



Building  
stronger  
families

# Family Action Annual Report & Accounts 2013/14



Early Years



Children &  
Families



Adult Mental Health  
& Wellbeing

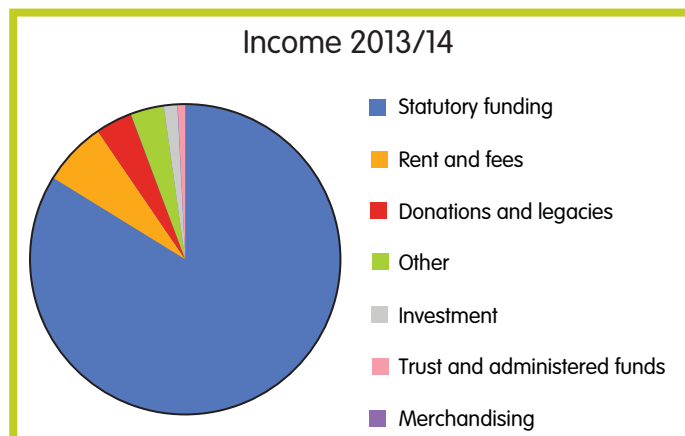


Grants

## Income & Expenditure Charts

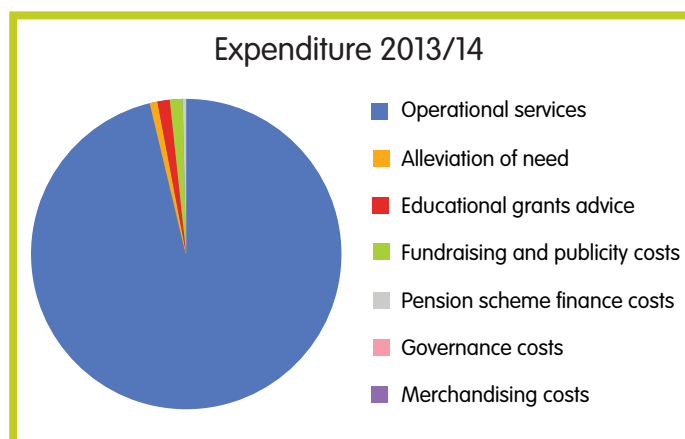
### INCOME

	£'million
2013/14	
Statutory funding	16.984
Rent and fees	1.31
Donations and legacies	0.765
Other	0.684
Investment	0.335
Trust and administered funds	0.141
Merchandising	0
	<u>20.219</u>



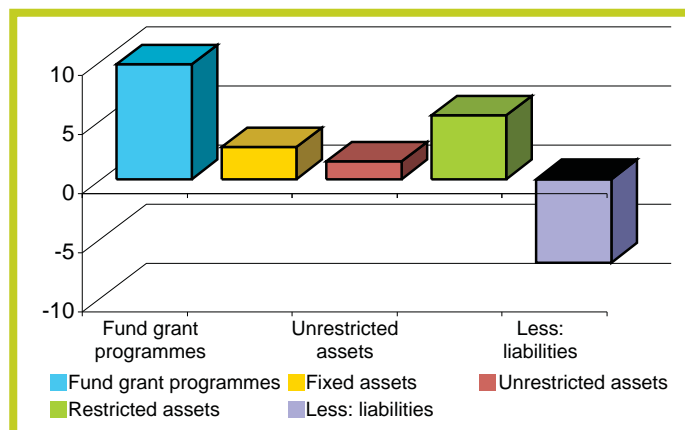
### EXPENDITURE

	£'million
2013/14	
Charitable activities:	
Operational Services	19.384
Alleviation of need	0.175
Educational grants advice	0.248
Fundraising & publicity costs	0.249
Pension Scheme finance costs	(0.067)
Governance costs	0.039
Merchandising costs	0
	<u>20.028</u>



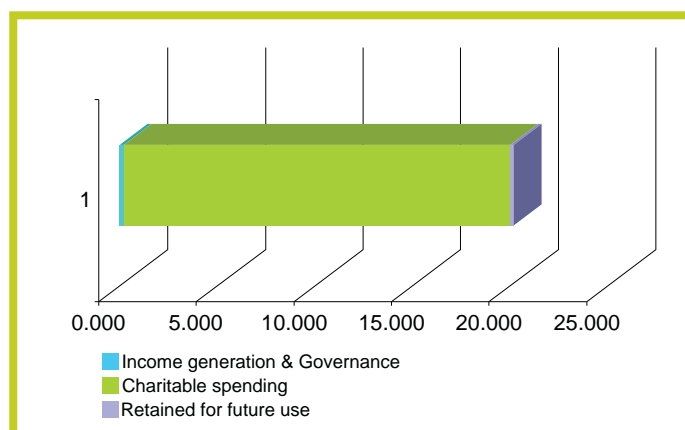
### ASSETS & LIABILITIES

	£'million
2013/14	
Restricted investments and Endowments invested to -	
Fund grant programmes	9.743
Fixed assets	2.721
Unrestricted assets	1.499
Restricted assets	5.395
Less: liabilities	(7.072)
Total net assets	<u>12.286</u>



### CHARITABLE SPENDING

	£'million
2013/14	
Income generation & Governance	0.221
Charitable spending	19.807
Retained for future use	0.191

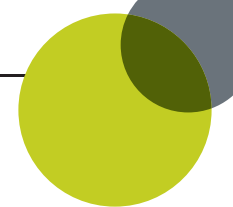


EMPLOYEES	677
VOLUNTEERS	548

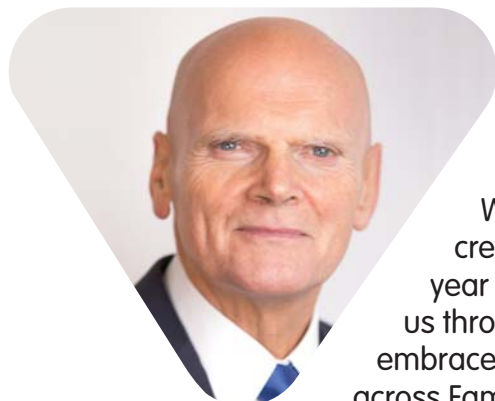


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## Welcome from Bryan Portman, Chair of Family Action



I am delighted to present to you the Family Action Trustees' report for 2013/14. This has been a year of growth and achievement for the charity under its new Chief Executive David Holmes CBE who took up post in March 2013.

Working with the Trustees and the entire staff group David quickly created, consulted on and began to implement an exciting new five year transformation strategy Stronger than Ever for Family Action to take us through to our 150th Anniversary in 2019. The whole organisation has embraced this new strategy and we are already seeing lots of positive change across Family Action.

Within the last 12 months the charity has created and begun implementing a new workforce strategy, improved how we record and evidence the impact of the services we provide, and overhauled our website from scratch. We have sharpened the charity's focus on innovation, how we support our volunteers and how we involve service users in every aspect of our work. At the same time, we have modernised our internal systems, created a range of new service models and substantially improved how we market our work. We will build on these successes in the year ahead as we continue to implement Stronger than Ever.

On the financial side we have also seen pleasing growth with income for the Family Action group of £20.2m for the year. This of course means that we have been able to reach more people during the year with our much-needed services. During the financial year 2013/14 year the charity had been successful in winning more than £1.5m of new work in year with substantial additional work to begin in 2014/15. It also retained 95% by value of all its services into the 2014/15 financial year far exceeding service retention rates in recent years. The year also saw the best fundraising performance for the charity in recent years. These are all excellent achievements and have placed the charity on a very positive trajectory as we move forward.

I commend this report to you and thank you for your interest in Family Action. Please support us so that we can do more.

**Bryan Portman**  
Chairman of Trustees  
July 2014





## Family Action today

Family Action is committed to working with vulnerable children and their families, as well as supporting individuals in need through our adult mental health, trustee and grant-making services.

**Our vision:** All families and children experiencing poverty, disadvantage and social isolation that are referred to us will receive the help they need. Our campaigning and influencing will shine a bright spotlight on the needs and lived experience of those families and children and we will challenge politicians, society's leaders and ourselves to take responsibility for supporting the most vulnerable members of our community.

**Our mission:** Family Action provides services and financial support to strengthen poor, disadvantaged and socially isolated families and children. We empower our service users in designing the very best services and in ensuring that they are heard and listened to. We are committed to maximising our impact so that children and families can look forward to the future and not be defined by their past.

**Our Values and Behaviours underpin all that we do:** All Family Action staff demonstrate our values and behaviours in their work and in their professional relationships with colleagues, volunteers, partners and service users.

We are **People Focused**;

We have a **Can Do** attitude;

We strive for **Excellence** in everything we do; and

We have **Mutual Respect** for colleagues, volunteers, partners and service users.

### Key activities – what we offer

Family Action supports over 45,000 families and children a year via over 120 community-based services across England. We help many more every year with financial assistance through our education and welfare grant programmes. We provide services to strengthen families and communities, to build skills and resilience and to improve outcomes for children and their parents. Our services transform lives and are grouped under the following themes:

### Early Years work

Family Action supports families from preparing for the birth of their child to preparing their child to go to school including:

- **Perinatal** services working with women at risk of post natal depression from pregnancy to their child's first birthday;
- **Evidence based parenting programmes** to support children's emotional and social development; and
- Managing **Children's Centres**.

### Children and Families work

Family Action offers services to children, parents and to whole families:

- **Family Work** from short term targeted intervention, to support with specific issues to intensive support for families with complex enduring needs;
- **Emotional health and wellbeing services** including counselling for children and therapeutic work for children who have suffered trauma, bereavement or abuse;
- **Young Carers** services working with schools to identify and support young carers and their families;
- **Relationship Support** including Family Group Conferencing, Conflict Resolution, Mediation, working with separated parents and co-parenting;
- **Well Family** services which offer advice and support for non-medical issues;
- **Welfare benefits advice** and debt recovery; and
- **Grants** for families and individuals in need

### Adult Mental Health and Wellbeing work

Family Action works to support and sustain adult recovery through:

- A range of services that provide practical, emotional and financial support.
- Grants to adults with mental health problems; and
- Via provision of a Deputy and Trustee Service.



