



Building  
stronger  
families

# Family Action Annual Report & Accounts 2015/16



Early Years



Children &  
Families



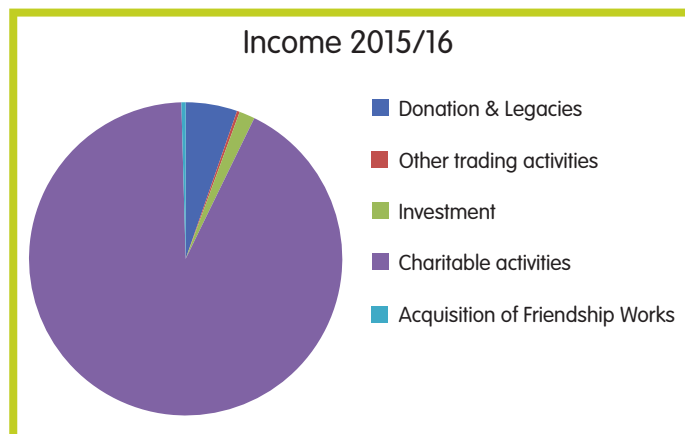
Adult Mental Health  
& Wellbeing



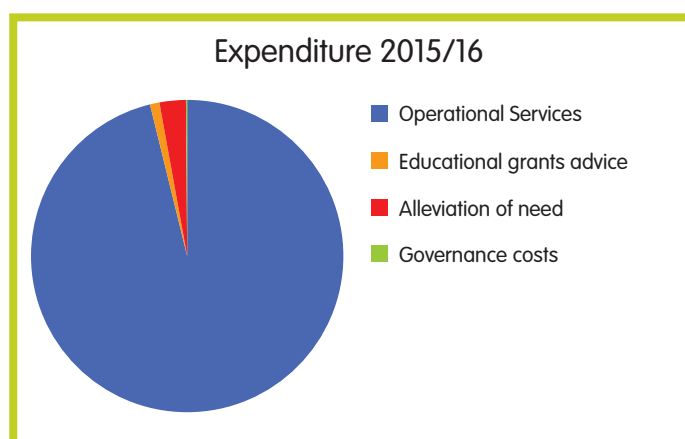
Grants

## Income & Expenditure Charts

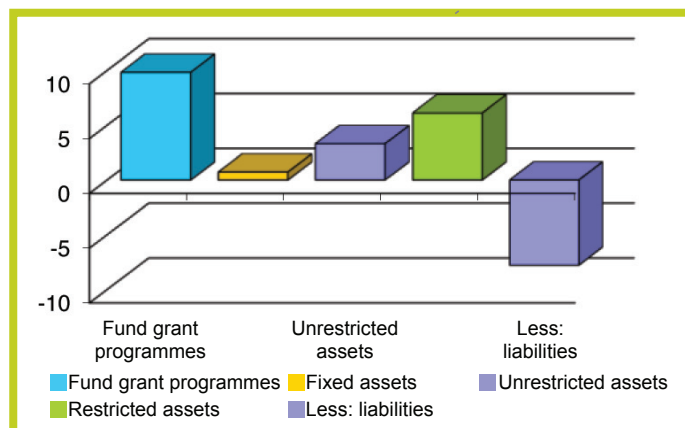
<b>INCOME</b>	<b>£'million</b>	<b>£'million</b>
	2015/16	2014/15 <small>restated</small>
Donation & Legacies	1.143	1.196
Other trading activities	0.061	0.006
Investment	0.347	0.343
Charitable activities	19.821	20.579
Acquisition of Friendship Works	0.094	0
	<u>21.466</u>	<u>22.124</u>



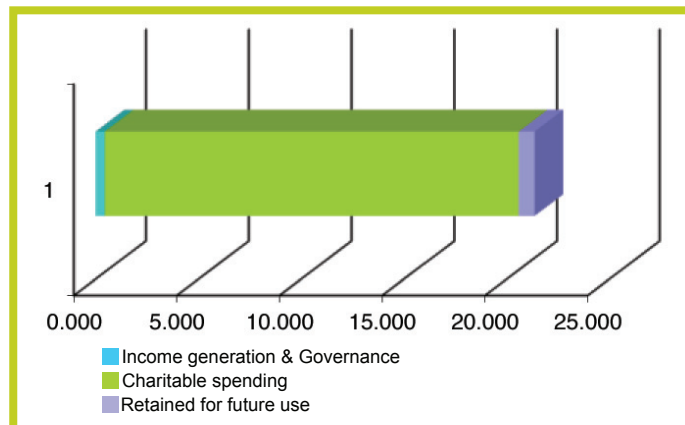
<b>EXPENDITURE</b>	<b>£'million</b>	<b>£'million</b>
	2015/16	2014/15
Charitable activities:		
Fundraising & publicity costs	0.435	0.396
Merchandising costs	0.112	0
Operational Services	19.373	20.826
Educational grants advice	0.198	0.231
Alleviation of need	0.548	0.447
Governance costs	0.026	0.042
	<u>20.692</u>	<u>21.942</u>



<b>ASSETS &amp; LIABILITIES (note 19)</b>	<b>£'million</b>	<b>£'million</b>
	2015/16	2014/15
Restricted investments and Endowments invested to -		
Fund grant programmes	9.825	10.249
Fixed assets	0.717	0.785
Unrestricted assets	3.307	3.517
Restricted assets	6.115	5.937
Less: liabilities	(7.772)	(10.144)
Total net assets	<u>12.192</u>	<u>10.344</u>



<b>CHARITABLE SPENDING</b>	<b>£'million</b>	<b>£'million</b>
	2015/16	2014/15
Income generation & Governance	0.461	0.438
Charitable spending	20.119	21.504
Retained for future use	0.774	0.182

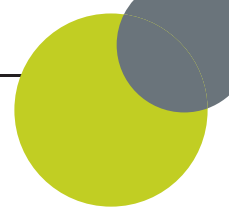


	<b>£'million</b>	<b>£'million</b>
	2015/16	2014/15
EMPLOYEES	685	715
VOLUNTEERS	535	518



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## Trustees' Report

### Welcome from Bryan Portman, Chairman of Family Action



I am delighted to present to you the Family Action Trustees' report for 2015/16. This has been a year of challenge and achievement for Family Action. Challenge because of the continuing impact on our services of Local Authority budget cuts and achievement because of the Charity's success over the year in continuing to diversify its income base, increase fundraising income and win new work.

Family Action is a modern, enterprising Charity with dedicated, innovative staff and tremendously positive momentum. We are determined to push on so that we can increase our impact further with the vulnerable children, adults and families that we serve.

Family Action works with 45,000 families and individuals a year. We work with people who are struggling with anxiety and depression, other mental health issues, family conflict, parenting challenges, poverty, social isolation and many other difficulties. Whatever the issue or combination of issues, we help people to find the right way forward for them. We have included some direct feedback from a range of our service users on the next two pages to give you a better insight into the impact of our work, not in our words but in the words of the people we serve.

I commend this report to you and thank you for your interest in Family Action.

Please support us so that we can do even more.

**Bryan Portman**  
Chairman of Trustees  
July 2016



## Trustees' Report (continued)

### Our Purpose and Activities

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.

Family Action supports over 45,000 families and children a year through over 140 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 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;
- **WellFamily** 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
- Provision of a Deputy and Trustee Service.

We manage and disburse funds on behalf of a number of organisations. See Note 21 for full details.



## Trustees' Report (continued)

### Our Staff

Family Action is committed to encouraging diversity, promoting equal opportunities, and providing fair treatment in all that we do. We strive for a working environment that is inclusive, free from discrimination and where everyone is treated with dignity and respect.

We believe that people with different backgrounds, skills, attitudes and experiences bring fresh ideas and perceptions to the workplace. We seek to encourage and harness these differences in order to meet the changing needs of our staff, volunteers, service users, trustees, partners, funders and supporters.

We hold awards in Investors in Diversity Accreditation Level 2 for our commitment to Equality & Diversity and the Jobcentre Plus Two Ticks Symbol – Positive about Disabled People which confirms that Family Action is committed to employing disabled people.

### Our Volunteers

Family Action is fortunate to have more than 500 volunteers across our range of services. Our volunteers support our work in so many different ways:

- As befrienders in our perinatal services;
- In parent support roles in our Children's Centres;
- As mentors to disadvantaged young people accessing our Friendship Works service;
- Through the provision of practical support in our emotional health and wellbeing services for adults;
- As Independent Visitors to children in care; and crucially
- As fundraisers for us.

Family Action is hugely grateful for the amazing contribution of each and every one of our volunteers.

### Our Values

Our Values and Behaviours underpin all that we do. All Family Action staff demonstrates our values and behaviours in their work and in

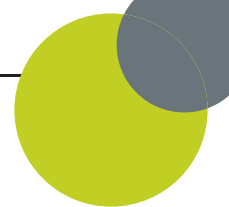
their professional relationships with colleagues, volunteers, partners and service users.

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.



## Trustees' Report (continued)

### Our Impact

Many of Family Action's services receive wonderful feedback. Here is a selection of heartfelt thanks and memories that have been sent to our teams.

#### **Our Grants team receives many cards and words of appreciation**

"Thank you all so very much for your generous help towards me. I'm overwhelmed by your charity's kindness. I feel I have been blessed and much appreciate it"

"I just wanted to say thank you for all your kindness and help getting our home nice again. You have changed our lives!"

"Just a big thank you for funding me money to help me buy some nice new tools and boots. I'm the only girl on my electrical course!"

From the Bethany Christian Trust: –

"These monies will make a real difference to the lives of the recipients. Your generosity is very much appreciated by Bethany and by the clients themselves. It is truly a privilege to deal with an organisation so willing to provide such assistance to the most vulnerable in society".

#### **Our Perinatal Support Services - Sent to our team in Chesterfield**

"Everything has changed for me, my mental health, the stability of my family, reduced anxiety, increased socialisation for my baby. Life feels more flexible and normal now. My anxiety has lifted and feels more manageable. I've gained confidence and coping skills and the ability to understand my own feelings"

#### **To our Perinatal Support Service in Swaffham**

"What the perinatal support has meant to me..... It gave me hope when I was hopeless. A complete stranger volunteered to come to visit me on a regular basis to listen to my worries and to be a shoulder to cry on. I was told due to having endometriosis, that I would probably never

conceive naturally. A miracle happened 3 years later and I found out I was expecting.

