into families.

## **Substitute Families for Abandoned Children**

### **For the year ended 31st March 2017**

2. Birth families that 'lose' their children to the streets, orphanages or trafficked for financial reward. SFAC advocates at organisational level to prevent such actions. We assist local organisations to raise awareness in local communities to the real issues and dangers children face.
3. The Kinship Carers and Foster Carers who, through training and support learn new skills and knowledge and able to pass this onto family members, and friends in their networks.
4. Local child care workers and wider communities benefit as knowledge is shared on a range of subjects such as safe care of children, understanding children's behaviours, parenting skills, health needs, educational opportunities and more. SFAC's training is geared to build self-esteem amongst the participants who are often poorly educated and recognise that each member of society has an intrinsic worth to local communities.

### **Future Developments**

SFAC continues to have remarkable success in terms of servicing international, national and local NGO's in various countries to promote and develop Family Based Care for orphaned and abandoned children. SFAC is a well-known International brand for good quality and professional training / consultancy in various regions. We have been successful in networking with a range of different organisations and governments whilst maintaining overall operations within our low cost structure.

We are already operating at judiciary level in Brazil providing legal and judicial training and anticipate that developing and extending Paraguay.

In early 2017 SFAC entered a process considering a professional partnership with a large International organisation to assist with overseas social work training and evaluation with their programmes. As of now a final decision has not been confirmed but if this develops it will have a significant and positive impact on securing SFAC's future development and financial sustainability.

SFAC is having other International discussions relating to smaller partnerships that is likely to strengthen our networks, income and service delivery.

We anticipate SFAC growing in the coming years to which end SFAC hopes to employ one more professional in social work consultant leading to more trustees and volunteers in the future.

A marketing strategy has been developed to highlight how we can increase SFAC's income stream.

### **Financial Review**

According to our accounts SFAC remains in a healthy financial position with no loans or debts. Receipts for the year totalled £58,801 (2016: £56,659) with resources expended of £67,938 (2016: £71,147) resulting in a deficit for the year of £9,137 (2016: £14,488). Net assets at 31<sup>st</sup> March 2017 were £64,277 (2016: £73,610).

### **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 £64,277 (2016: £73,414).

**Substitute Families for Abandoned Children**  
**For the year ended 31st March 2017**

**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.

**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 2 October 2017 and signed on their behalf by:

M. Pease  
Trustee

**Independent Examiners Report to the Trust of Substitute Families**  
**For Abandoned Children**  
**For the year ended 31<sup>st</sup> March 2017**

Report on the accounts of the charity for the year ended 31<sup>st</sup> March 2017 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 Charities Act), does not apply.

It is my responsibility to:

- Examine the accounts under Section 145 of the Charities Act
- Follow the procedures laid down in the General Directions given by the Charity Commissioners made under Section 145(5)(b) of the Charities 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 386 of the Companies Act 2006, or that the accounts presented do not accord with those records, or comply with the accounting requirement under section 396 of the Companies Act 2006 or are not consistent with the Charities SORP (FRS102).

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

2 October 2017

**Substitute Families for Abandoned Children**  
**Statement of Financial Activities**  
**For the year ended 31<sup>st</sup> March 2017**

	<b>Unrestricted Funds £</b>	<b>Restricted Funds £</b>	<b>Total 2017 £</b>	<b>Total 2016 £</b>
<b>Incoming From:</b>				
Donations & Legacies	54,420	2,250	56,670	54,888
Investment income	425	-	425	549
Charitable activities	512	-	512	592
Other	1,194	-	1,194	630
	-----	-----	-----	-----
<b>Total</b>	<b>56,551</b>	<b>2,250</b>	<b>58,801</b>	<b>56,659</b>
	=====	=====	=====	=====
<b>Expenditure On:</b>				
Cost of generating voluntary income	-	-	-	195
Charitable activities	66,833	385	67,218	70,232
Other	720	-	720	720
	-----	-----	-----	-----
<b>Total</b>	<b>67,553</b>	<b>385</b>	<b>67,938</b>	<b>71,147</b>
	=====	=====	=====	=====
<b>Net Income</b>	<b>(11,002)</b>	<b>1,865</b>	<b>(9,137)</b>	<b>(14,488)</b>
<b>Transfers</b>				
Gross transfers between funds – in	-	-	-	-
Gross transfers between funds – out	-	-	-	-
	-----	-----	-----	-----
<b>Net Income</b>	<b>(11,002)</b>	<b>1,865</b>	<b>(9,137)</b>	<b>(14,488)</b>
<b>Total funds brought forward</b>	<b>67,762</b>	<b>5,652</b>	<b>73,414</b>	<b>87,902</b>
	-----	-----	-----	-----
<b>Total funds carried forward</b>	<b>56,760</b>	<b>7,517</b>	<b>64,277</b>	<b>73,414</b>
	=====	=====	=====	=====

