



Building  
stronger  
families

# Family Action Annual Report & Accounts 2019/20



Early Years



Children &  
Families



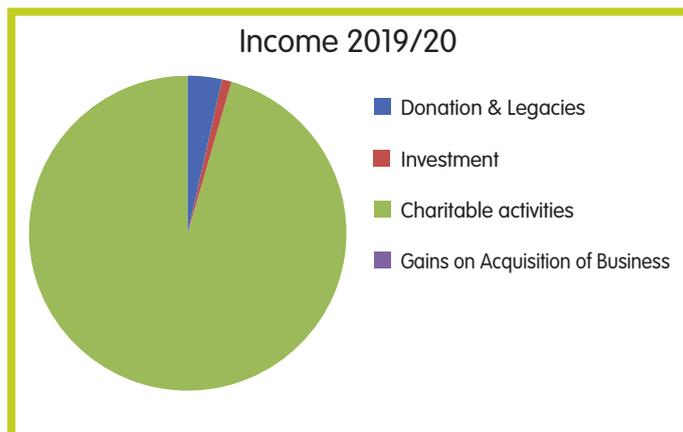
Adult Mental Health  
& Wellbeing



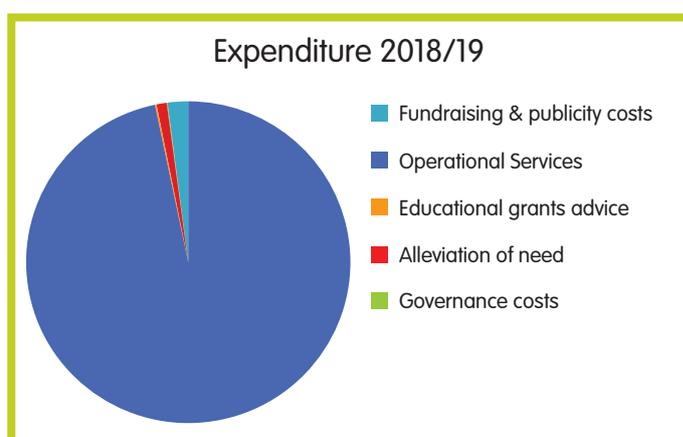
Grants

## Income & Expenditure Charts

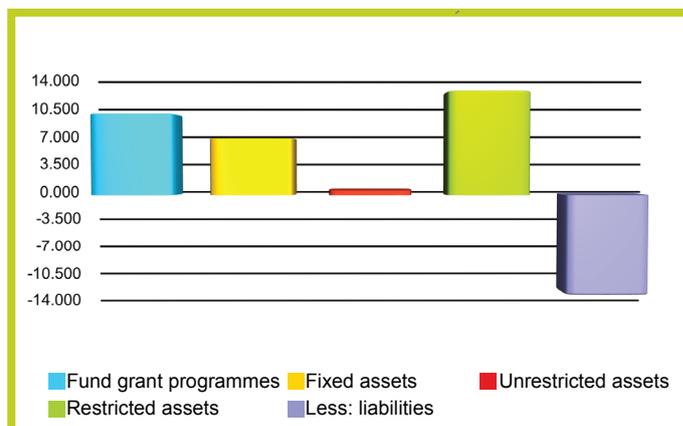
	£'million	£'million
	2019/20	2018/19
<b>INCOME</b>		
Donation & Legacies	1.296	1.355
Investment	0.364	0.423
Charitable activities	35.633	28.491
Gains on Acquisition of Business	0	2.082
	<u>37.293</u>	<u>32.351</u>



