

**Registered No: CE014179**  
**Charity No: 1179016**



**Martin James**  
FOUNDATION

**THE MARTIN JAMES FOUNDATION**  
**(a charitable incorporated organisation)**

**REPORT AND**  
**FINANCIAL STATEMENTS**

**FOR THE PERIOD ENDED 30 JUNE 2020**

# THE MARTIN JAMES FOUNDATION

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## THE MARTIN JAMES FOUNDATION

### REFERENCE AND ADMINISTRATIVE DETAILS

PERIOD ENDED 30 JUNE 2020

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#### Legal Status

The Martin James Foundation is a registered charity No. 1179016 and a company registered in England and Wales No CE014179, limited by guarantee and having no share capital. There were 6 members as at 30 June 2020.

#### Directors:

M J S Cockburn  
A Brice  
C McKelvie  
P D Riley  
G Pick (resigned 30 September 2020)  
A Kabagabo (appointed 17 December 2020)  
B Harvey (appointed 17 December 2020)

#### Senior Management:

Peter McDermott – The Martin James Foundation – Chief Executive Officer (resigned 31 December 2020)  
Justin Rogers – The Martin James Foundation – Chief Executive Officer (appointed 1 January 2021)  
Steven Stockley – FosterTalk Limited – Managing Director (resigned 31 October 2020)  
Daniel Croft – FosterTalk Limited – Chief Executive Officer (appointed 2 November 2020)  
Robert Ryan – Key Assets The Children’s Services Provider (Australia) - Executive Officer (resigned 27 March 2020)  
Jamie Hodgson – Key Assets The Children’s Services Provider (Australia) – acting Executive Officer (appointed 1 March 2020)  
Diane Jackson – Key Assets The Children’s Services Provider (Australia) – Executive Officer (appointed 31 August 2020)  
Kathryn Rock – Key Assets Newfoundland and Labrador Inc, Key Assets Ontario Inc. and Key Assets Nova Scotia Inc. – Chief Executive Officer  
Wayne Ferguson - Key Assets Foundation Limited – Chief Executive Officer

#### Registered Office:

The Martin James Foundation  
Vicarage Court  
4 Vicarage Road  
Edgbaston  
Birmingham  
B15 3ES

**THE MARTIN JAMES FOUNDATION**

**REFERENCE AND ADMINISTRATIVE DETAILS**

**PERIOD ENDED 30 JUNE 2020**

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**Auditors:** MHA MacIntyre Hudson  
Rutland House  
148 Edmund Street  
Birmingham  
B3 2FD

**Bankers:** HSBC UK Bank Plc  
P O Box 68  
130 New Street  
Birmingham  
B2 4JU

**Solicitors:** Bates Wells & Braithwaite London LLP  
10 Queen Street Place  
London  
EC4R 1BE

Mills and Reeve LLP  
74-84 Colmore Row  
Birmingham  
B3 2AB

## THE MARTIN JAMES FOUNDATION

### TRUSTEES' REPORT

PERIOD ENDED 30 JUNE 2020

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#### **About The Martin James Foundation**

##### ***Our vision***

Our vision is of a world where children do not live in institutions or orphanages, and where every child grows up and thrives in a safe and secure loving family.

##### ***Our mission***

We are an international Foundation committed to protecting and improving the lives of vulnerable children, with specific focus on children and young people separated from their families, placed in institutions and those traumatised by conflict or forced migration. We believe separated, vulnerable and displaced children's needs are best met in a loving, nurturing family environment and not in institutions.

The Martin James Foundation ("the Foundation" or "MJF") comprises six entities: The MJF central team based in Birmingham UK, FosterTalk (the UK foster care services provider), and the four Key Assets not-for-profit affiliates providing high quality foster care and family strengthening services in Australia, Canada, Japan and New Zealand.

MJF is unique. We are one of the first Foundations with a global network of over 300 foster care and other childcare practitioners, with over 30 years of collective experience of successful delivery of innovative, quality foster care and family strengthening services.

##### ***Our history***

The Foundation's roots are in the delivery of high-quality foster care and the charismatic vision and leadership of Martin James Cockburn, a social worker and entrepreneur. Over 30 years ago, he began providing innovative, quality foster care services, initially in the UK then in Ireland, Australia, Finland, Canada, New Zealand, Japan, and the USA. To date these services have provided quality care foster placements, family strengthening and other services to around 40,000 children, young people and the families that look after them.

Our roots and legacy enable us to empower change worldwide through global and local partnerships, leveraging our extensive knowledge, practitioner skills, experience, and proven best practice models.

##### ***Our approach***

We passionately believe in quality foster care services and social work practice, underpinned by robust frameworks and solid relationships with governments, carers, young people and communities. We deliver high quality family strengthening, foster care and support services to foster families in Australia, Canada, Japan, New Zealand and UK. In the UK, through our EPIC Youth initiative (only established December 2019) we support care leavers and disadvantaged and vulnerable young people.

We also empower governments and partners around the world to strengthen their child protection systems, build their capacity to design, pilot, deliver and manage high quality foster care, family strengthening services and expand their advocacy on family-based care in Argentina, Chile, Columbia, Croatia India, Indonesia, Jordan, Madagascar, Maldives, Mexico and Thailand.

We seek to influence, local, national and global commitment to, and action on, preventing children from being separated from their families, ending the placement of children in institutions and reuniting children with families. We do this through a mix of strategies: advocacy, policy reform, research, practice development, capacity building, generation of evidence and practice models, pilot programmes and the continued enhancement of our global delivery of direct foster care services. We do this in close collaboration with partners: governments, social workers, care professionals, non-government organisations, local communities, families, and with children and young people themselves.

## THE MARTIN JAMES FOUNDATION

### TRUSTEES REPORT

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## Activities, Achievement and Performance

### Martin James Foundation activities

In 2020, MJF launched its 2020-23 strategy to guide our work across our own organisations, funded projects and partnerships. The strategy outlines six key objectives: 1. Deliver high-quality alternative care; 2. Strengthen child protection systems; 3. Expand and enhance family strengthening practice; 4. Increase fostering services and strengthen fostering practice; 5. Advocate to stop the placement of children in institutions and promote family-based care; 6. Inspire and build the resilience of young people impacted by trauma.

The Foundation will endeavour to achieve these objectives through delivering a combination of technical support and funding. In the UK, the Foundation will continue to innovate in the delivery of high-quality alternative care for vulnerable and displaced children and families through our Key Assets affiliates, FosterTalk and EPIC Youth. We will share innovations in practice and delivery across MJF and with governments and partners with whom we work, and in doing so, strengthen their capacity to advocate for and deliver quality alternative care services.

In the first half of 2020, in a response to the unfolding Covid-19 pandemic staff from MJF developed a series of practice briefs and accompanying video presentations in relation to Covid-19 with three focus areas: 1) Communicating with children about Covid-19; 2) Direct interventions during Covid-19; 3) Self-care for carers and practitioners. The practice briefs were shared with partners for wider distribution and contribute to strategically positioning MJF as value added technical partner with specific competence on alternative care practice. The dissemination of the papers also resulted in increased traffic to the website and social media channels, as well as numerous requests for MJF technical engagement.

In May 2020, MJF conducted a mental health survey to FosterTalk members exploring the impact of Covid-19 on foster households. There were over 400 respondents, of whom more than 40% of carers reported that Covid-19 and associated lockdown measures had impacted their mental health. The survey also showed that 46% of children receiving mental health support prior to lockdown had that stopped. The findings were used to inform MJF's submission to the Department for Education Covid-19 Inquiry were of significant use internally within MJF and externally with key partners.

### ***FosterTalk***

FosterTalk is a membership organisation that provides advice, support and guidance on all aspects of foster care. FosterTalk delivers Fosterline which is a government funded free helpline for all foster carers in England. Fostertalk are committed to improving and influencing where they can in order to improve the outcomes for every child and young person in the care system. The organisation works hard to implement innovative solutions to improve their service such as interactive websites, live chat and online surveys etc and are passionate about improving communication across children services.

In January 2020 FosterTalk was re-awarded the Fosterline Contract for England by the Department for Education. The contract covers a two year period with a potential extension.

Early 2020 also saw FosterTalk achieve the Customer Service Excellence Award and receive a nomination for Best Practice Representative for the social care sector by the Parliamentary Review.

## THE MARTIN JAMES FOUNDATION

### TRUSTEES REPORT

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#### ***Key Assets Group***

Key Assets Australia was founded in 2007 and has grown to provide foster care and related services in New South Wales, Queensland, South Australia, Tasmania, Western Australia and Victoria. Key Assets Australia strives to develop an innovative range of services for children and young people in out-of-home care, while partnering with statutory bodies and foster carers to understand and meet their unique needs, helping them to succeed.

Key Assets Canada is a Children's Services provider with a commitment to improving outcomes for children and young people in Canada since 2007. Key Assets Canada utilises experience from the group to offer the best form of support to aid the recruitment and retention of foster carers across Ontario, Newfoundland and Labrador.

Key Assets New Zealand is a not-for-profit NGO providing specialised foster care services for children and young people throughout New Zealand. Key Assets New Zealand believe in a team approach to foster care, working with carers and the Ministry of Children Oranga Tamariki to achieve a service that best fits the needs of the child or young person in placement.

Key Assets The Children's Services Provider was established in Japan in 2007 as a social enterprise underpinned by strong values and a commitment to improving outcomes for children and young people across the country. The organisation in Japan is linked to our network, however it falls outside of the Foundation's control therefore their financial returns are not included in this report.

During the first six months of 2020, the Key Assets affiliates were looking at a total of 898 children through a total of 855 fostering households they recruited, assessed and supported. During this period there was further growth across the services with a total of 89 new carers recruited.

#### ***EPIC Youth***

At the end of 2019, MJF established EPIC Youth, a UK-based project to support young people who have experienced adversity by providing them pathways to business and entrepreneurial success. The project includes provision of grants and bursaries to help 14 – 25-year-olds develop their business idea, access to mentoring and coaching to enhance their skills and confidence, work placements, and workshops for skill development.

During the first six months of this programme, achievements included the panel review of the business ideas of eight young people, four of whom were approved and four were given support to reapply, and identifying and training mentors with appropriate skills and experiences to support the young people.

In response to the increased challenges brought about by the COVID pandemic and associated lockdown measures in early 2020, EPIC Youth delivered a range of financial and material assistance to vulnerable young people and local communities who had been particularly adversely affected. iPads were donated to four young people who were struggling to access online learning and social interaction with family and friends. Donations were made to an extremely vulnerable family to enable them to secure a rental deposit, and to the Nechells community for them to purchase food and learning activity packs for the community. EPIC Youth also issued small grants to 50 care leavers (18-25 year olds) who were experiencing increased challenges due to the lockdown.