## Strategic Report - Highlights of the year

### Development

We brought in over £1.5m in new work during the 2013/14 financial year and also won some significant new contracts for work that will begin in 2014/15 including a substantial family support contract in Northamptonshire. During the year we also ran a competitive procurement exercise for the contract to develop our new website. After a period of very intensive work our new website will go live in June 2014. During the year we also strongly increased our focus on marketing our services with some excellent early results e.g. by the end of 2013/14 year we had seven funded perinatal services and several others under discussion in comparison with just four funded services at the beginning of the financial year. By the end of the 2013/14 financial year we had six Troubled Families services in comparison with one in the 2012/13 financial year. We will build on this further in 2014/15.

### Fundraising

Fundraising had an excellent year with total income exceeding £2m against a target of just over £1m. We were delighted to be chosen by the National Association of Head Teachers as their Charity of Choice for the 2013/14 year and are delighted to note that this partnership has been renewed for a second year in 2014/15. We decided to try a fundraising event in 2013/14 and with the generous support of NewsUK our inaugural Shoes, Bags and Glad Rags fashion-themed auction in March 2014 raised over £61,000 in one evening for Family Action. We are also grateful to everyone who participated in a

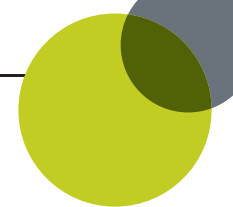
range of Challenge events for the charity over the course of the financial year.

### Grants

It was a challenging year again in 2013/14 for our Grants service. However, we still made 556 grants totalling £175,213 to a very wide range of vulnerable people. These grants each made a significant difference to the life of an individual or family buying essential items such as beds, cookers, fridges and school uniforms. We also paid college course fees for many and helped with travel costs to educational courses. We are, however, confident that we will be able to make a larger number of grants with a greater total value in 2014/15 as investment returns on our endowed funds are now reaching target levels.

### Services and Innovation

We had a very successful year once again in terms of the delivery of our much-needed services. We now provide over 120 services across England all of which benefit vulnerable families and children. Highlights of the year included retaining 95% of our services into 2014/15 and winning a range of new Troubled Families services. We also worked hard during the year to innovate in terms of developing new service models to meet identified need. We will build on this good progress in 2014/15 as we seek funding to bring these new service models to market to benefit more children and families. During the 2013/14 financial year we also introduced an internal Ideas Bank within Family Action so that staff and volunteers could have a new and easy way to suggest ideas for



## Strategic Report - Highlights of the year (continued)

service improvement or development. The Ideas Bank was initially funded by a generous donation from the Sylvia Adams Charitable Trust and was immediately successful generating more than 40 ideas from staff during the financial year. The Ideas Bank will continue into 2014/15.

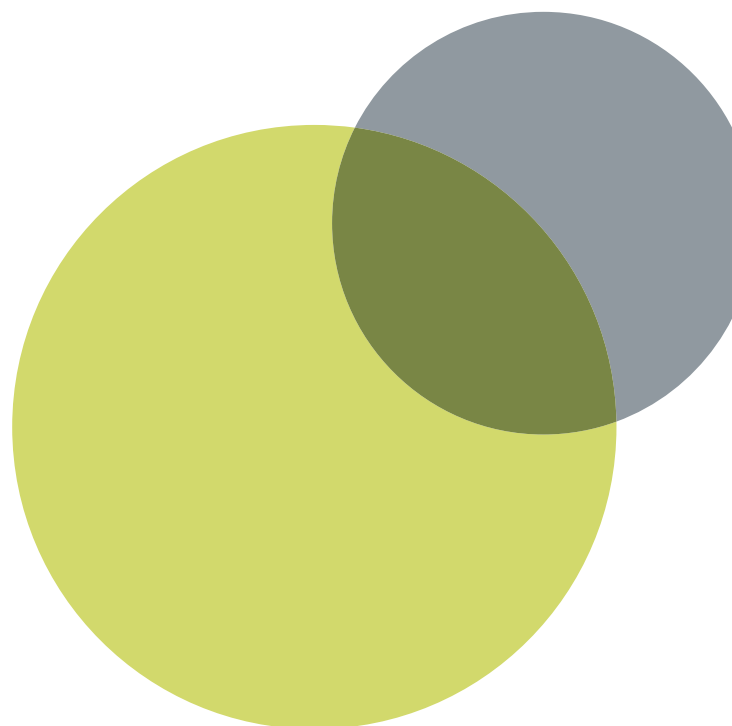
### Systems and Impact

We have made strong progress over the course of the year in terms of reviewing and improving our internal systems including our IT software and hardware, our telephone systems and our internal communications. In February we successfully completed a complex migration exercise to a new IT provider, Ethical IT. During the year we also made pleasing progress with the rollout of our new electronic case recording system, In-Form. This customised and intuitive system which has been very carefully designed to meet all our needs has been welcomed by the whole organisation and is giving us efficient new ways to monitor service performance and individual practice. During the 2013/14 year we evaluated our Well Family service and also our Family Support work across Family Action in services where the Outcomes Star (a tool which we use to measure parenting effectiveness) is being used. We also introduced and began to implement a new and comprehensive workforce strategy which links very closely to our new *Stronger than Ever* organisational strategy.

### External Affairs

We campaigned during the 2013/14 year on improving the rights of young carers and also

highlighted the disproportionate impact of ad hoc costs (e.g. for school uniform, birthday parties and Christmas) on families with low incomes. In partnership with the NAHT we produced a strong campaign on the importance of children being Ready to Learn Every Day at school and produced a series of associated resources to for parents, schools and teachers linked to the campaign. Our growing expertise in the provision of Troubled Families services was reflected in an invitation to give evidence on this subject to the Public Accounts Committee. During the year senior representatives of Family Action gave many public presentations and chaired many regional and national conferences on subjects linked to our service delivery expertise.





## Progress made on Strategic Objectives for 2013/14

**1. Outcomes** – In 2013/14 we will continue to implement our Outcomes Strategy which aims to have outcomes measurements established as core practice in all services and to use this data to adapt practice to improve outcomes for individual families. We will also continue to seize every opportunity to evaluate and demonstrate the impact and value of our services.

By the end of the 2013/14 year most Family Action services were collecting high quality outcomes data. This rapid advance in our ability to both measure and prove our impact led to the decision to collate our first ever Impact Report looking across our services. The Impact Report will be published and launched in September 2014. We commissioned service evaluations of our Well Family and core Family Support services during the year.

**2. Safeguarding** - We attach the utmost importance to safeguarding. In 2013/14 our Safeguarding Board will continue to audit, review and monitor organisational safeguarding performance and the quality and effectiveness of our safeguarding training programmes.

We had a strong focus on improving safeguarding performance during the 2013/14 year.

Safeguarding concerns that arose during the year were dealt with quickly and effectively and any learning shared within the organisation. We appointed a Learning and Development Manager during the 2013/14 year who worked with our Head of Safeguarding and operational colleagues to review our safeguarding and wider training

programmes. As a result of this joint work a range of new training opportunities are now being provided to Family Action staff tailored to different levels of experience.

**3. Growth** - In 2013/14 Family Action will continue to pursue organisational growth as part of our core mission to improve outcomes and campaign for vulnerable families. Our aim is to grow to £20m by the end of 2014/15. In the next year we will continue to submit high quality tenders to local authorities and to the NHS for our core areas of early years, children and families and adult mental health work whilst also exploring new opportunities and partnerships relevant to our core mission. We will also achieve our fundraising target.

By the end of 2013/14 group income for Family Action had grown to £20.2m achieving the income target one year early. We were successful in winning a range of tenders for new work during the year but we also put a tremendous amount of effort during the year into retaining existing work, building up new partnerships and seeking out new income streams. As already mentioned above, we nearly doubled our fundraising target for the year. In our new organisational strategy we have increased our growth target for income in 2014/15 to £22m.

**4. Workforce Strategy** - We will review our Workforce Strategy and focus on developing the skills and abilities of our front line staff. We will improve the capabilities of our managers to engage and lead staff and plan to ensure there are talented people ready for promotion at all levels of the organisation.



## Progress made on Strategic Objectives for 2013/14 (continued)

During the 2013/14 year we developed and began implementing a new workforce strategy to help us move forward faster as an organisation and to ensure that our staff at all levels have the skills and support they need in their important work which touches the lives of so many vulnerable families and children. As we began to implement the workforce strategy in year we introduced new organisational values and behaviours, conducted a supervision audit amongst managers, began a review of the Family Action pay structure and reviewed our recruitment, induction and appraisal processes. At the same time we increased our organisational focus on practice sharing and reviewed our training and development offer to staff.

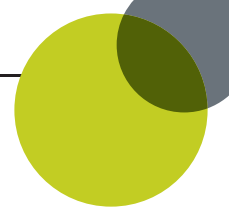
**5. Influencing and campaigning** – a significant part of Family Action's work is to influence and campaign on behalf of service users and vulnerable families and children. We will highlight the problems faced by vulnerable families in order to influence policy makers both local and national, encourage development of the services they need and campaign for specific changes that will make a positive difference to those we serve.

During the year we ran successful campaigns on topics as diverse as the cost of school uniforms and birthday parties for families on low incomes and on the impact of social isolation on vulnerable families at Christmas time. We collaborated with the National Association of Head Teachers on a year long campaign to promote schools readiness for primary age children. We also did a range of targeted influencing work on Troubled Families

policy and policy for young carers at Government level.

**6. Organisational review and future strategy** – with a new Chief Executive in place from the beginning of 2013/14 the time will be right to conduct an organisation-wide strategic review of Family Action to help the organisation identify its key priorities up to its 150th Anniversary in 2019. The new Chief Executive and staff across the organisation, the Chair and the Board of Trustees will work together to manage the review and capitalise on the opportunities that it will undoubtedly bring.

The new Chief Executive worked quickly with Trustees and with the entire staff group to develop, consult on and agree a new organisational strategy for the five years up to Family Action's 150th Anniversary in 2019. The resulting strategy *Stronger than Ever* was launched in September 2013 and implementation began immediately.