At 15 weeks after seeing my baby for the first time at the scan I went into labour. I had an emergency suture placed and was told to expect the worst. It was the most distressing time in my life. Usually a confident, strong woman, I fell to pieces. I was so anxious I wouldn't leave the house alone. I convinced myself something awful would happen. Mental illness consumes you, it isolates you. It is the loneliest place to be when your head just isn't in the right place.

If it wasn't for the support from your team I'm not sure I'd have come out on top. The Perinatal team, especially Melanie and Natalie, all have so much time to give. They all care so much and that makes all the difference. When you are at your lowest a little bit of kindness and light in a dark world is all you need. Thank you so much."

#### **Our team at the Oldbury Children's Centre, Sandwell received this email:**

"I have been an avid user of the Oldbury Cluster Children's Centres since 2014. I am writing this email as I am now moving out of area, but felt it was important to thank the staff at the children's centres for all they have done for my family and me. I had my first baby in August 2014 and registered through the Health Visitor. I first attended baby massage when my baby was 8 weeks old. From there I have been going to the various playgroups ever since. In November 2015 I had my second baby and was very anxious. I was so worried about my ability to parent and keep my children safe I was worried about leaving the house. Throughout my second pregnancy, the children's centre staff were supportive and reassuring and made me feel confident to bring my children out and allow them to continue to engage.

The children's centre also engaged my husband excellently. Giving him confidence as a dad to the children on days out and have fun and come back in one piece, with stories and handmade gifts for mum.

The children's centre staff helped me see I was a good mum and have confidence in that. That is the greatest gift anyone can give. I want to especially



## Trustees' Report (continued)

thank Tracey – our friend and cheerleader, Naz, Greg and Karen. You are wonderful and appreciated. Thank you, we will miss you.”

**Our Escape Project in Swaffham received this thank you from their services users**

**Thank you from the daughter of one of our services users**

“The Escape Project has given so much to people who are deemed by society as ‘different’- whose faces don’t fit in. They are all the kindest people you will ever meet. They are not defined by their mental health there. They are all treated as individuals. Katy, Karen and Clare are fabulous. They have brought so much happiness to a local community. Teaching skills that are dying out; growing crops and flowers; scything; building clay cob ovens and bee keeping. The list is endless. My mum has bipolar and seeing her come out of her shell and being so confident and happy and having a purpose in life again is the best thing ever for me. I could never say thank you enough.”







## Trustees' Report (continued)

### Strategic Report

#### Achievements and Performance

We continued to implement our Stronger than Ever organisational strategy during the financial year. The strategy has four broad themes: Stronger Organisation, Stronger Systems and Impact, Stronger Services and Innovation and Stronger Growth and Partnerships.

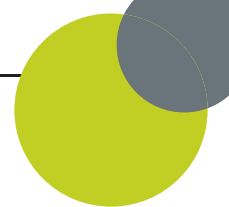
In relation to **Stronger Organisation** we had a very clear focus during the year on improving reporting compliance by local managers on individual service performance. We also worked hard further to improve our internal communications. For example, our internal e-bulletin which is accessible to all staff is now full of news and stories about our work and has also become a forum for sharing practice. We also now produce regular high quality briefings for all our staff about relevant national policy, legislation, consultations and Parliamentary business and place these briefings onto our intranet. These have been very well received. We continue to seize opportunities to share practice between services but this has become even more of a priority in 16/17. Our organisational performance in relation to co-production continues to improve and we had many excellent examples of service users being involved in recruitment, service development and external relations work during the year but we aim to do even more in this area. On volunteering we now have more than 500 volunteers across Family Action services. We enjoyed a step change in internal volunteering expertise during the year through our merger with Friendship Works. Friendship Works makes extensive use of volunteers in its services and brings considerable additional expertise into Family Action in relation to volunteer recruitment, development and supervision. We are taking every opportunity to benefit from this.

Under **Stronger Systems and Impact** we have continued to focus on implementing our IT

strategy. During the year we commissioned a new customer relationship management CRM database from an external provider and this project will continue into 16/17. We have taken opportunities to improve our intranet during the year and will concentrate more on this once the CRM project has been completed. We have seized a range of opportunities to influence the New Westminster Government since the General Election in May 2015 particularly in relation to family policy, parenting and maternal mental health. We have also held a range of high profile events throughout the year and have worked to ensure that we are visible to Parliamentarians across the political spectrum. We have continued to give particular attention to our impact over the year, publishing our second Impact Report, commissioning a range of evaluations of our different service models and being involved in some exciting research projects. Our ambition is to ensure that all Family Action services have an up to date service evaluation and we are making excellent progress on that journey.

In relation to **Stronger Services and Innovation** we achieved a service retention rate of over 91% just falling short of our target of 95%. This was still a very good result given the challenging public sector environment. Our Ofsted regulated services had strong inspection results throughout the reporting year. We had set ourselves the target of achieving the funding and piloting of a significant new service during the year. We have largely done this through the Safe Haven initiative which will work with adolescents in care. The funding to pilot this new service has been secured but the implementation itself will follow in 16/17.

Finally under **Stronger Growth and Partnerships** we had set ourselves an ambitious income target of £24m for the 15/16 year. This proved unachievable in a challenging year in which we saw continuing cuts to public services in our sector, a number of in-year service closures and a slow-down in commissioning by local authorities, particularly in the first half of the year. In the circumstances we did well to achieve £21.4m



## Trustees' Report (continued)

coming close to matching our 14/15 income of £22.1m. We also set ourselves a target of bidding for and securing at least one new service with an annual value running into seven figures. We achieved this through our new Lincolnshire Behaviour Outreach Support Service in Schools, although the contract itself will not begin until September 2016. We also said that we would deliver our income diversification strategy and we continued to do that very well. During the year we diversified our income base through a merger, through direct sales of our services, through exceeding our fundraising target, through the launch of a traded services subsidiary and through the continuing development of a pipeline of new service models.

### Key achievements during the year included:

- Reaching 45,000 families through our work in 2015/16;
- Winning 28 new services during a very challenging year;
- Securing the funding through social investment of our pioneering new Safe Haven service for vulnerable adolescents in care with the service due to go live in August 2016;
- Fundraising exceeding its target for the year by nearly £100,000 raising close to £2.7m;
- Securing some exciting new large scale contracts including an all Wales family support/ domestic abuse/perinatal mental health service, two new services in the Isle of Man (family support and supervised contact) and a behaviour outreach support service for all of Lincolnshire's schools;
- Producing a suite of six new films which capture the impact of our work and our second Impact Report;
- Launching in Parliament the evaluation of our ground breaking Open Doors Grants

Programme funded by Lankelly Chase which evidences the life-changing difference that small cash grants can make to people experiencing severe and multiple disadvantage when given as part of a wider programme of support;

- Hosting a visit by the Prime Minister and the Secretary of State for Education to our Head Office so that they could find out more about Family Action's work and meet some of our service users and staff;
- Our CEO winning People-Focused CEO of the Year, our HR team being commended for the excellence of their staff engagement work at the HR Distinction Awards 2016 and our Trustee Board being shortlisted at the Charity Governance Awards for excellence in embracing opportunity and harnessing risk;
- Bringing deep expertise in youth mentoring into Family Action through our successful merger with Friendship Works;
- Launching our new Training and Consultancy business which then went on to have a promising first year; and
- Extending our geographical service remit to the Isle of Man, Wales and Scotland and further expanding the volume of our schools, SENDIASS, contact and perinatal work during the year.



## Trustees' Report (continued)

### Financial Review

Family Action's net income for the year was £21.4m (2015 £22.1m). 95% 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 6a & b).

We have continued to grow our core work and implemented an income diversification strategy which has led to the merger of Friendship Works and the creation of a portfolio of training and consultancy offering. We also provided management consultancy services to various other small charities. Overall, we employed an average of 685 staff in the year, a reduction of 30 compared with 715 in 2015. This is due to the loss of our Family Support contract in Lincolnshire which was taken in house by the Local Authority due to financial pressures.

Total expenditure amounted to £20.7m (2015 £21.9m), with £19.4m (2015 £20.8m) relating to operational services.

Funds at year end were £12.2m (2015 £10.9m), the increase is primarily due to a reduction in the FRS 102 Pension deficit from £6.5m in 2015 to £5.1m as at 31 March 2016. The values of the Endowment Funds decreased to £9.3m compared with £9.7m in 2015.

### Merger of Friendship Works Limited

On the 30th July 2015 the Trustees agreed to merge Friendship Works into the operations of Family Action with the merger being effective from 1st October 2015. The two charities share complimentary objectives and missions with an emphasis on mentoring Young People. The merger has supported Friendship Works to develop its growth strategy as Family Action has a national profile and a wide range of services from which to expand the mentoring offer. In addition the merger has delivered cost efficiencies through sharing

back office functions, which has led to a reduction in the unit cost of Friendship Works matches.

As the merger did not require a payment by Family Action, the change has been recognised as a gift of Friendship Works assets. These were valued at £94k at the date of the merger with Family Action and this has been recognised as income in the group Statement of Financial Activities. As detailed in Note 7 to the accounts at 31 March 2016, the trade and assets of Friendship works were transferred to Family Action. Their value at that date was £94k, increasing the company's charitable restricted reserves accordingly.

### Administration Costs

During the year, we again made substantial progress in improving our efficiency, through the continued 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 and Going Concern

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. In considering the nature and diversity of our income, the Trustees believe this should ideally be 6 months running costs of the central operation which runs the Charity. i.e. Head Office; therefore the target is £1.5m.

Our freely available funds, being unrestricted reserve not committed or invested in tangible fixed assets held by the Charity at 31 March



## Trustees' Report (continued)

2016 were £1.28m compared with £1.3m last year which is equivalent to just over 5 months running costs. General Funds form part of our Unrestricted Reserves which, totalled £3.496m at 31 March 2016, a decrease of £4k from last year. Funds designated for specific purposes stood at £1.902m down by £47k last year.

Notes 16-17 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.

The present level of free reserves available to the Charity is below the target level of £1.5m, the strategy is to continue to build reserves through planned operating surpluses over the medium term. The Trustees have reviewed the operations and activities of the group and consider that adequate resources continue to be available to fund the activities of the group for the foreseeable future. The Trustees are of the view that Family Action and the group are a going concern.

### Investment Policy and Performance

The Trustees primary aim is to achieve sufficient income and capital growth from investments so as to permit without interruption the continued provision of the Charities core services.

