

Substitute Families for Abandoned Children

Report and Accounts

For the year ended

31st March 2018

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 31st March 2018**

Address for Correspondence	PO Box 237 Leeds LS12 9DR	
Status	Declaration of Trust dated 29 th August 2002 Registered Charity 1095091	
Trustees	Michael Pease John Ellerington John Swift Peter White Glynn Barrow (appointed 6 February 2018) Philip Cotterill (appointed 6 February 2018)	
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
Trustees Annual Report
For the year ended 31st March 2018

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

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 6 Trustees:

Michael Pease

John Ellerington

John Swift

Peter White

Glynn Barrow – appointed 6 February 2018

Philip Cotterill – appointed 6 February 2018

In the past financial year there were three Trustees meetings plus occasional ones as and when required with frequent contact via e-mail, telephone and home visits when matters arose that required discussion prior to the following Trustee meeting. We plan to increase the number of annual meetings to four times a year.

During the latter part of 2017, SFAC successfully pursued the addition of 2 more Trustees. Philip Cotterill former Director of Social Services for Kirklees Council and Glynn Barrow, adopter and foster carer with extensive knowledge of living in South Asia, working in a charitable setting and has knowledge of business administration and accounts. They were duly appointed on 6 February 2018 at the Trustees' meeting. We are looking to enlarge the Trustees base to become more diverse.

How SFAC is managed

SFAC is led by the Director who is employed 4.5 days a week (permissible under SFAC'S registered deeds). He is not reimbursed for acting as a Trustee.

We also employ a: -

- Part time administrative assistant for 10 hours a week (retired March 2018)
- Full time Head of Social Work and Practice Education, - started July 2017
- Accounts Manager (volunteer to October 2017) now employed 1 day a week on a temporary contract until the end of July 2018 then to review.
- In February 2018 we employed a full-time Head of Operations.

SFAC also has a flexible contract arrangement with a UK registered psychologist who provides training and discussions on trauma work for vulnerable children. She also works on our systems, marketing and social media.

SFAC is based at the Director's home at zero cost to the charity, thereby keeping operational costs to a minimum. Each worker works from home but is in regular contact and there are weekly team meetings.

SFAC'S accountants are Torevell Dent. 1-3 St Ann's Place, Halifax, HX1 5RB.

Substitute Families for Abandoned Children
Trustees Report (continued)
For the year ended 31st March 2018

How SFAC is funded

Until August 2017 SFAC'S income derived largely from a UK business supported by monthly donations from several individuals, mostly based in the UK. Since then we have gained a small number of donors from Australia and the USA. We occasionally receive small donations from groups/ small businesses.

Traditionally SFAC worked with International and local NGOs and some governments on an agreed joint sharing of costs for services provided. Often SFAC bore the greater cost to deliver training and development of child care overseas whether by on-site visits or through the internet. This was intended to assist small local grassroots organisations to access quality training for their programmes. Where the organisations were larger, or government related and had training budgets SFAC expected them to make a greater contribution to the overall costs.

Midway through the 2017/18 financial year SFAC obtained a 9-month contract for its services with a large UK based international organisation to audit, review and train staff in their children's homes in three different countries. This generated sufficient income to increase SFAC's capacity and employ Head of Social Work and Practice Education, and later in the year, Head of Operations.

In September 2017 SFAC held its first Fundraising Event to celebrate it's 15th birthday. The event was an overwhelming success raising funds and awareness about its work among old and new donors and supporters from a range of business people, professionals and friends.

What SFAC does

SFAC is a professional training organisation with a strong focus on family-based care options in developing countries for children separated from their parents. We have developed a vast amount of contextualised experience in working in different cultures; providing professional knowledge and skill in social work, psychology and legal training. Our specific aim is to work with organisations in developing countries to develop their services to vulnerable and at-risk children. All the operations team are qualified workers in their field of expertise. We run workshops, seminars, provide on-line advice and training, attend, and speak at international conferences to inform best child care practice.

SFAC has rapidly developed into a multi-disciplinary team that now provides training and development services across a range of children's services:

Social work – family placement
Social work – children's advocate
Psychology
Trauma based therapy
Lawyer and children's advocate
Judiciary and the family courts

Substitute Families for Abandoned Children
Trustees Report (continued)
For the year ended 31st March 2018

All SFAC training is based on and is 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.

All the SFAC operations team and some trustees are currently DBS checked and cleared through enhanced checks.

The SFAC team work *for* rather than *with* children and do not work directly with children overseas. SFAC equips children's workers in developing countries with the knowledge, skills and experience to deliver better services to the children they care for whether that be in a children's home, family placement or with their parents. Our core belief is that children thrive in safe families.

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.

Achievements and Performance

SFAC has added 2 new trustees to the board bringing with them a wealth of relevant experience and knowledge to the area in which we work.

SFAC continues to operate within our charitable objectives – to see orphaned and abandoned children placed into safe families. We do this through promoting best practice in decision making, risk analysis, prevention work, reintegration, kinship care, foster care, domestic adoption and includes good therapeutic responses to traumatised children.