The EPIC Youth programme has generated interest from some of the Key Asset affiliates and an EPIC international programme pack was designed to help showcase EPIC Youth within the different countries.

## THE MARTIN JAMES FOUNDATION

### TRUSTEES REPORT

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#### Funded organisations

##### ***Asia Care Network, South-East Asia***

In 2018 we partnered with the Nippon Foundation to launch the Asia Care Network, as a platform to engage practitioners, policy actors, academics and advocates. The network aims to connect these key stakeholders across South-East Asia to promote best practise and champion reform for alternative care.

During the initial development of the network the Foundation undertook an analysis of alternative care provision in Asia and produced ten country profiles covering: Hong Kong, Cambodia, Thailand, Japan, Malaysia, Myanmar, Philippines, Singapore, Vietnam and Indonesia. These profiles highlight that alternative care provision in the region is predominantly institutional. The majority of children without parental care in Asia are growing up in orphanages or residential schools. The United Nations Guidelines on Alternative Care calls on states to shift away from using institutional forms of care and develop family-based forms of care such as fostering. The Asia Care Network aims to provide a forum for academics, policy actors and practitioners who are championing alternative care reform.

In January 2020, MJF funded an Asia Care Network workshop in Jakarta, Indonesia entitled 'Strategic Planning for Family Based Parenting Alliance' as a follow up to a national consultation event held at the end of 2019. Many of the other planned events for the first half of 2020 had to be postponed due to Covid-19 lockdowns across the region.

##### ***Centre of Excellence in Alternative Care (CEAC), India***

The Centre of Excellence in Alternative Care (CEAC) in India was established in 2016 and aims to support the development of good quality alternative care for children. MJF has provided CEAC a mix of technical, material and financial support. CEAC is now recognized as a leading advocate for alternative care for children in India. The initial phase of CEAC's work supported by the Foundation was to raise the level of government and general-public awareness on the harm institutions do to children's development and the need in India for family-based care – including kinship and foster care.

The second area of work supported by the Foundation was to promote foster care and strengthen foster care practice through training and workshops. To facilitate this the foundation provided technical supported to CEAC to develop an Indian User Guide on Foster Care for the National Commission for Protection of Child Rights.

The comprehensive handbook on setting up and managing a national foster care system, adapted for India from international best practice guidance, has become an influential guidance and reference manual in India on the design and delivery of foster care services.

Most recently, in partnership with UNICEF, the Centre of Excellence has expanded its work by developing a pilot project on family-based care/foster care in four districts in Bihar state. Community awareness and mobilization activities on foster care have commenced, a mapping of registered orphanages and other child institutions was undertaken, the design of the foster care pilot completed, and the identification of foster care families started.

During the first six months of 2020, the pilot was put on hold due to the Covid-19 crisis. At this time we also undertook a review of our support to CEAC and the decision was reached to no longer fund the work of the centre. However, the Foundation is developing ways to continue to support their important work in Bihar and provide CEAC with technical support as they move forward to deliver the pilot project.



## THE MARTIN JAMES FOUNDATION

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PERIOD ENDED 31 DECEMBER 2019

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#### ***HOPE Centre with Arabian Medical Relief (AMR), Jordan***

Founded in 2012, Arabian Medical Relief (AMR) is a Jordanian charity which specialises in providing health services to vulnerable citizens and refugees. The Martin James Foundation has worked with AMR since 2016 on the establishment of the HOPE Center, which is a rehabilitation service for children based within the Zaatari refugee camp in northern Jordan, close to the border with Syria. The center delivers both physical and psychological services for children who have suffered trauma from forced migration fleeing the conflict in Syria. The services include physical therapy, occupational therapy, psycho-social support and speech rehabilitation. In the first half of 2020 in partnership with AMR we were able to provide 4,000 therapeutic sessions to children and their families; 46 of the young people benefitting from these sessions were discharged with successful outcomes.

Due to Covid-19, lockdown measures across the refugee camp were necessary to safeguard children and families. We worked with colleagues at the HOPE Centre to implement new ways to deliver services. The staff at the HOPE Center used technology to engage families and continue to deliver services with minimal disruption using video calls. Activities within the camp have now resumed with social distancing and sanitising measures in place with no recorded Covid-19 cases in the first six months of 2020.

#### ***FAMadagascar***

In 2020, MJF began working in partnership with FAMadagascar, a non-governmental organisation that provides family strengthening services and is working to develop foster care programmes. The charity is working with the Malagasy government to facilitate in-country kinship/foster care for children at risk and are supporting many vulnerable families who would have no choice but to place their children in orphanage centres.

During the first months of the Covid-19 pandemic, people who were homeless in Madagascar's capital city, Antananarivo, were accommodated in a government shelter during the associated lockdown restrictions. There were 15 pregnant women in the shelter who were at-risk and needed to be housed and supported. MJF provided funding and resources for FAMadagascar to relocate the women out of the centre and into the community close to the maternity hospital. MJF funded a social work position to support this work that includes establishing sustainable psychosocial support plans. The project has prevented these children from being separated from their families and entering orphanages.

#### ***One Sky Foundation, Thailand***

Another new partnership for MJF in 2020 is with One Sky Foundation, in Thailand, who provide support to children and families in a remote area along the Thai/Myanmar border. Many of the families are undocumented and restricted in the areas they can travel. The area faces many social and economic challenges and there are currently 17 unregistered orphanages in this small district. The vast majority of the children living in these orphanages have families living nearby. However, extreme poverty is a driver that results in many families making the difficult decision to place their children in an orphanage, so they get their basic needs met and have the opportunity to access education.

In the first six months of 2020, MJF provided funding to One Sky to support their family strengthening work, which plays a vital role in keeping children in their families and out of institutional care settings.

During the Covid-19 pandemic, One Sky provided vulnerable families with a range of practical assistance. One Sky distributed food supplies, helped people secure employment, supported children into education with scholarships and helped people access therapy through their team of social workers.

## THE MARTIN JAMES FOUNDATION

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#### ***EuroChild, Europe***

In 2020 we developed a partnership with EuroChild, a network of organisations across Europe that seeks to promote child rights and wellbeing. They are influential advocates in the European Parliament and a key network promoting the reform of alternative care. Although progress has been made in child welfare, there are still many countries across Europe that rely on institutional forms of care, despite the research evidence showing that children's behavioural, social and emotional development is better in family-based care.

The partnership was initially focused on advocacy and developing thematic position papers. However, with the unfolding Covid-19 pandemic we worked with Eurochild to shift the focus of our work in order to respond to the crisis. As a result, we are now supporting Eurochild to monitor and track the impact of Covid-19 on child welfare and alternative care across Europe.

The partnership is also providing technical support and funding to the following three projects that are developing family-based care. The Roots Research Centre in Greece who are training social workers in family-based care as well as starting to develop one of the first supported lodgings programmes for care leavers in their country. FICE Croatia who are training social workers on the recruitment of foster carers and they are also developing resources about family-based care to distribute to institutions. The Polish Foster Care Coalition is undertaking a range of training for their members including an event in December 2020 to bring together a range of policy actors including government ministers for a panel discussion on alternative care reform and deinstitutionalisation.

#### ***Lumos, Colombia***

In Columbia, children growing up without parental care are predominately placed in orphanages and large institutions. However, there is now a growing number of foster carers across the country.

During the past six months, MJF has been working in partnership with Lumos to train social workers in Colombia so that this growth in foster care continues. Our training is supporting colleagues in the Michin Foundation in Bogota with their efforts to move children from orphanages into families. The training has focused on ways to recruit, assess and support foster carers. The partnership is building capacity amongst civil society groups and supporting efforts to implement family-based care, whilst ensuring the care is high quality and safeguarding children.

#### ***RELAF, South America***

In July 2019, MJF developed a partnership with RELAF ('*Red Latinoamericana de Acogimiento Familiar*' the Latin American Foster Care Network). RELAF was founded in 2003 and it is and promotes the right to community and family-based care for children. MJF is supporting RELAF to strengthen their advocacy and communications capacity to better prevent and stop the incarceration of children and adolescents and promote the right of every child to live in a family and community.

In the first half of 2020, the Foundation supported the Guanajuato, Mexico International Seminar, "*Everyone deserves a family*". In addition, MJF provided support to strengthen national network members' advocacy and childcare technical capacity in three countries: Argentina, Chile and Mexico.

As a result of the Covid-19 pandemic the focus of the MJF RELAF partnership has been on responding to the worsening situation for children's welfare in the region. MJF funding was pivoted away from advocacy work in order to establish a crisis line for practitioners and policy actors to access up-to-date advice and support on ways to develop and deliver alternative care during the pandemic that are in the best interests of the children.

## THE MARTIN JAMES FOUNDATION

### TRUSTEES REPORT

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#### ***University of Bath, United Kingdom and Thammasat University, Thailand***

The Martin James Foundation is funding a two-year research project in Thailand that is exploring children's experiences of alternative care. The project is a collaboration between the University of Bath in the UK and Thammasat University in Thailand. Much of the existing research on alternative care has had a focus on measuring children's outcomes and there is a lack of approaches that seek to understand the children and families experience. These narratives are important as they have the potential to shift public perceptions, and also influence future policy and practice.

This research will aim to collect and share the experiences of children growing up without the care of parents, in settings such as orphanages, residential schools and temples. A child rights perspective underpins this research, with the premise that research about children's lives needs to include children's voices. The project is using arts-based methods to gain understandings of what is like to grow up in care in Thailand.

During the past six months, and the researchers have undertaken field work in Mae Sot, Pattaya and Bangkok and have reached over 40 children and young people.

#### **Future developments**

Over the coming twelve months, MJF will continue to develop work in other locations where we can have a strategic impact. For example, MJF is exploring potential collaboration opportunities with the Maldives Ministry of Gender, Family and Social Services and UNICEF Maldives to deliver training to government social work practitioners.

Within our existing funded projects, in 2020 we are aiming to develop the network further by adopting a specific focus on the Association of Southeast Asian Nations (ASEAN) region. We will achieve this by linking established civil society networks in Thailand and Indonesia and then broadening the scope to include groups from across the ASEAN region.

In Indonesia, since 2019, we have held three Asia Care Network events in Jakarta that were attended by key stakeholders in care reform, including representatives from the government, NGO's and advocates. Through these Asia Care Network events MJF became actively involved in supporting the Asuh Siaga Alliance which has a focus on promoting family-based care and developing family support services. Asuh Siaga is now a legally registered association and consists of over 23 key NGOs as members. Members of the network are involved in delivering the Government of Indonesia's Pilot Foster Care Project. In 2020 we are planning a series of training events to support these pilot programmes and help strengthen the capacity of Asuh Siaga we are providing funding and technical support for the development a training programme for 2020. There are 13 training sessions planned that focus on developing family-based care. Through this training MJF is contributing to the government's pilot foster care projects, which are vital to support the reform of alternative care in Indonesia.