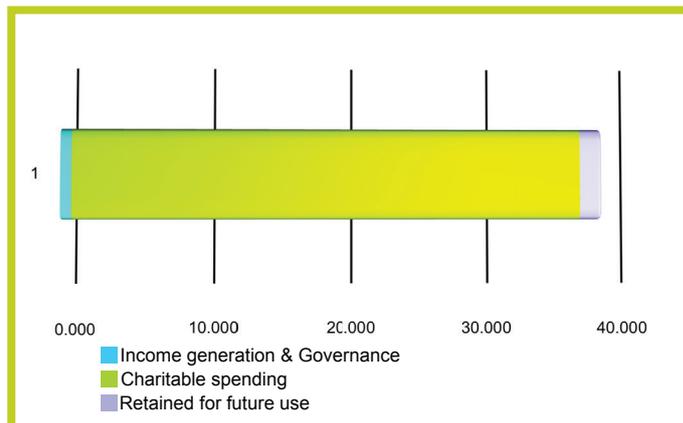
	£'million	£'million
	2019/20	2018/19
<b>EXPENDITURE</b>		
Charitable activities:		
Fundraising & publicity costs	0.732	0.692
Operational Services	34.628	27.288
Educational grants advice	0.057	0.094
Alleviation of need	0.362	0.606
Governance costs	0.031	0.033
	<u>35.810</u>	<u>28.713</u>



	£'million	£'million
	2019/20	2018/19
<b>ASSETS &amp; LIABILITIES (note 20)</b>		
Restricted investments and Endowments invested to -		
Fund grant programmes	9.459	10.605
Fixed assets	6.623	6.195
Unrestricted assets	0.578	0.467
Restricted assets	12.075	11.629
Less: liabilities	(11.626)	(13.769)
Total net assets	<u>17.109</u>	<u>15.127</u>



	£'million	£'million
	2019/20	2018/19
<b>CHARITABLE SPENDING</b>		
Income generation & Governance	0.763	0.725
Charitable spending	35.047	27.988
Retained for future use	1.483	3.638

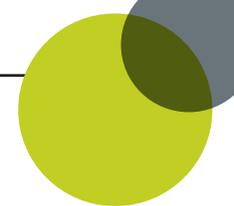


EMPLOYEES	847	753
VOLUNTEERS	600	620



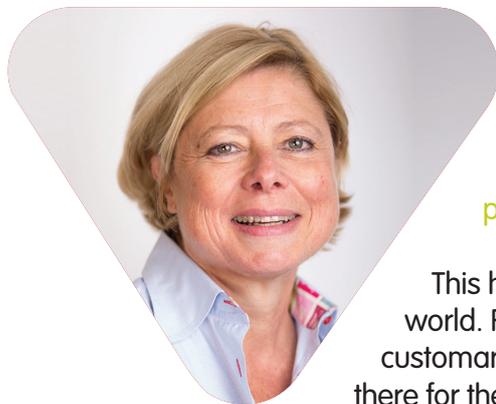
## Contents

- 4** **Trustees' Report**
  
- 22** **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



## Trustees' Report

### Welcome from Mary Fulton, Chair of Family Action



I am delighted to present the Family Action Trustees' report for 2019/20. This has been another remarkable year for the charity. We achieved our highest ever turnover, won continuation funding for the National School Breakfast Programme and celebrated our 150th Anniversary with a successful year-long campaign focusing on contemporary family pressures.

This hugely positive year was ending just as the Covid-19 crisis took hold of the world. Family Action responded immediately to this new threat and has used its customary drive and determination to keep services functioning so that we are still there for the vulnerable children, adults and families who rely on us so much.

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. We understand that the Covid-19 lockdown will impact even harder on those who were struggling before it began and we are determined to do everything we can to support our service users through this crisis.

The year ahead will be another huge test for Family Action but the charity is well-placed to meet those challenges.

#### Key achievements during the year included:

- Providing 150 community-based and national services that together reach hundreds of thousands of children, adults and families;
- Providing a nutritious breakfast to 280,000 children a day in 1811 schools, who would otherwise be too hungry to learn, through the National School Breakfast Programme;
- Achieving ambitious plans to celebrate our 150th Anniversary throughout 2019 including the creation of the Family Monsters film which had been viewed over 5,000,000 times by December 2019;
- Achieving a Gold Medal for our Family Monsters themed garden at The Chelsea Flower Show in May 2019 in partnership with idverde and hundreds of highly successful Family Monsters picnics in Summer 2019 some held in partnership with The National Trust;
- Our Family Line service (a free telephone, text, webchat and email service for parents and carers) had more than 3,500 contacts in its first year of operation;
- Retaining 87% of our existing services to continue into the new 20/21 financial year despite the continuing climate of austerity;
- Winning over 15 new services during the year with a combined value of nearly £6m a year;
- Piloting an innovative edge of care service for young people in the London Borough of Croydon;
- Fundraising exceeding its target for the year and raising over £16m; and
- Acquiring HeadStart - a highly successful service supporting over 3,800 young people a year with work experience and into employment.

