



Building
stronger
families

Family Action Annual Report & Accounts 2018/19



Early Years



Children &
Families



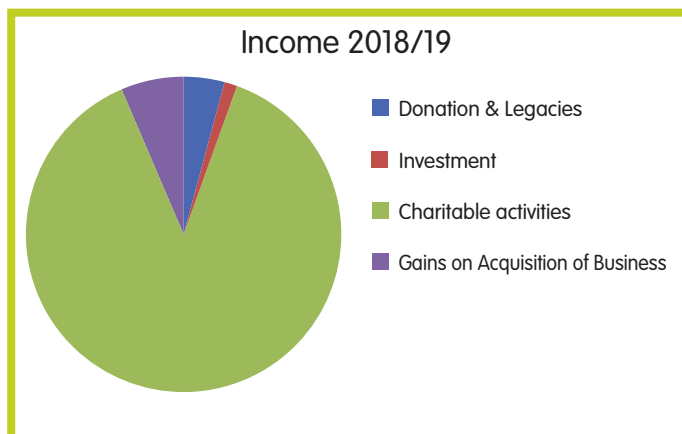
Adult Mental Health
& Wellbeing



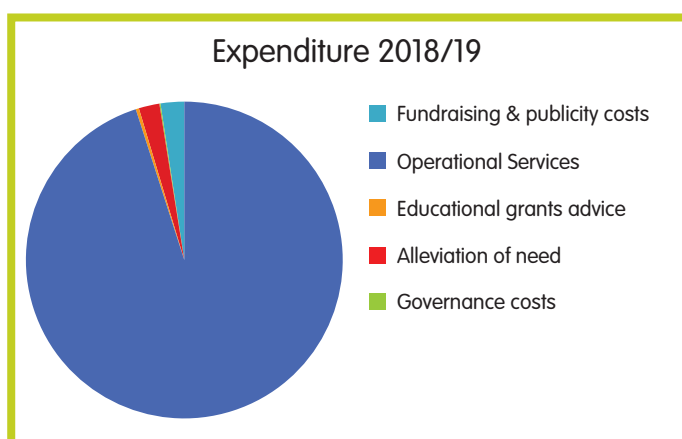
Grants

Income & Expenditure Charts

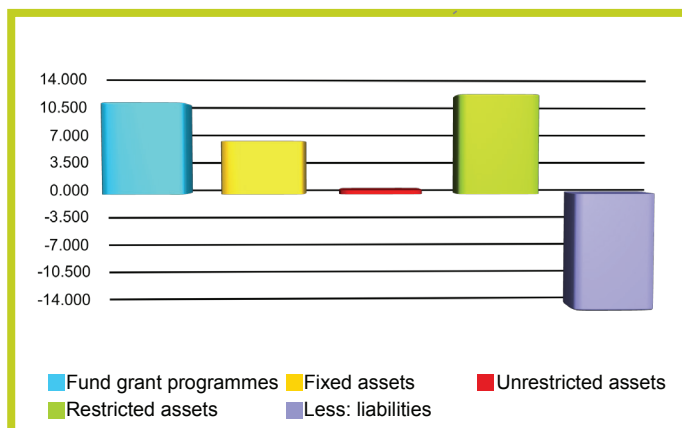
	£'million	£'million
	2018/19	2017/18
INCOME		
Donation & Legacies	1.355	2.472
Investment	0.423	0.385
Charitable activities	28.491	20.497
Gains on Acquisition of Business	2.082	0.035
	<u>32.351</u>	<u>23.389</u>



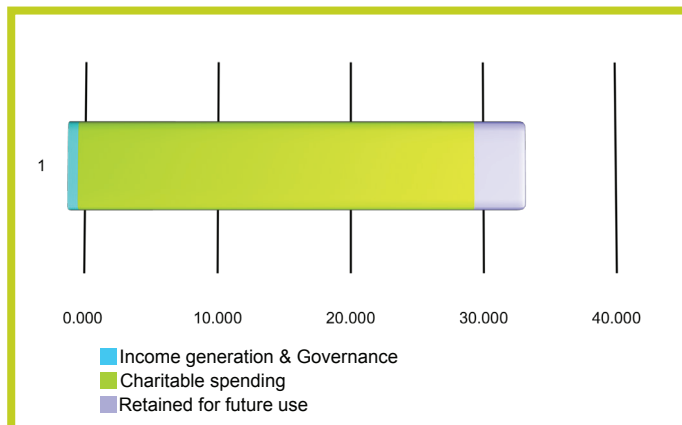
	£'million	£'million
	2018/19	2017/18
EXPENDITURE		
Charitable activities:		
Fundraising & publicity costs	0.692	0.55
Operational Services	27.288	20.098
Educational grants advice	0.094	0.212
Alleviation of need	0.606	1.198
Governance costs	0.033	0.026
	<u>28.713</u>	<u>22.084</u>



	£'million	£'million
	2018/19	2017/18
ASSETS & LIABILITIES (note 22)		
Restricted investments and Endowments invested to -		
Fund grant programmes	10.605	10.664
Fixed assets	6.195	0.408
Unrestricted assets	0.467	3.71
Restricted assets	11.629	6.189
Less: liabilities	(13.769)	(9.805)
Total net assets	<u>15.127</u>	<u>11.166</u>



	£'million	£'million
	2018/19	2017/18
CHARITABLE SPENDING		
Income generation & Governance	0.725	0.576
Charitable spending	27.988	21.508
Retained for future use	3.638	1.305



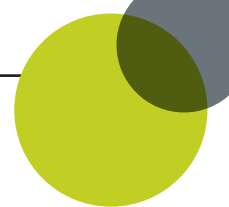
EMPLOYEES	753	680
VOLUNTEERS	620	450



Contents

- 4** Trustees' Report

- 19** Independent Auditor's Report
- 24** Consolidated statement of financial activities
- 25** Consolidated summary income and expenditure account
- 26** Consolidated balance sheet
- 27** Company balance sheet
- 29** Consolidated cash flow statement
- 30** Notes to the financial statements
- 60** List of Supporters 2018-19



Trustees' Report

Welcome from Mary Fulton, Chair of Family Action



I am delighted to present the Family Action Trustees' report for 2018/19. This has been a remarkable year for the charity. We completed four mergers with other charities, achieved our highest ever turnover, launched the National School Breakfast programme and planned and celebrated our 150th Anniversary.

Family Action continues to be a vibrant, entrepreneurial Charity with dedicated staff and tremendous drive. As ever, we remain determined to make a real difference to the lives of vulnerable children, adults and families.

Family Action now works with hundreds of thousands of children, adults and families every 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. We have included some direct feedback in this Trustees' report from a range of our service users to give you a better insight into the positive benefits of our work.

Key achievements during the year included:

- Providing 150 community-based and national services that together reach hundreds of thousands of children, adults and families.
- Reaching 1775 schools through efficient mobilisation of the National Schools Breakfast Programme
- Providing a nutritious breakfast to 265,000 children a day by March 2019 through the National School Breakfast Programme
- Creating ambitious plans to celebrate our 150th Anniversary throughout 2019 including the launch of The Family Monsters Project in January 2019 and creating the Family Monsters film which had been viewed over 200,000 times by March 2019;
- Securing a donated Family Monsters themed garden at The Chelsea Flower Show in May 2019 in partnership with idverde and a series of Family Monsters picnics in Summer 2019 in partnership with The National Trust;
- Launching FamilyLine in January 2019 our new free telephone, text and email service;
- Retaining 94% of our existing services to continue into the new 19/20 financial year despite the continuing climate of austerity;
- Winning 12 new services during the year;
- Continuing our response to the Grenfell disaster by establishing a local support service to serve the affected families funded by the Haley Yearwood crowdfunded monies;
- Securing private funding for, designing and launching an innovative edge of care service for young people in the London Borough of Croydon;
- Completing the acquisitions of four other charities: BAND, Happy Days Pre-School, Off Centre and PAC-UK;
- Fundraising exceeding its target for the year and raising £12.491m;

As we celebrate 150 years the need for Family Action's services is as great as ever. Please support us so that we can do even more.

Mary Fulton
Chair of Trustees
19th September 2019



Trustees' Report (continued)

Our Purpose and Activities

Family Action provides services and financial support to strengthen poor, disadvantaged and socially isolated families and children. Through our excellent services we empower our users and ensure 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 hundreds of thousands of families, adults and children a year through some 150 communitybased services across England, Wales and the Isle of Man and a growing portfolio of national services. We help many more every year with financial assistance through our education and welfare grant programmes that cover the UK. We provide services to strengthen families and communities, to build skills, 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 the preparation for the birth of their child to their child going to school through:

- **Perinatal** services working with women at risk of postnatal depression from pregnancy to their child's first birthday;
- **Evidence based parenting programmes** to support children's emotional and social development; and
- **Managing high quality nurseries, pre-schools and Children's Centres.**

Children and Families work

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

- **Family Support** from short term targeted interventions to support with specific issues to intensive support for families with complex and enduring needs;
- **Therapeutic** work with children, young people, adults and families including Multi Systemic Therapy and specialist adoption support services;
- **Emotional health and wellbeing** services including counselling and therapeutic work for children who have suffered trauma, bereavement or abuse;
- **Intensive work** with young people on the edge of care;
- **Mentoring services** for disadvantaged children, young people and care leavers;
- **Young Carers** services including 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 in GP surgeries and hospitals which offer advice, support and counselling for patients with 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:



Trustees' Report (continued)

- A range of services that provide practical, emotional and financial support;
- Mentoring and befriending services; and
- Grants to adults with mental health problems;

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 perspectives to the workplace. We seek to encourage and harness these differences in order to meet the changing needs and requirements of our staff, volunteers, service users, governance, partners, funders and supporters. We were delighted this year to be named, for a second year running, in The Sunday Times Best 100 List of Not for Profits to work for at number 57.

We hold the Investors in Diversity Accreditation Level 2 for our commitment to Equality & Diversity. We also hold the Level 2 - Disability Confident Employer status which confirms that Family Action is committed to the recruitment and retention of disabled people, and that we do the following to enable this:

- Interview all applicants with a disability who meet the minimum criteria for a job vacancy and consider them on their abilities. We operate a guaranteed interview process for any candidate who meets the essential criteria for a role, and ensure that where candidates require reasonable adjustments in the selection process, that these are implemented. All recruiting managers receive training in our recruitment processes.
- Ensure there is a mechanism in place to discuss, at any time, but at least once a year, with disabled employees what can be done to make

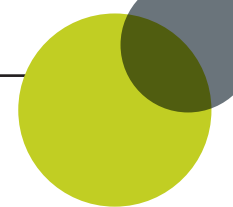
sure they can develop and use their abilities.

We do this through monthly supervisions with all staff, and annual appraisal reviews where career development is discussed with every employee at Family Action. There are many opportunities for staff to get involved in exciting projects, and all staff are encouraged to do this.

- Make every effort when employees become disabled to make sure they stay in employment. We discuss with employees any reasonable adjustments needed to support them during the course of their employment, and ensure appropriate support is put in place to accommodate these requirements where feasible.
- Take action to ensure all employees develop the appropriate awareness needed to make these commitments work. We promote this through our organisational policies, and through the work of the Equality and Diversity Steering Group.

Good communication is integral to all that we do at Family Action. There are a number of ways in which staff and managers are kept informed:

- Our staff intranet is regularly updated to ensure that all employees are kept informed about important news, strategic developments, training opportunities, compliments received or key organisational initiatives such as our annual staff engagement survey, appraisals, and recognition awards just to name a few. We also produce a regular and very popular health and safety/legal/safeguarding/data protection bulletin for the whole organisation, called "Safe & Sound".
- Information on progress against our strategic objectives, growth, and financial progress is communicated and cascaded up and down the organisation through a range of forums including; senior leadership meetings, regional and team meetings, and individual supervisions, so everyone in the organisation is kept informed.
- Our Chief Executive regularly communicates from his own email on important organisational matters. He writes a monthly blog that looks back



Trustees' Report (continued)

and ahead, celebrates successes and keeps everyone informed on key news, opportunities and challenges.