More specifically the objectives have been prioritised in the form of 'Primary' and 'Secondary':

#### Primary

- To generate £300,000 to £350,000 per annum of distributable 'clean' income

#### Secondary

- Capital growth (ideally to keep pace with inflation)
- Diversification
- Minimise volatility within a 'balanced' approach to risk (a balance of risk and reward, with the overall value of the investments maintained)

The Investment Portfolio is managed by Epoch Wealth Management. During 2015/16, the investment strategy generated income of £304k. This is a reduction of 0.04% compared with the previous year total of £316k. However, the portfolio performance in the year achieved the income generation objective.

The capital value of funds at the end of the year reduced by 3.59% to £9.8m compared with £10.2m in 2015. With income at 3.1% of capital value, same level as last year and capital value reduction of 3.59% (increase of 5.2% in 2014/15), the overall return in year was -0.05% compared with 8.3% in 2014/15.

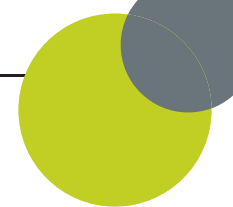
During the year, the Trustees agreed to set up an Investment Committee to have oversight in respect of the management of the endowment portfolio and relationship with the investment managers, to provide assurance to the Board of Trustees in respect of the strategies and management of the endowment portfolio in accordance with the agreed Investment Strategy.

The performance of this strategy continues to be reviewed by Trustees, the Investment Committee and Epoch on a quarterly basis, with a more in-depth review annually.

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 Charity on an annual basis. We hold cash that is not immediately needed in a money market call account.

### Pension Fund

In common with other Charities with final salary schemes, our pension scheme shows a deficit which stood at £5.1m at 31 March 2016 (£6.5m last year) and under UK accounting standards, we are



## Trustees' Report (continued)

required to account for this deficit on the balance sheet (Note11).

As outlined above, the deficit on the defined benefit pension scheme reduced by £1.4m in the year to 31 March 2016 compared with an increase of £2.3m last year.

For the year ended 31 March 2016 the changes in the assumptions have made an improvement in the deficit position with the main assumption, the discount rate increased to 3.50% compared with 3.30% at the end of March 2015. The inflation rate also slightly reduced from 3.10% in March 2015 to 3.05% as at March 2016.

The effect of this was an actuarial gain on the scheme liabilities of £1.68m (2015, loss of £4.38m) which resulted in a reduction in the pension deficit. Taking into account the actuarial loss achieved on the scheme assets of £0.71m (2015, gains of £1.98m) gives a net gain to the scheme of £0.97m.

The Trustees are aware that the deficit on the scheme on FRS 102 basis 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.

### Plans for Future Periods

In direct response to the challenging environment in which the Charity is operating, the Trustees have refreshed the Charity's Organisational Strategy to take Family Action forward with confidence to our 150th Anniversary in 2019. Key objectives for the 2016/17 financial year include the following:

- Launch a refreshed Workforce Strategy to ensure we continue to attract, recruit and retain the right people, develop our leaders, staff and volunteers, look after their health and wellbeing

and reward and value them appropriately.

- Maintain high staff satisfaction levels in a challenging and uncertain environment.
- Invest in digital services development including implementation of a new Digital Marketing Strategy.
- Refresh our Impact and Outcomes Strategy to ensure that all Family Action service delivery areas have a clear theory of change with current evaluations as necessary, prioritise the evaluation of our 12 week family support model and review the data that we want to collect across the organisation.
- Gain further national recognition for our work and influence.
- Invest in volunteering development.
- Implement our new Safe Haven service funded through social investment.
- Continue to develop innovative and marketable new services with a focus on vulnerable young people, family work/relationship support and SGO/adoption support.
- Bring in £1.5 m of new work for 17/18 through our Business Development Team.
- Further develop our Training and Consultancy business.
- Exploring opportunities for strategic merger with small specialist Charities that can bring additional expertise into Family Action.
- Grow our group turnover to £24m.



## Trustees' Report (continued)

### Structure, Governance and Management

#### Governing Document

Family Action has its origins in the Charity Organisation Society which was established in 1869. Today, Family Action is a Company Limited by Guarantee governed by its Articles of Association last amended on 23 April 2015. It is registered as a Charity with the Charity Commission and as a Company with Companies House. Family Action subsidiaries include Family Action Enterprises Ltd, a trading subsidiary company and Friendship Works, a registered and charitable company that is now dormant following the merger and transfer of its trade and assets to Family Action in the year.

#### Appointment of Trustees

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. 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 on an ongoing basis.

#### Trustee Induction and Training

All new Trustees receive a bespoke induction plan according to individual need. As a minimum this includes meetings with the Chair, CEO, Director of Finance and other key staff, the opportunity to observe a Board meeting before joining the Board and a visit to a Family Action service. We also have a standard Trustee Induction Pack which was updated during the year that contains key information about Trustees' legal duties and responsibilities under Charity and Company Law, the Charity Commission guidance on public benefit, the Charity's Articles of Association and detailed organisational information. We provide training as necessary to ensure that all Trustees are kept up to date with changing requirements. Trustee training in 15/16 included safeguarding

awareness and the new Charity Commission guidance on the role and responsibilities of Trustees ('The Essential Trustee'). Trustees have also been kept aware of the changing landscape around the regulation of Charity fundraising.

#### Organisation

The Board of Trustees administers the Charity. A Chief Executive is appointed by the Trustees to manage the day to day operations of the Charity. To facilitate effective operations, the Chief Executive has delegated authority, within terms of delegation approved by the Trustees under its Executive Limitations, for operational matters including finance, contracts, service provision and employment. The Board meets five times a year and there are sub committees namely Audit Committee, Quality & Performance Committee, Governance Committee and a newly formed Investment Committee established in July 2016 which meet up to four times a year.

#### Related Parties and Co-operation with other Organisations

Any interest between a Trustee or senior manager of the Charity and the Charity must be disclosed to the full board of Trustees in the same way as any other contractual relationship with a related party. In the current year no such related party transactions were reported.

#### Trustee Indemnity insurance

Family Action provides insurance to its trustees against liability in respect of actions brought by third parties, subject to the conditions set out in the Companies Act 2006. Such qualifying third party indemnity insurance remains in force as at the date of approving the Trustees' Report.

#### Key Management Personnel Remuneration

The Directors consider the Board of Directors, who are the Trustees, and the Senior Management Team as comprising the key management



## Trustees' Report (continued)

personnel of the Charity in charge of directing and controlling, running and operating the Charity on a day to day basis. All Trustees give of their time freely and no Trustee received remuneration in the year.

The pay of the Senior Management Team is reviewed annually and normally increased in accordance with average earnings. In view of the nature of the Charity, the Directors benchmark against pay levels in other Charities of similar size and activity to ensure that the remuneration set is fair and not out of line with that generally paid for similar roles. The remuneration benchmark is the mid-point of the range paid for similar roles adjusted for a weighting of up to 30% for any additional responsibilities.

### Risk Management

The Trustees have a risk management strategy which comprises:

- A review of the principal risks and uncertainties faced by the Charity and the group as a standing agenda item at every Board meeting;
- Well-established policies, systems and procedures to mitigate any risks identified; and
- Clear procedures designed to minimise or manage any potential impact on the Charity and the group should those risks materialise.

This ongoing and dynamic work has identified that protection of existing turnover and the challenge of achieving further growth in the current economic climate are major risks for the group, in particular failure to gain new contractual income and new unrestricted fundraising income. Key factors in the management of these risks is the ongoing review of our retention strategy for our existing services and ensuring that we win new work at a sufficient rate through tendering, fundraising and the delivery of our income diversification strategy to cover losses of existing income.

Particular attention is being focused on income diversification in order to ensure we achieve our

ambitious organisational growth strategy and to maintain the considerable organisational momentum of innovation that exists within Family Action.

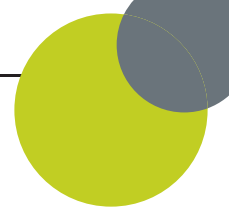
There is ongoing mitigation of non-financial risks such as those relating to the health and safety of our services and service users. Such risks are managed through robust policies and procedures, external quality accreditation and regular awareness training for staff working in key risk areas.

### Statement of Trustees' Responsibilities

The Trustees (who are also the Directors of Family Action for the purpose of Company Law) are responsible for preparing the Trustees' Report (including the Strategic Report) and the financial statements in accordance with applicable Law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company Law requires the Trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the Charitable Company and group and of the incoming resources and application of resources including the income and expenditure of the Charitable Company and group for that period. In preparing these financial statements, the Trustees are required to:

- Select suitable accounting policies and apply them consistently.
- Observe the methods and principles of the Charities SORP.
- 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.
- State whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements.



## Trustees' Report (continued)

The Trustees are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the Charitable Company and group and to enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Charitable Company and group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

In so far as each of the Trustees are aware, there is no relevant audit information of which the charitable company's auditor is unaware and they have taken all the steps that they ought to have taken as trustees in order to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

### Public Benefit Statement

The Charities Act 2011 requires all charities to have a purpose that is for the public benefit. The public benefit requirement has two aspects: the "benefit" aspect and the "public" aspect.

All Family Action services provide an identifiable benefit that is capable of being proved by evidence and are made available to the public or sufficient sections of the public. This is entirely in accordance with the two aspects of the public benefit requirement.

The Trustees can 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 benefits everyone.

### Appointment of Auditors

A resolution proposing the re-appointment of our auditors will be submitted at our AGM in 2016.

### Our Thanks

2015/16 has been a year of significant strategic development and pleasing growth. Trustees recognise the tremendous commitment and determination of Family Action's Chief Executive David Holmes CBE, the Executive Group, Senior Management Group, the Extended Leadership Team, and all our excellent staff, volunteers and supporters, and I would like to thank them all. I am confident that Family Action is more strongly placed than ever to move forward with confidence despite the continuing pressures on publicly funded services.

In approving this Trustees' Report, the Board are also approving the Strategic Report included herein in their capacity as Company Directors.