Family Action has weathered many storms in its 150 year history. As we battle against Covid-19 the need for Family Action's services is even greater than ever. Please support us so that we can do even more.

**Mary Fulton**  
Chair of Trustees  
24th September 2020



## Trustees' Report (continued)

### Our Objectives

To preserve and protect the good health (in particular mental health) and advance the education of families, individuals and groups within the community, the relief of poverty and the relief of those in need by reason of youth, age, ill-health, disability, financial hardship or other disadvantage in such ways as the Trustees see fit.

### 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 community-based 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 Conflict Resolution, Mediation, supervised contact, working with separated parents and co-parenting;
- **WellFamily** services in GP surgeries which offer advice, support and counselling for patients with non-medical issues;
- **Supporting** young people with work experience and into employment through the HeadStart programme
- **Welfare benefits**, debt and housing advice; and
- **Grants** for families and individuals in need



## Trustees' Report (continued)

### Adult Mental Health and Wellbeing work

Family Action works to support and sustain adult recovery through:

- A range of services that provide practical, emotional and financial support;
- 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 third year running, in The Sunday Times Best 100 List of Not for Profits to work for at number 53.

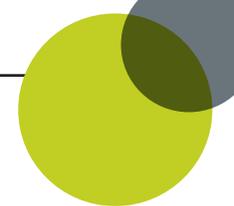
We hold the Investors in Diversity Accreditation Level 2 for our commitment to Equality & Diversity. We also hold the Level 2 - Disability Confident Employer status which confirms that Family Action is committed to the recruitment and retention of disabled people, and that we do the following to enable 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 supervision with all staff and an annual appraisal review 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 regular staff engagement surveys and recognition awards. We also produce a regular and very popular health and safety/legal/safeguarding/data protection bulletin for the whole organisation, called "Safe & Sound". During the Covid-19 crisis we are producing a daily e-bulletin for all staff to keep the organisation together and functioning as one big family.
- Information on progress against our strategic objectives, growth, and financial progress is communicated and cascaded up and down the organisation through a range of fora including;



## Trustees' Report (continued)

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 e-mail on important organisational matters. He writes a monthly blog that looks back and ahead, celebrates successes and keeps everyone informed on key news, opportunities and challenges. He is also communicating directly and regularly with the whole staff group through the Covid-19 crisis so that people feel held and reassured.
- 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 representatives to discuss issues that impact upon staff including policies and procedures, organisational changes, and health and safety issues.

During the Covid-19 crisis we have communicated continually with our workforce by issuing and keeping updated helpful and easily accessible guidance on all the key topics; setting up a daily e-bulletin to all staff to help everyone to get through the crisis together, creating an in house corona advice service so that all queries and questions from staff go through the same gateway and can be answered quickly and consistently and by hosting regular internal webinars. The Chief Executive has written personally and frequently to the entire staff group to ensure that everyone knows what is going on at all times and we have surveyed the entire staff group so that we understand how people are feeling and can respond to that sensitively and appropriately.

These efforts have been hugely appreciated by the staff group.

### Our Volunteers

Family Action is fortunate to have more than 600 volunteers across our range of services and our number of volunteers is 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
- as fundraisers for us

In addition, an incredible 3,800 young people volunteer at least 16 hours each in their local communities through our HeadStart programme. Family Action is hugely grateful for the amazing contribution of all 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 and Impact team that commissions independent evaluations of our services. We also have an externally chaired Evaluations and Impact Board



## Trustees' Report (continued)

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 for some of our service provision:

**Stockton upon Tees 0-19 Family Support and Volunteer Outreach Service** This is an integrated support service to families in need across Stockton upon Tees. This feedback to the Stockton team was provided by a Social Worker covering referrals for Stockton and Hartlepool:

"Over the past few weeks I have had a number of families working with a family worker from Family Action. I must say when I'm telephoning your workers they are excellent, always return calls, eager to support and assist and visit families which is a tremendous help especially as we are office based. I have had great feedback from parents and their children. Please keep up the good work, it is excellent."