- Our Chief Executive provides regular updates on progress towards our strategic objectives whenever there is an opportunity, be that at monthly corporate induction of new staff, meetings or during his visits to services.
- We hold regular Joint Negotiating Committee meetings with our recognised unions (Unite and Unison) and staff to discuss issues that impact upon staff including policies and procedures, organisational changes, and health and safety issues.
- We hold a Staff Forum where staff have the opportunity to raise concerns about issues impacting on them in the workplace, and where solutions to issues raised are discussed.

Our Volunteers

Family Action is fortunate to have more than 620 volunteers across our range of services and our numbers of volunteers are increasing. Our volunteers support our work in so many different ways e.g.:

- as befrienders in our Perinatal Services;
- in parent support roles in our Children's Centres;
- as advisers, counsellors and befrienders in our FamilyLine Service;
- as mentors to disadvantaged children and young people accessing our Friendship Works service;
- through the provision of practical support in our Emotional Health and Wellbeing services for adults; and crucially as fundraisers for us

Charlie, a volunteer on our free familyLine telephone, text and email advice service explains below why he chooses to volunteer with Family Action:

"I volunteer because I know how hard it can be and how alone you can feel - especially when there are additional needs involved and you feel like no one is listening or understands. I would have loved to have had someone I could have spoken to - someone to listen, offer practical advice and just listen to me. So to offer that to

someone, who is out there feeling frustrated or a bit lost is great! To provide a listening ear and to help them achieve something they never thought they could is a really fulfilling thought. Also I struggle with anxiety and so face to face can feel a bit much for me so FamilyLine offers something that no-one else does-volunteering from my own home over the phone.

The thought I could be supporting someone through a difficult time appeals to me. I feel that if I can help make a difference to someone then I am empowering them and in turn that empowers me. The training and support have been amazing. You feel empowered and confident in what you are doing. You never feel afraid to ask a question or give your viewpoint when in meetings. The training is flexible and you can do the e-learning in your own time. What I would say to someone thinking about volunteering is "do it!" it is convenient and a great way to give back. "

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

Our Values

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

We are **People Focused**;
 We have a **Can Do** attitude;
 We strive for **Excellence** in everything we do; and
 We have **Mutual Respect** for colleagues, volunteers, partners and service users.

Our Impact

Family Action is committed to measuring the impact of our work. We seek to triangulate the impact of our services through service user feedback, compliance with contractually agreed outcomes and independent evaluation of the effectiveness of our service models. We publish regular Impact Reports and develop Theories of Change for our different service models as a matter of course. We have an internal Evaluations



Trustees' Report (continued)

and Impact team that commissions independent evaluations of our services. We also have an externally chaired Evaluations Board that oversees our research, evaluation and impact work.

Many of Family Action's services receive wonderful feedback. Here are just a few examples of the feedback received from our service users and partners:

Family Action has been providing the National School Breakfast Programme in partnership with Magic Breakfast since May 2018, by the end of March 2019 the programme had met its ambitious target of recruiting 1775 schools in areas of deprivation into the programme and was providing a nutritious breakfast to 265,000 children a day who would otherwise be too hungry to learn. The impact of the programme has been immediate and profound as evidenced by these comments from some of the schools we are supporting:

"The programme has been amazing so far, the kids are happy, and staff are happy. We're already worried about March 2020, as this is something we don't want to lose."

"It has had a positive impact on the start of our school day, we watch the children come over and take the bagels, knowing they haven't had breakfast that morning, and take bagels to younger siblings too."

"Teachers have noted that children are more alert in class, they love it, and are happy!"

"Staff are not having to leave the classroom to go and make toast for the children, and can get on with what they are supposed to be doing"

"I've had to create a rota of staff to help get everyone through in 15 minutes. We're doing it though and it's great. Best 15 minutes of the day!!! Lateness has been halved!"

Family Action provides Children's Centres in various locations in England. These centres bring

together activities, resources and services for young children and their families and also outreach deep into the community. We operate all of Southend's Children's Centres. Jayne, one of our Family Support Practitioners in Southend received the following feedback from a family she supported:

"I would just like to say a huge thank you (although thank you would never be enough) to Jayne without this amazing lady I don't think my daughter and granddaughters future would look so bright and the weight that was lifted from my shoulders thanks to Jayne is unbelievable. They all do a fantastic job there at the centre and I appreciate all the help and support given to my daughter and granddaughter there. I wish them all the very best in the future and wanted to let you all know how much the staff are appreciated there at the centre. Many, many thanks again."

Family Action also provides a range of **SENDIAS** services (Special Education Needs and Disability, Information, Advice and Support) across the country. These services support parents and carers who are caring for children with special needs. Often these parents and carers struggle to receive the support they need and we walk alongside them to ensure they get the help they need. Bernadine, a SEND Support Worker from our Islington SENDIAS service received the following feedback from a grateful mum:

"I saw Bernadine back in March for help in filling out a Disability Living Allowance application form for my son. ... , who has Down's. We got the level of support she anticipated (and which felt appropriate). Bernadine was brilliant. She knew how to translate how I described Leo's behaviour and abilities into the language required by the form. She made the whole process so easy and straightforward - compared to the stress I was anticipating in doing it myself. She also acted with real empathy and compassion, which was really appreciated. I could not fault her, and have much to praise. I know that to a degree she was just doing her job, but she did it really well, and it felt like she went beyond that in the personal touch she displayed. She's a real asset to your team and organisation."



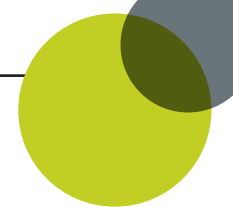
Trustees' Report (continued)

Family Action's Wellbeing Family Service in Swaffham supports people at difficult points in their lives. Joanne, a Wellbeing Group Facilitator at this service received the following feedback from a service user:

"I am writing to say a big thank you to my local group Family Action, Swaffham for the support I have received whilst being the carer of my dear husband suffering with Parkinson's disease. Over the past six months I have had countless difficulties with NHS Continuing Care, social workers and the care system generally. Help from team leader Joanne has been wonderful especially during a two and half hour interview, when applying for continuing care, Jo accompanied me as I am hard of hearing and this was a terribly emotional time. Sadly my husband died, but help during this time of bereavement is invaluable. If I don't put in an appearance at the local group Jo contacts me. My sincere thanks"

Family Action's Lincolnshire Behaviour Outreach Support Service works with children and young people who are on the verge of exclusion from school. The service steps in when the school has exhausted its own resources and needs specialist help. Hayley, one of our BOSS workers received the following thanks from a mother after she had worked with the child through our service:

"Hayley has been absolutely amazing and if there was an award for support person of the year, Hayley would win hands down. My daughter is delighted with the service and said no one "gets her" like Hayley does."



Trustees' Report (continued)

Strategic Report

Achievements and Performance

By the end of the financial year we had completed our programme of work in relation to our Stronger than Ever at 150 organisational strategy. That Strategy had four broad themes: Stronger Organisation, Stronger Systems and Impact, Stronger Services and Innovation and Stronger Growth and Partnerships and we identified three overarching priorities: in the run up to our 150th Anniversary in 2019:

- to grow our charity in order to help thousands more families to have better lives;
- to innovate our service provision so that we can address new and urgent areas of work; and
- to diversify our income base in order to reduce our reliance on any one single source of funding.

Growth remains very challenging in our operating environment which is severely impacted by continuing austerity but Family Action grew considerably in 18/19 following a number of wins of new work including the National School Breakfast programme, four successful acquisitions of other charities - BAND (a Bolton-based charity specialising in adult mental health), Happy Days Pre School (Peterborough), Off Centre (a Hackney-based charity providing a range of therapeutic services for young people and young adults) and PAC-UK (England's largest adoption support agency). As a result our turnover for the year has increased to over £32m, our highest ever.

Innovation remains a key priority for Family Action as we seek to drive the charity forward in a difficult economic climate. During the year we began delivering a new edge of care service in Croydon which has the potential to be replicated elsewhere and we launched **FamilyLine** our telephone, email and text advice and support service for families across the country which is free to access.

Diversification of our income base is important to us because it helps us to ensure that we are not overly dependent on any one source of income. In 2018/19 we continued to reduce our historic over-reliance on Local Authority funding by continuing to increase the proportion of income

that we receive from fundraising, health, schools, Central Government contracts and our own income producing services. Local government now only provides about a third of Family Action's income.

At the beginning of the 18/19 year the Trustee Board agreed six key priorities that we needed to focus on during the 2018/19 financial year. Those six key priorities and our progress against them are set out below:

1. **Successful delivery of new major services (scope, scale, location, platform and quality)**
The implementation of the National Schools Breakfast Programme has gone very well. All 1775 schools were recruited on schedule and by the end of March 2019, 1704 of the new breakfast provisions were operational with the remaining 71 due to open in April 2019. By the end of March 2019 we were already feeding 265,000 children a day through this Programme, children who would otherwise be too hungry to learn. Our acquisitions of the charities BAND, Happy Days Pre-School, Off Centre and PAC-UK were all successfully negotiated during the financial year and those charities and their talented staff teams have quickly become embedded into our wide family of services. A wide range of other new contracts have been successfully implemented in 18/19 including a large family support service in Stockton-on-Tees and a county-wide Early Years Co-ordination contract in Staffordshire. Our FamilyLine service is now scaling up following a successful launch by HRH The Duchess of Cambridge in January 2019.
2. **Maximise opportunity presented by our 150th Anniversary (profile, heritage and FR)**
We have worked hard throughout the financial year on our 150th Anniversary plans. To mark the start of our Anniversary year in January 2019 we launched The Family Monsters Project a new and high-profile campaign focusing on modern family pressures. With extensive pro bono support from the creative agency And Rising and a talented creative team led by the Director Duncan Christie, we made a short but powerful film depicting a range of family pressures that has been viewed extensively on our social media platform and screened pro bono in cinema across the country resulting in over 200,000 view to date. We have also negotiated a range of partnerships to mark our 150th including with the green space provider



Trustees' Report (continued)

idverde (who created and sponsored a beautiful and thought-provoking Family Monsters garden at the Chelsea Flower Show in May 2019) and the National Trust (who are making available to us some of their properties as the settings for a series of large scale Family Monsters picnics for families during summer 2019). A high profile visit to the garden by HRH The Duke and Duchess of Cambridge has given further profile to the campaign.

3. **Sustain turnover of £30m+ long term (geographical, national and larger contracts)** Family Action's turnover is comfortably over £30m in 2018/19. Having achieved that long-held strategic goal we are now focused on keeping our income above £30m. This will mean that we reach more people but it will also ensure we retain the modern and professional infrastructure that we have developed so carefully over the last five years and that is enabling us to achieve so much (e.g. multiple acquisitions in a single year and the highly successful mobilisation of a major national contract in the National School Breakfast Programme). The National School Breakfast Programme contract is for 2 years to March 2020 in the first instance but the Government has the option to extend the Programme under the current contract to March 2022. Owing to the extraordinary success of the Programme, we are already hopeful that it will be extended but we are not complacent. In the meantime we have continued to diversify our income base, maintain our fundraised income make strategic choices about what we bid for and to maximise the opportunity presented by our 150th Anniversary. We were particularly pleased to win a large contract to deliver a new Family Support Service for Leeds which went live in May 2019.
4. **Go to next levels on workforce development (practice sharing strategy, succession planning, internal training, morale and engagement)** We recognise that as Family Action continues to grow it is essential for us to develop and look after our existing staff, recruit and retain talented new staff and to do the best we can. We invested in enhancing our learning and development offer to staff in 2018/19 and will take this further in 2019/20. Morale and engagement within the organisation is very good as evidenced by our improvement in our ranking in The Sunday Times List of the Best 100 Not for Profits to work for.