## Moving forward: Strategic objectives for 2014/15

Continue to implement all milestones in our *Stronger than Ever* organisational strategy

### 1. Stronger Organisation

- Set out with absolute clarity our expectations of all managers in order to embed and measure consistent high quality management practice
- Move head office and further embed joint working across the organisation

### 2. Stronger Systems and Impact

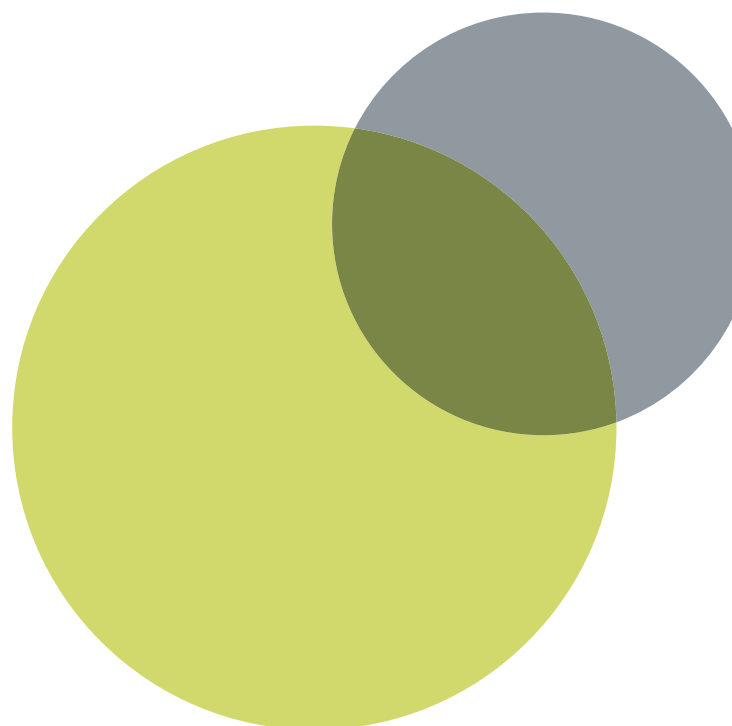
- Continue systems development (IT strategy, impact, performance reporting etc.)
- Embed an appropriate ethos of throughout the organisation to encourage the further selling of our services and create the infrastructure to support this in order to grow the charity and ensure we reach more people
- Increase our focus on our influencing strategy and on giving a voice to our service users

### 3. Stronger Services and Innovation

- Improve quality assurance and measurement of service performance across the organisation
- Get better at converting ideas into viable new services that will help us to reach more people

### 4. Stronger Strategic Growth and Partnerships

- Achieve £22m income in 2014/15 through achieving 95% service retention, seeking opportunities to acquire complementary services and developing new strategies to manage financial risk when tendering
- Keep our organisational structure under review and consider a traded services subsidiary





## Charity Administration & Financial Review

### Governance & Management

Within this section we consider the governance arrangements of the charity. Our aims were to:

#### Govern the charity responsibly

Our Articles of Association provide that Family Action may have up to 15 Trustees and the present members of the Board are listed in this report. During 2013/14, there were three committees of the Trustee Board – the Audit Committee, the Quality & Performance Committee and the Governance Committee.

The recruitment of Trustees is steered through the Governance Committee, chaired by the Chair of Trustees. We assess the strengths of the board and the skills that we need for effective governance. All Trustees are volunteers and therefore unpaid but are entitled to claim expenses.

In 2013/14 there was only one change to the Board of Trustees when our Vice Chair Brent Thomas resigned from the Board of Trustees after nearly 10 years service to Family Action. The Trustees would like to thank Brent for his tremendous contribution to the Charity over so many years..

#### Provide effective governance through the Trustee Board and Committees

During 2013/14, the Trustee Board met six times, and held an Annual General Meeting. The Audit Committee met four times, the Quality & Performance Committee met four times and the Governance Committee met three times.

#### Family Action decision-making framework

The day-to-day management of the charity is delegated to our Chief Executive at any time, who works within guidelines which set out his or her delegated authority, called Executive Limitations.

#### Provide strategic leadership of the charity.

The Trustees agreed a new strategy in September 2013 to guide our activities for the five years to our 150th Anniversary in 2019. Implementation of that new strategy is already well underway.

#### Financial Review

Family Action had incoming resources of £20.2m (2013 £18.5m). This achievement included over £1.5m of new work won during the year and many contracts being extended beyond their anticipated end dates. 96% of our income was restricted to funding specific services. Income for operational services came from local authorities, central government and NHS trusts for the provision of specific services. These funders are listed in the accounts (note 5).

The scale of our work has expanded. For example, we took over four Parent Partnership services covering London and Warwickshire; National DFE funded school work as well as winning a new contract in Nottinghamshire. This means we now manage 13 children centres in Nottinghamshire compared with 2 in this county in 2013. Overall, we now employ 677 full time equivalent staff, an increase of 91 compared with 586 in 2013.

Outgoing resources amounted to £20.0m (2013 £19.0m), with £18.9m (2012 £18.2m) relating to operational services.

Funds at year end were £12.28m (2013 £12.9m), the reduction is due to an increase in the FRS 17 Pension deficit from £1.97m in 2013 to £4.18m as at 31st March 2014. The values of the Endowment Funds remain the same as last year thus there is no gain in 2014 compared with £0.8m gain in 2013.



## Charity Administration & Financial Review (continued)

### Administration costs

During the year, we made substantial progress in improving our efficiency, through the development of a range of performance, quality and modernisation initiatives, together with further investment in IT systems and infrastructure. We continue to contain our central administration costs at a level commensurate with our levels of income, but with a commitment to maintain the quality of support to our Operational Services to ensure we remain competitive and competent in the work that we do.

### Reserves Policy

The Trustees have considered their policy on building up reserves and established that the appropriate level of free reserves is one that allows the charity to continue its normal activities in the event of a significant drop in funding or loss of projects. They consider that, ideally, this should be £1.2m. Our freely-available General Funds at 31 March 2014 were £1.1m, up from £1.05m last year. General Funds form part of our Unrestricted Reserves which, due to property valuations totalled £3.6m at 31 March 2014, an increase of £1.6m from last year. Funds designated for specific purposes at less than £0.1m were largely unchanged from last year (see note 15 for details).

The Trustees recognise that reserves are below the ideally-recommended level but with contracts exchanged in July 2014, the sale of the central office property will release £2.0m from the revaluation reserve. This will be used to restore reserves to the recommended level with the balance to be designated for investment in new areas of work, provision of additional risk cover and provision for future pension liabilities.

Notes 15-18 of the accounts show the various funds or reserves by type and summarise the year's movements on each fund. Note 19 shows the assets and liabilities attributable to the various funds.

### Investment Policy

The year ended 31 March 2014 was the first full year since a revised investment strategy was agreed by Trustees. This followed the appointment of Epoch Wealth Management (Epoch) as Investment Advisors and the transfer of funds from the previous Investment Manager, SEI, on 24 January 2013.

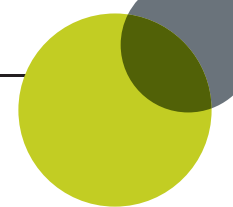
During the year, £17K of income outstanding from the previous year was received from SEI, and investments under the new strategy generated income of £290K, giving total income of £307K. This represents a significant increase of £186K on the previous year total of £121K.

The capital value of funds at the end of the year was maintained at £9.7m.

With income at 3.0% of capital value (2012/13 1.3%) and capital value remaining static (2012/13 increase 9.0%), the overall return was 3.0% (2011/12 10.3%). Although this was lower overall than last year, it was significantly better than last year for income generation, and in line with the Trustees objectives in weighting returns towards income, to provide more funds for charitable purposes.

The performance of this new strategy continues to be reviewed by Trustees and Epoch on a quarterly basis, with a more in-depth review at each six months.

The above policy and performance review statement relates to the substantial endowment fund portfolio held by the charity. In addition to this the charity holds certain surplus funds that the Trustees consider are available to invest over the short to medium term dependent on the liquidity needs of the charity. The Trustees review the investment needs of the main charity on an annual basis. We invest in 3 and 6 month investment accounts held by Coutts and hold cash that is not immediately needed in a money market call account.



## Charity Administration & Financial Review (continued)

### Family Action risk management statement

The Trustees have reviewed the major risks to which we are exposed and organisational risks are actively identified, managed and mitigated.

The main risks identified are as follows:

- Failure to market our services successfully to funders.
- Failure to develop new service ideas through to delivery.
- Failure to achieve regulatory inspection standards such as OFSTED.
- Failure to identify Health & Safety risks leading to injuries.

Trustees actively monitor the implementation of the organisational strategy on a regular basis and there is also considerable capacity within Family Action to anticipate and respond to change, particularly in relation to risks arising from changes to funding or the broader commissioning and policy environment as well as to new opportunities.

Our funding will continue at a slightly increased level in the coming year and the Board has agreed a growth budget for 14/15 that is unlikely to draw on our unrestricted reserves. Reports are produced to monitor the effectiveness of our control systems on a planned basis, and such reporting will continue to be developed.

### Pension Fund

Following consultation with existing members, the Family Action final salary pension scheme was closed for all future contributions for existing members on 31 May 2012. Accrued benefits remain in place for staff who were members prior to the scheme closure on 31 May 2012.

As from 1 June 2012, all employees are now offered the opportunity to join a Group Personal Pension

Plan, managed by Friends Life. However, for some staff that transferred to Family Action under TUPE guidelines, separate arrangements are made to ensure continuation of their pension benefits at the time of transfer.

As from 1 February 2014, Family Action has complied with the Auto Enrolment requirements thus eligible staff are enrolled in the Group Personal Pension Plan except where staff have exercised their opt out rights.

In common with other charities with final salary schemes, our pension scheme shows a deficit which stood at £4.2m at 31 March 2014 (£1.9m last year) and under UK accounting standards, we are required to account for this deficit on the balance sheet (see note 9).