In Madagascar, MJF recently held meetings with FAMadagascar, the Malagasy Government and UNICEF to support the development of a foster care handbook. The Covid-19 pandemic has slowed the passing of a new foster care law, but this is close to being passed by the government and at that point MJF will support FAMadagascar to implement one of the first foster care pilot projects in the country.

In Jordan, after a review of the partnership we are approaching the end of our ongoing work with the Arabian Medical Relief's HOPE Center in Zaatari refugee camp. Over the next 12 months, MJF will support the HOPE Centre as they transition to their next stage through exploring alternative funding streams and delivery modalities to enable a sustainable ongoing provision of services.

Finally in Thailand, we are looking to further develop our partnership with OneSky with technical and funding support to develop a kinship and foster care service. The aim is to ensure children who need alternative care remain in their extended families and kinship networks and stay out of institutions that remove them from their loved ones, their communities and culture.

## THE MARTIN JAMES FOUNDATION

### TRUSTEES REPORT

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#### **Financial Review**

The financial review and consolidated financial statements incorporate the results of The Martin James Foundation (MJF) and its overseas not-for-profit affiliates.

#### ***The Martin James Foundation***

During the 6-month period to 30 June 2020 MJF has continued to work towards fulfilling its charitable objectives, developing new working partnerships with organisations such as Eurochild and FAMInternational and strengthening existing relationships. The process of legally transferring the Intellectual Property (IP) held in Key Assets Children's Services Provider to MJF is still in progress. The right for the charity to use the IP remains in place.

The charity generated a surplus of £765k for the six-month period to June 2020. This has strengthened the net asset and reserves position at the period end.

Total income for the 6 months to June 2020 was £1,899k of which £1,440k was donations received from The Key Assets Group Limited. Restricted donations of £42k were received and income of £412k was generated from licence fee charges to the not-for-profit affiliates.

Restricted donations of £42k in respect of the Hope Centre project were fully expensed against medical costs within the period. Donations for this project ceased in April 2020 but MJF continue to support the Hope Centre, bearing the costs of medical provisions themselves.

Total expenditure of £1,135k includes £391k of UK and international direct project spend (see strategic plan for details) and £736k of support and governance costs.

During the period the EPIC Youth project was founded with the launch planned to take place in the 20/21 financial year. Due to the COVID-19 pandemic MJF made the decision to support care leavers earlier than originally intended.

At 30 June 20 restricted reserves were nil and unrestricted reserves were £15k.

#### ***The Martin James Foundation and associated not-for-profit affiliates***

During the period the not-for-profit affiliates continue to perform well both operationally and financially with limited negative impact from COVID-19.

Total consolidated income for the period is £27,115k of which £25,413k is generated by the group's charitable activities and £1,513k is donations and legacies.

Total consolidated expenditure for the period totals £24,972k of which £24,810k is spent on charitable activities both direct and support.

As at 30 June 2020 the balance sheet shows consolidated reserves of £4,260k and consolidated cash reserves of £7,423k.

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#### Investment policy

MJF invests in order to further the charity's charitable aims, taking into consideration the environmental, social and governance aspects of the investments in line with our values.

The purpose of this policy is to ensure that MJF will:

- Make and divest investments in line with agreed parameters set by trustees;
- Ensure that funds are invested in a diversified set of funds in order to ensure a balance of returns and mitigation of risks, and protect the charity's invested funds;
- Achieve alignment of the investment policy and statements published in the annual report and accounts.

The objective for MJF's investments is to outperform cash without significantly increasing risk.

Cash holdings above the day to day needs of the organisation should be invested to generate a return to boost Unrestricted Funds.

All funds will be invested, monitored and recorded in accordance with the Charities SORP FRS102.

#### Reserves policy

The reserves policy for MJF is currently being developed with the intention to finalise mid 2021. Although calculations and timeframes are due to be agreed, the concept the charity wishes to adopt has been agreed in principal.

##### Unrestricted Reserves: Core

In deciding a suitable level of unrestricted reserves required MJF have chosen to designate an element of reserves to core expenditure. This reserve will ensure the charity can sustain operations for an agreed term, covering costs such as staff and office. Initially the level will be calculated for a minimum term with the intention to build the reserves up to a target that will reviewed annually.

##### Unrestricted Reserves: Other

Other Unrestricted Funds may be used to deal with emergency situations or financial shocks. MJF may choose to access reserves to meet the organisational needs for one-time, non-recurring expenses that will build long-term capacity, such as staff development, research and development, special projects or investment in infrastructure. Such Funds may also be transferred to fund specific projects, either supplementing or providing start-up funding for projects which are not fully funded by Restricted Funds. A target reserve is yet to be agreed but will be maintained over and above the amount reserved for core expenditure.

##### Restricted Reserves

Restricted Reserves consist of:

- a. Unspent funds received from donors for specific programmes; in the event that funds received are not due to be recognised as income, such funds will instead be recorded as Deferred Income and recognised as income in future periods;
- b. Funds allocated from MJF's Unrestricted Funds to specifically support an individual programme but for which no grant has yet been booked; when a grant is made the Restricted Reserve is reduced and replaced by a Grant Creditor, pending spending of funds. In the event that a programme does not require the full funding allocation the unspent balance may be de-restricted and returned to Unrestricted Funds.

MJF will not hold a target for Restricted Funds and these funds are not included within reserves targets.

Each programme that is accounted for through Restricted Funds aims to remain within the income budget and to manage cash flow without the need for additional injection of funds. Expenditure should therefore always be limited to funds available.

## **THE MARTIN JAMES FOUNDATION**

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#### **Reserves policy - continued**

##### Group Reserves

Upon consolidation the subsidiaries reserves have been allocated fully to Restricted Funds. Although the Group have aligned goals and purpose the Charity is not entitled to use the Subsidiaries reserves freely to benefit its own operations.

Where deficit reserves have been inherited on acquisition, plans are in place to monitor and assist in bringing the Funds into a surplus position in the future.

##### Cash Reserves

The Board have agreed to maintain cash reserves at a level where if the Charity was to cease all future commitments could be fulfilled. This level will be reviewed annually with the intention to build up on existing reserves without impacting charitable activities

#### **Grant making policy**

MJF works in partnership with a number of organisations. Grants payable are made in line with strategic and business plans. We monitor grants operationally and financially throughout the term and particularly at the end of the grant. The annual planning process includes earmarking funding to be made available for grants in the following year.

#### **Statement of public benefit**

Trustees have paid due regard to the Charity Commission's public benefit guidance and are satisfied that the charity complies with the Charities Act 2011. The information given at the beginning of this Trustees' Report outlines in detail the Foundation's activities and achievements in working for the public benefit to improve the life opportunities of young people.

Overall, during the past year, 1,053 looked after children were supported in foster care placements, and 386 families were supported through direct provision of family support services. Through our partnerships, the Foundation provided funding and support to seven organisations. Within this support the Foundation also funded two academic partnerships to undertake research and support wider, systems-level change.

#### **Approach to fundraising**

Our fundraising work is undertaken by our employees we do not use professional fundraisers or commercial participants. The majority of MJF's funds are raised through Key Asset Group fees and private donations. MJF has also launched a JustGiving page which collects donations from individuals. Funds are also received through our involvement with the local business network BNI Solihull and payroll donations via a salary sacrifice scheme (Give as you Earn) from staff within the Martin James Network. Our fundraising strategy includes plans to diversify sources of funding to support and expand charitable activities in the UK and around the world.

We closely monitor the quality of our fundraising work and review any related complaints from donors or members of the public. The quality of our fundraising work is discussed and monitored on regular basis during team meetings and it is reviewed quarterly at board. We are currently in the process of registering with The Fundraising Regulator and from that quality will be governed by their Code of Fundraising Practice. During the first six months of 2020, we did not receive any complaints about our fundraising work.

## **THE MARTIN JAMES FOUNDATION**

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**PERIOD ENDED 30 JUNE 2020**

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#### **Trustees' assessment of going concern status**

The Trustees have considered the risks facing the charity, the forecast of cash flows and the level of reserves and are satisfied that MJF will be able to meet all financial obligations as they fall due over the next 12 months following the audit and therefore conclude that the charity is a going concern.

The Board have reviewed the going concern principle of accounting as part of its annual review in light of the COVID-19 pandemic.

The spread of COVID-19 has severely impacted many local economies around the globe. In many countries, businesses are being forced to cease or limit operations for long or indefinite periods of time. Measures taken to contain the spread of the virus, including travel bans, quarantines, social distancing, and closures of non-essential services have triggered significant disruptions to businesses worldwide, resulting in an economic slowdown.

Whilst the longer-term effects remain unclear MJF and affiliates have successfully adapted to ensure this has not had a detrimental impact. The impact we have seen to date is static placement numbers with a reduction in costs, as a result of the limitations on travel.

Regular forecasting processes have taken into consideration the current climate and its potential impact on both income and expenditure. The Board has reasonable expectation that there are adequate resources and control mechanisms to continue in operational existence for the foreseeable future. As a result the Board deems it suitable to continue reporting on the going concern basis.

#### **Principal risks and uncertainties**

##### **Risk management**

The trustees and executive team believe that sound risk management is integral to good management and governance, and that risk management forms an integral part of MJF's decision-making, and its strategic and operational planning.

In line with Charity Commission risk management guidance, the organisation maintains a Risk Management Policy and a risk register covering key strategic risks, which is updated at least twice a year and more frequently where the need arises, or the risks are more volatile. The register considers risks within the following categories:

- Operational
- Financial
- External
- Governance

Risks are assessed in terms of likelihood and potential impact. The risk register includes any relevant risk mitigation and actions required, and records the resulting retained risk. At each review, trustees consider the level of retained risk and decide whether this is acceptable. All new projects will include a consideration of the key risks involved.

MJF reviews and monitors the effectiveness of the risk management framework regularly and updates it as required.

## THE MARTIN JAMES FOUNDATION

### TRUSTEES REPORT

PERIOD ENDED 30 JUNE 2020

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#### **Operational risks**

The Key Assets not for profit affiliates have over 10 years' experience of managing social care risks which has enabled the development of robust policies, procedures and systems. These are continually reviewed to ensure that they are appropriate and provide mitigation against any new risks identified.

The main areas of focus are: safeguarding and child protection, regulatory compliance and inspection results, service provision, data protection, customer service, financial management and employee related matters. The Foundation group operates a Quality Assurance and Safeguarding Board that each company and region attend to scrutinise practice and development.

#### **Financial risks**

The Foundation's operations expose it to a variety of financial risks that include pressure on credit risk, liquidity risk, cash flow and interest rate risk and foreign exchange risk. The foundation has in place a risk management programme that seeks to limit the adverse effects on the financial performance of the group by monitoring levels of income, expenditure and liquidity.