On behalf of the Board

**Bryan Portman**  
Chair of Trustees





## Trustees' Report (continued)

### Patron

Her Majesty the Queen

### Vice Patrons

Christine Davies CBE  
Dr Andrew McCulloch  
Dame Denise Platt DBE  
Katie Vanneck-Smith  
Professor Harriet Ward CBE

### Officials

Bryan Portman (Chair)  
Hilary Seal\* (Vice Chair)  
Siobhan Boylan (Honorary Treasurer)

### Members

Warren Sean O'Callaghan  
John Rowlands OBE  
Sally Shire—Resigned 10 December 2015\*\*  
Aida Cable  
Mary Fulton  
Stephen Cates  
Pim Piers\*\*  
Sophy Brown  
Paul Hayes  
Piers Robinson—Appointed 23 April 2015  
Robert Tapsfield—Appointed 30 July 2015  
Philippa Charman—Resigned 6 April 2015

### Chief Executive and Company Secretary

David Holmes CBE

### Director of Services & Innovations

Heather Loxley

### Director of Finance

Funke Fatunla

### 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

Unit 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

### Independent Auditor

haysmacintyre  
26 Red Lion Square  
London  
WC1R 4AG

### Investment Advisor

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

### Lawyers

Foot Anstey  
Salt Quay House  
4 North East Quay  
Sutton Harbour  
Plymouth  
PL4 0BN





## Independent Auditor's Report to the Members of Family Action

We have audited the financial statements of Family Action for the year ended 31 March 2016 which comprise the Consolidated Statement of Financial Activities, the Consolidated Summary Income and Expenditure Account, the Consolidated and Parent Charitable Company Balance Sheets, the Consolidated Cash Flow Statement 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 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 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 13, 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.

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 (APB'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 2016 and of the group'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:

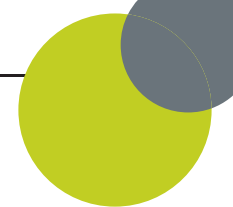
- The Parent Charitable Company has not kept proper and adequate accounting records or returns adequate for our audit have not been received from branches not visited by us; or
- The Parent Charitable Company's financial statements are not in agreement with the accounting records or returns; or
- Certain 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.

**Richard Weaver (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 2016



	Notes	Unrestricted Funds £'000	Restricted Funds £'000	Endowment Funds £'000	Total 2016 £'000	As Restated Total 2015 £'000
<b>Incoming and Endowments from:</b>						
Donations and legacies	3	480	663	-	1,143	1,196
Investment	4	33	314	-	347	343
Other trading activities	5	61	-	-	61	6
Charitable activities	6	591	19,230	-	19,821	20,579
Acquisition of Friendship Works	7	-	94	-	94	-
<b>Total</b>		<b>1,165</b>	<b>20,301</b>	<b>-</b>	<b>21,466</b>	<b>22,124</b>
<b>Expenditure on:</b>						
Raising funds:						
Fundraising and publicity costs		435	-	-	435	396
Expenditure on trading activities		112	-	-	112	-
Charitable activities		690	19,455	-	20,145	21,546
<b>Total</b>	9	<b>1,237</b>	<b>19,455</b>	<b>-</b>	<b>20,692</b>	<b>21,942</b>
<b>Net (expenditure)/income before investments (losses)/gains</b>						
(Losses)/Gains on investments	13	(72)	846	-	774	182
		-	(21)	(402)	(423)	506
<b>Net (expenditure)/income before other recognised gains and losses</b>						
Other recognised gains/ (losses) on defined benefit pension scheme	11	(72)	825	(402)	351	688
		-	970	-	970	(2,583)
<b>Net movements in funds</b>						
<b>Fund balance brought forward at 1 April 2015 as restated</b>	1(d)/24	<b>(72)</b>	<b>1,795</b>	<b>(402)</b>	<b>1,321</b>	<b>(1,895)</b>
		<b>£3,568</b>	<b>£(2,446)</b>	<b>£9,749</b>	<b>£10,871</b>	<b>£12,766</b>
<b>Fund balances carried forward</b>						
<b>At 31 March 2016</b>		<b>£3,496</b>	<b>£(651)</b>	<b>£9,347</b>	<b>£12,192</b>	<b>£10,871</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 2016

	2016	As Restated 2015
	£'000	£'000
Total income	21,466	22,124
Total expenditure	<u>(20,692)</u>	<u>(21,942)</u>
Net income before investments (losses)/gains	774	182
(Losses)/Gains on investments	(21)	24
<b>Net income for the year</b>	<b><u>£753</u></b>	<b><u>£206</u></b>

Total income comprises £1,165k of unrestricted funds and £20,301k of restricted funds.

A detailed analysis of expenditure is available in the Consolidated Statement of Financial Activities and Note 8.

The Consolidated Summary Income and Expenditure Account are derived from the Consolidated Statement of Financial Activities with movements in endowment funds excluded to comply with company law. All income and expenditure is derived from continuing activities.

The Consolidated Statement of Financial Activities, 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 2016 - Company Number: 01068186

	Notes	2016 £'000	£'000	Restated 2015 £'000	£'000
<b>Fixed Assets</b>					
Tangible assets	12		717		785
Trust and Investments	13		9,826		10,249
<b>Current Assets</b>					
Debtors	14	2,017		2,072	
Cash		7,405		7,382	
		<u>9,422</u>		<u>9,454</u>	
<b>Creditors:</b> amounts falling Due within one year	15	<u>(2,641)</u>		<u>(3,141)</u>	
<b>Net Current Assets</b>			<u>6,781</u>		<u>6,313</u>
<b>Total Assets Less Current Liabilities</b>			17,324		17,347
Pension scheme deficit	11		(5,132)		(6,476)
<b>Net Assets</b>			<u><b>£12,192</b></u>		<u><b>£10,871</b></u>
<b>Funds</b>					
Unrestricted funds:					
General funds – include revaluation reserve of £312k (2015: £318k)	16		1,594		1,619
Designated reserve			<u>1,902</u>		<u>1,949</u>
			3,496		3,568
Restricted funds					
Income funds – include revaluation reserve of £165k (2015: £183k)	17		4,481		4,030
Pension Reserves	11		(5,132)		(6,476)
Endowment Funds - include revaluation reserve of £5,047k (2015: £5,449k)	18		<u>9,347</u>		<u>9,749</u>
			<u><b>£12,192</b></u>		<u><b>£10,871</b></u>

The Financial Statements on pages 16 to 40 were approved and authorised for issue by the Board of Trustees, and signed on its behalf on 28th July 2016 by:

**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 2016 - Company Number: 01068186

	Notes	2016 £'000	£'000	Restated 2015 £'000	£'000
<b>Fixed Assets</b>					
Tangible assets	12		717		785
Investments	13		9,826		10,249
<b>Current Assets</b>					
Debtors	14	2,124		2,078	
Cash		7,342		7,369	
		<u>9,466</u>		<u>9,447</u>	
<b>Creditors:</b> amounts falling due within one year	15	<u>(2,635)</u>		<u>(3,141)</u>	
<b>Net Current Assets</b>			<u>6,831</u>		<u>6,306</u>
<b>Total Assets Less Current Liabilities</b>			17,374		17,340
Pension scheme deficit	11		(5,132)		(6,476)
<b>Net Assets</b>			<u><b>£12,242</b></u>		<u><b>£10,864</b></u>
<b>Funds</b>					
Unrestricted funds:					
General funds – include revaluation reserve of £312k (2015: £318k)	16		1,644		1,612
Designated reserve	16		<u>1,902</u>		<u>1,949</u>
			<u>3,546</u>		<u>3,561</u>
Restricted funds					
Income funds – include revaluation reserve of £165k (2015: £183k)	17		4,481		4,030
Pension Reserves			(5,132)		(6,476)
Endowment Funds - include revaluation reserve of £5,047k (2015: £5,449k)	11 18		<u>9,347</u>		<u>9,749</u>
			<u><b>£12,242</b></u>		<u><b>£10,864</b></u>

The Financial Statements on pages 16 to 40 were approved and authorised for issue by the Board of Trustees, and signed on its behalf on 28th July 2016 by:

**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 2016

	2016 £'000	2015 £'000
<b>Reconciliation of net income to net cash flow from operating activities</b>		
<b>Net income for the year before investment (losses)/gains</b>	<b>774</b>	<b>206</b>
Depreciation	77	57
Decrease in debtors	55	286
(Decrease)/Increase in creditors	(501)	735
Decrease in pension scheme deficit, net of gains/losses	(374)	(293)
Net investment income	(347)	(343)
Gain on acquisition of Friendship Works (Note 7)	(94)	-
<b>Net cash (used in)/provided by operating activities</b>	<b>£(410)</b>	<b>£648</b>
Net cash (used in)/provided by operating activities	(410)	648
Dividends received	314	324
Interest received	33	19
Net cash acquired with subsidiary undertaking (Note 7)	95	
Disposal of Asset	-	2,157
Purchase of tangible assets	(9)	(302)
Net cash provided by investing activities	433	2,198
<b>Change in cash and cash equivalents in the year</b>	<b>23</b>	<b>2,846</b>
Cash and cash equivalents at the beginning of the year	7,382	4,536
<b>Cash and cash equivalents at the end of the year</b>	<b>£7,405</b>	<b>£7,382</b>

The attached notes form part of the financial statements.





# Notes to the Financial Statements

## For the year ended 31 March 2016

### 1. Accounting Policies

#### (a) General information

Family Action is a charitable company limited by guarantee incorporated in England and Wales (co. number 01068186) and registered with the Charity Commission (Charity Registration no. 264713). The Charity's registered office address is Unit 24 Angel Gate, City Road, London EC1V 2PT. 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.

#### (b) Basis of Preparation

The financial statements have been prepared under the historical cost convention, as modified by the revaluation of fixed asset investments which are carried at fair value and in accordance with the Statement of Recommended Practice for Charities (SORP 2015), applicable accounting standards (FRS 102) and the Companies Act 2006. Family Action is a public benefit entity as set out in section 3 of FRS102.

Following the transition to FRS 102 for the first time in 2016 all of the accounting policies have been aligned with the new accounting standard and where these have resulted in a material change to the amounts, classification or presentation within the financial statements as at the date of transition then a transitional adjustment has been made.

The adoption of FRS 102 has meant a presentation change whereby net interest on the net defined benefit pension liability is presented in the SOFA using the liability discount rate. Under previous UK GAAP the interest on the expected return on net assets was calculated using an expected asset return discount rate. This had no impact on the Charity's funds on transition but it has affected the allocation of interest between net income/ (expenditure) for the year and amounts recognised in other recognised gains and losses on the defined benefit pension scheme increasing the expenditure on charitable funds and reducing the other recognised loss on the net defined benefit pension liability by £293,000.