We have enhanced practice sharing across the organisation and again we will build on this further in 2019/20 with the development of a quality improvement team. We are taking forward work on succession planning within the organisation at Board and executive team level but also for other people in key business critical roles across the organisation to reduce our dependence on any single individual.

5. **Driving forward our volunteering** We have over 620 volunteers and our number of volunteers is growing steadily. We recognise that our volunteers are a fantastic resource and we value each and every one of them very highly. Our National Lead for Volunteering is reviewing and improving our volunteering processes and practices so that we can be confident that the experience of any Family Action volunteer is uniformly positive wherever they are volunteering in terms of service type or geographically within Family Action. We are continuing to work towards an accreditation across our volunteering activity.
6. **Develop and evidence quality in relation to outcomes/data collection/co-production** During the year we have continued to collect data across all of our service types, to audit our work and to conduct service reviews. Much of Family Action's work is also formally regulated and inspected. However as our service delivery diversifies, and in some cases intensifies, we also recognised in year the need to invest further in the quality of our service delivery. We have created a quality improvement team that will improve quality assurance, data collection and analysis across all of our services. This is one part of our Pathways to Excellence quality improvement project that is an integral part of our new 5 year strategy-Building on 150 Years. See the Plans for Future Periods section below for more details. As ever our ambition is to keep learning and improving as an organisation so that we provide the best services possible and make the greatest difference possible to our service users.



Trustees' Report (continued)

Financial Review

Family Action's total income for the year was £32.3m (2018: £23.4m). 96% of our income was restricted to funding specific services. Income for Operational Services came from Local Authorities, central government and NHS Trusts for the provision of specific services. These funders are listed in the accounts (Note 5a, b & c).

We have continued to grow our core work, develop new service models and implement our income diversification strategy. This year we successfully implemented our single biggest contract, the DfE funded National Breakfast Provision in 1775 schools with a value of £8m in 2019. Overall, we employed a monthly average of 7 53 staff in the year.

Total expenditure amounted to £28.7m (2018: £22.0m), with £27.4m (2018: £20.8m) relating to charitable activities.

Total Funds at year-end were £15.1m (2018: £11.2m). There was a reduction on the Pension deficit valuation at year-end from £7.9m to £7.3m (see pension fund statement for further details). We have also seen a slight reduction in the capital value of the Endowment funds from £10.12m in 2018 to £10.06m in 2019. The net increase in total funds was £3.96m.

Fundraising approach and performance

The charity undertakes fundraising activity to its supporters via a range of methods, including but not exclusively direct mail, fundraising events, challenge events, corporate fundraising, crowd funding, Trusts and Grants fundraising and email fundraising in line with the Fundraising Code of Practice set by Fundraising Regulator. Our fundraising promise, (which is available on our website to reassure supporters of our approach), is:

When you support us you can be sure of the following:

- We will never sell your contact details to anyone
- If you are an individual supporter we will only

contact you if you have expressed an interest in our work

- If we phone you, we will always check you are happy to take the call
- If you ask us to change how we communicate with you, or stop, we will respect that
- We do not engage in cold-calling, door-to-door or street fundraising. We try hard to ensure no one ever feels pressurised to support our work
- We are registered with the Fundraising Regulator and adhere to the Fundraising Code of Practice.
- All our activities are open, fair, honest and legal.

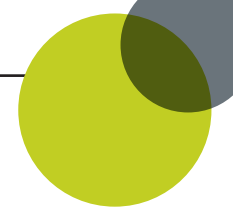
In 2018/19, the charity did not work with any third party fundraising organisations.

All our fundraising staff have regular supervision and appraisals, as well as a development plan, to ensure we are working to best practice standards and regularly reinforcing our fundraising ethics. We have an ethical fundraising policy which is reviewed at least annually.

The charity is registered with the Fundraising Regulator and adheres to the standards of the Fundraising Code of Practice. No complaints about fundraising activity were received in the year. Our overall fundraising performance to March 2019 was £12,419k (2018: £5,487k) of which £1,322k were Corporate and Individual donations including Legacies; with the remainder being grants from Lottery, Trusts and Charitable funds.

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 namely, a new integrated HR and payroll system, an upgrade to our financial systems including electronic expenses and purchase ordering systems. 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



Trustees' Report (continued)

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; the running costs of which is £3.963m for 2019/20, therefore the target free reserves is £1.98m.

Our freely available funds, being unrestricted reserves not committed or invested in tangible fixed assets held by the Charity at 31 March 2019 were £1.96m (2018: £1.60m) an increase of £360k, is equivalent to 5.9 months running costs. General Funds form part of our Unrestricted Reserves which, totalled £3.94m at 31 March 2018 compared with last year £3.75m. Funds designated for specific purposes stood at £1.98m (2018: £2.15m). The reduction is due to Board approved spend on our anniversary activity in 2019.

Notes 18-19 of the accounts show the various funds or reserves by type and summarise the year's movements on each fund. Note 22 shows the assets and liabilities attributable to the various funds.

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 for the foreseeable future. On this basis, the Trustees are of the view that Family Action and the group are a going concern.

Pension Fund

In common with other Charities with final salary schemes, our pension scheme shows a deficit which stood at £7.3m at 31 March 2019 (£7.9m last year) and under UK accounting standards, we are required to account for this deficit on the balance sheet (Note 10).

Capita, the scheme actuary has confirmed that the recent ruling on equalisation of Guaranteed Minimum Pensions (GMPs) for men and women does not affect the scheme as it was contracted in before 1999.

The deficit on the defined benefit pension scheme reduced by £604k in the year to 31 March 2019 compared with a decrease of £1.3m last year. The main financial assumptions as at 31 March 2019 have changed since 31 March 2018: Corporate bond yields have decreased slightly, leading to a lower discount rate, from 2.50% to 2.45%. Inflation expectations have increased slightly from 3.15% to 3.2% in combination, these places a slightly higher value on the Scheme's liabilities.

There has been a change in demographic assumptions at 31 March 2019 compared to 31 March 2018 due to the Charity using the updated CMI 2018 model for future mortality improvements. This has led to a gain of £619k.

The funding status of the Scheme has improved over the period as shown in the table below. The Charity continues to make significant annual payments towards the deficit under an agreed repayment plan made with the Pension Regulator in March 2018.

	31 March 2019 £'000	31 March 2018 £'000	Difference £'000
Present value of liabilities	34,169	33,900	(269)
Market value of assets	26,856	25,983	873
Funding surplus/(deficit)	(7,313)	(7,917)	604



Trustees' Report (continued)

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.

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 £322,000 to £375,000 per annum of 'clean' income available to distribute as Grants. This was reviewed and increased in line with inflation in 2019.

Secondary

- Capital growth 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. It has been a good 12 months from a performance and risk management perspective, despite the significant events which have occurred (Brexit, political events in US and UK etc.) during the period.

The investment strategy generated income of £374k during the year, an increase of £26k compared with the previous year's total of £348k. This is the highest level of income generated since Epoch took over the management of the portfolio.

The forecast income for 2019/20 is £390k.

The capital value of funds reduced to £10.605m at the end of the financial year compared with £10.664m in 2018, a reduction of £59k. With income at 3.5% of capital value, almost the same level as last year (3.2%) and capital value decrease of 0.6%, less than one percent (decrease of 3.2% in 2018), the overall return in the year was 2.9% compared with nil in 2018.

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 Investment Committee continues 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 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.

Plans for Future Periods

The Trustee Board has worked with the senior management of the organisation to develop a new 5 year strategy, **Building on 150 Years**, for the period 2019-2024. There are five key strategic objectives:

1. **Agile and Responsive** - always able to look ahead, to innovate and to seize opportunities
2. **Managed Growth** - continue to grow in a managed, sustainable way so that we can help



Trustees' Report (continued)

more children, adults and families to have better lives

3. **Improved Quality** - to ensure that our services are of the highest possible quality so that we can maximise the difference made to our service users
4. **Better Known with a Bolder, Stronger Voice for Families** - to build our national profile and positioning and to ensure we have increased influence and impact
5. **Valuing Our People** - investing in our staff and volunteers and their development so that Family Action becomes an even better place to work

Detailed action plans are being developed to take these strategic objectives forward. Those action plans will be reviewed and updated every year.

Building on 150 Years, looks ahead to the next five years and builds on our previous Stronger than Ever strategy. Stronger than Ever was very much about modernisation and growth. Five years on, Family Action has achieved the goals of that strategy - we are supporting more children and families than ever before, we have modernised comprehensively, nearly doubled our turnover and increased our geographical reach. We merged with seven other charities during this fiveyear period, introduced a range of new services and better evidenced our impact. We won national recognition for the excellence of the support we provide to vulnerable families and as a good employer. But now we need to look to the future again.

Building on 150 Years provides a route map for what we need to do next so that we can continue to build stronger families. It is designed to provide a direction of travel to guide us through uncertain times rather than a detailed list of everything we need to do. That clear direction of travel, which allows for flexibility in its execution, should serve us well in the years ahead. If we achieve the objectives in this strategy we will provide high quality support to hundreds of thousands of children, adults and families but our growing influence will touch the lives of millions.

The five objectives were informed by the following considerations:

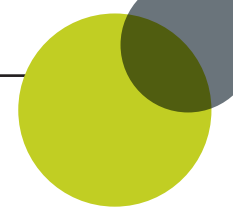
This is a challenging time for vulnerable people. Despite the political claims that austerity is over, public money continues to be very tight and cuts to public service budgets and local services are continuing. This puts pressure on charities like Family Action that provide services to vulnerable people. The risk being carried within many of Family Action's services is inevitably increasing as statutory thresholds for intervention rise and as we take on more complex cases.

All of this is taking place against a backdrop of an increasingly digital world and an evolving profile of pressures on family life.

Today, we are often expected to offer more for less and can no longer rely on the same services being recommissioned year after year. In addition, we face intense competition from other charities when we seek to raise fundraised income.

Against this background of financial pressures and increasing risk, Family Action has achieved a great deal over the last five years. We have grown substantially, merged with a number of other organisations and developed a reputation as a national service provider as well as a provider in local communities. We have been careful to diversify our sources of income and our range of services in order to reduce our dependence on single areas of work or income. We have been successful in substantially increasing our fundraising. We have also professionalised our back office and developed agility and momentum within the organisation that has enabled us to seize opportunities and cope with setbacks.

Over the next five years we need to consolidate this growth while remaining agile and resilient as our operating environment will not get any easier and Brexit just makes everything even more uncertain. It is safe to say that we expect money to remain tight, the level of risk being carried in individual services to increase further and fundraising to be even more competitive.



Trustees' Report (continued)

In this context we need to continue to build the quality of our back office infrastructure and our spectrum of income generation. We must also ensure that our staff and volunteers are properly supported and that every service provided by Family Action is not only of the highest quality but that we can evidence that quality. We also need to build on the milestone of our 150th Anniversary and the early success of The Family Monsters Project. Family Action now has the opportunity to become much better known and to capitalise on that increased brand recognition.

We want to use our increased profile to become a stronger voice for families and to help us develop new partnerships and to attract more unrestricted funding. We recognise that Family Action is very much the product of our dedicated staff and volunteers as well as our supporters. We want to invest over the next five years in the training and development of our staff and volunteers so that they are the very best that they can be and so that Family Action becomes an even better place to work.

We have shown over the past five years that it is possible to grow in a context of continuing austerity and to increase our impact. We know that Family Action has the values, the staff, volunteers and supporters, the ideas and service models and the sheer determination to keep on making a difference to the people we serve regardless of the political and funding climate that surrounds us. The five objectives in our new strategy are not standalone - they are all inter-related. The strategy sets out a direction of travel which feels right for now but we accept that this strategy may need adjustment over the course of the next five years to respond to changes in the external environment. We will respond to those changes through the detailed action plans that will support this strategy.