##### *Credit risk*

Almost all of the affiliates partners are government agencies or government funded non-government agencies and as such this risk is relatively low.

##### *Foreign exchange risk*

The group of affiliates do not trade between international subsidiaries but has a treasury management function to mitigate this risk. The currency risk of holding assets and liabilities in foreign currencies across the group is managed by partially matching foreign currency assets with foreign currency liabilities.

## **Governance**

#### **Governing document**

MJF is a Charitable Incorporated Organisation incorporated on 2 July 2018. It is governed by its Constitution as last amended and dated 2 September 2019, and is a registered charity with the Charity Commission of England and Wales. The charity's registered address is Vicarage Court, 4 Vicarage Road, Edgbaston, Birmingham, B15 3ES. Our Charity Commission registration number is 1179016.

The governing document defines the objects of the charity as being 'the relief of those in need by reason of their poverty, financial hardship, youth, age, infirmity, physical or mental distress or suffering, social or economic circumstances (including as a result of war, natural disaster, trouble or catastrophe) either generally or individually amongst children, young people and families in the UK and worldwide'.

#### **Organisation**

MJF's Board of Trustees, which can have up to 12 members, oversees the charity. The trustees meet at Board 4 times a year when they consider the strategic direction and governance of the Foundation. Trustees are responsible for setting strategy and are responsible in law for the running of the Foundation.

New trustees are appointed at duly convened meetings for a period of three years after which they are eligible for re-election for a further three years. The Board has adopted formal procedures for the recruitment, selection, and induction of new trustees.

Following the appointment of new members, an induction programme is arranged which aims to give the individuals the information and tools they need to fulfil their legal obligations as well as to play an effective role on the Board. The induction involves reading material, visits to the offices as well as access to staff. During the term of office of trustees, opportunities for on-going training are offered either through specifically arranged sessions or less formally through recommended reading lists.



## THE MARTIN JAMES FOUNDATION

### TRUSTEES REPORT

#### PERIOD ENDED 30 JUNE 2020

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The CEO and senior team are appointed by the Trustees to oversee the day-to-day operations of the charity and hold delegated authority for operational matters including finance and employment. The CEO and trustees meet on a monthly basis to discuss such matters.

The Finance and Governance committee meets quarterly and have trustee representation, both internal and independent.

#### **Remuneration statement**

Pay and benefits for the Chief Executive Officer (CEO) are determined by the Board. When deciding pay and benefits for the rest of the organisation, including the Executive team (except the CEO), salary survey information and other relevant data is used as a benchmark to compare against similar organisations in the voluntary sector. Key management salaries are decided upon appointment and reviewed on an annual basis in line with the organisation's Pay Policy.

#### **Related Parties**

MJF and its overseas not-for-profit affiliates form part of two larger networks, The Key Assets Group and the Martin James Network.

The Key Assets Group is a for profit European fostering group made up of businesses operating in the UK, Ireland, Finland, Sweden and Norway. The group's immediate and ultimate parent company is the Martin James Group. Mr M J S Cockburn, the Chair of The Martin James Foundation is a director of each entity of the group and is the ultimate controlling party in view of his controlling interest in the share capital of Martin James Group. MJF receives donations from The Key Assets Group for use of the Key Assets Intellectual Property.

The Martin James Network is a diverse network of companies based in the United Kingdom. The below companies provide services to MJF and the wider not for profit affiliates:

- Agility UK Limited – Car lease
- Antser Tech Solutions Limited – IT support and services
- Martin James Group – management services
- Number One Park Limited – property rent
- Pengower Limited – IT services
- Tibera Limited – Marketing

Mr M J S Cockburn is a director of all the above companies.

Dr J Rogers was a previous employee of Bath University when MJF started funding the joint Bath/Thammasat academic research project in October 2019. Dr Rogers is the lead researcher on this project and supervises the research team in Thailand. Dr Rogers left the employment of Bath in April 2020 and joined MJF as the Director of Programmes and Knowledge. He was subsequently promoted to CEO in January 2021. On leaving Bath Dr Rogers maintained an unpaid affiliation to Bath as a visiting fellow and he continues to lead the research project, which he receives no financial remuneration for.

Detailed related party transactions are disclosed in note 19 to the financial statements.

## **THE MARTIN JAMES FOUNDATION**

### **TRUSTEES REPORT**

**PERIOD ENDED 30 JUNE 2020**

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#### **Statement of Trustees' Responsibilities**

The Trustees are responsible for preparing the Strategic Report, Trustees Report and the financial statements in accordance with applicable law and regulations.

Company law requires the Trustees to prepare financial statements for each financial year in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the Trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the group and charity and of the incoming resources and applicable resources, including the income and expenditure of the group and charity for that period.

In preparing these financial statements, the Trustees are required to:

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

The Trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the charity's transactions and disclose with reasonable accuracy at any time the financial position of the charity and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Board of Trustees approved this report on 26 April 2021

M J S Cockburn  
**Chairman**

## INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES OF THE MARTIN JAMES FOUNDATION

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### Opinion

We have audited the financial statements of The Martin James Foundation (the 'parent charity') and its subsidiaries (the 'group') for the period ended 30 June 2020 which comprise the consolidated statement of financial activities, consolidated balance sheet, charity balance sheet, consolidated cash flow statement and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the group's and parent charity's affairs as at 30 June 2020 and of the group's incoming resources and application of resources 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 Charities Act 2011.

### Basis of Opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the group and parent charity in accordance with ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### Conclusions relating to going concern

In auditing the financial statements, we have concluded that the Trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the group and parent charity's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the Trustees with respect to going concern are described in the relevant sections of this report.

### Other information

The trustees are responsible for the other information. The other information comprises the information included in the trustees' report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

## INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES OF THE MARTIN JAMES FOUNDATION

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

We have nothing to report in respect of the following matters in relation to which the Charities (Accounts and Reports) Regulations 2008 require us to report to you if, in our opinion:

- the information given in the financial statements is inconsistent in any material respect with the trustees' report; or
- sufficient accounting records have not been kept; or
- the parent charity's financial statements are not in agreement with the accounting records; or
- we have not received all the information and explanations we require for our audit.

### **Responsibilities of trustees**

As explained more fully in the trustees' responsibilities statement, the trustees are responsible for the preparation of financial statements which give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the group's and parent charity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the group or the parent charity or to cease operations, or have no realistic alternative but to do so.

### **Auditor's responsibilities for the audit of the financial statements**

We have been appointed as auditor under section 144 of the Charities Act 2011 and report in accordance with the Act and relevant regulations made or having effect thereunder.

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

- Enquiry of management and those charged with governance around the actual and potential litigation and claims;
- Performing audit work over the risk of management override of controls, including testing of unusual transactions for appropriateness;
- Reviewing financial statement disclosures and testing to supporting documentation to assess compliance with the applicable laws and regulations;
- Review of legal and professional analysis and board minutes for indications of any actual or potential litigation;
- Review of accounting estimates for depreciation, amortisation and cost allocation for indications of management bias.

Because of inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance.

**INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES OF  
THE MARTIN JAMES FOUNDATION**

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The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves internal concealment, forgery, collusion, omission or misrepresentation.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website [www.frc.org.uk/auditorresponsibilities](http://www.frc.org.uk/auditorresponsibilities). This description forms part of our auditor's report.

**Use of our report**

This report is made solely to the charity's trustees, as a body, in accordance with Part 4 of the Charities (Accounts and Reports) Regulations 2008. 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 auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charity and the charity's trustees as a body, for our audit work, for this report, or for the opinions we have formed.

**MHA MacIntyre Hudson (Statutory Auditor)**

Chartered Accountants  
Rutland House  
148 Edmund Street  
Birmingham  
B3 2FD  
29 April 2021

*MHA MacIntyre Hudson is eligible to act as an auditor in terms of section 1212 of the Companies Act 2006.*

**THE MARTIN JAMES FOUNDATION**

**CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES**  
(incorporating an Income and Expenditure Account)

**PERIOD ENDED 30 JUNE 2020**

				6 months ended 30 June 2020 Total Funds £'000	18 months ended 31 December 2019 Total Funds £'000
	<b>Notes</b>	<b>Restricted £'000</b>	<b>Unrestricted £'000</b>		
<b>Income and endowments from:</b>					
Donations and legacies	4	73	1,440	<b>1,513</b>	2,204
Charitable activities	5	25,413	-	<b>25,413</b>	22,740
Other trading income	6	84	33	<b>117</b>	454
Investments		22	-	<b>22</b>	27
Other		<u>50</u>	<u>-</u>	<b><u>50</u></b>	<u>11</u>
<b>Total income</b>		25,642	1,473	<b>27,115</b>	25,436
<b>Expenditure:</b>	7				
Raising funds		162	-	<b>162</b>	76
Charitable activities		24,443	367	<b>24,810</b>	23,411
Other		<u>-</u>	<u>-</u>	<b><u>-</u></b>	<u>2</u>
<b>Total expenditure</b>		24,605	367	<b>24,972</b>	23,489
<b>Net Income/(expenditure) pre investment gains and losses</b>		1,037	1,106	<b>2,143</b>	1,947
Net gains on investments		<u>-</u>	<u>9</u>	<b><u>9</u></b>	<u>3</u>
<b>Net Income/(Expenditure)</b>		1,037	1,115	<b>2,152</b>	1,950
Other recognised gains/(losses)		<u>250</u>	<u>-</u>	<b><u>250</u></b>	<u>(92)</u>
<b>Net Movement in Funds</b>		1,287	1,115	<b>2,402</b>	1,858
Fund balances brought forward		<u>3,306</u>	<u>(1,448)</u>	<b><u>1,858</u></b>	<u>-</u>
<b>Fund balances carried forward</b>		<u>4,593</u>	<u>(333)</u>	<b><u>4,260</u></b>	<u>1,858</u>

All of the above results are derived from continuing activities.

All gains and losses in the year are included above.

The current period is a six month period ended 30 June 2020. The prior period is the period from incorporation on 2 July 2018 to 31 December 2019.

The notes on pages 25 to 43 form part of these financial statements.