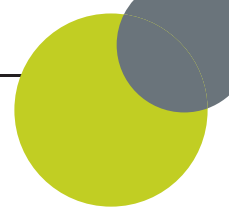
#### (c) Basis of consolidation

The Statement of Financial Activities (SOFA) and balance sheet consolidate the financial statements of the Charity and those of its subsidiary undertakings. The results of the subsidiaries are consolidated on a line-by-line basis on an acquisition basis from the date control passes to the Charity. The Charity has taken exemption from presenting a separate statement of financial activities under section 408 of the Companies Act 2006. The Charity's total surplus for the year was £1,378k (2015: deficit of £2,383k).

#### (d) Prior year adjustments

##### Aggregation of special trusts within Charity funds

Family Action administers and manages a number of non incorporated charities and trust funds as trustee. In previous years the assets and funds held in these special trusts have been treated as separate legal entities and consolidated in the Charity's financial statements. In accordance with the requirements set out in section 25 of the Charities SORP, these special trusts are considered to form part of Family Action for reporting purposes and have been aggregated within the Charity's own accounts as restricted funds and the comparative has been restated accordingly. This has resulted in an increase in prior year net assets and funds totalling £10,215,000 made up of a £9,748,000 increase in fixed asset investments, a £37,000 reduction in debtors, a £492,000 increase in cash and cash equivalents and a £12,000 reduction in creditors due in less than one year.



## Notes to the Financial Statements (continued)

### For the year ended 31 March 2016

#### **Correction of accruals for pension deficit payments**

The Charity has committed itself to make additional contributions to the Family Action Pension Scheme in order to eliminate the current funding deficit in the scheme in accordance with a recovery plan agreed with the pension scheme's trustees. The additional contributions agreed are payable on 1 July following each financial year based on the results of year and have been accrued in the Charity's previous financial statements. However, as the Family Action Pension Scheme is a defined benefit pension scheme for which the Charity recognises the fair value of the pension scheme liabilities and assets in its financial statements, the additional contributions do not constitute an additional contractual liability or expense to the Charity. Therefore a prior year adjustment has been made in order to remove the impact of the pension deficit payment accruals. This has resulted in an increase in restricted reserves brought forward as at 1 April 2014 by £480,000, a reduction in creditors due in less than one year in the previous year of £527,000 and a reduction in net deficit reported for the previous year of £47,000, from £1,942,000 to £1,895,000. The Charity now makes payment on a monthly basis and will continue to do so going forward.

#### **(e) Going concern**

The trustees consider that there are no material uncertainties regarding the Charity's ability to continue as a going concern.

#### **(f) Income**

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.

#### **(g) Expenditure**

All expenditure is accounted for on the accrual basis and has been classified under headings that aggregate all costs related to the category.

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.

Direct expenditure on charitable activities includes all costs directly relating to delivering the charity's principal activities of providing services and financial support to families, individuals and groups within the community.

Support costs are those costs incurred directly in support of the expenditure on the objects of the Charity and governance costs and have been allocated, together with overheads, on the basis of the head count. Governance costs are those incurred in connection with compliance with constitutional and statutory requirements of the Group.

#### **(h) Tangible Fixed Assets and Depreciation**

Tangible fixed assets are stated at purchase cost and any incidental expenses of acquisition or deemed cost less accumulated depreciation and accumulated impairment losses. Amounts financed by unrestricted funds and costing more than £500 are capitalised. Tangible fixed assets financed by restricted funds are charged as an expense.

## Notes to the Financial Statements (continued)

### For the year ended 31 March 2016

Depreciation is provided on all tangible assets, other than freehold land, to write off the cost, less estimated residual value of each asset over its expected useful life on a straight-line basis. The estimated useful lives are as follows:

Freehold property – 50 years;  
Leasehold Improvements – term of the Lease  
Equipment – 4 years;  
Computers – 3 years;  
Furniture – 10 years  
IT infrastructure – 5 years

#### (i) Fixed asset 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. Investments in unlisted investments and subsidiary undertakings are stated at cost less provision for diminution in value.

#### (j) Financial instruments -assets and liabilities

##### Cash and cash equivalents

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

##### Debtors and creditors

Debtors and creditors with no stated interest rates are recorded at transaction price. Any losses arising from impairment are recognised in the Statement of Financial Activities.

#### (k) Employee benefits

The charity provides a range of benefits to employees including paid holiday arrangements and defined benefit and defined contribution pension plans.

##### Short term benefits

Short term benefits, including holidays and other similar non-monetary benefits are recognised as an expense in the period in which the service is received.

##### Defined contribution pension plans

The Charity contributes to a Group Personal Pension arrangement administered by Friends Life. New members are auto enrolled into the GPP based on eligibility except where employees choose the option to opt out. The contributions are recognised as an expense when they fall due. The assets of the pension plans are held separately from the Council in independently administered funds.

##### Defined benefit pension scheme

Family Action operates a defined benefit pension scheme which closed to future accruals in May 2012, the assets of which are administered by trustees.

The liability recognised in the balance sheet in respect of the defined benefit pension scheme is the present value of the defined benefit obligation at the end of the reporting date less the fair value of the scheme assets at the reporting date.

## Notes to the Financial Statements (continued)

### For the year ended 31 March 2016

The defined benefit obligation is calculated using the projected unit credit method. Annually the Charity engages an independent actuary to calculate the obligation. The present value is determined by discounting the estimated future payments using market yields on high quality corporate bonds that are denominated in sterling and that have terms approximating the estimated period of the future periods ("discount rate").

The fair value of the scheme assets is measured in accordance with the FRS 102 fair value hierarchy and includes the use of appropriate valuation techniques.

Actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions are charged or credited to other comprehensive income. These amounts together with the return on plan assets, less amounts included in net interest, are disclosed as "remeasurement of net defined benefit pension liability".

The cost of the defined benefit plan is recognised in the SOFA as employee costs and comprises:

- The increase in the pension benefit liability arising from employee service during the year; and
- The cost of plan introductions, benefit changes, curtailments and settlements.

The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of the scheme assets. The cost is recognised in the SOFA within "expenditure on charitable activities".

Details of the scheme assets and liabilities and major assumptions are shown in Note 11.

#### (l) 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.

#### (m) Leasing

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

Incentives received to enter into an operating lease are credited to the SOFA, to reduce the lease expense, on a straight-line basis over the period of the lease.

## 2. Critical Accounting estimates and judgements

In preparing these financial statements, management has made judgements, estimates and assumptions that affect the application of the charity's accounting policies and the reported assets, liabilities, income and expenditure and the disclosures made in the financial statements. Estimates

## Notes to the Financial Statements (continued)

### For the year ended 31 March 2016

and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Key areas subject to judgement and estimation are as follows

#### Defined benefit pension scheme

The charity has obligations to pay pension benefit under a defined benefit pension scheme. The cost of these benefits and the present value of the obligation depend on a number of factors including; life expectancy, salary increases asset valuation and the discount rate on corporate bond. The trustees in consultation with the scheme's actuary, agree the key factors and estimates that determine the net pension obligation in the balance sheet on the basis of historical experience and current trend .

### 3. Donations and Legacies

	2016 £'000	2015 £'000
Individuals	491	550
Charitable trusts	592	386
Companies	60	260
	<b>£1,143</b>	<b>£1,196</b>

### 4. Investment income

	2016 £'000	2015 £'000
Interest receivable	33	19
Dividends receivable from investments	314	324
	<b>£347</b>	<b>£343</b>

### 5. Subsidiary undertakings

Family Action Enterprises Ltd (company no: 01514576) is wholly owned trading subsidiary, which is incorporated in England and Wales. Family Action 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 Action Enterprises Ltd are filed with the Registrar of Companies. The net liabilities as at 31 March 2016 were £39,186 (2015: net assets £16,886).

Summary results were:

	2016 £'000	2015 £'000
Turnover	61	6
Cost of sales	(117)	-
Merchandising Costs	-	-
(Loss)/Profit before gift aid	<b>£(56)</b>	<b>£6</b>

## Notes to the Financial Statements (continued)

### For the year ended 31 March 2016



#### Friendship Works

As detailed in Note 7 to the accounts, Family Action is deemed to have controlled Friendship Works from 1 October 2015.

Summary results for the year were:

	2016 £'000
Income	264
Expenditure	(251)
Net Income	13
Funds brought forward 01 April 2015	81
Transfer of funds to Family Action	<b>£(94)</b>
Net Assets and total funds at 31 March 2016	<b>NIL</b>

#### 6. Income from charitable activities

	Notes	Unrestricted Funds £'000	Restricted Funds £'000	Endowment Funds £'000	Total 2016 £'000	Total 2015 £'000
<b>Income</b>						
Statutory, Lottery & Trusts Funding	6a&b	-	17,394	-	17,394	18,026
Rent and Fees		120	1,232	-	1,352	1,701
Trusts and Administered Funds		-	166	-	166	134
Other Incoming Resources		471	438	-	909	718
		<b>£591</b>	<b>£19,230</b>	-	<b>£19,821</b>	<b>£20,579</b>

## Notes to the Financial Statements (continued)

### For the year ended 31 March 2016

#### 6a. Lottery fund, trusts & grants

These funds are part of statutory funding in restricted funds

	Project Ref. Number	Balance 31 March 2015 £'000	Movement in funds		Balance 31 March 2016 £'000
			Income Resources £'000	Outgoing Resources £'000	
Haringey Improving Futures	010026217	-	229	(229)	-
Southend Improving Futures	010027568	-	209	(209)	-
Wandsworth Young Carers	010228817	-	46	(46)	-
Hackney BME Well Family	010056993	-	147	(147)	-
Building Bridges Plus	30112998	-	107	(107)	-
Canterbury Advice Service	30115444	-	65	(65)	-
Perinatal (Swaffham, Hackney and West Mansfield)	30115806	-	170	(170)	-
Heritage Lottery Fund-Swaffham	OH-12-12282	-	25	(25)	-
Big Lottery Hackney A&E Well Family	31027249	-	22	(22)	-
Big Lottery - Awards for All	10255266	-	10	(10)	-
Big Lottery Medway Perinatal	10247595	-	111	(111)	-
Department of Health – Health & Social Care Volunteering Fund	54401184	-	30	(30)	-
		-	<b>£1,170</b>	<b>£(1,170)</b>	-