Post Balance Sheet Events

There are post balance sheet events details of which are disclosed in Note 21 to these accounts.

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 25 April 2019. 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, BAND and PAC-UK which are dormant and charitable companies that are now dormant following their mergers and transfers of trade and assets to Family Action in the previous 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 we keep updated 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. Trustees have also been kept aware of the changing landscape around the regulation of Charity fundraising and GDPR.



Trustees' Report (continued)

Organisation

The Board of Trustees administers the Charity. The 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 five Board sub committees: Audit Committee, Quality & Performance Committee, Governance Committee, Investment Committee and Remuneration Committee, which can meet up to four times a year under their respective terms of reference.

Related Parties and Co-operation with other Organisations

Any interest between a Trustee or senior manager 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 Executive Group as comprising the key management personnel of the Charity in charge of directing and controlling, running and operating the Charity on a day to day basis. All Trustees give their time freely and no Trustee received remuneration in the year.

The pay of the Executive Group is reviewed annually. 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 bench-mark 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 Family Action and the group as a standing agenda item at every Board meeting, Audit Committee meeting and Quality & Performance Committee meeting;
- regular review of the principal risks and uncertainties faced by Family Action and the group by the Executive Group
- well-established policies, systems and procedures to mitigate any risks identified; and
- clear processes designed to minimise or manage any potential impact on Family Action and the group should those risks materialise.

The main risks are identified within Family Action's Risk Register. This ongoing and dynamic work has identified that protection of existing turnover and the challenge of achieving further growth in the current economic and political climate are major risks for Family Action, in particular failure to retain and gain new contractual income, and gain new unrestricted fundraised income. The ongoing uncertain external environment and its potential impact on staff morale and engagement is still a considerable risk that we must continue to manage.

Key factors in the management of these risks is the ongoing monitoring and review by the Executive Group of our delivery of strategies to retain existing services and ensuring that we win new work at a sufficient rate through tendering and fundraising. Trustees monitor the implementation of the organisational strategy and risk during the course of the year.

Attention has continued to be focused on income



Trustees' Report (continued)

and service diversification in order to ensure that we protect our existing turnover, for example, through mergers.

There is also ongoing mitigation of non-financial risks such as those relating to Health & Safety, Safeguarding, Data Protection (and the new General Data Protection Regulations) and IT Security. Such risks are managed through policies and procedures, external quality accreditation, regular reviews by the senior management team 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.

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 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, hence taking reasonable steps for the prevention, detection of fraud and other irregularities.

In so far as each of the Trustees are aware, there is no relevant audit information which the charitable company's auditor is unaware of 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.

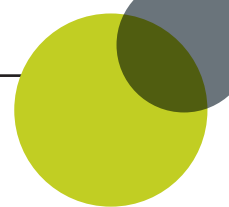
Public Benefit Statement

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.



Independent Auditor's Report to the Members of Family Action

Appointment of Auditors

A resolution proposing the re-appointment of our auditors will be submitted at our AGM in 2019.

Our Thanks

2018/19 has been a year of significant growth and very positive change. Trustees recognise the exceptional leadership of Family Action's Chief Executive David Holmes CBE and the huge contribution of the Executive Group, Senior Leadership Group and all our excellent staff, volunteers and supporters. I would like to thank them all. I am delighted that Family Action is celebrating its 150th year with more services, staff and volunteers than ever before.

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

On behalf of the Board.

Mary Fulton
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

Mary Fulton *** (Chair)
Warren Sean O'Callaghan (Vice Chair)
Siobhan Boylan (Honorary Treasurer)

Members

Aida Cable
Pim Piers**
Sophy Doyle*****
Paul Hayes
Robert Tapsfield*
George Dunnett
Phillip Bowkley
Dez Holmes
Philippe Broadhead****(from July 2019)
Ian Hargrave
Janet Kolind (from 5 July 2018)

Chief Executive and Company Secretary

David Holmes CBE

Director of Finance

Funke Fatunla

General Counsel and Director of Systems

Ricardo Gomes Da Silva

Director of Services & Innovations

Helen Cantrell – started July 2018

Director of Development & External Affairs

Anja Bailey – started June 2018

***** Chair of Remuneration Committee

**** Chair of Investment Committee

*** Chair of Governance Committee

** Chair of Audit Committee

* Chair of Quality & Performance Committee

Family Action Registered Office

34 Wharf Road
London NI 7GR
Tel: 020 7254 6251
E-mail: info@family-action.org.uk
Web: 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 0 1068186) in England and Wales. Registered as a Foreign Company (NO 6009F) and Charity (No. 1206) in the Isle of Man.

Principal Advisers to Family Action

Bank

Coutts & Co
Commercial Banking
440 Strand
London
WC2R 0QS

Independent Auditor

Haysmacintyre LLP
10 Queen Street Place
London
WC1R 1AG

Investment Advisor

Epoch Wealth Management LLP
Queen Square House
Queen Square Place
Bath
BA1 2LL

Lawyers

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

Stone King LLP
Boundary House
91 Charterhouse Street
London
EC 1 M 6HR





Independent Auditor's Report to the Members of Family Action

Opinion

We have audited the financial statements of Family Action for the year ended 31 March 2019 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, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the group's and the parent charitable company's affairs as at 31 March 2019, 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 requirements of the Companies Act 2006.

Basis for opinion

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

Responsibilities of trustees for the financial statements

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

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

Auditor's responsibilities for the audit of the financial statements

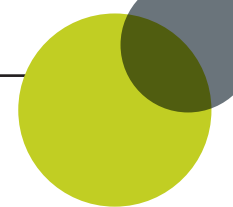
Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee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

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

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the Trustees' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the Trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the group's or the parent charitable company's ability to continue to adopt



Independent Auditor's Report to the Members of Family Action (continued)

the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information

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

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Trustees' Annual Report (which incorporates the Strategic Report and the Directors' Report) for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Trustees' Annual Report (which incorporates the Strategic Report and the Directors' Report) has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In light of the knowledge and understanding of the group and the parent charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Trustees' Annual Report (which incorporates the Strategic Report and the Directors' Report).

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

- adequate accounting records have not been kept by parent charitable company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent charitable company financial statements are not in agreement with the accounting records and 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.

Use of our report

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 charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.

**Richard Weaver (Senior Statutory Auditor)
for and on behalf of Haysmacintyre LLP,
Statutory Auditors**

10 Queen Street Place
London
EC4R 1AG

Consolidated Statement of Financial Activities

For the year ended 31 March 2019



	Notes	Unrestricted Funds £'000	Restricted Funds £'000	Endowment Funds £'000	Total 2019 £'000	Total 2018 £'000
Incoming and Endowments from:						
Donations and legacies	3	508	847	-	1,355	2,472
Investment	4	15	408	-	423	385
Charitable activities	5	827	27,664	-	28,491	20,497
Gains on Acquisition of Business	6	-	2,082	-	2,082	35
Total		1,350	31,001	-	32,351	23,389
Expenditure on:						
Raising funds:		632	1	59	692	550
Charitable activities		524	27,497	-	28,021	21,534
Total	7	1,156	27,498	59	28,713	22,084
Net income/(expenditure) before investments gains/(losses)						
		194	3,503	(59)	3,638	1,305
(losses)/Gains on investments	12	-	(2)	2	-	(271)
Net income/(expenditure) before other recognised gains and losses						
		194	3,501	(57)	3,638	1,034
Remeasurement on net defined benefit pension liability	10	-	323	-	323	990
Net movements in funds		194	3,824	(57)	3,961	2,024
Fund balance brought forward at 1 April 2018						
		3,747	(2,700)	10,119	11,166	9,142
Fund balances carried forward At 31 March 2019						
		3,941	1,124	10,062	15,127	11,166

All amounts relate to continuing activities. Conduit activities are not included above but are set out in Note 24. The attached Notes form part of the financial statements.

Consolidated Summary Income and Expenditure Account

For the year ended 31 March 2019

	2019 £'000	2018 £'000
Total income	32,351	23,389
Total expenditure excluding endowment funds charges	<u>(28,654)</u>	<u>(22,024)</u>
Net income before investments gains/(losses)	3,697	1,365
Gains/(losses) on investments (excluding endowment funds)	(2)	9
Net income for the year	<u>3,695</u>	<u>1,374</u>

Total income comprises £1,350k (2018: £1,586k) unrestricted funds and £31,001k (2018: £20,344k) restricted funds.

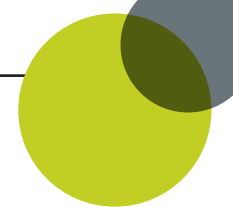
A detailed analysis of expenditure is available in the Consolidated Statement of Financial Activities and Note 7.

The Consolidated Summary Income and Expenditure Accounts are derived from the Consolidated Statement of Financial Activities with movements in endowment funds excluded to comply with Company Law. All income and expenditure are 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 2019 - Company Number: 01068186

	Notes	2019		2018	
		£'000	£'000	£'000	£'000
Fixed Assets					
Tangible assets	11		6,195		408
Trust and Investments	12		10,605		10,664
Current Assets					
Debtors	14	4,794		2,696	
Cash		7,302		7,203	
		<u>12,096</u>		<u>9,899</u>	
Creditors: amounts falling due within one year	15	<u>(3,799)</u>		<u>(1,888)</u>	
Net Current Assets			<u>8,297</u>		<u>8,011</u>
Total Assets Less Current Liabilities			25,097		19,083
Creditors: amounts falling due after one year	16		(2,657)		-
Pension scheme deficit	10		(7,313)		(7,917)
Net Assets	22		<u>15,127</u>		<u>11,166</u>
Funds					
Unrestricted funds:					
General funds	18		1,960		1,601
Designated reserve	18		1,981		2,146
			<u>3,941</u>		<u>3,747</u>
Restricted funds					
Income funds – include revaluation reserve of (£126k) (2018: £128k)	19		8,437		5,217
Pension Reserves	10		(7,313)		(7,917)
Endowment Funds - include revaluation reserve of £5,863k (2018: £5,918k)	20		10,062		10,199
			<u>15,127</u>		<u>11,166</u>

The Financial Statements on pages 24 to 59 were approved and authorised for issue by the Board of Trustees, and signed on its behalf on 19th September 2019 by:

Mary Fulton

Chair of Trustee Board

Siobhan Boylan

Honorary Treasurer

The attached notes form part of the financial statements.

Company Balance Sheet

At 31 March 2019 - Company Number: 01068186

	Notes	2019		2018	
		£'000	£'000	£'000	£'000
Fixed Assets					
Tangible assets	11		6,195		408
Investments	12		10,615		10,974
Current Assets					
Debtors	14	4,923		2,819	
Cash		7,190		7,105	
		<u>12,113</u>		<u>9,924</u>	
Creditors: amounts falling due within one year	15	<u>(3,786)</u>		<u>(1,878)</u>	
Net Current Assets			<u>8,327</u>		<u>8,046</u>
Total Assets Less Current Liabilities			25,137		19,128
Creditors: amounts falling due after one year	16		(2,657)		-
Pension deficit	10		(7,313)		(7,917)
Net Assets			<u>15,167</u>		<u>11,211</u>
Funds					
Unrestricted funds:					
General funds	18		2,000		1,847
Designated reserve	18		<u>1,981</u>		<u>2,145</u>
			3,981		3,792
Restricted funds					
Income funds – include revaluation reserve of £126k (2018: £128k)	19		8,437		5,217
Pension Reserves	10		(7,313)		(7,917)
Endowment Funds - include revaluation reserve of £5,863k (2018: £5,918k)	20		<u>10,062</u>		<u>10,119</u>
			<u>15,167</u>		<u>11,211</u>

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 income before other recognised gains or losses is a surplus of £3,633k (2018: £1,341k Surplus). The results of the parent undertaking for the year ended 31 March 2019 is a net surplus of £3,956k (2018: £2,001k Surplus).