**THE MARTIN JAMES FOUNDATION**  
**CONSOLIDATED BALANCE SHEET**  
**PERIOD ENDED 30 JUNE 2020**

	Notes	30 June 2020		31 December 2019	
		£'000	£'000	£'000	£'000
<b>Fixed assets</b>					
Intangible assets	11	493		496	
Tangible assets	12	3,263		3,115	
Investments	13	<u>9</u>		<u>-</u>	
			<b>3,765</b>		3,611
<b>Current assets</b>					
Debtors due within one year	14	3,358		2,660	
Cash at bank and in hand		<u>7,423</u>		<u>8,405</u>	
		<b>10,781</b>		11,065	
<b>Creditors: Amounts falling due within one year</b>	15	<b><u>(9,714)</u></b>		<b><u>(12,208)</u></b>	
<b>Net Current Assets/(Liabilities)</b>			<b><u>1,067</u></b>		<b><u>(1,143)</u></b>
<b>Total Assets less Current Liabilities</b>			<b>4,832</b>		2,468
<b>Creditors: Amounts falling due after more than one year</b>	16		<b><u>(572)</u></b>		<b><u>(610)</u></b>
<b>Net Assets</b>			<b><u>4,260</u></b>		<b><u>1,858</u></b>
<b>Funds:</b>	17				
Unrestricted funds			<b>(333)</b>		(1,448)
Restricted funds			<b><u>4,593</u></b>		<b><u>3,306</u></b>
<b>Total Funds</b>			<b><u>4,260</u></b>		<b><u>1,858</u></b>

The financial statements were approved by the trustees on 26 April 2021 and signed on their behalf by:

J C Cockburn  
**Chairman**

The notes on pages 25 to 43 form part of these financial statements.

**THE MARTIN JAMES FOUNDATION**

**CHARITY BALANCE SHEET**

**PERIOD ENDED 30 JUNE 2020**

	Notes	30 June 2020		31 December 2019	
		£'000	£'000	£'000	£'000
<b>Fixed assets</b>					
Intangible assets	11	347		693	
Tangible assets		-		-	
Investments		<u>-</u>		<u>-</u>	
			347		693
<b>Current assets</b>					
Debtors due within one year	14	474		203	
Cash at bank and in hand		<u>52</u>		<u>205</u>	
		526		408	
<b>Creditors: Amounts falling due within one year</b>	15	<u>(861)</u>		<u>(1,854)</u>	
<b>Net Current Liabilities</b>			<u>(335)</u>		<u>(1,446)</u>
<b>Total Assets less Current Liabilities</b>			12		(753)
<b>Creditors: Amounts falling due after more than one year</b>			<u>-</u>		<u>-</u>
<b>Net Assets/(Liabilities)</b>			<u>12</u>		<u>(753)</u>
<b>Funds:</b>	17				
Unrestricted funds			15		(755)
Restricted funds			<u>(3)</u>		<u>2</u>
<b>Total Funds</b>			<u>12</u>		<u>(753)</u>

The financial statements were approved by the trustees on 26 April 2021 and signed on their behalf by:

J C Cockburn  
**Chairman**

The notes on pages 25 to 43 form part of these financial statements.



**THE MARTIN JAMES FOUNDATION**  
**CONSOLIDATED CASH FLOW STATEMENT**  
**PERIOD ENDED 30 JUNE 2020**

	Notes	6 months ended 30 June 2020 £'000	18 months ended 31 December 2019 £'000
<b>Net cash provided by/(used in) operating activities</b>	24	<b>(641)</b>	2,664
<b>Cash flows from investing activities</b>			
Interest paid		(14)	(32)
Interest received		31	27
Payments to acquire tangible and fixed assets		(317)	(1,501)
Payments to acquire intangible fixed assets		(8)	-
Payments to acquire investments		(9)	-
Cashflow from acquisitions		<u>-</u>	<u>7,263</u>
<b>Net cash provided by/(used in) investing activities</b>		<b><u>(317)</u></b>	<b><u>5,757</u></b>
<b>Cash flows from taxation</b>			
Corporation tax paid		<u>(16)</u>	<u>(16)</u>
<b>Net cash used in taxation</b>		<b><u>(16)</u></b>	<b><u>(16)</u></b>
<b>Financing activities</b>			
Repayments of bank loans		<u>(8)</u>	<u>-</u>
<b>Net cash used in financing activities</b>		<b><u>(8)</u></b>	<b><u>-</u></b>
<b>Change in cash and cash equivalents in the reporting year</b>		<b>(982)</b>	8,405
Cash and cash equivalents at beginning of the reporting year		<b><u>8,405</u></b>	<u>-</u>
Cash and cash equivalents at end of the reporting year	25	<b><u>7,423</u></b>	<b><u>8,405</u></b>

The Martin James Foundation uses the exemption conferred by section 1.12 of FRS102 in not preparing a separate cash flow statement for the charity as a separate entity.

The notes on pages 25 to 43 form part of these financial statements.

# THE MARTIN JAMES FOUNDATION

## NOTES TO THE FINANCIAL STATEMENTS

PERIOD ENDED 30 JUNE 2020

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### 1. General Information

The Martin James Foundation is a charitable incorporated organisation, registration number CE014179 and registered with the Charity Commission with charity registration number 1179016. The registered office is shown on the Reference and Administrative details page.

The charity was incorporated and commenced activities on 2 July 2018 and its first accounting period was from incorporation to 31 December 2019. During that period, the charity acquired various not-for-profit organisations, which are treated as subsidiaries as detailed in note 26.

The charity and its subsidiaries have amended their accounting period end to 30 June to bring in line with the largest subsidiary's reporting period which is now required by local legislation to prepare its financial statements to 30 June. The current accounting period therefore reports on a six month period ending 30 June 2020.

### 2. Accounting Policies

#### a) Basis of preparation

The financial statements have been prepared under the historical cost convention. The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice (SORP) applicable to charities preparing their financial statements in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019) – (Charities SORP (FRS 102)).

The functional currency of the group is pounds sterling.

At 30 June 2020, the charity has net current liabilities of £335k. The trustees have taken into account the uncertainties caused by the COVID-19 pandemic and have concluded that, although operational difficulties have arisen in some jurisdictions, the group has not been significantly impacted financially. The charity has received confirmation of continuing financial support from one of its trustees and with this level of support in mind, forecasts have been produced which show that the group has sufficient liquid resources to be able to continue to operate for a period of at least 12 months from the date of approval of these financial statements. Therefore these financial statements have been prepared on a going concern basis.

#### b) Basis of consolidation

The consolidated financial statements present the results of the charity and its own subsidiaries ("the Group") as if they form a single entity. Inter-company transactions and balances between group entities are therefore eliminated in full.

The consolidated financial statements incorporate the results of business combinations using the purchase method. In the consolidated balance sheet, the acquiree's identifiable assets, liabilities and contingent liabilities are initially recognised at their fair values at the acquisition date. The difference between the fair value of the consideration and the fair value of the net assets acquired are shown as a donation in the consolidated statement of financial activities. The results of acquired operations are included in the consolidated statement of financial activities from the date on which control is obtained. They are deconsolidated from the date control ceases.

## THE MARTIN JAMES FOUNDATION

### NOTES TO THE FINANCIAL STATEMENTS

PERIOD ENDED 30 JUNE 2020

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#### 2. Accounting Policies (continued)

##### b) Basis of consolidation - continued

All of the entities included in the consolidated financial statements, are not for profit entities (overseas entities are registered as charities in their own jurisdiction). The entities across the Group are referred to as Affiliates. The Affiliates are deemed to be subsidiaries for UK accounting purposes due to the control exercised by the charity. Control arises where the charity is the sole member of the Affiliate in addition to the way in which it works closely with the Affiliate. The Affiliate has common goals and purpose, operationally reports its monthly finances to the charity and engages in regular CEO calls to encourage collaboration. Key decisions as to strategic direction are taken only with the agreement of the charity's trustees.

None of the subsidiary entities are permitted to transfer funds to the charity by way of dividend or other distribution of reserves by virtue of their respective constitutions and/or their charitable status in their particular jurisdiction and therefore treated as restricted funds within the Group.

##### c) Fund accounting

**Unrestricted funds** are fund which are available for use at the discretion of the trustees in furtherance of the general objectives of the charity and which have not been designed for other purposes. This includes funds received under supply contracts which may be restricted as their purpose but cannot be classed as such due to their legal status.

**Restricted funds** are funds which are to be used in accordance with specific restrictions imposed by donors. The cost of administering such funds is charged against each specific fund. The aim and use of each restricted fund are set out in note 2 to the financial statements.

Restricted funds in the consolidated balance sheet include funds held within the subsidiary organisations which can only be used to further the objectives of those subsidiaries and are restricted for use in the jurisdiction in which those organisations operate.

##### d) Incoming resources

All incoming resources are included in the SOFA when the charity is legally entitled to the income and the amount can be quantified with reasonable accuracy.

Donation are included at the sooner of receipt of cash or when the group has received unconditional confirmation of entitlement and receipt is probable.

Franchise fees are included on an accruals basis in the period to which the fees relate.

Fees receivable in furtherance of the group's activities are included in the period the related service has been provided. Fees received in advance of entitlement from the provision of the service are deferred.

Grant income is accounted for on a receivable basis.

Income received in advance is deferred to future periods and released to the statement of financial activities in the period to which the income relates.

**THE MARTIN JAMES FOUNDATION**

**NOTES TO THE FINANCIAL STATEMENTS**

**PERIOD ENDED 30 JUNE 2020**

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**2. Accounting Policies (continued)**

**e) Resources expended**

All expenditure is accounted for on an accruals basis under activity headings that aggregate all costs relating to that activity. Expenditure that has been incurred or is expected to result in the transfer of economic benefits relating to a service that has been provided is included as a liability.

Grant expenditure is recognised when an irrecoverable commitment is given to the recipient and there are no remaining performance conditions that need to be met by the recipient where the likelihood of meeting those conditions is not considered probable.

Where possible costs have been allocated directly to the activity to which they relate and include direct staff and other costs in furthering the group's charitable objectives.

Support costs are those costs that are incurred by finance, human resources and administrative functions that enable the group's charitable income generating and governance activities to be undertaken. Those support costs which can be directly attributed to an activity have been allocated in full. Remaining support costs have been allocated to the charity's activities in proportion to the amount of staff time incurred in those activities.

Governance costs, which form part of support costs, are those costs which are incurred to enable the group to meet its governance and other legal obligations.

**f) Tangible fixed assets and depreciation**

Tangible fixed assets are stated at historical cost less accumulated depreciation. Depreciation is provided on all tangible fixed assets except freehold land at rates calculated to write off the cost of a straight-line basis over their expected useful economic lives as follows:

Freeholding buildings	- over 20 to 50 years
Leasehold improvements	- over the shorter of the lease term or 10 years
Fixtures, fittings and office equipment	- over 4 years
Computer equipment	- over 4 years

Expenditure is recognised as a fixed asset only if the economic life of the purchase can reasonably be expected to be at least as long as the depreciation period and purchase costs exceed £500.

**g) Intangible assets and amortisation**

Intangible assets are stated at historical cost less accumulated amortisation. Amortisation is provided on all intangible assets calculated to write off the cost on a straight line basis over the expected useful economic lives as follows:

Intellectual property	- over 10 years
Goodwill	- over 10 years

**h) Goodwill**

Goodwill represents the excess of the fair value of consideration paid on the acquisition of the assets and liabilities of a charitable organisation less the fair value of the net assets acquired.