## Notes to the Financial Statements (continued)

### For the year ended 31 March 2016

#### 6b. Statutory Funding

Bradford Trident	MacMillan Cancer Support
Birmingham City Council	Manchester City Council
Bradford Metropolitan District Council	Medway Council
British Gas Energy - BG Homes	National Children's Bureau
Carers Trust	NHS Bradford CCG
Central Manchester, Manchester Children's Hospital	NHS City & Hackney CCG
Children & Family Court Advisory & Support Service (CAFCASS)	NHS Haringey CCG
Cripplegate Foundation	NHS Medway CCG
Department for Education	NHS Norfolk CCG
Department for Education (TCCR)	NHS North Derbyshire CCG
Department of Health	NHS Tower Hamlets CCG
Durham County Council	NHS Wandsworth CCG
East Leicestershire & Rutland CCG	Norfolk County Council
East Leicestershire CCG	Northamptonshire County Council (Service Six)
Housing Corporation (Hexagon, Orwell Housing Association)	Nottinghamshire County Council
Interchange CIC	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 Bromley	Royal Borough of Kensington & Chelsea
London Borough of Ealing	Royal Borough of Windsor and Maidenhead
London Borough of Hackney	Sandwell MBC (Murray Hall Trust)
London Borough of Harrow	Sheffield City Council
London Borough of Islington	Siblings Together
London Borough of Lambeth	South London & Maudsley NHS Trust
London Borough of Newham	Southend-on-Sea Borough Council
London Borough of Southwark	Suffolk Mind
London Borough of Tower Hamlets	Warwickshire County Council
London Borough of Waltham Forest	West Leicestershire CCG
London Borough of Wandsworth	Wiltshire County Council
London Borough of Lewisham	

## Notes to the Financial Statements (continued)

### For the year ended 31 March 2016



## 7. Income arising from acquisition of Friendship Works

On 1st October of July 2015, Friendship Works, a charitable company incorporated in England and Wales (Charity no: 1017460, Company no: 2754587), appointed Family Action as the sole member of the Charity in accordance with the SORP, at this point control was considered to have passed to Family Action and Friendship Works has thereafter been treated as a subsidiary of Family Action and consolidated in the financial statements. As control has been acquired by Family Action during the period, this combination has been accounted for using acquisition accounting. On the same date the assets and liabilities of Friendship Works were transferred to Family Action. From this point the charitable company has remained dormant.

As the transfer of control was at nil consideration, the fair value of the assets acquired has been recognised as income in the year.

The fair value of the assets acquired and liabilities as at the date of acquisition and the gain therefore recognised is summarised as follows

	Book value immediately before acquisition £'000	Fair value adjustments £'000	Fair value at the date of acquisition £'000
Debtors	5	-	5
Cash at bank and in hand	95	-	95
Creditors Amounts falling due within one year	(6)	-	(6)
	<b>£94</b>		<b>£94</b>

For the period since acquisition, Friendship Works contributed incoming resources of £151k, resources expended of £226k and a net deficit in group funds of £75k. These amounts are included with the consolidated statement of financial activities.

## 8. Alleviation of need

The Charity made 1,770 (2015: 1,563) grants to individuals in the year that totalled £0.49m (2015: £0.44m). The Charity has opted to take the exemption available under charity law not to disclose the names of grants recipients in these financial statements.

## Notes to the Financial Statements (continued)

### For the year ended 31 March 2016

## 9. Analysis of Total Expenditure

	Staff Costs £'000	Other Costs £'000	Depreciation £'000	2016 £'000	2015 £'000
<b>Raising funds</b>					
Fundraising and publicity costs	360	72	3	435	396
Expenditure on Trading Activities	-	117	-	117	-
	<u>360</u>	<u>189</u>	<u>3</u>	<u>552</u>	<u>396</u>
<b>Charitable activities</b>					
Operational services	15,916	3,380	72	19,368	20,826
Educational grants advice	131	65	2	198	231
Alleviation of needs	-	548	-	548	447
Governance costs	-	26	-	26	42
	<u>16,047</u>	<u>4,029</u>	<u>74</u>	<u>20,140</u>	<u>21,546</u>
	<b><u>£16,407</u></b>	<b><u>£4,208</u></b>	<b><u>£77</u></b>	<b><u>£20,692</u></b>	<b><u>£21,942</u></b>

	Direct Costs £'000	Allocated Costs £'000	Support Costs £'000	2016 £'000	2015 £'000
<b>Cost of generating funds</b>					
Fundraising and publicity costs	360	-	75	435	396
Merchandising costs	112	-	-	112	-
	<u>472</u>	<u>-</u>	<u>75</u>	<u>547</u>	<u>396</u>
<b>Cost of charitable activities</b>					
Operational services	17,934	513	926	19,373	20,826
Educational grants advice	131	-	67	198	231
Alleviation of needs	548	-	-	548	447
Governance costs	-	26	-	26	42
	<u>18,613</u>	<u>539</u>	<u>993</u>	<u>20,145</u>	<u>21,546</u>
	<b><u>£19,085</u></b>	<b><u>£539</u></b>	<b><u>£1,068</u></b>	<b><u>£20,692</u></b>	<b><u>£21,942</u></b>

## Notes to the Financial Statements (continued)

### For the year ended 31 March 2016

#### 9. Analysis of Total Expenditure (continued)

	2016	2015
	£'000	£'000
<b>Other costs include:</b>		
Other costs for running services	1,029	1,113
Staff training, travel and recruitment	1,036	1,137
Buildings and grounds	787	1,046
Insurance and office costs	917	1,037
Printing and promotion	159	357
Pension scheme finance costs	280	182
	<b>4,208</b>	<b>4,872</b>

The above expenditure includes the following charges:

Auditor's remuneration-Audit	25	21
Depreciation	77	57
Operating lease rentals		
- Buildings	474	354
- Other	11	11

#### 10. Trustees' and Employee remuneration & expenses

	2016	2015
	£'000	£'000
<b>Staff costs consist of:</b>		
Wages and salaries	14,101	14,557
Redundancy	193	226
Social security costs	1,132	1,150
Employer's Pension costs	391	419
	15,817	16,352
Agency costs	624	748
	<b>£16,441</b>	<b>£17,100</b>
The monthly average number of employees was	<b>685</b>	<b>715</b>

## Notes to the Financial Statements (continued)

### For the year ended 31 March 2016



## 10. Trustees' and Employee remuneration & expenses (continued)

The numbers of employees with emoluments over £60,000 were as follows:

	2016 No.	2015 No.
£60,000 - £70,000	1	-
£70,000 - £80,000	1	2
£80,000 - £90,000	2	1
£110,000 - £120,000	-	-
£120,000 - £130,000	-	1
£130,000 - £140,000	1	-

The number of higher paid staff to whom retirement benefits are accruing under defined contribution pension schemes was 5 (2015:4). The total contribution in respect of these employees was £25,887 (2015: £21,333).

The Directors consider the Board of Directors, who are the Trustees, and the Senior Management Team as comprising the key management personnel of the Charity.

The Charity's Trustees were not paid or received any other benefits from employment with the Charity or its subsidiary in the year (2015: £nil) neither were they reimbursed expenses during the year (2015: £nil). No Charity Trustee received payment for professional or other services supplied to the Charity (2015: £nil).

The Senior Management Team of the group comprises the Chief Executive Officer, Director of Services & Innovation, Director of Systems & Impact, Director of Finance and Director of Development & External Affairs. The total compensation of the Senior Management Team was £467,370 (2015: £378,547).

## Notes to the Financial Statements (continued)

### For the year ended 31 March 2016

## 11. Pension costs

### Pension Arrangements

The group has two pension arrangements, a defined contribution and defined benefits schemes.

The defined contribution scheme is a Group Personal Pension arrangement administered by Friends Life. New members are auto enrolled into the GPP based on eligibility except where employees choose the option to opt out.

The total defined contribution payable and recognised as an expense in the SOFA was £319,439 (2015: £419,935).

The defined benefits scheme is administered by Capita Hartshead Limited. The scheme closed to future accruals on 31 May 2012 except for payments due under a Recovery Plan agreed with the pension Trustees. There is an obligation to fund the ongoing administration costs of the pension scheme.

The disclosures set out below are based on calculations carried out as at 31 March 2016 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 1 January 2014, updated on the basis of FRS102 in 31 March 2016. 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 2016 are approximately £409,000 based on the revised schedule of contributions dated May 2015.

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.

### Changes in Defined Benefits Obligation(DBO):

	2016 £'000	2015 £'000
Benefits obligation, beginning of the year	28,800	23,672
Current service cost	-	-
Interest cost	942	1,077
Scheme participants contributions	-	-
Actuarial (gains)/losses arising from changes in demographic assumption	(205)	-
Actuarial (gains)/losses arising from changes in financial assumption	(1,478)	4,383
Experience (gains)/losses	-	181
Gross Benefits paid	(503)	(513)
Past service costs/(gains)	-	-
Benefits obligation, end of year	<b>£27,556</b>	<b>£28,800</b>

## Notes to the Financial Statements (continued)

### For the year ended 31 March 2016

#### 11. Pension costs (continued)

##### Assumptions used to determine defined benefit obligation at end of year:

	2016	2015
Discount rate	3.50%	3.30%
Rate of retail price inflation	3.05%	3.10%
Rate of consumer price inflation	2.05%	2.10%
Rate of future salary increases	1.00%	1.00%
Pension increases in payment:		
- Fixed 3% pa	3.00%	3.00%
- LPI max 5% pa	2.95%	3.00%
- LPI max 3% pa	2.30%	2.40%

##### Post-retirement mortality assumption:

	2016	2015
-Base table	S2PMA	S2PMA
-Projections for future improvements	CMI 2015 projections, with a long term trend rate of 0.5% p.a. 85% of maximum cash at retirement	CMI 2014 projections, with a long term trend rate of 0.5% p.a. 85% of maximum cash at retirement

##### Commutation allowance

Life expectancy from 65 for a male currently aged 65	21.4	21.6
Life expectancy from 65 for a male currently aged 45	21.9	22.1
Life expectancy from 65 for a female currently aged 65	23.3	23.5
Life expectancy from 65 for a female currently aged 45	24.1	24.3

##### Changes in Scheme assets are as follows:

	2016 £'000	2015 £'000
Fair value of Scheme assets, beginning of the year	22,324	19,486
Interest Income	738	895
Experience (losses)/gains	(713)	1,981
Employers' Contributions	654	475
Scheme Participants contributions	-	-
Administration Expenses	(76)	-
Gross benefits paid	(503)	(513)
Fair value of Scheme assets, end of year	<b>£22,424</b>	<b>£22,324</b>