The Financial Statements on pages 26 to 59 were approved and authorised for issue by the Board of Trustees, and signed on its behalf on 19th September 2019 by:

Mary Fulton

Chair of Trustee Board

Siobhan Boylan

Honorary Treasurer

The attached notes form part of the financial statements.

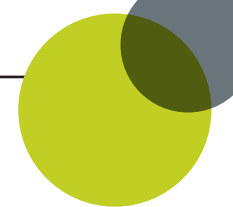


Consolidated Cash Flow Statement

For the year ended 31 March 2019

	2019 £'000	2018 £'000
Reconciliation of net income to net cash flow from operating activities		
Net income for the year before investment gains/ (losses)	3,638	1,305
Depreciation	72	73
Increase in debtors	(2,098)	(791)
Increase in creditors	1,846	(411)
Decrease in pension scheme deficit, net of gains/losses	(679)	(353)
Net investment income	(423)	(385)
Investment manager fees	59	60
Gains on acquisition of businesses	(2,082)	-
Net cash provided by/ (used in) operating activities	333	(502)
Net cash provided by/ (used in) operating activities	333	(502)
Cash flow from investing activities:		
Dividends received	408	358
Interest received	15	27
Cash acquired from acquisition of businesses	565	-
Purchase of tangible assets	(3,909)	(161)
Net cash (used in)/ provided by investing activities	(2,921)	224
Cash flow from financing activities:		
Cash inflow from new borrowing	2,720	-
Repayments of borrowing	(33)	(967)
Net cash provided by/ (used in) financing activities	2,687	(967)
Change in cash and cash equivalents in the year	99	(1,245)
Cash and cash equivalents at the beginning of the year	7,203	8,448
Cash and cash equivalents at the end of the year	7,302	7,203

The attached notes form part of the financial statements.



Notes to the Financial Statements

For the year ended 31 March 2019

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. 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 FRS 102.

(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.

(d) Going concern

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

(e) Entity combinations

Entity combinations are the effect on the accounts of Family Action and its consolidated accounts of changes to the structure of the charity and the group that arise from the acquisition of businesses and companies, the gift of charities and mergers between charities. In accounting for entity combinations, Family Action applies the requirements of Sections 19 and PBE34.75 - PBE34.86 of FRS 102 and the guidance set out in the Charity SORP 2015.

Unless the requirements for merger accounting are met, an acquiring entity is identified in an entity combination, being the dominant party in a charity merger or the contractual acquirer of a business or company. The assets and liabilities of the entity joining the group at the date of combination or being transferred to the parent charitable company are initially recognised in Family Action's accounts at their fair values. After that date, the accounting policies of Family Action are applied to recognition, de-recognition and valuation of the assets and liabilities.

When the transaction is in substance a gift from the Trustees or members of an existing charity, the fair value of the net assets and liabilities acquired is recognised as a gain or loss within the Statement of Financial Activities.

(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.

Legacies are recognised on notification of an impending distribution or on receipt.

Notes to the Financial Statements (continued)

For the year ended 31 March 2019



Donated services and facilities are included as 'income from donations and legacies' at their estimated value to the Charity when received, and under the appropriate expenditure heading depending on the nature of service or facility provided, at the same value and time. No amounts are included in the financial statements for services donated by volunteers.

(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, based on 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.

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 - 75 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) 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.

Notes to the Financial Statements (continued)

For the year ended 31 March 2019

(k) Financial instruments

Financial assets

Basic financial assets, including trade and other receivables, cash and bank balances, are initially recognised at transaction price. Such assets are subsequently carried at the amortised cost using the effective interest method, less impairment.

Other financial assets, including investments in equity instruments which are not subsidiaries, associates or joint ventures, are initially measured at fair value, with subsequent changes in fair value recognised in the SOFA, except that investments that are not publically traded and whose fair values cannot be measured reliably are measured at cost less impairment.

At the end of each reporting period, financial assets measured at amortised cost are assessed for objective evidence of impairment. If an asset is impaired the impairment loss is the difference between the carrying amount and the present value of the established cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in the SOFA.

Financial liabilities

Basic financial liabilities, including trade and other payables, and loans from third parties are initially recognised at transaction price.

Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Trade payables are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

Loans obtained by the Charity to further its charitable purposes at rates below prevailing market rates are classified as concessionary loans and accounted for in accordance with Section 34 of FRS 102. Such loans are initially recognised and measured at the amount received and subsequently adjusted to reflect any repayments, accrued interest and any subsequent impairment.

(l) 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.

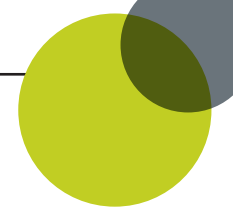
Defined contribution pension plans

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



Notes to the Financial Statements (continued)

For the year ended 31 March 2019

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.

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 schemes assets are measured in accordance with the FRS 102 fair value hierarchy, and include 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 "re-measurement 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 10.

(m) 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.

(n) 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.



Notes to the Financial Statements (continued)

For the year ended 31 March 2019

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 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 benefits 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 valuations and the discount rate on corporate bonds. 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 trends.

Notes to the Financial Statements (continued)

For the year ended 31 March 2019

3. Donations and Legacies

	2019 £'000	2018 £'000
Individuals	542	1,352
Charitable trusts	569	1,072
Companies	244	48
	1,355	2,472

4. Investment income

	2019 £'000	2018 £'000
Interest receivable	15	27
Dividends receivable from investments	374	358
Investment income from Natwest	34	10
	423	385

5. Income from charitable activities - 2019

	Notes	Unrestricted Funds £'000	Restricted Funds £'000	Endowment Funds £'000	Total 2019 £'000	Total 2018 £'000
Income						
Statutory, Lottery & Trusts Funding	5a,b&c	-	23,688	-	23,688	16,030
Rent and Fees		117	1,510	-	1,627	1,837
Trusts and Administered Funds		-	8	-	8	1,229
Other Incoming Resources		710	2,458	-	3,168	1,401
		827	27,664	-	28,491	20,497

Income from charitable activities - 2018

	Notes	Unrestricted Funds £'000	Restricted Funds £'000	Endowment Funds £'000	Total 2018 £'000	Total 2017 £'000
Income						
Statutory, Lottery & Trusts Funding	5a,b&c	-	16,030	-	16,030	15,817
Rent and Fees		99	1,738	-	1,837	2,204
Trusts and Administered Funds		-	1,229	-	1,229	189
Other Incoming Resources		695	706	-	1,401	1,031
		794	19,703	-	20,497	19,241

Notes to the Financial Statements (continued)

For the year ended 31 March 2019

5a. Lottery fund, trusts & grants

These funds are part of statutory funding in restricted funds

	Project Ref. Number	Balance 31 March 2018 £'s	Movement in funds		Balance 31 March 2019 £'s
			Incoming Resources £'s	Outgoing Resources £'s	
Big Lottery Awards for All	10305412	2,243	-	(2,243)	-
Big Lottery Hackney A&E Well Family	31027249	-	102,846	(102,846)	-
Big Lottery Medway Perinatal	10247595	-	40,528	(40,528)	-
Big Lottery Reaching Communities - Friendship Works	10302129	48,441	101,045	(66,263)	83,223
Big Lottery Wands worth Young Carers	10228817	2,370	-	(2,370)	-
Bolton Health and Wellbeing Community Investment	N\A	-	2,250	(2,250)	-
Children in Need-Off Centre	N\A	-	20,585	(20,585)	-
Children in Need-Friendship Works	N\A	-	40,694	(40,694)	-
City Bridge Trust-DVA project London	N\A	-	21,000	(21,000)	-
City Bridge Trust Stepping Stones - Edge of Care	N\A	-	30,668	(30,668)	-
Comic Relief-Off Centre	N\A	-	30,079	(30,079)	-
Comic Relief-DVA Coordinator	N\A	-	3,000	(3,000)	-
Department for Education- National School Breakfast Provision	N\A	-	7,983,347	(6,359,066)	1,624,281
Department for Education-Food, Families, Fun	N\A	-	261,480	(261,480)	-
Department of Health - Health and Social Care Volunteering Fund	54401184	(1,774)	166,253	(164,479)	-
Garfield Weston-Friendship Works	N\A	-	5,833	(5,833)	-
London Community Foundation	N\A	-	4,863	(4,863)	-
London Community Foundation - Building a Stronger Britain Together	A436130	7,962	39,812	(47,168)	606
Mind Grants	N\A	-	8,335	(8,335)	-
National Lottery Community Fund - Sandwell DVA	10277423	34,308	76,172	(76,020)	34,460
National Lottery Community Fund - Southend Families Together	10305962	17,891	137,240	(120,745)	34,386
National Lottery Community Fund-Bradford DVA	10286586	965	74,886	(75,851)	-
National Lottery Community Fund - Medway Perinatal	N\A	-	96,157	(86,070)	10,087
National Lottery -Sport England	N\A	-	39,417	(23,105)	16,312
Nesta Second Half Fund	N\A	-	30,000	(30,000)	-
NHS England - Grant, 2018/19	N\A	-	2,050	(2,050)	-
Norfolk Community Foundation - Borough Council of King's Lynn & West Norfolk Small Grants	N\A	-	2,500	(839)	1,661
Shire Community Grants	N\A	-	2,526	(2,526)	-
Smart Energy GB (CAF)	N\A	-	2,034	(2,034)	-
Tower Hamlet MSG Theme 1 - Young Carers	N\A	1,904	19,583	(21,487)	-
Tower Hamlets MSG Theme 3 - Somali Mental Health	N\A	2,778	13,800	(16,578)	-
Wales Council for Voluntary Action - Volunteering Wales Grant	VWG-16-035	-	9,675	(9,675)	-
Welsh Government Sustainable Social Services Grant - Families Together	N\A	(3,886)	474,390	(460,559)	9,945
		113,202	9,843,048	(8,141,289)	1,814,961

Notes to the Financial Statements (continued)

For the year ended 31 March 2019

5b. Statutory Funding

Adoption Support Fund	London Borough of Tower Hamlets
Bradford Trident	London Borough of Waltham Forest
Birmingham City Council	London Borough of Wandsworth
Bradford Metropolitan District Council	MacMillan Cancer Support
British Gas Energy - BG Homes	Manchester City Council
Central Manchester, Manchester Children's Hospital	Medway Council
Children & Family Court Advisory & Support Service (CAFCASS)	National Children's Bureau
Derbyshire County Council	NHS Bradford CCG
Department for Education	NHS City & Hackney CCG
Department of Health	NHS Heywood, Middleton & Rochdale CCG
Durham County Council	NHS Norfolk CCG
East Leicestershire & Rutland CCG	NHS Wandsworth CCG
East Leicestershire CCG	Norfolk County Council
Harrogate & Districts NHS	Nottinghamshire County Council
Hereford County Council	Nottinghamshire NHS Trust
Isle of Man Government	Peterborough City Council
Leicestershire County Council	Pre-School Learning Alliance
Lincolnshire County Council	Rochdale Metropolitan Borough Council
London Borough of Bromley	Royal Borough of Greenwich
London Borough of Camden	Royal Borough of Kensington & Chelsea
London Borough of Croydon	Royal Borough of Windsor and Maidenhead
London Borough of Ealing	Sheffield City Council
London Borough of Hackney	Solihull Metropolitan Borough Council
London Borough of Harrow	South London & Maudsley NHS Trust
London Borough of Havering	Southend on Sea Borough Council
London Borough of Hillingdon	Staffordshire County Council
London Borough of Hounslow	Suffolk Mind
London Borough of Islington	Warwickshire County Council
London Borough of Lambeth	West Leicestershire CCG
London Borough of Lewisham	West Sussex County Council
London Borough of Newham	Wiltshire County Council
London Borough of Redbridge	
London Borough of Southwark	

5c. Income & Expenditure for Isle of Man Government Funding (Family Action registered Charity No 1206):

	2019	2018
	£'000	£'000
Turnover	754	733
Expenditure	(661)	(693)
Surplus/(Deficit)	93	40

Notes to the Financial Statements (continued)

For the year ended 31 March 2019

6. Income arising from acquisition of business

During the year, Family Action agreed to take over the ownership, control and management of four organisations. Namely on the 1st of April 2018, Happy Days Preschool, an unincorporated association; Building A New direction (BAND), company No (3284504) and Charity No (1060822), on the 1st of May 2018 Off Centre Limited, company No (1764019), Charity No (288275); and on the 1st of December 2018, Post Adoption Centre UK (PAC-UK), company No (02040322) and Charity No (294988).