As outlined above, the deficit on the defined benefit pension scheme has increased by £2.3m in the year to 31 March 2014 however this followed a reduction in the deficit of a similar amount between 31 March 2012 and 31 March 2013. For the year ended 31 March 2014 the changes in the assumptions have adversely affected the deficit with the main assumptions in the area of inflation and discount rate deteriorating by 0.4%. The effect of this was an actuarial loss on the scheme liabilities of £3.2m which taking into account the actuarial gains achieved on the scheme assets of £0.8m almost entirely equates to the net movement in the deficit. The large improvement in the deficit in the year ended 31 March 2013 followed by the large deterioration in the year ended 31 March 2014 highlight how relatively small changes to the assumptions can make such a large impact on the deficit.

The Trustees are aware that the deficit on the scheme will fluctuate with changing market conditions and that their responsibility is to meet the required contributions. They do not consider this deficit to represent an immediate demand on the Charity's funds and do not, therefore, consider that there are any resultant limitations on resources available for general application or on the application of any restricted income funds.





## Charity Administration & Financial Review (continued)

### Statement of Trustees' responsibilities

Company law requires the Board of Trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the Charity and of the surplus or deficit of the charity for that period. In preparing these financial statements, the Board of Trustees is required to:

- Select suitable accounting policies and apply them consistently.
- Make judgements and estimates that are reasonable and prudent.
- Prepare the financial statements on the going concern basis unless it is inappropriate to assume that the Charity will continue on that basis.
- Observe the methods and principles of the charities SORP.

The Board of Trustees is responsible for keeping accounting records which disclose with reasonable accuracy at any time the financial position of the charity and to enable it to ensure that the financial statements comply with the Companies Act 2006. The Board of Trustees is 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. As Directors we also confirm that we have made all necessary enquiries and taken such steps that we ought to, to ensure that we become aware of any relevant audit information and that the charity's auditors have been made aware of such information.

### Public Benefit Statement

The Trustees confirm that they have complied with the duty in section 17 of the Charities Act 2011 to have due regard to the Charity Commission's general guidance on public benefit, "Charities and Public Benefit".

Family Action's charitable purpose is enshrined in its vision of a society where all families are free from poverty, disadvantage and social exclusion. The Trustees ensure that this purpose is carried out for the public benefit by delivering services in accordance with our strategic aims. Many of our services are open to all and our awareness raising and campaigning work will benefit everyone.

All Family Action services provide an identifiable benefit, and are made available to the public or sections of the public, in accordance with the two key principles of public benefit.

### Appointment of Auditors

A resolution proposing the re-appointment of our auditors will be submitted to our AGM in 2014.

### Our Thanks

2013/14 has been a year of strategic development and growth. Trustees recognise the tremendous commitment and determination of Family Action staff, volunteers and supporters, and I would like to thank them all. I am confident that Family Action is strongly placed to move forward with confidence.

In approving this Trustees' Report, the Board are also approving the Strategic Report included herein their capacity as company directors.

On behalf of the Board

**Bryan Portman**  
Chair of Trustees



## Family Action Trustees, Officers and Advisers

### Patron

Her Majesty the Queen

### Officials

Bryan Portman (Chair)  
Brent Thomas (Vice Chair to March 2014)  
Siobhan Boylan, (Honorary Treasurer)

### Members

Sean O'Callaghan  
Hilary Seal \*  
John Rowlands  
Sally Shire\*\*  
Aida Cable  
Mary Fulton  
John Richards  
Penny Astrop  
Philippa Charman  
Stephen Cates  
Pim Piers

### Chief Executive and Company Secretary

David Holmes CBE

### Director of Services & Innovations

Heather Loxley

### Director of Finance

Phil King

### Director of Systems & Impact

Norman Blissett

### Director of Development & External Affairs

Jayne Stokes

\* Chair of Quality & Performance Committee

\*\* Chair of Audit Committee

### Family Action Registered Office

24 Angel Gate  
City Road  
London EC1V 2PT  
Tel: 020 7254 6251  
E-mail: [info@family-action.org.uk](mailto:info@family-action.org.uk)  
Web: [www.family-action.org.uk](http://www.family-action.org.uk)

Family Action is governed by its Articles of Association. It is a registered Charity (No 264713) and Company limited by guarantee not having a share capital (No 01068186) in England and Wales.

### Principal Advisers to Family Action

#### Bank

Coutts & Co  
Commercial Banking  
440 Strand  
London  
WC2R 0QS

#### Auditors

haysmacintyre  
26 Red Lion Square  
London  
WC1R 4AG

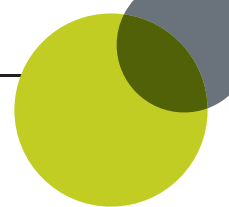
#### Investment Advisor

Epoch Wealth Management LLP  
The Tramshed  
Beehive Yard  
Bath  
BA1 5BB

#### Lawyers

Russell Cooke plc  
2 Putney Hill  
Putney  
London  
SW15 6AB





## Independent Auditors' Report to the Members of Family Action

We have audited the financial statements of Family Action for the year ended 31 March 2014 which comprise the Consolidated Statement of Financial Activities, the Consolidated Summary Income and Expenditure Account, the Group and Parent Charitable Company Balance Sheets, the Consolidated Cash Flow Statements and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an Auditors' Report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and its members, as a body, for our audit work, for this report, or for the opinion we have formed.

### Respective responsibilities of trustees and auditors

As explained more fully in the Trustees' Responsibilities Statement on page 10, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

We have been appointed as auditors under the Companies Act 2006 and report in accordance with regulations made under that Act. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

### Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the Financial Reporting Council's website at [www.frc.org.uk/auditscopeukprivate](http://www.frc.org.uk/auditscopeukprivate).

### Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the group's and the parent charitable company's affairs as at 31 March 2014 and of the group's charitable company's incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the Companies Act 2006.

### Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Trustees' Report, including the Strategic Report, for the financial year for which the financial statements are prepared is consistent with the financial statements.

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

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- the parent charitable company has not kept proper and adequate accounting records or returns adequate for our audit have not been received from branches not visited by us; or
- the parent charitable company's financial statements are not in agreement with the accounting records or returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

**Adam Halsey (Senior Statutory Auditor)  
for and on behalf of haysmacintyre,  
Statutory Auditors**

26 Red Lion Square  
London  
WC1R 4AG

## Consolidated Statement of Financial Activities

### For the year ended 31 March 2014

	Notes	Unrestricted Funds £'000	Restricted Funds £'000	Endowment Funds £'000	Total 2014 £'000	Total 2013 £'000
<b>Incoming Resources</b>						
<b>Incoming resources from generated funds:</b>						
Donations and legacies	2	331	434	-	765	829
<b>Activities for generating funds:</b>						
Merchandising income	3	-	-	-	-	9
Investment income	4	28	307	-	335	318
<b>Incoming resources from charitable activities:</b>						
Statutory funding	5	-	16,984	-	16,984	15,140
Rent and fees		45	1,265	-	1,310	1,319
Trust and administered funds		-	141	-	141	213
New trust funds		-	-	-	-	-
Other incoming resources		385	299	-	684	659
<b>Total incoming resources</b>		<b>789</b>	<b>19,430</b>	<b>-</b>	<b>20,219</b>	<b>18,487</b>
<b>Resources Expended</b>						
<b>Cost of generating funds:</b>						
Fundraising and publicity costs		249	-	-	249	198
Merchandising costs		-	-	-	-	1
Pension scheme net finance (income)/ costs		-	(67)	-	(67)	31
<b>Charitable activities:</b>						
Operational services		446	18,938	-	19,384	17,992
Educational grants advice		-	248	-	248	344
Alleviation of need	6	-	175	-	175	419
Governance costs		39	-	-	39	29
<b>Total resources expended</b>	7	<b>734</b>	<b>19,294</b>	<b>-</b>	<b>20,028</b>	<b>19,014</b>
<b>Net (outgoing)/incoming resources before transfers</b>						
		<b>55</b>	<b>136</b>	<b>-</b>	<b>191</b>	<b>(527)</b>
Transfers between funds	10	22	(22)	-	-	-
<b>Net incoming resources before other recognised gains and losses</b>						
		<b>77</b>	<b>114</b>	<b>-</b>	<b>191</b>	<b>(527)</b>
Gains on revaluation of tangible fixed asset	11	1,585	-	-	1,585	-
Gains on investment assets	12	-	-	-	-	852
FRS17 – Actuarial (losses) /gains	9	-	(2,420)	-	(2,420)	2,461
<b>Net movement in funds</b>		<b>1,662</b>	<b>(2,306)</b>	<b>-</b>	<b>(644)</b>	<b>2,786</b>
<b>Fund balance brought forward at 1 April 2013</b>		<b>£1,981</b>	<b>£1,682</b>	<b>£9,267</b>	<b>£12,930</b>	<b>£10,144</b>
<b>Fund balance carried forward at 31 March 2014</b>		<b>£3,643</b>	<b>£(624)</b>	<b>£9,267</b>	<b>£12,286</b>	<b>£12,930</b>

All amounts relate to continuing activities. Conduit activities are not included above but are set out in note 21. The attached notes form part of the financial statements.



## Consolidated Summary Income and Expenditure Account

### For the year ended 31 March 2014

	2014 £'000	2013 £'000
Total income	20,219	18,486
Total expenditure	(20,028)	(19,013)
<b>Net income/(outgoings) for the year</b>	<b>£191</b>	<b>£(527)</b>

These all relate to continuing activities.

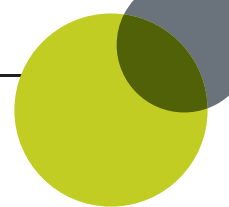
Total income comprises £789k of unrestricted funds and £19,430k of restricted funds. A detailed analysis of the merchandising activities is shown in note 3.

A detailed analysis of expenditure is available in the Consolidated Statement of Financial Activities and Note 7.

The net incoming resources for the year of £191k comprises a surplus on unrestricted activities of £55k and a surplus on restricted activity of £136k, as shown in the Consolidated Statement of Financial Activities.