**Lewisham Young Carers Service** Our Young Carers services work with children and young people as young as 5 who have significant caring responsibilities for a sibling or parent with a disability, long term condition or mental ill health. These caring responsibilities can impact on the young carers' own mental health and wellbeing, their school work and their ability to make and keep friends. Our Young Carers services work to reduce the caring burden on the child or young person and to raise awareness of the needs of young carers within the local community. The following feedback was received by our Lewisham Young Carers Service from the parent of a young carer:

"Thank you to the Lewisham Young Carers team for their support and help. Without this service I don't know what would have happened to my son. Your support has made my son gain confidence and myself believe now that there is hope out there. Thanks to Family Action for the help they gave to me, my son and others - especially those

whose parents are not able to say thank you, we all appreciate this."

**Manchester FOOD Clubs** Our FOOD Clubs in different locations within England ensure that families in poverty have ready access to a regular supply of exceptionally good value, high quality surplus food provided in a friendly and nonstigmatising way from a range of community venues. Our Manchester FOOD Club received the following feedback from a headteacher about how the FOOD Club has helped a family at her school:

"I'm emailing you both to express my thanks for the Food Club service that you provide. This service has been nothing less than a lifeline for several of our families. Within any school, at any time, there are families in crisis. Being able to signpost Food Club has enabled these families to make ends meet, to be able to provide for their families. Your service is invaluable; the range and quality of food is unbelievable. I am incredibly grateful for the link we have with you."

**Peterborough Child Contact Intervention Service** Our supported contact services help children of separated parents to spend time with one or both parents in a relaxed, comfortable and safe environment. This can help families minimise feelings children may have of feeling torn between parents and dragged in

"I am writing this email to give my thanks and to show my appreciation to you and your team at Family Action in assisting me to build my bond back with my daughter and for the help and support I was given on this journey. Having not seen my daughter for 15 months I was really nervous and anxious and did not know how the reaction from her will be, however I always felt from the very first session that I had the right support, encouragement and help at hand to get over my nerves and try to build that relationship back up. I have gone from having no eye contact or interaction from her to her now being fully comfortable with me to the extent that now I am having her overnights from this weekend and that will grow in the future. I

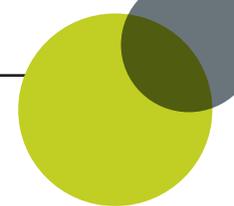


## Trustees' Report (continued)

feel that you and your staff understood my point of view, needs and love for my child and really accommodated all my requests whilst also giving me tips and encouragement along the way. I would like to give a special thank you to D, she is worth her weight in gold and was a great source of support and encouragement for me. I really felt like she had my back and was there to support me when I needed encouragement. I would also like to say the same about T as you very kindly helped to get the contact in the community sorted weekly and have been encouraging from the beginning. You guys are the best at what you do and should be really proud about the difference you make to the lives of children and parents you help. "

**Lincolnshire Behaviour Outreach Support Service (BOSS).** Our BOSS team works with pupils, teachers and parents where a child is on the point of exclusion from school and the school requires additional help. A pupil's mum emailed her gratitude to one of our staff for helping her and her daughter in school:

"Watching how you speak to her has opened my eyes and has shown me how I need to talk to her. I cannot thank you enough, thank you, you've made such a difference for us. I'm not as worried about her future now, and can actually see some of her positives and the brilliant mind that she has. She's going to make positive changes in this world. I thought we were at the end, but actually you've helped me to see that there's so much we can do."