The transactions have been accounted for in accordance with acquisition accounting principles.

As the transfer of control obtained by Family Action was for nil consideration, the fair value of the net assets acquired has been recognised as income in the year on the dates the assets and liabilities of the individual businesses were transferred to Family Action.

The fair value of the acquired assets and liabilities as at the date of acquisitions and the gain therefore recognised are summarised as follows:

	Fixed Assets	Current Assets	Current Liabilities	Fair value at the date of acquisition
	£'000	£'000	£'000	£'000
Happy days Preschool	-	22	-	22
Building A New direction (BAND)	-	262	(10)	252
Off Centre Limited	-	289	(41)	248
Post Adoption centre UK (PAC-UK)	1,950	361	(751)	1,560
	1,950	934	(802)	2,082

Included in the above were cash balances of £565k. Following the acquisition of PAC-UK, a charity acts valuation was obtained which resulted in an increase in value of the properties; therefore a fair value adjustment of £220k was made to the book value of fixed assets.

For the period since acquisition, the figures below are the contributions of these businesses to the group funds. These amounts are included within the consolidated statement of financial activities.

	Incoming Resources	Resources Expended	Net Surplus/ (Deficit)
	£'000	£'000	£'000
Happy days Preschool	25,224	(44,871)	(19,647)
Building A New direction (BAND)	267,010	(389,020)	(122,010)
Off Centre Limited	326,384	(523,449)	(197,065)
Post Adoption centre UK	584,256	(664,006)	(79,750)
Total	1,202,874	(1,621,346)	(418,472)

Notes to the Financial Statements (continued)

For the year ended 31 March 2019

7a. Alleviation of need

The Charity made 1,991 (2018: 1,736) grants to individuals in the year that totalled £0.7m (2018: £1.19m). The grants last year includes over £0.7m given to victims of Grenfell Tower fire. The Charity has opted to take the exemption available under Charity Law not to disclose the names of grants recipients in these financial statements.

7b. Analysis of Total Expenditure 2019

	Staff Costs £'000	Other Costs £'000	Depreciation £'000	2019 £'000	2018 £'000
Raising funds					
Fundraising and publicity costs	567	122	3	692	550
Charitable activities					
Operational services	17,386	9,835	67	27,288	20,098
Educational grants advice	53	39	2	94	212
Alleviation of need	-	606	-	606	1,198
Governance costs	-	33	-	33	26
	<u>17,449</u>	<u>10,513</u>	<u>69</u>	<u>28,021</u>	<u>21,534</u>
	18,006	10,635	72	28,713	22,084
	Direct Costs £'000	Allocated Costs £'000	Support Costs £'000	2019 £'000	2018 £'000
Raising funds					
Fundraising and publicity costs	567	-	125	692	550
Cost of charitable activities					
Operational services	25,116	1,103	1,069	27,288	20,098
Educational grants advice	53	-	41	94	212
Alleviation of need	606	-	-	606	1,198
Governance costs	-	33	-	33	26
	<u>25,775</u>	<u>1,136</u>	<u>1,110</u>	<u>28,021</u>	<u>21,534</u>
	26,342	1,136	1,235	28,713	22,084

Notes to the Financial Statements (continued)

For the year ended 31 March 2019

7b. Analysis of Total Expenditure 2018

	Staff Costs £'000	Other Costs £'000	Depreciation £'000	2018 £'000
Raising funds				
Fundraising and publicity costs	456	91	3	550
Charitable activities				
Operational services	16,077	3,953	68	20,098
Educational grants advice	123	87	2	212
Alleviation of need	-	1,198	-	1,198
Governance costs	-	26	-	26
	<u>16,200</u>	<u>5,264</u>	<u>70</u>	<u>21,534</u>
	16,656	5,355	73	22,084
	Direct Costs £'000	Allocated Costs £'000	Support Costs £'000	2018 £'000
Raising funds				
Fundraising and publicity costs	456	-	94	550
Cost of charitable activities				
Operational services	18,572	594	932	20,098
Educational grants advice	123	-	89	212
Alleviation of need	1,198	-	-	1,198
Governance costs	-	26	-	26
	<u>19,893</u>	<u>620</u>	<u>1,021</u>	<u>21,534</u>
	20,349	620	1,115	22,084

Notes to the Financial Statements (continued)

For the year ended 31 March 2019

7b. Analysis of Total Expenditure 2018 (continued)

	2019	2018
	£'000	£'000
Other costs include:		
Other costs for running services**	6,229	1,536
Staff training, travel and recruitment	1,199	1,031
Buildings and grounds	1,667	1,476
Insurance and office costs	390	788
Printing and promotion	794	181
Pension scheme finance costs	356	343
	10,635	5,355

**of which £4.7m is attributable to the running of the National School Breakfast Provision funded by the DfE.

The above expenditure includes the following charges:

Auditor's remuneration - Statutory audit	27	25
Auditor's remuneration - non audit services:		
Taxation advisory services	5	1
Assurance services	4	3
Depreciation	72	73
Operating lease rentals		
- Buildings	550	706
- Other	31	34

8. Staff costs

	2019	2018
	£'000	£'000
Staff costs consist of:		
Wages and salaries	15,803	14,276
Redundancy	150	186
Social security costs	1,284	1,134
Employer's Pension costs	570	364
	17,807	15,960
Agency costs	422	457
	18,229	16,417
The monthly average number of employees was	753	680

Notes to the Financial Statements (continued)

For the year ended 31 March 2019



8. Staff costs (continued)

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

	2019 No.	2018 No.
£60,000 - £70,000	2	1
£70,000 - £80,000	1	2
£80,000 - £90,000	1	1
£140,000 - £150,000	1	1

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 Senior Management Team of the group comprises the Chief Executive Officer, Director of Services & Innovation, General Counsel & Director of Systems, Director of Finance and Director of Development & External Affairs. The total compensation of the Senior Management Team was £526,053 (2018: £508,668). Two Directors left in the year and were replaced.

9. Trustees' remuneration and expenses

The Charity's Trustees were not paid or received any other benefits from employment with the Charity or its subsidiary in the year (2018: £nil) neither were they reimbursed expenses during the year (2018: £nil). No Charity Trustee received payment for professional or other services supplied to the Charity (2018: £nil).

10. 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 £570,277 (2018: £363,843).

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 2019 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

Notes to the Financial Statements (continued)

For the year ended 31 March 2019

10. Pension costs (continued)

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 valuation as at 1 January 2017, updated to 31 March 2019. 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 2019 are approximately £500k based on the revised schedule of contributions agreed at the 1 January 2017 valuation.

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):

	2019 £'000	2018 £'000
Benefits obligation, beginning of the year	33,900	34,746
Current service cost	-	-
Interest cost	840	878
Scheme participants contributions	-	-
Actuarial (gains)/losses arising from changes in demographic assumption	(619)	2,912
Actuarial (gains)/losses arising from changes in financial assumption	687	172
Experience (gains)/losses	-	(4,200)
Gross Benefits paid	(639)	(608)
Past service costs/(gains)	-	-
Benefits obligation, end of year	34,169	33,900

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

	2019	2018
Discount rate	2.4%	2.50%
Rate of retail price inflation	3.20%	3.15%
Rate of consumer price inflation	2.20%	2.05%
Rate of future salary increases	1.00%	1.00%
Pension increases in payment:		
- Fixed 3% pa	3.00%	3.00%
- LPI max 5% pa	3.00%	3.00%
- LPI max 3% pa	2.40%	2.35%

Notes to the Financial Statements (continued)

For the year ended 31 March 2019

10. Pension costs (continued)

Post-retirement mortality assumption:

	2019	2018
	S2PMA	S2PMA
-Base table	CMI 2018 projections, with a long term trend rate of 0.5% p.a.	CMI 2017 projections, with a long term trend rate of 0.5% p.a.
-Projections for future improvements	85% of maximum cash at retirement	85% of maximum cash at retirement

Commutation allowance

Life expectancy from 65 for a male currently aged 65	21.0	21.5
Life expectancy from 65 for a male currently aged 45	21.4	21.9
Life expectancy from 65 for a female currently aged 65	22.9	23.3
Life expectancy from 65 for a female currently aged 45	23.5	24.0

Changes in Scheme assets are as follows:

	2019 £'000	2018 £'000
Fair value of Scheme assets, beginning of the year	25,983	25,488
Interest Income	648	650
Experience (losses)/gains	391	(126)
Employer's Contributions	637	694
Scheme Participants contributions	-	-
Administration Expenses	(164)	(115)
Gross benefits paid	(639)	(608)
Fair value of Scheme assets, end of year	<u>26,856</u>	<u>25,983</u>

Scheme Assets Allocation, End of Year

	31 March 2019 £'000	31 March 2018 £'000
Diversified Growth/Absolute Return Fund	16,887	16,426
Corporate Bonds	1,845	1,775
Government Bonds/Gilts	5,515	5,275
Property	2,497	2,437
Cash	112	70
Total	<u>26,856</u>	<u>25,983</u>

Notes to the Financial Statements (continued)

For the year ended 31 March 2019



10. Pension costs (continued)

Funded Status

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

	31 March 2019 £'000	31 March 2018 £'000
Fair value of Scheme assets	26,856	25,983
Benefit obligations	<u>(34,169)</u>	<u>(33,900)</u>
Funded status	(7,313)	(7,917)
Related deferred tax asset	-	-
Unrecognised surplus	-	-
Net amount recognised, end of year	<u>(7,313)</u>	<u>(7,917)</u>

Components of benefit cost recognised in SOFA

	2019 £'000	2018 £'000
Current service cost	-	-
Net interest cost on net defined liability	192	228
Administration Expenses	164	115
Past service(credit)/ cost recognised	-	-
Net benefit cost/(credit) in SOFA before other recognise gains and losses	<u>356</u>	<u>343</u>

	2019 £'000	2018 £'000
Actual return on plan assets	<u>1,039</u>	<u>534</u>

Amount recognised in other recognise gains and losses:

	2019 £'000	2018 £'000
Actuarial losses/ (gains) arising from changes in assumptions	68	3,084
Experience (gains)/losses on liabilities	-	(4,200)
Actuarial (gains)/losses on assets	(391)	126
Loss/(Gain) recognised in other recognised gains and losses	<u>(323)</u>	<u>(990)</u>

Notes to the Financial Statements (continued)

For the year ended 31 March 2019

11. Tangible fixed assets - Group and Company

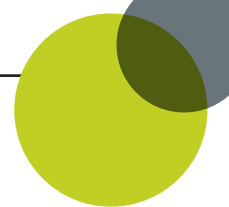
	Freehold Land & Buildings £'000	Leasehold Property £'000	Leasehold Improvements £'000	IT Infrastructure £'000	Computers, Equipment & Furniture £'000	Total £'000
Cost						
At 31 March 2018	-	-	277	161	99	537
Additions	-	3,900	-	-	9	3,909
Additions through business combinations	1,950	-	-	-	-	1,950
Disposal	-	-	-	-	(35)	(35)
At 31 March 2019	1,950	3,900	277	161	73	6,361
Depreciation						
At 31 March 2018	-	-	77	-	52	129
Charge for the year	-	-	28	33	11	72
Disposal	-	-	-	-	(35)	(35)
At 31 March 2019	-	-	105	33	28	166
Net Book Value at 31 March 2019	1,950	3,900	172	128	45	6,195
Net Book Value at 31 March 2018	-	-	200	161	47	408

The net book value at 31 March 2019 represents assets used for:

	Freehold Land & Buildings £'000	Leasehold Property £'000	Leasehold Improvements £'000	IT Infrastructure £'000	Computers, Equipment & Furniture £'000	Total £'000
Charitable purposes						
Operational services	1,034	2,067	92	68	23	3,284
Educational Grants Advice	273	546	24	18	6	867
Support services	643	1,287	56	42	16	2,044
	1,950	3,900	172	128	45	6,195

Notes to the Financial Statements (continued)

For the year ended 31 March 2019



12. Fixed Assets & Investments

GROUP

Investments at valuation

2019 £'000	2018 £'000
10,605	10,664

All trust fund investments were revalued to the quoted price on 31 March 2019.