The Consolidated Summary Income and Expenditure Account is derived from the Consolidated Statement of Financial Activities which, together with the notes to the accounts, provides full information on the movements during the year on all the funds of the group.

The attached notes form part of the financial statements.



## Consolidated Balance Sheet

At 31 March 2014 - Company Number: 01068186

	Notes	2014 £'000	2013 £'000
<b>Fixed Assets</b>			
Tangible assets	11		1,043
Trust and administered funds	12	9,743	9,743
<b>Current Assets</b>			
Debtors	13	2,358	1,844
Cash		4,536	4,407
		<u>6,894</u>	<u>6,251</u>
<b>Creditors:</b> amounts falling due within one year	14	<u>(2,886)</u>	<u>(2,150)</u>
<b>Net Current Assets</b>		<u>4,008</u>	<u>4,101</u>
<b>Total Assets Less Current Liabilities</b>		<u>16,472</u>	<u>14,887</u>
Pension scheme deficit	9	(4,186)	(1,957)
<b>Net Assets</b>		<u><b>£12,286</b></u>	<u><b>£12,930</b></u>
<b>Funds</b>			
Unrestricted funds:			
General funds – include revaluation reserve of £2,415k (2013: £848k)	15	3,583	1,899
Designated reserve	15	60	83
Restricted funds			
Income funds – include revaluation reserve of £158k (2013: £158k)	16	3,562	3,638
Pension Reserves	9	(4,186)	(1,957)
Endowment Funds - include revaluation reserve of £4,968k (2013: £4,968k)	18	9,267	9,267
		<u><b>£12,286</b></u>	<u><b>£12,930</b></u>

Approved and authorised for issue by the Trustees,  
and signed on their behalf on 24th July 2014.

**Bryan Portman**  
Chairman of Trustee Board

**Siobhan Boylan**  
Honorary Treasurer

The attached notes form part of the financial statements.

## Company Balance Sheet

At 31 March 2014 - Company Number: 01068186

	Notes	2014 £'000	£'000	2013 £'000	£'000
<b>Fixed Assets</b>					
Tangible assets	11		2,721		1,043
Investment	12		476		476
<b>Current Assets</b>					
Debtors	13	2,334		1,830	
Cash		4,050		4,079	
		<u>6,384</u>		<u>5,909</u>	
<b>Creditors:</b> amounts falling due within one year	14	<u>(2,843)</u>		<u>(2,161)</u>	
<b>Net Current Assets</b>			<u>3,541</u>		<u>3,748</u>
<b>Total Assets Less Current Liabilities</b>			6,738		5,267
Pension scheme deficit	9		(4,186)		(1,957)
<b>Net Assets</b>			<u><b>£2,552</b></u>		<u><b>£3,310</b></u>
<b>Funds</b>					
Unrestricted funds:					
General funds - include revaluation reserve of £2,415k (2013: £848k)	15		3,576		1,891
Designated reserve	15		60		83
			<u>£3,636</u>		<u>£1,974</u>
Restricted funds					
Income funds – include revaluation reserve of £158k (2013: £158k)	16		3,102		3,293
Pension Reserves	9		(4,186)		(1,957)
			<u><b>£2,552</b></u>		<u><b>£3,310</b></u>

Approved and authorised for issue by the Trustees,  
and signed on their behalf on 24th July 2014.

**Bryan Portman**  
Chairman of Trustee Board

**Siobhan Boylan**  
Honorary Treasurer

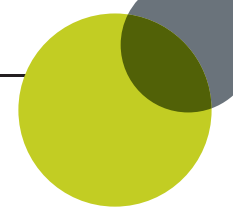
The attached notes form part of the financial statements.

## Consolidated Cash Flow Statement

### For the year ended 31 March 2014

Notes	2014 £'000	2013 £'000
<b>Reconciliation of net incoming resources to net cash inflow from operating activities</b>		
Net (outgoing) resources for the year	191	(527)
Depreciation	88	88
(Increase) / decrease in debtors	(514)	(650)
Increase / (decrease) in creditors	736	75
(Decrease)/increase in pension scheme deficit, net of gains/losses	(207)	(54)
Net investment income	(335)	(318)
	<b>£(41)</b>	<b>£(1,386)</b>
<b>Net cash (outflow) from operating activities</b>		
Net cash (outflow) from operating activities	(41)	(1,386)
Returns on investments and servicing of finance	1 335	318
Capital expenditure and financial investment	1 (165)	(4)
	<b>£129</b>	<b>£(1,072)</b>
<b>(Decrease) / increase in cash in the year</b>		
<b>Reconciliation of net cash flow to movements in net cash</b>		
(Decrease) / increase in cash in the year	2 129	(1,072)
	<b>129</b>	<b>(1,072)</b>
<b>Change in net cash</b>		
Net cash at 1 April 2013	2 4,407	5,479
	<b>£4,536</b>	<b>£4,407</b>
<b>Net cash at 31 March 2014</b>		

The attached notes form part of the financial statements.



## Notes to the Consolidated Cash Flow Statement

### For the year ended 31 March 2014

	2014 £'000	£'000	2013 £'000	£'000
<b>1. Gross Cash Flows</b>				
<b>Returns on investments and servicing of finance</b>				
Dividends received	307		263	
Interest received	28		55	
		<b>£335</b>		<b>£318</b>
<b>Capital expenditure and financial investment</b>				
Net investment purchases	-		-	
Purchase of tangible assets	(165)		(4)	
		<b>£(165)</b>		<b>£(4)</b>
			At 1 April 2013 £'000	Cash flows £'000
			At 31 March 2014 £'000	
<b>2. Analysis of Cash Movements</b>				
Cash in hand and at bank		4,407	129	4,536
<b>Total</b>		<b>£4,407</b>	<b>£129</b>	<b>£4,536</b>





# Notes to the Financial Statements

## For the year ended 31 March 2014

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### 1. Accounting Policies

#### **Basis of preparation**

The financial statements have been prepared on the historical cost basis of accounting, modified to include the revaluation of freehold land and buildings and investments. The financial statements have been prepared in accordance with the Statement of Recommended Practice "Accounting and Reporting by Charities" (SORP 2005), and with applicable accounting standards.

The statement of financial activities (SOFA) and balance sheet consolidate the financial statements of the charity and its subsidiary undertakings which include the trust funds where the Family Action was a Trustee and exerted controlling influence during the year. The results of the subsidiary are consolidated on a line-by-line basis.

A separate statement of financial activities is not presented because the charity has taken advantage of the provisions of paragraph 397 of the SORP 2005.

#### **Company status**

The charity is a company limited by guarantee. The members of the company are the trustees named on the first page. In the event of the charity being wound up, the liability in respect of the guarantee is limited to £1 per member of the charity.

#### **Fund accounting**

General funds are unrestricted funds 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 designated for other purposes.

Designated funds are the unrestricted funds that have been set aside by the trustees for particular purposes. The aim and use of each designated fund is set out in the notes to the financial statements.

Restricted funds are funds that are used in accordance with the specific instructions imposed by the donors or which have been raised by the charity for particular purposes.

Investment income and gains are allocated to the appropriate fund.

#### **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. No amounts are included in the financial statements for services donated by volunteers. Legacies are recognised on notification of an impending distribution or on receipt.

#### **Resources expended**

All expenditure is accounted for on the accrual basis and has been classified under headings that aggregate all costs related to the category. Support costs are those costs incurred directly in support of the expenditure on the objects of the charity and have been allocated, together with overheads, on the basis of the head count.

Fundraising and publicity costs are those incurred in seeking voluntary contributions and do not include the costs of disseminating information in support of the charitable activities. Governance costs are those incurred in connection with compliance with constitutional and statutory requirements of the Group.

## Notes to the Financial Statements (continued)

### For the year ended 31 March 2014

Rentals in respect of operating leases are charged on a straight line basis over the lease term.

#### Tangible fixed assets and depreciation

Tangible fixed assets financed by unrestricted funds and costing more than £500 are capitalised. This value comprises the purchase cost and any incidental expenses of acquisition. Tangible fixed assets financed by restricted funds are charged as an expense. All assets are accounted for on revaluation basis.. Depreciation is provided on all tangible fixed assets at rates calculated to write-off the cost on a straight-line basis over their expected useful economic lives as follows:

- Freehold property – 50 years;
- Equipment – 4 years;
- Furniture and computers – 3 years;
- IT infrastructure – 5 years.

Furniture and equipment that have been fully depreciated are written out of the accounts as their market value is considered to be negligible.

#### Investments

Investments are stated at market value at the balance sheet date. The SOFA includes the net gains and losses arising on revaluations and disposals throughout the year.

#### Pensions

Family Action operates a defined benefit pension scheme for permanent employees. The surplus or deficit of the scheme is recognised on the balance sheet. Changes in the assets and liabilities of the scheme in the year are disclosed and allocated as follows:

Changes relating to current or past service costs and gains and losses on settlements and curtailments, and pension finance costs arising from changes in the net of the interest costs and expected return on assets, are allocated to the relevant activity heading based on staff costs of employees within the scheme.

Pension finance income arising from similar changes is recognised as an incoming resource; and actuarial gains and losses arising are recognised as other recognised gains and losses.

The assets, liabilities and movements in the surplus or deficit of the scheme are calculated by qualified independent actuaries as an update to the latest full actuarial valuation.

Details of the scheme assets and liabilities and major assumptions are shown in note 9.

## 2. Donations and Legacies

	2014 £'000	2013 £'000
Individuals	310	169
Charitable trusts	357	410
Companies	98	250
	<b>£765</b>	<b>£829</b>

## Notes to the Financial Statements (continued)

### For the year ended 31 March 2014

### 3. Merchandising Income and Costs

The charity has one wholly owned trading subsidiary, which is incorporated in the UK. Family Welfare Enterprises Ltd is engaged in general trading in association with the charitable activities of Family Action; it covenants its taxable profits to Family Action. Audited accounts of Family Welfare Enterprises Ltd are filed with the Registrar of Companies.