## THE MARTIN JAMES FOUNDATION

### NOTES TO THE FINANCIAL STATEMENTS

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#### 2. Accounting Policies (continued)

##### i) Financial instruments

Basic financial assets, which include trade and other receivables and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

Cash and cash equivalents are basic financial assets and include cash in hand, and deposits held at call with banks.

Basic financial liabilities, including trade and other payables, bank loans, other taxation and social security, and amounts due to fellow group and related undertakings are classified as debt, are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future receipts

Basic financial assets, which include trade and other receivables and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

Cash and cash equivalents are basic financial assets and include cash in hand, and deposits held at call with banks.

Basic financial liabilities, including trade and other payables, bank loans, other taxation and social security, and amounts due to fellow group and related undertakings are classified as debt, are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future receipts discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised. Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

##### j) Pension costs

The pension costs for defined contribution benefit scheme are the contributions payable in the period.

##### k) Finance and operating leases

Rentals applicable to operating leases are charged in the SOFA over the period in which the cost is incurred. There are currently no assets purchased under finance leases.

##### l) Foreign currency transactions

Foreign currency transactions are translated into sterling at the rates ruling when they occurred. Foreign currency monetary assets and liabilities are translated at the rates ruling at the balance sheet date. Any differences are taken to the statement of financial activities.

Subsidiaries denominated in a foreign currency are translated into sterling using the average rate for items in the statement of financial activities, and the closing rate for items included in the balance sheet. Differences on retranslation of opening net assets and the statement of financial activities of the subsidiaries to the period end closing rate are included in the consolidated statement of financial activities.

## THE MARTIN JAMES FOUNDATION

### NOTES TO THE FINANCIAL STATEMENTS

PERIOD ENDED 30 JUNE 2020

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#### 3. Sources of estimation uncertainty

In the application of the group's accounting policies, the trustees are required to make judgments, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in that period of the revision and future periods.

#### Critical judgments

The following judgments (apart from those involving estimations) have had the most significant effect on amounts recognised in the financial statements.

- i To determine whether leases entered into by the company either as a lessor or a lessee are operating leases or finance leases depends on assessment of whether the risks and rewards of ownership have been transferred from the lessor to the lessee on a lease by lease basis.
- ii To determine whether there are indicators of impairment of the company's tangible assets the factors taken into consideration include the economic viability and expected future financial performance of the asset and where it is a component of a larger cash-generating unit, the viability and expected future performance of that unit. Tangible fixed assets (see note xx) are depreciated over their useful lives. The actual lives of the assets and residual values are assessed annually and may vary depending on a number of factors. In re-assessing asset lives factors such as maintenance programmes are taken into account. Residual value assessments consider issues such as future market conditions, the remaining life of the asset and projected disposal values.

#### Key Sources of Estimation Uncertainty

The key sources of estimation and uncertainty which have the highest risk of causing a material adjustment to the carrying amounts of assets and liabilities are:

- i *Useful lives of tangible and intangible fixed assets*  
Management reviews the useful lives of property, plant and equipment on a regular basis. Any changes in estimates may affect the carrying amounts of the respective property, plant and equipment or intangible asset with a corresponding effect on the related depreciation charge.
- ii *Provision for bad debts*  
An allowance for bad debts is made when collection of the full amount is no longer probable. Bad debts are written off when identified. The trade receivables balance is assessed at the end of each reporting period whether there is objective evidence of impairment and recognises a bad debt allowance if such evidence arises.
- iii *Fair values of net assets of acquired subsidiaries*  
The determination of the fair values of net assets of acquired subsidiaries involves estimations of the fair value of tangible and intangible fixed assets, which include assumptions on market factors and the value in use of such assets. In determining value in use, assumptions are made on future cash flows, taking into account asset lives and residual values.

THE MARTIN JAMES FOUNDATION

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4. Donations and legacies	<b>Restricted funds £'000</b>	<b>Unrestricted funds £'000</b>	<b>2020 Total £'000</b>
Donations received	<u>73</u>	<u>1,440</u>	<u>1,513</u>
Total	<u>73</u>	<u>1,440</u>	<u>1,513</u>
	<b>Restricted funds £'000</b>	<b>Unrestricted funds £'000</b>	<b>2019 Total £'000</b>
<i>Donations received</i>	145	68	213
<i>Fair value of net assets acquired with subsidiaries</i>	<u>-</u>	<u>1,991</u>	<u>1,991</u>
<i>Total</i>	<u>145</u>	<u>2,059</u>	<u>2,204</u>
5. Income from charitable activities		<b>Restricted funds £'000</b>	<b>2020 Total £'000</b>
MJF projects		9	9
Fostering		22,237	22,237
Fostering professional services		596	596
Family support income		665	665
Disability income		1,228	1,228
Child protection		428	428
Clinical services/training		102	102
Start-up costs (fostering placements)		<u>148</u>	<u>148</u>
Total		<u>25,413</u>	<u>25,413</u>

Included within income from charitable activities is income of £6,402k received from government bodies (both UK and overseas) under service level agreements for the provision of fostering related services. There are no unfulfilled conditions related to income recognised in this respect.

	<b>Restricted funds £'000</b>	<b>2019 Total £'000</b>
<i>MJF projects</i>	30	30
<i>Fostering</i>	19,112	19,112
<i>Fostering professional services</i>	291	291
<i>Family support income</i>	924	924
<i>Disability income</i>	1,705	1,705
<i>Child protection</i>	594	594
<i>Clinical services/training</i>	11	11
<i>Start-up costs (fostering placements)</i>	<u>73</u>	<u>73</u>
<i>Total</i>	<u>22,740</u>	<u>22,740</u>

Included within income from charitable activities is income of £16,008k received from government bodies (both UK and overseas) under service level agreements for the provision of fostering related services. There are no unfulfilled conditions related to income recognised in this respect.

THE MARTIN JAMES FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS

PERIOD ENDED 30 JUNE 2020

6. Income from other trading activities	Restricted funds £'000	Unrestricted funds £'000	2020 Total £'000	
License fees		19	19	
Other income	<u>84</u>	<u>14</u>	<u>98</u>	
<b>Total</b>	<u>84</u>	<u>33</u>	<u>117</u>	
	<i>Restricted</i> funds £'000	<i>Unrestricted</i> funds £'000	<i>2019</i> Total £'000	
<i>License fees</i>	-	33	33	
<i>Other income</i>	<u>414</u>	<u>7</u>	<u>421</u>	
<b>Total</b>	<u>414</u>	<u>40</u>	<u>454</u>	
	Grant funding £'000	Other direct costs £'000	Allocated support costs £'000	2020 Total £'000
<b>Costs of raising funds</b>	-	162	-	162
<b>Costs of activities in furtherance of the charity's objects</b>				
MJF projects	186	200	390	776
Fostering	-	16,487	4,900	21,387
Other	<u>-</u>	<u>2,019</u>	<u>628</u>	<u>2,647</u>
	<u>186</u>	<u>18,706</u>	<u>5,918</u>	<u>24,810</u>
<b>Other</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
	Grant funding £'000	Other direct costs £'000	Allocated support costs £'000	2019 Total £'000
<b>Costs of raising funds</b>		76		76
<b>Costs of activities in furtherance of the charity's objects</b>				
MJF projects	163	306	1,498	1,967
Fostering	-	13,125	5,293	18,418
Other	<u>-</u>	<u>2,242</u>	<u>784</u>	<u>3,026</u>
	<u>163</u>	<u>15,673</u>	<u>7,575</u>	<u>23,411</u>
<b>Other</b>	<u>-</u>	<u>2</u>	<u>-</u>	<u>2</u>



**THE MARTIN JAMES FOUNDATION**

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<b>8. Support Costs</b>	<b>2020</b>	2019
	<b>£'000</b>	£'000
Support salaries	<b>2,669</b>	3,235
Premises costs	<b>900</b>	1,016
Depreciation and amortisation	<b>259</b>	155
Other support costs	<b>1,945</b>	2,996
Governance costs	<b><u>145</u></b>	<u>173</u>
	<b><u>5,918</u></b>	<u>7,575</u>
Other support costs include:		
Foreign exchange losses/(gains)	<b>(1)</b>	22
Group auditor remuneration – non-audit	<b>3</b>	3
Governance costs include:-		
Auditor's remuneration – group auditor (audit)	<b>28</b>	35
Auditor's remuneration – subsidiary auditors (audit)	<b>41</b>	90
subsidary auditors (non-audit)	<b>1</b>	
Trustees expenses	<b>-</b>	2
Legal and professional	<b><u>75</u></b>	<u>48</u>
<b>9. Staff Costs</b>	<b>2020</b>	2019
	<b>Total</b>	Total
	<b>£'000</b>	£'000
Wages and salaries	<b>12,310</b>	9,830
Social security costs	<b>502</b>	353
Pension costs	<b><u>871</u></b>	<u>594</u>
	<b><u>13,683</u></b>	<u>10,777</u>

Included in the above are payments of £7,000 in relation to ex-gratia payments (18 months ended 31 December 2019 £53,000).

The number of employees whose emoluments amounted to over £60,000 in the year was as follows:-

	<b>2020</b>	2019
	<b>Number</b>	Number
£60,000 - £70,000	<b>12</b>	12
£70,001 - £80,000	<b>9</b>	4
£80,001 - £90,000	<b>6</b>	6
£90,001 - £100,000	<b>1</b>	1
£100,001 - £110,000	<b>5</b>	5
£110,001 - £120,000	<b>-</b>	1
£120,001 - £130,000	<b>-</b>	1
£130,001 - £140,000	<b>1</b>	
£140,001 - £150,000	<b>-</b>	1
£150,001 - £160,000	<b>-</b>	1
£160,001 - £170,000	<b>1</b>	
£170,001 - £180,000	<b>-</b>	1
£180,001 - £190,000	<b>-</b>	1
£190,001 - £200,000	<b>-</b>	1
£200,001 - £210,000	<b>-</b>	1
£210,001 - £220,000	<b>-</b>	1
£220,001 - £230,000	<b>-</b>	1
£230,001 - £240,000	<b>-</b>	1
£240,001 - £250,000	<b>-</b>	1

32 (2019 – 27) employees earning more than £60,000 in the year participated in recognised pension schemes to which contributions of £129,000 (2019 - £88,000) were paid during the year on their behalf.

The total employee benefits of the key management personnel were £1,481,000 (2019 - £1,424,000). The Key Management Personnel of the group are deemed to be the Senior management team detailed on the reference and administrative details page and the operational executives / managers at a regional level.