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.

	2019 £'000	2018 £'000
Market value at 1 April	10,664	10,995
Net (losses)/gains on revaluation in year	-	(271)
Investment management fees	(59)	(60)
Market value at 31 March	10,605	10,664
Historical cost at 31 March	4,617	4,617

COMPANY

Investments in Endowed Trusts and Administered Funds-Capital at Valuation

2019 £'000	2018 £'000
10,605	10,664

Investments in subsidiary undertakings

Family Action Enterprises Ltd - Shares at cost

10	10
10,615	10,674

Details of the charity's subsidiary undertakings are included in Note 13 to these accounts.

Notes to the Financial Statements (continued)

For the year ended 31 March 2019

13. Subsidiary Undertakings

Family Action Enterprises

Family Action Enterprises Ltd (company no: 01514576) is a wholly owned trading subsidiary of Family Action, which is incorporated in England and Wales. The Charity holds 10,000 ordinary shares of £1 each (being all of its issued share capital). In line with the charitable activities of Family Action, it provides high-quality training and consultancy services for a wide range of organisations - local authorities, the NHS, schools/academies, early year's settings, adoption and fostering agencies, charities and commercial enterprises.

The open workshops, in-house training and consultancy draw on Family Action's extensive experience of delivering programmes and services to support children and families across the country. Audited accounts of Family Action Enterprises Ltd are filed with the Registrar of Companies. The net liabilities as at 31 March 2019 were £30,756 (2018: net liabilities £35,756).

Summary results were:

	2019 £'000	2018 £'000
Turnover	138	183
Administrative Expenses	(133)	(159)
Profit/(loss) for the year	5	24

Friendship Works

Friendship Works is a dormant charitable company incorporated in England and Wales (Charity no: 1017460, Company no: 2754587) controlled by Family Action by virtue of being its sole member.

14. Debtors

	Group		Company	
	2019 £'000	2018 £'000	2019 £'000	2018 £'000
Amounts invoiced to funders	3,773	1,893	3,796	1,826
Prepayments and accrued income	1,021	803	1,127	993
	4,794	2,696	4,923	2,819

15. Creditors : amounts falling due within one year

	Group		Company	
	2019 £'000	2018 £'000	2019 £'000	2018 £'000
Trade Creditors	1,168	412	1,168	412
Payment received on account for contracts	146	-	146	-
Accruals and Deferred Income	401	346	401	345
Tax and social security	1,044	327	1,035	341
Other creditors	977	770	973	747
Bank Loans	63	-	63	-
Loan from Esmee Fairbairn Foundation	-	20	-	20
Loan from Third Sector Loan Fund	-	13	-	13
	3,799	1,888	3,786	1,878

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 2019

16. Creditors : amounts falling due after one year

Bank loans amounts falling due:

- within two to five years

- over five years

	Group		Company	
	2019 £'000	2018 £'000	2019 £'000	2018 £'000
- within two to five years	261	-	261	-
- over five years	2,396	-	2,396	-
	2,657	-	2,657	-

A decision was made by the Board of Family Action to acquire a new property for the Head Office of the Charity. The property was part funded with a mortgage from Charity Bank. The purchase was completed on the 15th of March 2019 at a cost of £3.9m.

Amount due to Charity Bank are disclosed as bank loans in Notes 15 and 16. The loan is secured by fixed charge over the charity's freehold and long leasehold properties. The loan is repayable by monthly instalment over 25 years. Interest is charged at 2.15% per annum above Bank of England Base rate.

17. Financial Instruments

Family Action had the following financial instruments:

	Group		Company	
	2019 £'000	2018 £'000	2019 £'000	2018 £'000
Financial assets measured at fair value	10,605	10,664	10,605	10,674
Cash and cash equivalents	7,302	7,203	7,190	7,105
Financial assets(debtors) measured at amortised cost	3,796	1,893	3,796	1,826
Financial liabilities measured at amortised cost	5,016	1,215	5,016	1,192

Notes to the Financial Statements (continued)

For the year ended 31 March 2019

18. Unrestricted funds as at March 2019

GROUP

	Movement in funds				Balance 31 March 2019 £'000
	Balance 31 March 2018 £'000	Incoming Resources £'000	Gains and transfers £'000	Expenditure £'000	
General funds	1,601	1,350	(128)	(863)	1,960
Staff Contingency	200	-	176	(111)	265
Safe Haven Project Fund	73	-	(73)	-	-
Contract Risk Fund	327	-	(327)	-	-
Fixed Assets fund	188	-	(28)	-	160
Property fund	732	-	380	-	1,112
Service Development Funds	626	-	-	(182)	444
	3,747	1,350	-	(1,156)	3,941

COMPANY

General funds	1,646	1,212	(128)	(730)	2,000
Staff Contingency	200	-	176	(111)	-
Safe Haven Project	73	-	(73)	-	-
Contract Risk Fund	327	-	(327)	-	160
Fixed Assets fund	188	-	(28)	-	1,112
Property fund	732	-	380	-	444
Service Development Funds	626	-	-	(182)	
	3,792	1,212	-	(1,023)	3,981

The general funds represent the free funds of the Group and the Charity, which are not designated for any particular purpose. The balance as at March 2019 is: Group £1,960k (2018: £1,601k); the charitable parent company £2,000k as at 31 March 2019 compared with £1,646k in 2018.

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 balance as at March 2019 is £265k (2018: £200k).

The Fixed Assets fund represents leasehold improvements of the Charity's offices used for charitable activities. The balance as at 31 March 2019 is £160k (2018: £188k). The reduction is due to the depreciation of tangible fixed assets, mainly fixtures and fittings to the value of £28k in the year.

Safe Haven Project Fund is the company's contribution to the closure costs of a new service development in its pilot stage in partnership with Sandwell and Wolverhampton Council. The project is funded by Social Finance agreement with Third Sector Loan Fund and Esmee Fairbairn Foundation. The balance as at 31 March 2019 is £nil (2018: £73k). The project was closed in September 2018 due to lack of continuation funding/contract from Local Authorities. The final balance on the closure account was £20k deficit with much of the outcome payments received from Local Authorities in year. Therefore a balance of £53k was released into general funds as at the end of March.

Contract Risk Fund is set aside as investments into various contracts, where the organisation is facing significant

Notes to the Financial Statements (continued)

For the year ended 31 March 2019

18. Unrestricted funds as at March 2019 (continued)

TUPE risk particularly local government pension risk and contract performance bonds. We have not used this fund in the last few years and we have no indication that this will be required in the near future, thus the balance has been released to fund the purchase and move to the new Head Office. The balance as at 31 March 2019 is £nil (2018: £327k).

Property Fund is set aside for the purchase fit out and moves to the new Head Office property. The purchase of the property (3, Wharf Studio) was completed in March 2019. There is ongoing fit out work and the move to the new office is expected in the summer of 2019. The balance as at 31 March 2019 is £1,112k (2018: £732k).

Service Developments Fund has been set up to enable the Charity to invest in the development of new service models. This is essential for the future of the Charity and are designated, so excluded from free reserves. The balance as at 31 March 2019 is £444k (2018: £626k). In 2019 there was £190k (in addition to £140k in 2017) approved expenditure by the Trustees Board towards the 150th years anniversary of the charity. £182k (2018: £17k) was spent as at 31st March with the remaining £131k committed.

Unrestricted funds as at March 2018

GROUP

	Movement in funds				Balance 31 March 2018 £'000
	Balance 31 March 2017 £'000	Incoming Resources £'000	Gains and transfers £'000	Expenditure £'000	
General funds	1,500	1,252	-	(1,151)	1,601
Staff Contingency	114	-	129	(43)	200
Safe Haven Project Fund	173	-	(100)	-	73
Contract Risk Fund	327	-	-	-	327
Fixed Assets fund	217	-	(29)	-	188
Property fund	732	-	-	-	732
Service Development Funds	643	-	-	(17)	626
	3,706	1,252	-	(1,211)	3,747

COMPANY

General funds	1,569	1,069	-	(992)	1,646
Staff Contingency	114	-	129	(43)	200
Safe Haven Project	173	-	-	-	73
Contract Risk Fund	327	-	(100)	-	327
Fixed Assets fund	217	-	-	-	188
Property fund	732	-	(29)	-	732
Service Development Funds	643	-	-	(17)	626
	3,775	1,069	-	(1,052)	3,792



Notes to the Financial Statements (continued)

For the year ended 31 March 2019

19. Restricted funds as at March 2019

	Movement in funds				Balance 31 March 2019 £'000
	Balance 31 March 2018 £'000	Incoming Resources £'000	Gains/ (losses) and transfers £'000	Expenditure £'000	
Operational services	3,884	30,585	-	(27,074)	7,395
Other restricted funds:					
New Day	108	23	-	(118)	13
Other Trust funds – Revenue	294	21	-	(238)	77
Nora Henry Trust – Revenue	11	61	-	(50)	22
Other Trust funds – Revenue	373	311	-	(298)	386
Edith & W Morgan Mental Health – Capital	342	-	2	-	340
Other Trust funds – Capital	205	-	1	-	204
	<u>1,333</u>	<u>416</u>	<u>(3)</u>	<u>(704)</u>	<u>1,042</u>
Restricted income funds	5,217	31,001	(3)	(27,777)	8,437
Pension scheme reserve	(7,917)	-	323	281	(7,313)
Total restricted funds including pension scheme reserve	(2,700)	31,001	319	(27,496)	1,124

- The restricted funds comprises two main elements:

- The unexpended income from Operational Services of £7,395k as at March 2019 (2018: £3,884k). These restricted funds represent funded projects and services run by Family Action. The balance consists mainly of start-up funding on new projects not yet spent and funding to be carried forward as agreed with individual funders.
- Family Action administers endowed and non-endowed trust funds. It distributes this income in the form of grants to individuals. The unexpended income from the funds is carried forward under its restricted purpose. This amounts to £1,042k as at March 2019 (of which £544k is held as investment in our portfolio thus referred to as capital above) compared with to £1,333k in 2018 (£547k in 2018 held as investment-capital).