## Notes to the Financial Statements (continued)

### For the year ended 31 March 2016



## 11. Pension costs (continued)

### Scheme Assets Allocation, End of Year

	31 March 2016 £'000	31 March 2015 £'000
Diversified Growth/Absolute Return Fund	14,357	14,601
Corporate Bonds	1,523	1,171
Government Bonds/Gilts	4,299	4,562
Property	2,136	1,939
Cash	109	51
<b>Total</b>	<b>£22,424</b>	<b>£22,324</b>

### Funded Status

The funded status at the end of the year, and the related amounts recognised on the balance sheet, follow:

Fair value of Scheme assets	22,424	22,324
Benefit obligations	(27,556)	(28,800)
Funded status	(5,132)	(6,476)
Related deferred tax asset	-	-
Unrecognised surplus	-	-
<b>Net amount recognised, end of year</b>	<b>£(5,132)</b>	<b>£(6,476)</b>

### Components of benefit cost recognised in SOFA before other recognise gains and losses:

Current service cost	-	-
Net interest cost on net defined liability/(assets)	204	182
Administration Expenses	76	-
Past service(credit)/ cost recognised	-	-
Net benefit cost/(credit) in SOFA before other recognise gains and losses	<b>£280</b>	<b>£182</b>
Actual return on plan assets	<b>£25</b>	<b>£2,876</b>

### Amount recognised in other recognise gains and losses:

Actuarial (gains)/losses arising from changes in assumptions	(1,683)	4,383
Experience (gains)/losses on liabilities	-	181
Actuarial losses/(gains) on assets	713	(1,981)
Adjustment due to asset ceiling	0	-
(gain)/Loss recognised in other recognise gains and losses	<b>£(970)</b>	<b>£2,583</b>



## Notes to the Financial Statements (continued)

### For the year ended 31 March 2016

#### 12. Tangible fixed assets - Group and Company

	Freehold Property	Leasehold Improvements	IT Infrastructure	Computers, Equipment & Furniture	Total
	£'000	£'000	£'000	£'000	£'000
<b>Cost</b>					
At 31 March 2015	402	204	416	195	1,217
Disposals	-	-	(257)	(89)	(346)
Additions	7	-	-	2	9
<b>At 31 March 2016</b>	<b>£409</b>	<b>£204</b>	<b>£159</b>	<b>£108</b>	<b>£880</b>
<b>Depreciation</b>					
At 31 March 2015	8	-	322	102	432
Disposals	-	-	(257)	(89)	(346)
Charge for the year	8	20	32	17	77
<b>At 31 March 2016</b>	<b>£16</b>	<b>£20</b>	<b>£97</b>	<b>£30</b>	<b>£163</b>
<b>Net Book Value at 31 March 2016</b>	<b>£393</b>	<b>£184</b>	<b>£62</b>	<b>£78</b>	<b>£717</b>
<b>Net Book Value at 31 March 2015</b>	<b>£394</b>	<b>£204</b>	<b>£94</b>	<b>£93</b>	<b>£785</b>

The Charity has elected to adopt the previous GAAP revaluation of freehold land and buildings, being the project office at 219 Stanstead Road, of £400,000 as the deemed cost on transition to FRS102. The property was valued at 31 March 2014 at £400,000 by Salter Rex LLP Chartered Surveyors & Estate Agents on an open market basis.

The net book value at 31 March 2016 represents assets used for:

	Freehold Property	Leasehold Improvements	IT Infrastructure	Computers, Equipment & Furniture	Total
	£'000	£'000	£'000	£'000	£'000
<b>Charitable purposes</b>					
Operational services	209	97	33	41	380
Educational Grants Advice	54	26	9	11	100
Support services	130	61	20	26	237
	<b>£393</b>	<b>£184</b>	<b>£62</b>	<b>£78</b>	<b>£717</b>

## Notes to the Financial Statements (continued)

### For the year ended 31 March 2016

### 13. Fixed Assets & Investments

#### GROUP

##### Investments

At valuation

2016	2015
£'000	£'000
<b>£9,826</b>	<b>£10,249</b>

All trust fund investments were revalued to the quoted price on 31 March 2016.

The investments of the 61 Endowed 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

The Endowed Trusts are individual Charities with similar objectives to Family Action. In December 2015, the Trustees approved a Uniting Order application for linking the individual Charities to Family Action. The application was made to the Charity Commission and granted on the 11th of January 2016. The values of the endowments have been incorporated in the company Balance Sheet and are shown separately as Restricted Endowment Funds.

Summary of subsidiary undertakings:

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

Friendship Works Ltd. 100% owned, Registered in England.

	2016	2015
	£'000	£'000
Market value at 31 March 2015	10,249	9,743
Net gains/(losses) on revaluation in year	(423)	506
Market value at 31 March 2016	<b>£9,826</b>	<b>£10,249</b>
Historical cost at 31 March 2016	<b>£4,617</b>	<b>£4,617</b>

#### COMPANY

##### Investments in Endowed Trusts and Administered Funds-Capital at Valuation

**£9,826    £10,249**

##### Investment in Family Welfare Enterprises Ltd

The Charity holds 60,000 shares of £1 each in its wholly owned trading subsidiary company FAE Ltd which is incorporated in the United Kingdom. These are the only shares allotted, called up and fully paid. The activities and results of this company is summarised in Note 5.

Shares at cost

10                      10

## Notes to the Financial Statements (continued)

### For the year ended 31 March 2016



#### 14. Debtors

	Group		Company	
	2016 £'000	2015 £'000	2016 £'000	2015 £'000
Amounts invoiced to funders	1,393	1,500	1,382	1,500
Payments and accrued income	624	572	742	578
	<b>£2,017</b>	<b>£2,072</b>	<b>£2,124</b>	<b>£2,078</b>

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

	Group		Company	
	2016 £'000	2015 £'000	2016 £'000	2015 £'000
Trade Creditors	343	191	343	191
Payment received on account for contracts	607	328	607	328
Accruals and Deferred Income	520	781	519	781
Tax and social security	324	338	319	338
Other creditors	847	1,503	847	1,503
	<b>£2,641</b>	<b>£3,141</b>	<b>£2,635</b>	<b>£3,141</b>

Deferred income represents funding received in advance of the provision of the related services. All deferred income held at the end of the previous financial year has been recognised within the current financial year.



## Notes to the Financial Statements (continued)

### For the year ended 31 March 2016

#### 16. Unrestricted funds

	Movement in funds				Balance 31 March 2016 £'000
	Balance 31 March 2015 £'000	Incoming Resources £'000	Gains and transfers £'000	Expenditure £'000	
<b>GROUP</b>					
General funds	1,300	1,166	(66)	(1,117)	1,283
Staff Contingency	102	-	101	(98)	105
Safe Haven Project Fund	-	-	173	-	173
Contract Risk Fund	-	-	327	-	327
Fixed Assets fund	592	-	(35)	-	557
Property fund	-	-	500	-	500
Service Development Funds	1,574	-	(1,000)	(22)	552
	<b>£3,568</b>	<b>£1,166</b>	<b>-</b>	<b>£ (1,237)</b>	<b>£3,496</b>
<b>COMPANY</b>					
General funds	1,293	1,105	(60)	(1,006)	1,332
Staff Contingency	102	-	101	(98)	105
Safe Haven Project	-	-	173	-	173
Contract Risk Fund	-	-	327	-	327
Fixed Assets fund	592	-	(35)	-	557
Property fund	-	-	500	-	500
Service Development Funds	1,574	-	(1,000)	(22)	552
	<b>£3,561</b>	<b>£1,105</b>	<b>£6</b>	<b>£(1,126)</b>	<b>£3,546</b>

Deferred income represents funding received in advance of the provision of the related services. All deferred The general fund represents the free funds of the Charity, which are not designated for any particular purpose.

The 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.

The Fixed Assets fund including revaluation reserves is the value of unrestricted funds represented by the tangible fixed assets owned and used by the Charity on an on-going basis for charitable activities.

Safe Haven Project Fund is the company's contribution to the closure cost of a new service development in its pilot staged in partnership with Sandwell and Wolverhampton Council. The project is funded by Social Finance agreement with Social and Sustainable Capital and Esmee Fairburn. It is scheduled to go live in August 2016.

Contract Risk Fund is set aside as investments into various contracts where the organisation is facing significant TUPE risk particularly local government pension risk and contract performance bonds. This could be called on during the year and thus not available as free reserve.

Property Fund is set aside for the purchase of property to be completed within the next year.

## Notes to the Financial Statements (continued)

### For the year ended 31 March 2016

#### 17. Restricted funds

	Movement in funds				Balance 31 March 2016 £'000
	Balance 31 March 2015 £'000	Incoming Resources £'000	Gains (losses) and transfers £'000	Expenditure £'000	
<b>Operational services</b>	3,003	19,821	(374)	(18,822)	3,628
<b>Other restricted funds:</b>					
Lankelly Foundation	3	118	-	(118)	3
Triangle Trust 1949 fund	-	-	-	-	-
Barclaycard Horizon	-	-	-	-	-
Other Trust funds - Revenue	56	46	-	(48)	54
Edith & W Morgan Mental Health - Capital	329	-	(14)	-	315
Other Trust funds - Capital	172	-	(7)	-	165
Nora Henry Trust - Revenue	29	50	-	(66)	13
Other Trust funds - Revenue	438	266	-	(402)	302
	1,027	480	(21)	(634)	853
<b>Restricted income funds</b>	<b>4,030</b>	<b>20,301</b>	<b>(395)</b>	<b>(19,456)</b>	<b>4,481</b>
<b>Pension scheme reserve</b>	<b>(6,476)</b>	<b>-</b>	<b>1,344</b>	<b>-</b>	<b>(5,132)</b>
<b>Total restricted funds including pension scheme reserve</b>	<b>£(2,446)</b>	<b>£20,301</b>	<b>£949</b>	<b>£(19,456)</b>	<b>£(651)</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 2016 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 2016



#### 18. Endowment Funds (continued)

	Charity Reg. Number	Movement in funds			Balance 31 March 2016 £'000
		Balance 31 March 2015 £'000	Additions £'000	Unrealised Gains/(Losses) £'000	
<b>Permanent Endowments</b>					
Caterham Whyteleafe Trust	272724	711	-	(29)	682
Eleanor Ponsonby Trust	275060	1,139	-	(47)	1,092
FWA Greater London Relief In Need Charity	1006487	406	-	(17)	389
FWA National Relief in Need Charity	231205	285	-	(12)	273
FWA Relief in Need Charity For the Aged	237118	934	-	(39)	895
FWA Relief in Sickness Charity	264713	254	-	(10)	244
Limpsfield Convalescence Fund	208536	156	-	(6)	150
Women's Holiday Fund	207455	905	-	(37)	868
Green Bequest Fund	252152	120	-	(5)	115
Metropolitan Visiting and Relief Association	251586	361	-	(15)	346
Queen Adelaide Fund	207228	258	-	(11)	247
Bishop Andrews Charity	205288	119	-	(5)	114
Cumberland Benevolent Fund	231206	116	-	(5)	111
Other funds (balances < £100,000)		705	-	(29)	676
		<b>6,469</b>	<b>-</b>	<b>(267)</b>	<b>6,202</b>
<b>Expendable endowments</b>					
Nora Henry Trust	313949	1,676	-	(69)	1,607
British War Refugees Fund	251578	185	-	(8)	177
Fenton Trust	247552	605	-	(25)	580
Lamming Will Trust	216257	189	-	(8)	181
Alfred de Rothschild Trust	201625	304	-	(13)	291
Other funds (balances < £100,000)		321	-	(13)	308
		<b>3,280</b>	<b>-</b>	<b>(135)</b>	<b>3,145</b>
Total endowment funds		<b>£9,749</b>	<b>-</b>	<b>£(402)</b>	<b>£9,347</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 a grant allocation team 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.