All funds are used for our charitable purposes.

Due to the very nature of development work, we have used this past year to start the transition to put SFAC onto a broader footing making us more sustainable. This will build our capacity and increase funding to deliver a more effective range of services over the coming years.

During 2017 SFAC was sought out by a large UK based International NGO with children's work operating in many countries to assist with the development of their services. This could well be an ongoing partnership.

Substitute Families for Abandoned Children
Trustees Report (continued)
For the year ended 31st March 2018

SFAC continues to have remarkable success in servicing international states / governments, international and local NGOs in various countries to promote and develop Family Based Care for vulnerable and abandoned children. Within the sector, SFAC is a well-known international brand for good quality practice and professional training in various countries and regions. We have been successful in networking with a range of high-profile organisations and governments whilst maintaining overall operations within our cost structure.

SFAC has been instrumental in helping shape some government policies on the safe care of children in such places as, Kurdistan, Uganda, Brazil, Paraguay and Myanmar - a remarkable achievement for such a small organisation. Once again this year we hosted an international government body to visit the UK and share our social work and legal services with the delegations.

SFAC has been a vital part 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. We continue to be involved with training the Brazilian judiciary and legal advocates and have been informed that SFAC has great skill in making these messages culturally relevant to different contexts.

The repeated requests and demands on our services continued this year with 8 overseas trips to train organisations: -

Brazil - April 17
Thailand - July 17
India - July 17
Morocco - October 17
India North & East - November 17
Myanmar - December 17
South Africa - January 18
Mexico - February 18
India North & East - March 18

In addition, we respond to a growing number of requests for Skype training and consultations.

SFAC are increasingly involved with training government professionals and NGO workers on key issues around social work practice such as: -

Family based care options
Developing individual care plans for children
Caseload management
Monitoring placements
Trauma therapy for children
Supervision
Assessments and risk analysis

Our online work is being developed with one-to-one sessions with projects in Philippines, Uganda, Paraguay, Sri Lanka and India.

Substitute Families for Abandoned Children
Trustees Report (continued)
For the year ended 31st March 2018

Throughout the year 2017/18 SFAC has made only one small grant to an organisation, CALM Africa for the replacement of a stolen laptop. Money was donated for that specific purpose.

Over the past year SFAC continued to develop its web site with a greater focus on attaining income via social media platforms.

In September 2017 SFAC had its first ever event (15th birthday event) which was a huge success raising around £8,000.

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

The trustees are always mindful of the international public beneficiaries. They 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 public beneficiaries with the aim to get them back into families where it is safe to do so.
2. **Birth families that 'lose' their children** to the streets, orphanages or trafficked for financial reward. SFAC advocates at organisational level to develop good practice in order to prevent such actions. We assist local organisations to raise awareness in local communities to the real issues and dangers children face when placed into institutional care or, neglected within their own communities.
3. **Kinship carers and foster carers** who, through training and support learn new skills and knowledge and able to pass this new information onto family members, and friends in their networks and larger communities.
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

The organisation continues its transition into a more robust and sustainable organisation to increase effectiveness and ensure that we can respond to the increasing demands on our services. We are actively seeking to increase the number of Trustees.

We are building our capacity to operate at legal and judicial levels in countries that require that service such as Brazil and Paraguay.

Substitute Families for Abandoned Children
Trustees Report (continued)
For the year ended 31st March 2018

We continue to host overseas delegations where appropriate from Iraq, Kurdistan and Paraguay who wish to visit the UK and experience the local government response to children and families work to understand the context and how we prioritise children's rights. We do that through Leeds City Council's children's services where we have established a good working relationship.

SFAC is looking to develop its work with the UK based international NGO to support the development of their children's services. This will bring added financial security.

SFAC are in discussions relating to smaller partnerships within the USA and Australia that are likely to strengthen our networks, income and service delivery.

We anticipate SFAC growing slowly in a controlled manner over the coming years to which end SFAC hopes to employ one more professional social worker leading to more contract work and volunteers.

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

Financial Review

According to our current accounts SFAC remains in a healthy financial position with no loans or debts.

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 4 months' operational costs (during the 17 - 18 financial year).

Risk Statement

The Trustees have reviewed the risks to which a small charity operating in areas of political, social and economic volatility is exposed. Appropriate procedures are in place to identify, monitor and review these risks on a regular basis.

SFAC do not take on overseas commitments where there is a risk to health or danger through internal / external conflict and always refer to the UK Foreign and Commonwealth Office web site for updates on country travel.

SFAC has not had any serious incidents in the past financial year nor since its inception in 2002.

Trustees' Responsibilities

Charity law requires the 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.

Substitute Families for Abandoned Children
Trustees Report (continued)
For the year ended 31st March 2018

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 any 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 2018 and signed on their behalf by:

.....
John Swift
Chair of Trustees

**Independent Examiners Report to the Trustees of Substitute Families
For Abandoned Children
For the year ended 31st March 2018**

I report to the trustees on the accounts of Substitute Families For Abandoned Children for the year ended 31st March 2018 which have been prepared on the basis of the accounting policies on page 14.