	Group		Company	
	2014 £'000	2013 £'000	2014 £'000	2013 £'000
Merchandising income	-	9	-	-
Cost of sales	-	1	-	-
Merchandising costs	-	1	-	-
<b>Surplus/(deficit)</b>	<b>£-</b>	<b>£7</b>	<b>£-</b>	<b>£-</b>

### 4. Investment income

	2014 £'000	2013 £'000
Interest receivable	28	55
Dividends receivable from investments	307	263
	<b>£335</b>	<b>£318</b>

## Notes to the Financial Statements (continued)

### For the year ended 31 March 2014

#### 5. Statutory Funding

Birmingham City Council	London Borough of Waltham Forest
Bradford Metropolitan District Council	London Borough of Wandsworth
Carers Lewisham	London Borough of Lewisham
Carers Trust	Luton Borough Council
Central Manchester, Manchester Children's Hospital	Manchester City Council
Children & Family Court Advisory & Support Service (CAFCASS)	Medway Council
Cripplegate Foundation	NHS Bradford CCG
Department for Education	NHS Norfolk CCG
Department for Education (Family Lives)	NHS North Derbyshire CCG
Department for Education (TCCR)	NHS Tower Hamlets CCG
Durham County Council	NHS Wandsworth CCG
East Leicestershire & Rutland CCG	Norfolk County Council
East Leicestershire CCG	Nottinghamshire County Council
Housing Corporation (Hexagon, Orwell Housing Association)	Nottinghamshire NHS Trust
Isle of Man Government	Peterborough City Council
Kent County Council	Pre-School Learning Alliance
Leicestershire County Council	Rochdale Metropolitan Borough Council
Lincolnshire County Council	Royal Borough of Greenwich
London Borough of Bexley	Royal Borough of Kensington & Chelsea
London Borough of Bromley	Royal Borough of Windsor and Maidenhead
London Borough of Ealing	Sandwell MBC (Murray Hall Trust)
London Borough of Hackney	Sheffield City Council
London Borough of Haringey	South London & Maudsley NHS Trust
London Borough of Harrow	Southend on Sea Borough Council
London Borough of Islington	Suffolk Mind
London Borough of Newham	Warwickshire County Council
London Borough of Southwark	West Leicestershire CCG
London Borough of Tower Hamlets	Wiltshire County Council

#### 6. Alleviation of Need

The charity made 556 (2013: 1607) grants to individuals in the year that totalled £0.17m (2013: £0.42m).

## Notes to the Financial Statements (continued)

### For the year ended 31 March 2014

## 7. Analysis of Total Resources Expended

	Staff Costs £'000	Other Costs £'000	Depreciation £'000	2014 £'000	2013 £'000
<b>Cost of generating funds</b>					
Fundraising and publicity costs	208	38	3	249	199
Merchandising costs	-	-	-	-	1
Pension scheme finance costs	-	(67)	-	(67)	31
	<u>208</u>	<u>(29)</u>	<u>3</u>	<u>182</u>	<u>231</u>

### Cost of charitable activities

Operational services	15,045	4,224	67	19,336	17,993
Educational grants advice	157	137	2	296	393
Alleviation of needs	-	175	-	175	419
Governance costs	-	39	-	39	29
	<u>15,202</u>	<u>4,575</u>	<u>69</u>	<u>19,846</u>	<u>18,834</u>
	<b>£15,410</b>	<b>£4,546</b>	<b>£72</b>	<b>£20,028</b>	<b>£19,065</b>

	Direct Costs £'000	Allocated Costs £'000	Support Costs £'000	2014 £'000	2013 £'000
<b>Cost of generating funds</b>					
Fundraising and publicity costs	208	-	41	249	198
Merchandising costs	-	-	-	-	1
Pension scheme finance costs	(67)	-	-	(67)	31
	<u>141</u>	<u>-</u>	<u>41</u>	<u>182</u>	<u>230</u>

### Cost of charitable activities

Operational services	18,624	-	712	19,336	17,994
Educational grants advice	257	-	39	296	393
Alleviation of needs	175	-	-	175	419
Governance costs	-	39	-	39	29
	<u>19,056</u>	<u>39</u>	<u>751</u>	<u>19,846</u>	<u>18,835</u>
	<b>£19,197</b>	<b>£39</b>	<b>£792</b>	<b>£20,028</b>	<b>£19,065</b>



## Notes to the Financial Statements (continued)

### For the year ended 31 March 2014

## 7. Analysis of Total Resources Expended (continued)

### Support Costs

#### Cost of generating funds

	Admin £'000	Executive Office £'000	Finance £'000	2014 £'000	2013 £'000
Fundraising and publicity costs	25	11	5	41	8
Merchandising costs	-	-	-	-	1
	<u>25</u>	<u>11</u>	<u>5</u>	<u>41</u>	<u>9</u>

#### Cost of charitable activities

Operational services	323	159	230	712	811
Educational grants advice	26	7	6	39	6
	<u>349</u>	<u>166</u>	<u>236</u>	<u>751</u>	<u>817</u>
	<b><u>£374</u></b>	<b><u>£177</u></b>	<b><u>£241</u></b>	<b><u>£792</u></b>	<b><u>£826</u></b>

#### Other costs include

Other costs for running services				1,734	1,810
Staff training, travel and recruitment				987	904
Buildings and grounds				859	961
Insurance and office costs				927	831
Printing and promotion				106	126
Pension scheme finance costs				(67)	31
Net pension service costs				-	-
				<b><u>£4,546</u></b>	<b><u>£4,663</u></b>

#### The above expenditure includes the following charges:

Audit fee				21	17
Depreciation				88	88
Operating lease rentals					
- Buildings				205	292
- Other				30	35
				<b><u>30</u></b>	<b><u>35</u></b>

## 8. Trustees' Remuneration

The Trustees neither received nor waived any emoluments during the year (2013 £ Nil). No out of pocket expenses were reimbursed to Trustees.

## Notes to the Financial Statements (continued)

### For the year ended 31 March 2014



## 9. Employee and Pension Costs

	2014 £'000	2013 £'000
<b>Staff costs consist of:</b>		
Wages and salaries	13,819	12,393
Social security costs	1,067	981
Pension costs (employer's current service cost)	135	207
	<b>15,021</b>	<b>13,581</b>
Agency costs	878	535
	<b>£15,899</b>	<b>£14,116</b>
The average number of employees was	<b>677</b>	<b>586</b>

The numbers of employees and staff costs are those of the group.

Three employees received total emoluments of between £70k and £80k in the year (2013: Three).  
One employee received total emoluments of between £110k and £120k in the year (2013: One).

### Pension Arrangements

The group operates a pension scheme with a defined benefits section which is administered by Capita Hartshead Limited in accordance with the rules and valuations of that section. The defined benefits section of the pension scheme closed to future accruals on 31 May 2012. Except for payments due under a Recovery Plan agreed with the pension trustees, no further contributions are to be made to the defined benefits section. There is, however, an obligation to fund the ongoing administration costs of the pension scheme. The defined contribution section of the scheme which is administered by Legal and General Assurance Society Limited is in addition to the Group Personal Pension arrangement administered by Friends Life.

The Group Personal Pension is open to new members who are invited to join where eligible. As from February 2013, new members are auto enrolled into the GPP based on eligibility except where employee choose the opt out option.

The disclosures set out below are based on calculations carried out as at 31 March 2014 by a qualified independent Actuary.

The Scheme's assets are held in a separate trustee-administered fund to meet long-term pension liabilities to past and present employees. The liabilities of the Scheme are measured by discounting the best estimate of future cash flows to be paid out of the Scheme using the Projected Unit Method which is a method suitable for a scheme that was closed to new entrants. The liabilities set out in this note have been calculated based on the full FRS17 valuation as at 31 March 2012, updated to 31 March 2014. The results of the calculations and the assumptions adopted are shown below.

The Charity's contributions expected to be made in the year commencing 1 April 2014 are approximately £462,500 based on the revised schedule of contributions dated October 2013.

The Trustees of the Scheme are required to act in the best interest of the Scheme's beneficiaries. The appointment of members of the Trustee board is determined by the trust documentation. Trustees have received actuarial advice and the overall expected rate of return on assets is based on the long-term future expected investment return for each asset class as at the beginning of the period.

## Notes to the Financial Statements (continued)

### For the year ended 31 March 2014

#### 9. Employee and Pension Costs (continued)

The amounts in the balance sheet at 31st March are as follows:

	2014 £'000	2013 £'000	2012 £'000	2011 £'000	2010 £'000
Fair value of Scheme assets	19,486	18,274	16,215	14,103	11,748
Present value of funded obligations	(23,672)	(20,231)	(20,687)	(16,859)	(16,011)
Net liability recognised in the balance sheet	<b>£(4,186)</b>	<b>£(1,957)</b>	<b>£(4,472)</b>	<b>£(2,756)</b>	<b>£(4,263)</b>
Experience gains/(losses) on Scheme liabilities	<b>£(0)</b>	<b>£(4)</b>	<b>£(808)</b>	<b>£692</b>	<b>£309</b>
Experience gains/(losses) on Scheme assets	<b>£787</b>	<b>£1,311</b>	<b>£(137)</b>	<b>£114</b>	<b>£1,418</b>

#### Analysis of amounts charged to activity cost categories:

##### Charitable expenditure operating charge

Current service cost of the Scheme

##### Total

##### Bank and other interest/(other finance charges)

Expected return on Scheme assets

Interest cost on obligations

#### Analysis of actuarial loss debited in the Statement of Financial Activities:

Actuarial (losses)/gains

Cumulative actuarial (losses) and gains

#### Changes in present value of the defined benefits obligation:

Opening defined benefits obligation

Current service cost - employer

Interest cost on Scheme liabilities

Contributions by members

Actuarial losses/(gains)