**THE MARTIN JAMES FOUNDATION**

**NOTES TO THE FINANCIAL STATEMENTS**

**PERIOD ENDED 30 JUNE 2020**

**9. Staff Costs (continued)**

The average number of employees, calculated on a full-time equivalent basis, analysed by function was:-

	<b>2020</b>	2019
	<b>Number</b>	Number
Direct charitable activities	<b>484</b>	209
Support and administration, including management	<b><u>100</u></b>	<u>77</u>
	<b><u>584</u></b>	<u>286</u>

The 2019 figure includes a time apportionment for subsidiaries acquired during the period.

**10. Trustee remuneration**

None of the trustees received any remuneration or benefits in kind from the charity during the period.

Expenses of £559 (2019 - £1,877) were reimbursed to 3 trustees in respect of travel expenses.

**11. Intangible Fixed Assets**

<b>Group</b>	<b>Intellectual property £'000</b>	<b>Goodwill £'000</b>	<b>Total £'000</b>
<b>Cost</b>			
At 1 January 2020	495	33	528
Foreign exchange differences	9	-	9
Additions	<u>8</u>	<u>-</u>	<u>8</u>
<b>At 30 June 2020</b>	<b><u>512</u></b>	<b><u>33</u></b>	<b><u>545</u></b>
<b>Amortisation</b>			
At 1 January 2020	32	-	32
Foreign exchange differences	1	-	1
Charge for the period	<u>19</u>	<u>-</u>	<u>19</u>
<b>At 30 June 2020</b>	<b><u>52</u></b>	<b><u>-</u></b>	<b><u>52</u></b>
<b>Net Book Value</b>			
<b>At 30 June 2020</b>	<b><u>460</u></b>	<b><u>33</u></b>	<b><u>493</u></b>
At 31 December 2019	<u>463</u>	<u>33</u>	<u>496</u>

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11. **Intangible Fixed Assets (continued)**

<b>Charity</b>	<b>Intellectual property £'000</b>	<b>Goodwill £'000</b>	<b>Total £'000</b>
<b>Cost</b>			
At 1 January 2020 and 30 June 2020	1,089	-	1,089
<b>Amortisation</b>			
At 1 January 2020	396	-	396
Charge for the period	<u>346</u>	<u>-</u>	<u>346</u>
<b>At 30 June 2020</b>	<u>742</u>	<u>-</u>	<u>742</u>
<b>Net Book Value</b>			
At 30 June 2020	<u><b>347</b></u>	<u><b>-</b></u>	<u><b>347</b></u>
At 31 December 2019	<u>693</u>	<u>-</u>	<u>693</u>

12 **Tangible fixed assets**

<b>Group</b>	<b>Freehold property £'000</b>	<b>Leasehold property £'000</b>	<b>Fixtures, fittings and equipment £'000</b>	<b>Other £'000</b>	<b>Total £'000</b>
<b>Cost</b>					
At 1 January 2020	2,245	262	724	7	3,238
Foreign exchange differences	87	13	25	-	125
Additions	127	42	148	-	317
Disposals	-	(36)	(104)	-	(140)
Reclassifications	<u>(212)</u>	<u>212</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>At 30 June 2020</b>	<u>2,247</u>	<u>493</u>	<u>793</u>	<u>7</u>	<u>3,540</u>
<b>Depreciation</b>					
At 1 January 2020	7	47	68	1	123
Foreign exchange differences	-	2	4	-	6
Charge for the period	47	94	99	-	240
Eliminated on disposal	<u>-</u>	<u>(23)</u>	<u>(69)</u>	<u>-</u>	<u>(92)</u>
<b>At 30 June 2020</b>	<u>54</u>	<u>120</u>	<u>102</u>	<u>1</u>	<u>277</u>
<b>Net book value</b>					
At 30 June 2020	<u><b>2,193</b></u>	<u><b>373</b></u>	<u><b>691</b></u>	<u><b>6</b></u>	<u><b>3,263</b></u>
At 31 December 2019	<u>2,238</u>	<u>215</u>	<u>656</u>	<u>6</u>	<u>3,115</u>

**Charity**

The charity does not hold any tangible fixed assets.

THE MARTIN JAMES FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS

PERIOD ENDED 30 JUNE 2020

13. Investments

<b>Group</b>	<b>Other unlisted £'000</b>	<b>Total £'000</b>
<b>Cost</b>		
At 1 January 2020	-	-
Additions	<u>9</u>	<u>9</u>
<b>At 30 June 2020</b>	<u>9</u>	<u>9</u>

**Charity**

The charity does not hold any investments.

14. Debtors

	2020		2019	
	Group £'000	Charity £'000	Group £'000	Charity £'000
Trade debtors	1,875	-	1,703	-
Other debtors	115	27	65	39
Amounts due from subsidiary undertakings	-	273	-	-
Amounts due from associated entities	514	38	154	154
Prepayments and accrued income	<u>854</u>	<u>136</u>	<u>738</u>	<u>10</u>
	<u>3,358</u>	<u>474</u>	<u>2,660</u>	<u>203</u>

15. Creditors: Amounts falling due within one year

	2020		2019	
	Group £'000	Charity £'000	Group £'000	Charity £'000
Bank loans and overdrafts	73	-	43	-
Trade creditors	580	17	551	54
Amounts owed to subsidiary undertakings	-	-	-	59
Amounts owed to associated entities	1,909	572	2,747	1,552
Other taxation and social security	1,620	57	1,145	9
Other creditors	138	5	132	-
Accruals and deferred income	<u>5,394</u>	<u>210</u>	<u>7,590</u>	<u>180</u>
	<u>9,714</u>	<u>861</u>	<u>12,208</u>	<u>1,854</u>
<b>Deferred income</b>				
	2020 Group £'000	2020 Charity £'000	2019 Group £'000	2019 Charity £'000
At 1 January 2020	5,302	-	-	-
Deferred in the year	2,695	-	5,302	-
Released in the year	<u>(5,302)</u>	<u>-</u>	<u>-</u>	<u>-</u>
-				
At 30 June 2020	<u>2,695</u>	<u>-</u>	<u>5,302</u>	<u>-</u>

Deferred income for the group is in relation to grant funding received in advance of £2,338k (2019 - £5,013k) and fostering professional membership income invoiced on an annual basis of £357k (2019 - £289k).

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16. Creditors: Amounts falling due after more than one year				
	<b>2020</b>	<b>2020</b>	2019	2019
	<b>Group</b>	<b>Charity</b>	Group	Charity
	<b>£'000</b>	<b>£'000</b>	£'000	£'000
Bank loans and overdrafts	<u>572</u>	<u>-</u>	<u>610</u>	<u>-</u>

Included within the figure above is £nil (2019 £10,000) which is repayable after more than five years.

The loans are secured on freehold property with a net book value of £1,094,000.

17. Statement of Funds					
<b>Group</b>	<b>Brought forward</b>	<b>Incoming resources</b>	<b>Resources expended</b>	<b>Gains/ (losses)</b>	<b>2020 Total</b>
	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
<b>Unrestricted funds</b>	<u>(1,448)</u>	<u>1,473</u>	<u>(358)</u>	<u>-</u>	<u>(333)</u>
<b>Restricted funds</b>					
Hope Centre	2	45	(47)	-	-
Epic Youth	-	-	(3)	-	(3)
Subsidiaries	1,313	25,597	(24,555)	250	2,605
Pre-acquisition reserves	<u>1,991</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,991</u>
<b>Total Restricted funds</b>	<u>3,306</u>	<u>25,642</u>	<u>(24,605)</u>	<u>250</u>	<u>4,593</u>
<b>Total funds</b>	<u>1,858</u>	<u>27,115</u>	<u>(24,963)</u>	<u>250</u>	<u>4,260</u>
<b>Charity</b>	<b>Brought forward</b>	<b>Incoming resources</b>	<b>Resources expended</b>	<b>Gains/ (losses)</b>	<b>2020 Total</b>
	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
<b>Unrestricted funds</b>	<u>(755)</u>	<u>1,854</u>	<u>(1,084)</u>	<u>-</u>	<u>15</u>
<b>Restricted funds</b>					
Hope Centre	2	45	(47)	-	-
Epic Youth	<u>-</u>	<u>-</u>	<u>(3)</u>	<u>-</u>	<u>(3)</u>
<b>Total Restricted funds</b>	<u>2</u>	<u>45</u>	<u>(50)</u>	<u>-</u>	<u>(3)</u>
<b>Total funds</b>	<u>(753)</u>	<u>1,899</u>	<u>(1,134)</u>	<u>-</u>	<u>12</u>

**Restricted funds**

**Hope Centre** – funds received have a donor restriction placed on them. Donations received can only be used as a contribution towards the medical costs of the centre.

**Epic Youth** - Funds received have donor restrictions placed on them. Donations and fundraising are specific to the project. At 30th June 20 the Restricted Fund is in deficit due to the timing of a donation. This donation was received after the period end and totalled £100k.

**Subsidiaries** – funds within the subsidiary entities, the majority of which have charitable status, are held for similar but not identical purposes and must be applied within their relevant jurisdiction in accordance with their specific purposes.

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17. Statement of Funds (continued)

<b>Group</b>	<b>Incoming resources £'000</b>	<b>Resources expended £'000</b>	<b>Gains/ (losses) £'000</b>	<b>2019 Total £'000</b>
<b>Unrestricted funds</b>	<u>110</u>	<u>(1,558)</u>	<u>-</u>	<u>(1,448)</u>
<b>Restricted funds</b>				
Hope Centre	135	(133)	-	2
One Sky Foundation	10	(10)	-	-
Subsidiaries	23,190	(21,785)	(92)	1,313
Pre-acquisition reserves	<u>1,991</u>	<u>-</u>	<u>-</u>	<u>1,991</u>
<b>Total Restricted funds</b>	<u>25,326</u>	<u>(21,928)</u>	<u>(92)</u>	<u>3,306</u>
<b>Total funds</b>	<u>25,436</u>	<u>(23,486)</u>	<u>(92)</u>	<u>1,858</u>

<b>Charity</b>	<b>Incoming resources £'000</b>	<b>Resources expended £'000</b>	<b>Gains/ (losses) £'000</b>	<b>2019 Total £'000</b>
<b>Unrestricted funds</b>	<u>1,563</u>	<u>(2,318)</u>	<u>-</u>	<u>(755)</u>
<b>Restricted funds</b>				
Hope Centre	135	(133)	-	2
One Sky Foundation	<u>10</u>	<u>(10)</u>	<u>-</u>	<u>-</u>
<b>Total Restricted funds</b>	<u>145</u>	<u>(143)</u>	<u>-</u>	<u>2</u>
<b>Total funds 2019</b>	<u>1,708</u>	<u>(2,461)</u>	<u>-</u>	<u>(753)</u>

**Restricted funds**

**Hope Centre/One Sky Foundation** – funds received have a donor restriction placed on them. Donations received can only be used for the activities specified by the donor .