Respective responsibilities of the Trustees and Examiner

The Trustees of the charity are responsible for the preparation of the accounts in accordance with the requirements of the Charities Act 2011 ("the Act"); 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 2011
- 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 130 of the Act, or that the accounts presented do not accord with those records.

I have no concerns and have come across no other matters in connection with the examination to which attention should be drawn in this report in order to enable a proper understanding of the accounts to be reached.

S J Sutcliffe (FCCA)
Torevell Dent Limited
1-3 St Ann's Place
Pellon Lane
Halifax
HX1 5RB

2 October 2018

Substitute Families for Abandoned Children
Statement of Financial Activities
For the year ended 31st March 2018

	Notes	Unrestricted Funds £	Restricted Funds £	Total 2018 £	Total 2017 £
Incoming From:					
Donations & Legacies		51,616	-	51,616	56,670
Salvation Army		75,510	-	75,510	-
Investment income		350	-	350	425
Charitable activities		-	-	-	512
Other		2,686	-	2,686	1,194
Event – 15yr		9,968	-	9,968	-
Gift Aid reclaim		2,582	-	2,582	-
		-----	-----	-----	-----
Total		142,712	-	142,712	58,801
		=====	=====	=====	=====
Expenditure On:					
Charitable activities	3	107,793	-	107,793	67,218
Other	4	720	-	720	720
		-----	-----	-----	-----
Total		108,513	-	108,513	67,938
		=====	=====	=====	=====
Net Income		34,199	-	34,199	(9,137)
Total funds brought forward		64,277	-	64,277	73,414
		-----	-----	-----	-----
Total funds carried forward		98,476	-	98,476	64,277
		=====	=====	=====	=====

Substitute Families for Abandoned Children
Statement of Assets and Liabilities
For the year ended 31st March 2018

1. Fixed Assets	<u>2018</u>	<u>2017</u>
Computer	1,512	1,512

2. Bank and Cash Balances	2018	2017
	£	£
Held at bank	104,957	62,898
Cash float	389	587
	-----	-----
	105,346	63,485
	=====	=====

3. Other Assets & Liabilities

Liabilities

Unbilled fee for Independent Examination	720	720
Accrued trip expenses	393	-
Paye and wages creditor	7,269	-
	----	----
	8,382	720
	=====	=====

The accounts were approved by the Trustees and signed on their behalf on 2 October 2018 by

.....
M. Pease

Substitute Families for Abandoned Children
Statement of Financial Activities
For the year ended 31st March 2018

1. Accounting Policies

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

2. Grants Payable

	Unrestricted Funds £	Restricted Funds £	Total 2018 £	Total 2017 £
Children in Families Cambodia	-	-	-	414
Alternative Care for Children – Uganda	-	-	-	599
Porridge	-	-	-	385
Hope	-	-	-	1,518
Other	-	-	-	100
	-----	----	-----	-----
To Institutions	-	-	-	514
To Individuals	-	-	-	2,502
	-----	----	-----	-----
	-	-	-	3,016
	=====	=====	=====	=====

3. Charitable Activities

	Unrestricted Funds £	Restricted Funds £	Total 2018 £	Total 2017 £
Staff and Consultancy Costs	83,005	-	83,005	45,851
Travel Expenses	3,241	-	3,241	11,165
Salvation Army	7,592	-	7,592	-
Event expenditure (15 year event)	5,414	-	5,414	-
Administration Costs	1,204	-	1,204	2,134
Minor Equipment	1,862	-	1,862	120
Sundries	5,475	-	5,475	4,932
	-----	----	-----	-----
	107,793	-	107,793	64,202
	=====	=====	=====	=====

Substitute Families for Abandoned Children
Statement of Financial Activities
For the year ended 31st March 2018

	<u>Unrestricted Funds</u>	<u>Restricted Funds</u>	<u>2018</u>	<u>2017</u>
4. Governance Costs				
Independent Examiner	720	-	720	720
	=====	=====	=====	=====

5. Employees and Trustees

During the year the Charity has employed 5 employees, including one of the Trustees, M Pease (2017:2). Total gross salaries of £68,835 (2017: £45,851) has been paid during the year. No employee was paid at a rate of more than £60,000 per annum.

No other Trustee or related party received any payment.

6. Movement in Funds

	Opening Balances £	Incoming Resources £	Resources Expended £	Transfers £	Closing Balances £
<i>Unrestricted Funds:</i>					
Work in Cambodia	532	-	532	-	-
Porridge	735	-	735	-	-
Nepal	990	-	990	-	-
Fostering	5,260	-	5,260	-	-
General Funds	56,760	142,712	100,996	-	98,476
	-----	-----	-----	-----	-----
Total Movement in Funds	64,277	142,712	108,513	-	98,476
	=====	=====	=====	=====	=====