## Notes to the Financial Statements (continued)

### For the year ended 31 March 2016

## 19. Analysis of Group Net Assets between funds

### Fund balances at 31 March 2016

Are represented by:

	Unrestricted funds £'000	Restricted funds £'000	Endowment funds £'000	Total funds £'000
Tangible fixed assets	717	-	-	717
Investments	-	478	9,347	9,825
Current assets	3,307	6,115	-	9,422
Current liabilities	(528)	(2,112)	-	(2,640)
Pension scheme deficit	-	(5,132)	-	(5,132)
<b>Total net assets</b>	<b>£3,496</b>	<b>(651)</b>	<b>9,347</b>	<b>12,192</b>

### Unrealised gains included above:

Tangible fixed assets	312	-	-	312
Investment assets	-	162	5,047	5,209

### Total unrealised gains at 31 March 2016

<b>£312</b>	<b>£162</b>	<b>£5,047</b>	<b>£5,521</b>
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### Reconciliation of movements in unrealised gains on Investment assets:

Unrealised gains at 31 March 2015		183	5,449	5,632
Add: net gain arising on revaluations in year		(21)	(402)	(423)

### Unrealised gains at 31 March 2016

<b>£162</b>	<b>£5,047</b>	<b>£5,209</b>
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## 20. Leasing Commitments

At 31 March 2016 the group had future minimum rental payable under non-cancellable operating leases as detailed below

Minimum lease payments due within:

	2016 Land and Buildings £'000	2016 Other £'000	2015 Land and Buildings £'000	2015 Other £'000
- one year	474	11	514	11
- within two to five years	1,236	21	1,113	32
- over five years	825	-	1,110	-
	<b>£2,535</b>	<b>£32</b>	<b>£2,737</b>	<b>£43</b>

The Charity carefully manages its lease obligations to ensure that the lease terms closely match the length of service contracts and for non-service related properties that appropriate break clauses are in place to safeguard the Charity's resources.



## Notes to the Financial Statements (continued)

### For the year ended 31 March 2016

#### 21. Conduit Funds

Family Action manages and disburses funds on behalf of a number of organisations. These are held in separate bank accounts and subject to Family Action's internal controls and procedures to ensure that these assets are safeguarded. The value of these funds at 31 March 2016 is stated below:

	Balance 31 March 2015 £'000	Incoming funds £'000	Outgoing funds £'000	Balance 31 March 2016 £'000
Motor Insurance Bureau	106	55	(63)	98
Deputy and Trusteeship Services	799	1,353	(1,432)	720
	<b>£905</b>	<b>£1,408</b>	<b>£(1,495)</b>	<b>£818</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 maturity.

Deputy and Trustee Services: The Head of Deputy and Trustee 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.

#### 22. Results of the Company

As permitted by Section 408 of the Companies Act 2006, the Statement of Financial Activities and Income and Expenditure Account of the Parent Charitable Company have not been presented as part of these financial statements. Net incoming resources before other recognised gains or losses were a surplus of £825k (2015: £200k surplus). The results of the parent undertaking (including all realised gains and losses) for the year ended 31 March 2016 was a net surplus of £1,378k (2015: £2,383k deficit).

#### 23. Related Party transactions

The Charity has taken advantage of the exception available under FRS102 paragraph 33.1A not to disclose transactions entered into between wholly owned members of the same group.

## Notes to the Financial Statements (continued)

### For the year ended 31 March 2016

#### 24. Prior year comparative SOFA restated

	Unrestricted funds £'000	Restricted funds £'000	Endowment funds £'000	Total 2015 £'000
<b>Income and Endowments from:</b>				
Donations and legacies	500	696	-	1,196
Investment	19	324	-	343
Other trading activities	6	-	-	6
Charitable activities	478	20,101	-	20,579
<b>Total</b>	<b>1,003</b>	<b>21,121</b>	<b>-</b>	<b>22,124</b>
<b>Expenditure on:</b>				
Raising funds:				
Fundraising and publicity costs	396	-	-	396
Expenditure on trading activities	-	-	-	0
Charitable activities	814	20,708	-	21,546
<b>Total</b>	<b>1,210</b>	<b>20,708</b>	<b>-</b>	<b>21,942</b>
Net (expenditure)/income before investments (losses)/gains	<b>(207)</b>	<b>413</b>	-	<b>182</b>
(Losses)/Gains on investments	-	-	482	506
Net (expenditure)/income before transfers	<b>(207)</b>	<b>413</b>	<b>482</b>	<b>688</b>
Transfers between funds	132	(132)	-	-
Net (expenditure)/income before other recognised gains and losses	<b>(75)</b>	<b>281</b>	<b>482</b>	<b>688</b>
Gains/ (losses) on defined benefit pension scheme	-	(2,583)	-	(2,583)
<b>Net movement in funds</b>	<b>(75)</b>	<b>(2,302)</b>	<b>-</b>	<b>(1,895)</b>
<b>Fund balance brought forward at 1 April 2014 as previously stated</b>	<b>3,643</b>	<b>(624)</b>	<b>9,267</b>	<b>12,286</b>
Prior period adjustment re pension deficit accrual (see Note 1(d))	-	480	-	480
<b>Funds restated as at 1 April 2014</b>	<b>3,643</b>	<b>(144)</b>	<b>9,267</b>	<b>12,766</b>
<b>Fund balance carried forward At 31 March 2015</b>	<b>£3,568</b>	<b>£(2,446)</b>	<b>£9,749</b>	<b>£10,871</b>

## LIST OF SUPPORTERS 2015-16

We'd like to thank everyone that has fundraised, donated and volunteered for Family Action in 2014/15, including:

Big Lottery Fund  
 ING Group  
 Highgate Golf Club  
 ICap  
 The Carpenters Arms  
 Alix Partners  
 Gilead Sciences  
 Navigation Partners  
 Manulife Asset Management  
 Pareto  
 Dow Jones & Company  
 John Lewis Partnership  
 Sainsbury's  
 Welsh Government - Sustainable Social Services Grants  
 Big Lottery Improving Futures - Haringey  
 Islington Giving  
 Department of Health - Health and Social Care Volunteering Fund  
 Department for Education  
 The LankellyChase Foundation  
 New Day  
 Comic Relief  
 BBC Children in Need  
 City Bridge Trust  
 Brakes  
 British Gas Energy Trust  
 Heritage Lottery Fund  
 Carers Trust  
 Dotcomprepublic  
 Four Acre Trust  
 Walcot Foundation  
 The Trusthouse Charitable Foundation  
 Esmee Fairbairn Foundation  
 The Tanza Trust  
 F & P C Scotto Charitable Trust  
 Wandsworth Grant Fund  
 Delves Charitable Trust  
 The Worshipful Company of Security Professionals Charitable Trust  
 Texel Finance  
 Dentsu Aegis Network  
 Breckland Community Fund  
 St Andrew Holborn Charity  
 C B & H H Taylor 1984 Trust  
 Church Burgesses Trust  
 The Worshipful Company of Coopers  
 Imperial Society of Knights Bachelor  
 The Eveson Charitable Trust  
 The Swire Charitable Trust  
 The Volant Charitable Trust  
 St Giles-in-the-Fields and William Shelton Educational Charity  
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 Sir James Knott Trust  
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 John Horniman's Children's Trust  
 Kensington & Chelsea District Nursing Trust  
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 Edith Murphy Foundation  
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 Slaughter and May  
 Brian Mitchell Charitable Settlement  
 Mary Robertson Trust  
 Santander UK Foundation  
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 The Clara E Burgess Charity  
 The Hampstead Wells and Campden Trust  
 The Vandervell Foundation  
 Camelia Trust  
 Toureen Mangan  
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 Oldhurst Trust  
 R A & V B Reekie Charitable Trust  
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 Banham Foundation Limited  
 Baron Davenport's Charitable Trust  
 Doris Field Charitable Trust  
 Gledswood Charitable Trust  
 Hull And East Riding Charitable Trust  
 Lady Eileen Joseph Foundation  
 Michael Cornish Charitable Trust  
 Microgaming Health and Care Trust  
 Sainsbury's Balham  
 Stirling Reid  
 Targetfollow  
 The Austin & Hope Pilkington Trust  
 The Charlotte Bonham-Carter Charitable Trust  
 The Salamander Charitable Trust  
 Worshipful Company of Innholders  
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 Qube Managed Services Ltd  
 The Huntress Group  
 The J Reginald Corah Foundation  
 Valeo Service  
 Colman Getty  
 Culra Charitable Trust  
 H R Pratt Boorman Family Foundation  
 Starbucks Coffee Company  
 The Alchemy Foundation  
 The Forest Hill Charitable Trust  
 The Ian Askew Charitable Trust  
 The Lynn Foundation  
 The Oak Trust  
 The Sir Jeremiah Colman Gift Trust  
 TK MAXX  
 Wenhaston Charitable Trust  
 William A Cadbury Charitable Trust

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Registered as a Charity in England & Wales no: 264713.

Registered as a Charity in the Isle of Man no: 1206.

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

Vice Patrons: Christine Davies CBE. Dr Andrew McCulloch. Dame Denise Platt DBE. Katie Vanneck-Smith. Professor Harriet Ward CBE.