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 2019

Restricted funds as at March 2018

	Movement in funds				Balance 31 March 2018 £'000
	Balance 31 March 2017 £'000	Incoming Resources £'000	Gains/ (losses) and transfers £'000	Expenditure £'000	
Operational services	3,200	20,549	-	(19,865)	3,884
Other restricted funds:					
New Day	101	118	-	(111)	108
Other Trust funds – Revenue	71	1,122	-	(899)	294
Nora Henry Trust – Revenue	10	57	-	(6)	11
Other Trust funds – Revenue	315	291	-	(233)	373
Edith & W Morgan Mental Health – Capital	353	-	(11)	-	342
Other Trust funds – Capital	185	-	20	-	205
	<u>1,035</u>	<u>1,588</u>	<u>9</u>	<u>(1,299)</u>	<u>1,333</u>
Restricted income funds	4,235	22,137	9	(21,164)	5,217
Pension scheme reserve	(9,258)	-	990	351	(7,917)
Total restricted funds including pension scheme reserve	(5,023)	22,137	999	(20,813)	(2,700)

Notes to the Financial Statements (continued)

For the year ended 31 March 2019

20. Endowment Funds as at March 2019

	Charity Reg. Number	Movement in funds			Balance 31 March 2019 £'000
		Balance 31 March 2018 £'000	Additions £'000	Expenditure and Unrealised Gains/(Losses) £'000	
Permanent Endowments					
Caterham Whyteleafe Trust	272724	740	-	(4)	736
Eleanor Ponsonby Trust	275060	1,185	-	(5)	1,180
FWA Greater London Relief In Need Charity	1006487	435	-	5	440
FWA National Relief in Need	231205	326	-	109	435
FWA Relief in Need Charity For the Aged	237118	992	-	(6)	986
FWA Relief in Sickness Charity	264713	372	-	(2)	370
Limpsfield Convalescence Fund	208536	163	-	(2)	161
Women's Holiday Fund	207455	949	-	(3)	946
Green Bequest Fund	252152	125	-	(1)	124
Metropolitan Visiting and Relief Association	251586	375	-	(2)	373
Queen Adelaide Fund	207228	269	-	(2)	267
Bishop Andrews Charity	205288	124	-	(1)	123
Cumberland Benevolent Fund	231206	120	-	-	120
Other funds (balances < £100,000)		582	-	(51)	531
		6,757	-	35	6,792
Expendable endowments					
Nora Henry Trust	313949	1,744	-	(10)	1,734
British War Refugees Fund	251578	192	-	-	192
Fenton Trust	247552	629	-	(3)	626
Lamming Will Trust	216257	197	-	(1)	196
Alfred de Rothschild Trust	201725	316	-	(1)	315
Other funds (balances < £100,000)		284	-	(77)	207
		3,362	-	(92)	3,270
Total endowment funds		10,119	-	(57)	10,062

Family Action manages trust funds with or without endowments. These are permanent and expendable endowment trust funds. 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.

The market value of the invested funds as at March 2019 is £10,605k compared with £10,664k in 2018. The decrease in market value, which are unrealised losses, amounts to £59k compared with a decrease in value in 2018 of £340k.

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.

Family Action presents investment management fees on endowment funds separately on the face of the SOFA but as these are linked to the movements in the value of the underlying investments, the costs and unrealised gains and losses reported in the year are combined under one column.

Notes to the Financial Statements (continued)

For the year ended 31 March 2019

20. Endowment Funds as at March 2018

	Charity Reg. Number	Movement in funds			Balance 31 March 2018 £'000
		Balance 31 March 2017 £'000	Additions £'000	Expenditure and Unrealised Gains/(Losses) £'000	
Permanent Endowments					
Caterham Whyteleafe Trust	272724	763	-	(23)	740
Eleanor Ponsonby Trust	275060	1,222	-	(37)	1,185
FWA Greater London Relief In Need Charity	1006487	435	-	-	435
FWA National Relief in Need	231205	306	-	20	326
FWA Relief in Need Charity For the Aged	237118	1,002	-	(10)	992
FWA Relief in Sickness Charity	264713	273	-	99	372
Limpsfield Convalescence Fund	208536	168	-	(5)	163
Women's Holiday Fund	207455	971	-	(22)	949
Green Bequest Fund	252152	129	-	(4)	125
Metropolitan Visiting and Relief Association	251586	387	-	(12)	375
Queen Adelaide Fund	207228	277	-	(8)	269
Bishop Andrews Charity	205288	128	-	(4)	124
Cumberland Benevolent Fund	231206	124	-	(4)	120
Other funds (balances < £100,000)		757	-	(175)	582
		6,941	-	(184)	6,757
Expendable endowments					
Nora Henry Trust	313949	1,798	-	(54)	1,744
British War Refugees Fund	251578	198	-	(6)	192
Fenton Trust	247552	649	-	(20)	629
Lamming Will Trust	216257	203	-	(6)	197
Alfred de Rothschild Trust	201725	326	-	(10)	316
Other funds (balances < £100,000)		345	-	(60)	285
		3,518	-	(156)	3,362
Total endowment funds		10,459	-	(340)	10,119

Notes to the Financial Statements (continued)

For the year ended 31 March 2019

21. Post Balance Sheet events

After the balance sheet date, Family Action entered into a number of business arrangements with organisations as follows:

Wharf Road Studio

Following the purchase of the above property as the new Head Office. Family Action has entered into a contract with AIS for the fit out work of the new property with a view of moving into the furnished property at the end of July 2019.

22. Analysis of Group Net Assets between funds as at March 2019

Fund balances at 31 March 2018

Are represented by:

	Unrestricted funds £'000	Restricted funds £'000	Endowment funds £'000	Total funds £'000
Tangible fixed assets	6,195	-	-	6,195
Investments	-	543	10,062	10,606
Current assets	467	11,629	-	12,096
Current liabilities	(2,721)	(1,078)	-	(3,799)
Long term liabilities	-	(2,657)	-	(2,657)
Pension scheme deficit	-	(7,313)	-	(7,313)
Total net assets	3,941	1,124	10,062	15,127

Unrealised gains included above:

Investment assets		126	5,862	5,988
Total unrealised gains at 31 March 2019		126	5,862	5,988

Reconciliation of movements in unrealised gains on Investment assets:

Unrealised gains at 31 March 2018		202	5,846	6,048
Net loss arising on revaluations in year		(3)	(57)	(60)
Transfer between funds		(73)	73	-
Unrealised gains at 31 March 2019		126	5,862	5,988

Notes to the Financial Statements (continued)

For the year ended 31 March 2018

22. Analysis of Group Net Assets between funds as at March 2018

Fund balances at 31 March 2019

Are represented by:

	Unrestricted funds £'000	Restricted funds £'000	Endowment funds £'000	Total funds £'000
Tangible fixed assets	408	-	-	408
Investments	-	545	10,119	10,664
Current assets	3,710	6,189	-	9,899
Current liabilities	(371)	(1,517)	-	(1,888)
Pension scheme deficit	-	(7,917)	-	(7,917)
Total net assets	3,747	(2,700)	10,119	11,166

Unrealised gains included above:

Investment assets		202	5,846	6,048
Total unrealised gains at 31 March 2018		202	5,846	6,048

Reconciliation of movements in unrealised gains on Investment assets:

Unrealised gains at 31 March 2017		219	6,160	6,379
Net loss arising on revaluations in year		(17)	(314)	(331)
Unrealised gains at 31 March 2018		202	5,846	6,048

23. Leasing Commitments

At 31 March 2019 the group had future minimum rentals payable under non-cancellable operating leases as detailed below:

Minimum lease payments due within:

	2019 Land and Buildings £'000	2019 Other £'000	2018 Land and Buildings £'000	2018 Other £'000
- one year	550	31	706	34
- within two to five years	427	123	1,774	102
- over five years	81	-	356	-
	1,058	154	2,836	136

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 2019

24. 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 2019 is stated below:

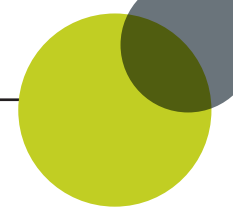
	Balance 31 March 2018 £'000	Incoming funds £'000	Outgoing funds £'000	Balance 31 March 2018 £'000
Motor Insurance Bureau	74	-	(1)	73
Deputy and Trustee Services	619	283	(855)	47
	693	283	(856)	120

Motor Insurance Bureau: Family Action acts as custodian trustee for minors in respect of awards made by the Motor Insurance Bureau. These funds are paid out 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. During the year a majority of the clients were moved with orders from the court to firms of solicitors with only the accounts of deceased clients left. These will be resolved by the courts with balance on the accounts paid out accordingly.

25. Related Party transactions

At the balance sheet date an amount of £155,920. (2018: £170,258) was owed to Family Action by Family Action Enterprises Limited, its wholly owned subsidiary.



LIST OF SUPPORTERS 2018-19

We'd like to thank everyone that has fundraised, donated and volunteered for Family Action in 2016/17, including:

A G Manly Charitable Trust
 Albert Hunt Trust
 The Alchemy Foundation
 The Alfred Haines Charitable Trust
 And Rising
 Bain & Co
 The Ballinger Charitable Trust
 Baron Davenport's Charitable Trust
 Bar Squared
 Bawden Fund
 BBC Children in Need
 The Bergne-Coupland Charity
 BGL Group
 Bolton Health and Wellbeing Community Investment
 Brian Mitchell Charitable Settlement
 C B and H H Taylor 1984 Trust
 The Charles S French Charitable Trust
 The Cheruby Trust
 The Childhood Trust
 Chippenham Lions Club Charity Trust Fund
 City Bridge Trust
 Comic Relief
 Council for Disabled Children
 The Dagny Raymond Charitable Trust
 DCM
 Dornan Engineering
 Dot Project
 East End Community Foundation
 The Edgar E Lawley Foundation
 Edith Murphy Foundation
 Eric W Vincent Trust Fund
 Esmée Fairbairn Foundation
 Evan Cornish Foundation
 Eversheds Sutherland
 Everyone Active
 The Eveson Charitable Trust
 F & P C Scotto Charitable Trust
 Fawkes Ltd
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 Galang Promotions
 Garfield Weston Foundation
 Gilead Sciences Europe Ltd
 The Gledswood Charitable Trust
 G M Morrison Charitable Trust
 Great Guns
 Google
 Habitat UK Ltd
 Hackney CVS
 Hackney Parochial Charities
 Hadrian Trust
 Hampton School
 The Hemby Trust
 Hilco Capital
 Hilda Farr Charitable Trust
 Hospital Saturday Fund
 Housing Solutions
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 Institute of Physics
 In Touch Games
 John Horniman's Children's Trust
 John Lewis Partnership and Services Offices
 Kensington and Chelsea District Nursing Trust
 KPMG Foundation
 Laing Family Trusts
 Legal and General
 Lillie Johnson Charitable Trust
 The London Community Foundation
 Lonesome Primary School
 Manulife Asset Management
 Mary Robertson Trust
 Meals&More
 The Mercers' Company
 Merchant Taylors' Company
 Mind
 The National Lottery Community Fund
 National Lottery funding from Sport England
 Nesta
 Network Collective
 NewDay
 Newton Prep
 NG Bailey
 One Stop
 The Paget Charitable Trust
 Pareto
 The Paul Bassham Charitable Trust
 Pearl and Dean
 People's Postcode Trust
 The Pixiella Trust
 Planet Radio
 Queen's College London
 R A & V B Reekie Trust
 River Island
 Royal Society of Chemistry
 The Saintbury Trust
 The Salamander Charitable Trust
 Shire Community Grants
 Slaughter and May
 Smart Energy GB
 Sovrn
 St Andrew Holborn Charity
 St Cuthbert's Society
 St Giles-in-the-Fields and William Shelton Education Charity
 St Marylebone School
 The Study Wimbledon
 T. Rowe Price
 The Tanza Trust
 Texel Finance
 Thornbury Youth CIC
 TIBA + MARL
 The Trusthouse Charitable Foundation
 The Vandervell Foundation
 Walcot Foundation
 The Wimbledon Foundation Community Fund
 The Worshipful Company of Security Professionals Charitable Trust Fund



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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: HRH The Duchess of Cambridge.

Chair: Mary Fulton.

Chief Executive: David Holmes CBE

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