**Subsidiaries** – funds within the subsidiary entities, the majority of which have charitable status, are held for similar but not identical purposes and must be applied within their relevant jurisdiction in accordance with their specific purposes.

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18. **Financial Instruments**

The group's and company's financial instruments may be analysed as follows:

	<b>2020</b>	2019
	<b>£'000</b>	£'000
<b>Financial assets</b>		
Measured at cost less impairment	<b><u>10,121</u></b>	<u>10,462</u>
<b>Financial liabilities</b>		
Measured at amortised cost	<b><u>5,971</u></b>	<u>6,371</u>

Financial assets measured at amortised cost comprise cash and trade debtors, amounts due to associated undertakings, other debtors and accrued income.

Financial liabilities measured at amortised cost comprise trade creditors, amounts owed to associated undertakings, accruals, other creditors and bank loans.

19. **Analysis of Net Assets between Funds**

<b>Group</b>	<b>Fixed assets £'000</b>	<b>Net current assets/ (liabilities) £'000</b>	<b>Creditors falling due after more than one year</b>	<b>2020 Total £'000</b>
			<b>£'000</b>	
Unrestricted	-	(333)	-	(333)
Restricted	<u>3,765</u>	<u>1,400</u>	<u>(572)</u>	<u>4,593</u>
	<u>3,765</u>	<u>1,067</u>	<u>(572)</u>	<u>4,260</u>
<b>Charity</b>			<b>Creditors falling due after more than one year</b>	
	<b>Fixed assets £'000</b>	<b>Net current assets/ (liabilities) £'000</b>	<b>£'000</b>	<b>2020 Total £'000</b>
Unrestricted	-	15	-	15
Restricted	<u>-</u>	<u>(3)</u>	<u>-</u>	<u>(3)</u>
	<u>-</u>	<u>12</u>	<u>-</u>	<u>12</u>

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**19. Analysis of Net Assets between Funds (continued)**

**2019**

**Group**

	<b>Fixed assets £'000</b>	<b>Net current assets/ (liabilities) £'000</b>	<b>Creditors falling due after more than one year £'000</b>	<b>2019 Total £'000</b>
<i>Unrestricted</i>	-	(1,448)	-	(1,448)
<i>Restricted</i>	<u>3,611</u>	<u>305</u>	<u>(610)</u>	<u>3,306</u>
	<u>3,611</u>	<u>(1,143)</u>	<u>(610)</u>	<u>1,858</u>

**Charity**

	<b>Fixed assets £'000</b>	<b>Net current assets/ (liabilities) £'000</b>	<b>Creditors falling due after more than one year £'000</b>	<b>2019 Total £'000</b>
<i>Unrestricted</i>	693	(1,448)	-	(755)
<i>Restricted</i>	<u>-</u>	<u>2</u>	<u>-</u>	<u>2</u>
	<u>693</u>	<u>(1,446)</u>	<u>-</u>	<u>(753)</u>

**20. Related Party Transactions**

During the period the group received the following income from related companies under common control.

	<b>Donations received 2020 £'000</b>	<b>Fees received 2020 £'000</b>	<b>Donations received 2019 £'000</b>	<b>Fees received 2019 £'000</b>
Key Assets Group Limited	1,076	-	-	414
Outcomes Japan	-	-	-	34
Martin James Group	-	-	-	41
Fostering First Asia Limited	-	-	-	44
Cream and Black LLP	-	33	-	-
Others less than £20k	<u>-</u>	<u>-</u>	<u>-</u>	<u>18</u>
	<u>1,076</u>	<u>33</u>	<u>-</u>	<u>551</u>

Balances due from related parties are shown in note 14.

In addition, the group and charity received restricted donations from M J Cockburn of £40,500 (2019 - £135,000) for the Hope Centre activities and £nil (2019 - £10,000) for the One Sky Foundation activities.



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20. **Related Party Transactions - continued**

During the period the group incurred the following expenditure from related companies under common control.

	<b>Charitable expenditure 2020 £'000</b>	Charitable expenditure 2019 £'000
Antser Tech Solutions	196	139
Key Assets Group Limited	84	-
Martin James Group Limited	89	58
Pengower Limited	134	72
Tribera Limited	51	61
Key Assets The Childrens Services Provider Limited	15	702
Key Assets (New Zealand) Limited	10	45
Number One Park Limited	-	25
Others less than £20k	<u>27</u>	<u>18</u>
	<u><b>606</b></u>	<u><b>1,120</b></u>

Balances due to related parties are shown in note 15.

21. **Commitments under operating leases**

	<b>Land and buildings £'000</b>	<b>Other £'000</b>	<b>2020 Total £'000</b>
Lease commitments falling due:			
Within one year	1,246	641	1,887
Between two and five years	2,210	592	2,802
After more than five years	<u>90</u>	<u>-</u>	<u>90</u>
Total 30 June 2020	<u><b>3,546</b></u>	<u><b>1,233</b></u>	<u><b>4,779</b></u>
	<b>Land and buildings £'000</b>	<b>Other £'000</b>	<b>2019 Total £'000</b>
Lease commitments falling due:			
Within one year	1,379	639	2,018
Between two and five years	2,114	600	2,714
After more than five years	<u>90</u>	<u>-</u>	<u>90</u>
Total 31 December 2019	<u><b>3,583</b></u>	<u><b>1,239</b></u>	<u><b>4,822</b></u>

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**22. Post balance sheet events**

Post year end, the covid-19 pandemic has had far reaching consequences on ordinary life across the globe, and the group and charity are not immune to the effects of the pandemic on the day to day activities of the group and charity. The Trustees do not consider there to be a material impact on the amounts and disclosures in the financial statements.

**23. Legal and statutory information**

The charity is a charitable incorporated organisation having no share capital.

**24. Reconciliation of net income for the period to net cash provided by operating activities**

	<b>2020</b>	2019
	<b>£'000</b>	£'000
Net income/(expenditure) for the reporting period (as per the statement of financial activities)	<b>2,152</b>	1,950
Taxation	<b>16</b>	16
Net interest (income)/expense	<b>(17)</b>	5
Depreciation charges	<b>240</b>	123
Amortisation	<b>19</b>	32
Loss on disposal of tangible fixed assets	<b>48</b>	-
Non-cash acquired net assets	-	(1,991)
(Increase)/decrease in debtors	<b>(698)</b>	498
(Decrease)/increase in creditors	<b>(2,524)</b>	2,111
Exchange differences	<b>123</b>	(80)
	<u><b>(641)</b></u>	<u>2,664</u>
Net cash (used in)/generated from operating activities		

**25. Analysis of movement in net funds**

	<b>Brought forward</b>	<b>Cash flows</b>	<b>Non-cash changes</b>	<b>Carried forward</b>
	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
Cash at bank and in hand	8,405	(982)	-	7,423
Debt due within one year	(43)	-	(30)	(73)
Debt due after more than one year	<u>(610)</u>	<u>8</u>	<u>30</u>	<u>(572)</u>
<b>Total Net Funds</b>	<u><b>7,752</b></u>	<u><b>(974)</b></u>	<u><b>-</b></u>	<u><b>6,778</b></u>
		<b>Cash flows</b>	<b>Acquisitions</b>	<b>Carried forward</b>
		<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
<b>2019</b>				
Cash at bank and in hand		8,405	-	8,405
Debt due within one year		-	(43)	(43)
Debt due after more than one year		<u>-</u>	<u>(610)</u>	<u>(610)</u>
<b>Total Net Funds</b>		<u><b>8,405</b></u>	<u><b>(653)</b></u>	<u><b>7,752</b></u>

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**26. Subsidiaries**

The Martin James Foundation had six subsidiary undertakings at 30 June 2020:

	<b>Date acquired</b>	<b>County of registration</b>
Foster Talk Limited	1 October 2019	England & Wales – company number 06318354
Key Assets Foundation Limited	5 June 2019	New Zealand
Key Assets Ontario Inc (newly incorporated)	10 January 2019	Canada
Key Assets Newfoundland & Labrador Inc	3 December 2019	Canada
Key Assets Nova Scotia Inc (newly incorporated)	3 September 2019	Canada
Key Assets Childrens Services Provider (Australia)	6 May 2019	Australia

The Martin James Foundation is the sole member of the above entities.

The principal activity of all subsidiaries is the provision of foster care and children's services.

The results of each subsidiary from the date of acquisition are included in the statement of financial activities of the group.

The entities' net assets and liabilities and income and expenditure were as follows:

<b>2020</b>	<b>Foster Talk £'000</b>	<b>Key Assets Foundation £'000</b>	<b>Key Assets Ontario £'000</b>	<b>Key Assets Newfoundland £'000</b>	<b>Key Assets Nova Scotia £'000</b>	<b>Key Assets Australia £'000</b>
Assets	746	149	1,222	3,628	176	8,642
Liabilities	<u>(965)</u>	<u>(59)</u>	<u>(991)</u>	<u>(3,933)</u>	<u>(136)</u>	<u>(3,884)</u>
Total net assets	<u>(219)</u>	<u>90</u>	<u>231</u>	<u>(305)</u>	<u>40</u>	<u>4,758</u>
Income	597	683	1,626	9,151	907	12,661
Expenditure	(637)	(651)	(1,515)	(8,944)	(866)	(11,971)
Exchange differences on retranslation	<u>-</u>	<u>3</u>	<u>5</u>	<u>(6)</u>	<u>-</u>	<u>247</u>
Net incoming resources	<u>(40)</u>	<u>35</u>	<u>116</u>	<u>201</u>	<u>41</u>	<u>937</u>

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26. Subsidiaries - continued

2019	Foster Talk £'000	Key Assets Foundation £'000	Key Assets Ontario £'000	Key Assets Newfoundland £'000	Key Assets Nova Scotia £'000	Key Assets Australia £'000
Assets	570	158	1,151	2,684	38	9,915
Liabilities	<u>(749)</u>	<u>(103)</u>	<u>(1,036)</u>	<u>(3,190)</u>	<u>(39)</u>	<u>(6,094)</u>
Total net assets	<u>(179)</u>	<u>55</u>	<u>115</u>	<u>(506)</u>	<u>(1)</u>	<u>3,821</u>
Income	290	926	2,588	1,588	72	17,856
Expenditure	<u>(334)</u>	<u>(891)</u>	<u>(2,471)</u>	<u>(1,609)</u>	<u>(73)</u>	<u>(16,537)</u>
Exchange differences on retranslation	<u>-</u>	<u>(1)</u>	<u>(1)</u>	<u>2</u>	<u>-</u>	<u>(92)</u>
Net incoming resources	<u>(44)</u>	<u>34</u>	<u>116</u>	<u>(19)</u>	<u>(1)</u>	<u>1,227</u>