## Trustees' Report (continued)

### Strategic Report

#### Achievements and Performance

The Trustee Board worked with the senior management of the organisation to develop a new 5 year strategy, Building on 150 Years, for the period 2019-2024. The strategy was launched in April 2019. Examples of our progress against the five agreed strategic objectives over the first year of the strategy to March 2020 are given below:

1. **Agile and Responsive** - always able to look ahead, to innovate and to seize opportunities

During the year Family Action continued to look ahead by successfully completing the fit-out and move into a new head office building; to innovate by piloting and evaluating a new Edge of Care service with adolescents and their families in London Borough of Croydon that we will now market elsewhere; and to seize opportunities by acquiring HeadStart which supports 3,800 young people a year into community volunteering, work experience and employment. Perhaps the best example though of our agility and responsiveness was our immediate response to the Covid-19 crisis. We were determined to just find ways to keep our services going and we have done just that. All of our services have found ways to keep going or still to contribute in the context of lockdown.

2. **Managed Growth** - continue to grow in a managed, sustainable way so that we can help more children, adults and families to have better lives

Family Action has continued to grow over the last 12 months. We achieved our highest ever turnover in this financial year (£37.3m) and now work with over 60,000 families a year through some 150 services. We also ensured that some 280,000 children who would otherwise be too hungry to learn, received a nutritious breakfast

every school day during the year through the National School Breakfast Programme. We were particularly pleased during the year to win our largest ever family support contract (0-19 Child and Family Support Services in Cumbria) and to retain the National School Breakfast programme for a third year to March 2021.

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

We made good progress during the year on our quality improvement agenda. We have funded a new central Quality and Performance team to assist with ensuring quality across our range of service provision. The focus of this team is on capturing an organisational overview of the targets/KPIs we are working to across our range of services, gaining an improved understanding of services' effectiveness in achieving outcomes and evaluating the appropriateness of the outcomes measurement tools used by our services. In addition the team will focus on improving audit activity, establishing more robust mechanisms for centrally capturing and tracking the learning gained via quality assurance activities and ensuring that the learning is used across the organisation. An extensive programme of work on quality improvement has been taken forward during the year. The programme has an overarching goal of ensuring that Family Action is a learning organisation and includes separate work streams on: quality, performance and outcomes; data quality; service user involvement and co-production; learning and development; practice; volunteering; and influencing.

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



## Trustees' Report (continued)

Over the last 12 months Family Action has worked very hard on our Family Monsters campaign. This campaign was designed to shine a bright spotlight on contemporary family pressures and was very well-received. The campaign film was viewed more than 5 million times, the Family Monsters Garden at The Chelsea Flower Show won a Gold Medal and was visited by tens of thousands of people and there were hundreds of Family Monsters picnics over the summer some held in partnership with the National Trust. All of this combined activity together with several thousand media mentions during the year and a much improved social media presence for the charity has provided a step change in Family Action's profile and positioning. As a result of this we now have more corporate partnerships and more individual supporters. We are also well placed to build on this support in the future. We were particularly delighted when, in December 2019, HRH The Duchess of Cambridge became our Royal Patron taking this role over from HM The Queen.

### 5. Valuing Our People - investing in our staff and volunteers and their development so that Family Action becomes an even better place to work

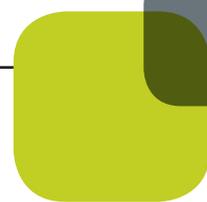
By the end of the reporting year Family Action's workforce had grown to more than 950 staff and over 670 volunteers. During the year Family Action was delighted to once again be listed in the Top 100 not for profits to work for moving up to 53rd in the list from 57th the previous year. We further invested in our learning and development and practice sharing offers to staff in 2019/20 and launched a new leadership training programme. We have developed a core curriculum for our frontline staff to ensure they all have a consistent level of training appropriate to their individual roles and we have begun to implement that curriculum. We have also taken a range of work forward on succession planning for people in business critical roles across the organisation.

### Our Response to Covid-19

No one could have predicted that we would end the reporting year dealing with a global pandemic.

As the seriousness of the situation developed during March 2020, Family Action responded immediately to the gathering storm and was determined to ensure that our services remained open. We work with tens of thousands of vulnerable families and we had to ensure that our services remained there for those families. Within the course of a few days we had taken all service provision on line using a range of virtual platforms to deliver services. Some of our most challenging and high risk work has needed to continue face to face and in all cases we have adapted to the Government's social distancing and PPE guidelines. Many of our workers are clearly in key worker roles but the entire workforce has been magnificent in adapting to this unprecedented level of change and the organisational commitment to keeping services going has been ever present.