Benefits paid

Closing defined benefits obligation

	2014 £'000	2013 £'000
Current service cost of the Scheme	135	207
<b>Total</b>	<b>£135</b>	<b>£207</b>
	2014 £'000	2013 £'000
Expected return on Scheme assets	1,060	935
Interest cost on obligations	(993)	(966)
	<b>£67</b>	<b>£(31)</b>
	2014 £'000	2013 £'000
Actuarial (losses)/gains	<b>£(2,420)</b>	<b>£2,461</b>
Cumulative actuarial (losses) and gains	<b>£(3,031)</b>	<b>£(611)</b>
	2014 £'000	2013 £'000
Opening defined benefits obligation	20,231	20,687
Current service cost - employer	135	207
Interest cost on Scheme liabilities	993	966
Contributions by members	0	61
Actuarial losses/(gains)	3,207	(1,150)
Benefits paid	(894)	(540)
Closing defined benefits obligation	<b>£23,672</b>	<b>£20,231</b>

## Notes to the Financial Statements (continued)

### For the year ended 31 March 2014

#### 9. Employee and Pension Costs (continued)

##### Changes in fair value of Scheme assets are as follows:

	2014 £'000	2013 £'000
Opening fair value of Scheme assets	18,274	16,215
Expected return on Scheme assets	1,060	935
Actuarial gains/(losses) on Scheme assets	787	1,311
Contributions by members	0	61
Contributions by employer	259	292
Benefits paid	(894)	(540)
Closing fair value of Scheme assets	<b>£19,486</b>	<b>£18,274</b>

##### The major categories of Scheme assets are as follows:

	% of Total Scheme 2014	Share of Fund value at 31 March 2014 £'000	% of Total Scheme 2013	Share of Fund value at 31 March 2013 £'000
<b>Scheme Assets</b>				
Diversified Growth/Absolute Return Fund	66.9	13,036	0	
Equities	0	0	64.3	11,750
Corporate Bonds	5	974	7.1	1,297
Government Bonds/Gilts	19.2	3,741	20.3	3,710
Property	8.6	1,676	8.3	1,517
Cash	0.3	59	0	0
Total		<b>£19,486</b>		<b>£18,274</b>

##### Actual return on scheme assets

	2014 £'000	2013 £'000
Actual return on scheme assets	<b>£1,712</b>	<b>£2,246</b>

##### Actuarial assumptions used at 31st March:

	2014 Per annum	2013 Per annum
Aggregate long-term expected rate of return on Scheme assets		
Salary increases	6.10%	5.90%
-1 April 2012	0.00%	0.00%
-1 April 2013	1.00%	1.00%
-1 April 2014 and 1 April 2015	1.00%	1.00%
-1 April 2016 onwards	2.40%	3.00%
Pension increases:		
- Pension earned before 6.4.97	3.00%	3.00%
- Pension earned after 5.4.97 for pre 1.5.06 joiners	3.30%	2.90%
- Pension earned after 5.4.97 for post 30.4.06 joiners	2.50%	2.20%
Discount rate	4.60%	5.00%
Rate of Inflation	3.40%	3.00%
Expected rate of return on equities	7.50%	7.00%
Expected rate of return on gilts	3.50%	3.00%
Expected rate of return on corporate bonds	4.20%	4.10%
Expected rate of return on cash	0.50%	0.50%
Expected rate of return on property	6.50%	6.00%

## Notes to the Financial Statements (continued)

### For the year ended 31 March 2014



## 9. Employee and Pension Costs (continued)

### Mortality Assumptions

Pre- and post-retirement mortality is also assumed to be in line with published mortality tables SIPMA for men and SIPFA for women, in both cases using a Medium Cohort improvement with an underpin of 0.5% per annum.

Based on these assumptions, average future life expectancies at age 65 are summarised below:

	2014	2013
<b>Males</b>		
Aged 65 now	21.7	21.7
Aged 45 now	22.5	22.5
<b>Females</b>		
Aged 65 now	23.8	23.7
Aged 45 now	24.7	24.7

## 10. Transfers between funds

The transfer between funds represents the net balance of support given by Family Action out of unrestricted incoming resources to projects that are not fully covered by statutory or other specific funding and the transfer of surplus restricted funds to unrestricted reserves.

## Notes to the Financial Statements (continued)

### For the year ended 31 March 2013

#### 11. Tangible Fixed Assets - Group and Company

	Freehold Property £'000	Equipment £'000	IT Infrastructural Development £'000	Total £'000
Restated balance at 31 March 2013	1,124	91	259	1,475
Revaluation of assets	1,457	-	-	1,457
Additions	-	8	157	165
<b>Balance at 31 March 2014</b>	<b>2,581</b>	<b>99</b>	<b>416</b>	<b>3,097</b>
Depreciation at 31 March 2013	106	88	221	415
Depreciation charge	22	4	62	88
Disposals	(128)	-	-	(128)
<b>Depreciation at 31 March 2014</b>	<b>0</b>	<b>92</b>	<b>283</b>	<b>375</b>
<b>Net Book Value at 31 March 2014</b>	<b>£2,581</b>	<b>£7</b>	<b>£133</b>	<b>£2,721</b>
<b>Net Book Value at 31 March 2013</b>	<b>£1,018</b>	<b>£0</b>	<b>£26</b>	<b>£1,044</b>

Freehold land and buildings includes two properties.

A decision was made by the Board of Trustees, in March 2014, to sell the Head Office property at 501-505 Kingsland Road. The sale is expected to be completed by February 2015.

As the contract for the sale of the Kingsland road office was exchange in July 2014, the property was included in the account at the offer price net cost of sale at £2.18m.

A decision was also made by the Board of Trustees, in March 2014, to adopt a revaluation policy for the project office at 219 Stanstead Road. The property was valued at 31 March 2014 at £400,000 by Salter Rex LLP Chartered Surveyors & Estate Agents on an open market basis. This value will be depreciated over 50 years commencing from 1 April 2014.

The original purchase cost of these properties was £209,000.

The net book value at 31 March 2014 represents assets used for:

	Freehold Property £'000	Equipment £'000	IT Infrastructural Development £'000	Total £'000
<b>Charitable purposes</b>				
Operational services	1368	4	73	1,442
Educational Grants Advice	361	1	19	381
Support services	852	2	44	898
	<b>£2,581</b>	<b>£7</b>	<b>£133</b>	<b>£2,721</b>



## Notes to the Financial Statements (continued)

### For the year ended 31 March 2014

## 12. Fixed Assets - Trust & Administered Funds

### GROUP

#### Trust and administered funds

At valuation

2014 £'000	2013 £'000
<b>£9,743</b>	<b>£9,743</b>

All trust fund investments were revalued to the quoted price on 31 March 2013.

Summary of subsidiary undertakings:

Family Welfare Enterprises Ltd. 100% owned, Registered in England.

61 Endowed Trusts funds owning investments.

The investments of the trusts and administered funds are held in a broadly diversified multi-manager portfolio devised and run by Epoch Wealth Management.

All investments are in the United Kingdom

	Group 2014 £'000	Group 2013 £'000
Market value at 31 March 2013	£9,743	£8,891
Net gains/(losses) on revaluation in year	-	852
Market value at 31 March 2014	<b>£9,743</b>	<b>£9,743</b>
Historical cost at 31 March 2014	<b>£4,617</b>	<b>£4,617</b>

### COMPANY

#### Investment in administered funds – Capital at valuation

476      476

#### Investment in Family Welfare Enterprises Ltd

Shares at cost

10      10

Amount owing

(10)      (10)

**£476**      **£476**

## 13. Debtors

	Group		Company	
	2014 £'000	2013 £'000	2014 £'000	2013 £'000
Amounts invoiced to funders	1,762	1,470	1,762	1,470
Payments in advance and accrued income	596	374	572	360
	<b>£2,358</b>	<b>£1,844</b>	<b>£2,334</b>	<b>£1,830</b>

## Notes to the Financial Statements (continued)

### For the year ended 31 March 2014



#### 14. Creditors: amounts falling due within one year

	Group		Company	
	2014 £'000	2013 £'000	2014 £'000	2013 £'000
Tax and social security	310	269	310	269
Other creditors	2,063	1,692	1,998	1,614
Receipts in advance	513	189	535	278
	<b>£2,886</b>	<b>£2,150</b>	<b>£2,843</b>	<b>£2,161</b>

#### 15. Unrestricted funds

	Movement in funds				Balance 31 March 2014 £'000
	Balance 31 March 2013 £'000	Incoming Resources £'000	Gains and transfers £'000	Expenditure £'000	
<b>GROUP</b>					
General funds	1,898	789	1,607	(711)	3,583
Designated funds	83	-	-	(23)	60
	<b>£1,981</b>	<b>£789</b>	<b>£1,607</b>	<b>£ (734)</b>	<b>£3,643</b>
<b>COMPANY</b>					
General funds	1,891	789	1,607	(711)	3,576
Designated funds	83	-	-	(23)	60
	<b>£1,974</b>	<b>£789</b>	<b>£1,607</b>	<b>£(734)</b>	<b>£3,636</b>

The general fund represents the free funds of the Charity, which are not designated for any particular purpose.

The designated (staff contingency) fund has been set up to enable the Charity to meet its contracted obligations where services experience staff absences due to sickness, redundancy or maternity for which additional funding is not available.