**Substitute Families for Abandoned Children**  
**Statement of Assets and Liabilities**  
**For the year ended 31<sup>st</sup> March 2017**

<b>1. Fixed Assets</b>	<b><u>2017</u></b>	<b><u>2016</u></b>
Computer	1,512	1,512
<b>2. Bank and Cash Balances</b>	<b>2017</b>	<b>2016</b>
	<b>£</b>	<b>£</b>
Held at bank	62,898	71,634
Cash float	587	1,184
	-----	-----
	63,485	72,818
	=====	=====
<b>3. Other Assets &amp; Liabilities</b>		
<b>Liabilities</b>		
Unbilled fee for Independent Examination	720	720
	----	----
	720	720
	====	====

The accounts were approved by the Trustees and signed on their behalf on 2 October 2017 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 31<sup>st</sup> March 2017**

**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**

	<b>Unrestricted Funds £</b>	<b>Restricted Funds £</b>	<b>Total 2017 £</b>	<b>Total 2016 £</b>
Fundraising	-	-	-	195
	===	===	===	===
<b>3. Grants Payable</b>				
Children in Families Cambodia	414	-	414	4,516
Alternative Care for Children – Uganda	599	-	599	-
Porridge	-	385	385	425
Hope	1,518	-	1,518	-
Other	100	-	100	-
	-----	----	-----	-----
To Institutions	514	-	514	4,941
To Individuals	2,117	385	2,502	11,129
	-----	----	-----	-----
	2,631	385	3,016	16,070
	=====	===	=====	=====

**4. Charitable Activities**

	<b>Unrestricted Funds £</b>	<b>Restricted Funds £</b>	<b>Total 2017 £</b>	<b>Total 2016 £</b>
Staff and Consultancy Costs	45,851	-	45,851	41,183
Travel Expenses	11,165	-	11,165	5,850
Training	-	-	-	1,653
Hospitality	-	-	-	195
Administration Costs	2,134	-	2,134	2,204
Minor Equipment	120	-	120	-
Sundries	4,932	-	4,932	3,077
	-----	----	-----	-----
	64,202	-	64,202	54,162
	=====	===	=====	=====

**Substitute Families for Abandoned Children**  
**Statement of Financial Activities**  
**For the year ended 31<sup>st</sup> March 2017**

	<b><u>Unrestricted Funds</u></b>	<b><u>Restricted Funds</u></b>	<b><u>2017</u></b>	<b><u>2016</u></b>
<b>5. Governance Costs</b>				
Independent Examiner	720	-	720	720
	===	==	===	===

**6. Employees and Trustees**

The Charity has two employees, Mr & Mrs M Pease. Mr Pease is a Trustee. Gross salaries of £45,851 (2016: £40,683) 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**

	<b>Opening Balances £</b>	<b>Incoming Resources £</b>	<b>Resources Expended £</b>	<b>Transfers £</b>	<b>Closing Balances £</b>
Restricted Funds:					
Work in Cambodia	532	-	-	-	532
Porridge	1,120	-	385	-	735
Nepal	990	-	-	-	990
Fostering	3,010	2,250	-	-	5,260
	-----	-----	-----	-----	-----
	5,652	2,250	385	-	7,517
	-----	-----	-----	-----	-----
Unrestricted Funds:					
Designated Funds					
Fostering	52,860	36,500	54,610	-	34,750
General Funds	14,902	20,051	12,943	-	22,010
	=====	=====	=====	=====	=====
	67,762	56,551	67,553	-	56,760
	=====	=====	=====	=====	=====
Total Movement in Funds	73,414	58,801	67,938	-	64,277
	=====	=====	=====	=====	=====