## Notes to the Financial Statements (continued)

### For the year ended 31 March 2014

#### 16. Restricted funds

	Movement in funds				Balance 31 March 2014 £'000
	Balance 31 March 2013 £'000	Incoming Resources £'000	Gains (losses) and transfers £'000	Expenditure £'000	
<b>Operational and other services</b>	2,731	18,983	(22)	(19,205)	2,487
<b>Other restricted funds:</b>					
Lankelly Foundation	2	116	-	(45)	73
Triangle Trust 1949 fund	-	5	-	(5)	-
Barclaycard Horizon	2	-	-	(2)	-
Other Trust funds - Revenue	80	18	-	(34)	64
Edith & W Morgan Mental Health - Capital	313	-	-	-	313
Other Trust funds - Capital	165	-	-	-	165
	562	139	-	(86)	615
<b>Total Company</b>	<b>3,293</b>	<b>19,122</b>	<b>(22)</b>	<b>(19,291)</b>	<b>3,102</b>
Nora Henry Trust - Revenue	24	49	-	(24)	49
Other trust funds - Revenue	322	259	-	(170)	411
<b>Group restricted funds</b>	<b>3,693</b>	<b>19,430</b>	<b>(22)</b>	<b>(19,485)</b>	<b>3,562</b>
<b>Pension scheme reserve</b>	<b>(1,957)</b>	<b>-</b>	<b>(2,420)</b>	<b>191</b>	<b>(4,186)</b>
<b>Group restricted funds including pension scheme reserve</b>	<b>£1,682</b>	<b>£19,430</b>	<b>£(2,442)</b>	<b>£(19,294)</b>	<b>£(624)</b>

- The restricted funds comprise two main elements – the unexpended income from the operational services and unexpended income of both endowed and non-endowed trust funds. The operational restricted funds represent funded projects and services run by Family Action. The balance at 31 March 2014 consists mainly of start-up funding on new projects not yet spent and funding to be carried forward as agreed with individual funders
- As explained in note 18, Family Action administers endowed funds. The unexpended income from the funds is carried forward under its restricted purpose.
- In addition to the endowed funds, Family Action administers income received from 30 Trusts and organisations. It distributes this income in the form of grants to individuals. The unexpended income from these sources is carried forward as restricted funds.
- Sufficient resources are held in an appropriate form to enable each fund to be applied in accordance with the restrictions imposed.

## Notes to the Financial Statements (continued)

### For the year ended 31 March 2014

#### 17. Big Lottery Fund Grants

These funds are part of statutory funding in restricted funds

	Project Ref. Number	Movement in funds			Balance 31 March 2014 £'000
		Balance 31 March 2013 £'000	Incoming Resources £'000	Outgoing Resources £'000	
Peri-Natal Projects (2012-13)	010340820	-	41	(41)	-
Peri-Natal Support Project Plus	010454490	-	121	(121)	-
BME Well Family (2010-13)	010353831	-	59	(59)	-
BME Well Family (2013-16)	010457531	-	82	(82)	-
Southend Improving Futures	010426660	-	219	(219)	-
Haringey Improving Futures	010407119	-	226	(226)	-
Award for All-Tower Hamlets	010426614	-	164	(164)	-
Building Bridges Plus	30112998	-	77	(77)	-
Canterbury Advice Service	30115444	-	16	(16)	-
Heritage Lottery Fund-Swaffham	OH-12-12282	-	10	(10)	-
		<b>£-</b>	<b>£1,015</b>	<b>£(1,015)</b>	<b>£-</b>

#### 18. Endowment funds

##### Permanent Endowments

	Charity Reg. Number	Movement in funds			Balance 31 March 2014 £'000
		Balance 31 March 2013 £'000	Additions £'000	Unrealised Gains/(Losses) £'000	
Caterham Whyteleafe Trust	272724	676	-	-	676
Eleanor Ponsonby Trust	275060	1,083	-	-	1,083
FWA Greater London Relief In Need Charity	1006487	386	-	-	386
FWA National Relief in Need	231205	271	-	-	271
FWA Relief in Need Charity For the Aged	237118	888	-	-	888
FWA Relief in Sickness Charity	264713	241	-	-	241
Limpsfield Convalescence Fund	208536	148	-	-	148
Women's Holiday Fund	207455	860	-	-	860
Green Bequest Fund	252152	114	-	-	114
Metropolitan Visiting and Relief Association	251586	343	-	-	343
Queen Adelaide Fund	207228	245	-	-	245
Bishop Andrews Charity	205288	113	-	-	113
Cumberland Benevolent Fund	231206	110	-	-	110
Other funds (balances < £100,000)		672	-	-	672
		<b>£6,150</b>	<b>-</b>	<b>-</b>	<b>£6,150</b>

## Notes to the Financial Statements (continued)

### For the year ended 31 March 2014

#### 18. Endowment Funds (continued)

	Charity Reg. Number	Movement in funds			Balance 31 March 2014 £'000
		Balance 31 March 2013£'000	Additions £'000	Unrealised Gains/(Losses) £'000	
<b>Expendable endowments</b>					
Nora Henry Trust	313949	1,593	-	-	1,593
British War Refugees Fund	251578	176	-	-	176
Fenton Trust	247552	575	-	-	575
Lamming Will Trust	216257	180	-	-	180
Alfred de Rothschild Trust	201625	289	-	-	289
Other funds (balances < £100,000)		304	-	-	304
		<b>3,117</b>	-	-	<b>3,117</b>
Total endowment funds		<b>£9,267</b>	-	-	<b>£9,267</b>

Family Action manages both trust funds with or without endowments. There are 45 permanent endowment and 16 expendable endowment trust funds managed by Family Action, some more than 400 years old. The general policy is not to spend the fund's capital even if permitted to do so within the terms of the trust deed. The capital is invested and income is disbursed. The trust deed specifies the purpose for which the income can be used.

Family Action Trustees have established two grant allocation panels to approve the disbursement of grants in line with the terms of the trusts. All unexpended income is held as restricted funds for the purpose specified.

#### 19. Analysis of Group Net Assets between funds

	Unrestricted funds £'000	Restricted funds £'000	Endowment funds £'000	Total funds £'000
Fund balances at 31 March 2014 are represented by:				
Tangible fixed assets	2,721	-	-	2,721
Investments	-	476	9,267	9,743
Current assets	1,499	5,395	-	6,894
Current liabilities	(577)	(2,309)	-	(2,886)
Pension scheme deficit	-	(4,186)	-	(4,186)
Total net assets	<b>£3,643</b>	<b>£(624)</b>	<b>£9,267</b>	<b>£12,286</b>
Unrealised gains included above:				
Tangible fixed assets	2,415	-	-	2,415
Investment assets	-	158	4,968	5,126
Total unrealised gains at 31 March 2014	<b>£2,415</b>	<b>£158</b>	<b>£4,968</b>	<b>£7,541</b>
Reconciliation of movements in unrealised gains on investment assets:				
Unrealised gains at 31 March 2013		158	4,968	5,126
Add: net gain/(loss) arising on revaluations in year		-	-	-
Unrealised gains/(loss) at 31 March 2014		<b>£158</b>	<b>£4,968</b>	<b>£5,126</b>

## Notes to the Financial Statements (continued)

### For the year ended 31 March 2014

#### 20. Leasing Commitments

At 31 March 2014 the group had annual commitments under non-cancellable operating leases for land and buildings as detailed below

Operating leases which expire

- within one year

- within two to five years

	2014 Land and Buildings £'000	2014 Other £'000	2013 Land and Buildings £'000	2013 Other £'000
	205	30	61	35
	-	-	231	-
	<b>£205</b>	<b>£30</b>	<b>£292</b>	<b>£35</b>

#### 21. Conduit Funds

Family Action manages and disburses funds on behalf of a number of organisations. The value of these funds at 31 March 2014 is stated below:

Motor Insurance Bureau

Deputy and Trusteeship Services

	Balance 31 March 2013 £'000	Incoming funds £'000	Outgoing funds £'000	Balance 31 March 2014 £'000
	117	3	(18)	102
	479	1,735	(1,455)	759
	<b>£596</b>	<b>£1,738</b>	<b>£(1,473)</b>	<b>£861</b>

Motor Insurance Bureau: Family Action acts as custodian trustee for minors in respect of awards made by the Motor Insurance Bureau. These funds are individually invested with National Savings. The investments are passed on to the individual benefactors on reaching the age of majority.

Deputy and Trusteeship Services: The Head of Deputy and Trusteeship Services acts as deputy for people who do not have the capacity to manage their own financial affairs and undertakes the day-to-day management of their financial affairs in line with guidelines provided by the Office of the Public Guardian.





## LIST OF SUPPORTERS 2013-14

Family Action would particularly like to thank the following for their support in the last year. We would also like to thank our individual donors, our supporters who would prefer to remain anonymous, those making regular gifts, those raising funds through events and those who left us generous gifts in their wills.

Adobe Systems UK

Barclays

BBC Children in Need

BE Rodmell Trust

Big Lottery Awards for All

Big Lottery Improving Futures

Big Lottery Reaching Communities

Carers Trust

Durham University Charities Kommittee

Edinburgh Trust No.2 Account

Edith Murphy Foundation

Fidentia et Lutine Lodge

Forex Capital Markets Ltd

Frontier Economics Ltd

Garfield Weston Foundation

Haringey Borough Council - One Borough One Future Fund

Harris and Sheldon Group Charitable Trust

Heritage Lottery Fund

Hesslewood Children's Trust

Howden Insurance Brokers Ltd

John Ellerman Foundation

Lloyds Banking Group

M & H Cadbury Trust

Norfolk County Council - Living Well in Community Fund

Northern Rock

Prudential Corporation Plc

Sir Jeremiah Colman Gift Trust

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The D G Ryder Charitable Trust

The Dagny Raymond Charitable Trust

The Fitzmaurice Trust

The H J Charitable Trust

The Henry Smith Charity

The Ian Askew Charitable Trust

The J Reginald Corah Foundation Fund

The June Stevens Foundation

The Kirby and West Charitable Trust

The LankellyChase Foundation

The Mackintosh Foundation

The Monument Trust

The Paul Bassham Charitable Trust

The Pennycress Trust

The Persula Foundation

The Privy Purse Charitable Trust

The Scots Guards Charitable Funds

The Scottish Power Energy People Trust

The Sheffield and District Hospital Services Charitable Fund

The Sir Tom Cowie Charitable Trust

The Sylvia Adams Charitable Trust

The Wixamtree Trust

William Adlington Cadbury Charitable Trust

**Family Action Head Office**

24 Angel Gate  
City Road  
London EC1V 2PT

**T: 020 7254 6251**

**[www.family-action.org.uk](http://www.family-action.org.uk)**  
**[info@family-action.org.uk](mailto:info@family-action.org.uk)**

Registered Charity no: 264713. Registered  
Company Limited by Guarantee in  
England and Wales: 01068186  
Patron: Her Majesty the Queen.  
Chair: Bryan Portman MBA FCCA FCIS.  
Chief Executive: David Holmes CBE.