Recognising the crushing impact of the crisis on the most vulnerable families, we rapidly scaled up our FOOD Club programme thereby ensuring that we were quickly feeding thousands of families rather than the hundreds we had supported before. We also quickly expanded the capacity of our free Family Line service anticipating just how important that service would be for parents and carers under increasing stress. We also launched an immediate appeal for funds for a new Covid-19 crisis grants service so that we could ensure that our most vulnerable families had fast access to additional financial support. At the end of March 2020, The Times newspaper announced that Family Action was one of two charities that it had chosen to be beneficiaries of its public appeal for funds to support the response to the Covid-19 crisis. The funds raised through The Times appeal will enable us to do even more.



## Trustees' Report (continued)

### Financial Review

No one could have predicted that we would end the reporting year dealing with a global pandemic.

As the seriousness of the situation developed during March 2020, Family Action responded immediately to the gathering storm and was determined to ensure that our services remained open. We work with tens of thousands of vulnerable families and we had to ensure that our services remained there for those families. Within the course of a few days we had taken all service provision on line using a range of virtual platforms to deliver services. Some of our most challenging and high risk work has needed to continue face to face and in all cases we have adapted to the Government's social distancing and PPE guidelines. Many of our workers are clearly in key worker roles but the entire workforce has been magnificent in adapting to this unprecedented level of change and the organisational commitment to keeping services going has been ever present.

Recognising the crushing impact of the crisis on the most vulnerable families, we rapidly scaled up our FOOD Club programme thereby ensuring that we were quickly feeding thousands of families rather than the hundreds we had supported before. We also quickly expanded the capacity of our free Family Line service anticipating just how important that service would be for parents and carers under increasing stress. We also launched an immediate appeal for funds for a new Covid-19 crisis grants service so that we could ensure that our most vulnerable families had fast access to additional financial support. At the end of March 2020, The Times newspaper announced that Family Action was one of two charities that it had chosen to be beneficiaries of its public appeal for funds to support the response to the Covid-19 crisis. The funds raised through The Times appeal will enable us to do even more.

### Financial Review

Family Action's total income for the year was £37.3m (2019: £32.3m). 97% 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 with yet more new contract won during the year. We now have 1,811 schools in the Dffi funded National School Breakfast Programme providing breakfast for 280,000 children per day. The programme has been extended until March 2021 with an additional 650 schools to be recruited.

Overall, we employed a monthly average of 841 staff in the year.

Total expenditure amounted to £35.8m (2019: £28.7m), with £35.1m (2019: £28.0m) relating to restricted charitable activities.

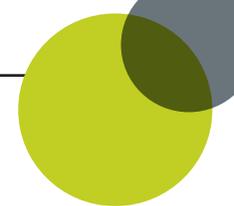
Total Funds at year-end were £17.1m (2019: £15.1m). There was a reduction on the Pension deficit valuation at year-end from £7.3m to £5.5m (see pension fund statement for further details). We have also seen a reduction in the capital value of the Endowment funds from £10.1m in 2019 to £9.0m in 2020. The net increase in total funds was £2.0m.

### 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



## Trustees' Report (continued)

- 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 Fund raising Regulator and adhere to the Fundraising Code of Practice
- All our activities are open, fair, honest and legal

In 2019/20, 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.

### 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 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 with contribution toward the closure costs if the project cannot absorb its own closure costs. In considering the nature and diversity of our income, the Trustees believe the appropriate level of free reserves should be 6 months running costs of the central operation which runs the Charity. i.e. Head Office; the running costs of which is £4.65m for 2020/21 and a contribution towards potential project closure costs including the total lease obligations payable of £1m. Therefore the target for free reserves has been set at £3.3m.

Our freely available general funds as at 31 March 2020 were £2.38m (2019: £1.96m) an increase of £418k. This is equivalent to 6 months running costs of the Head Office but does not cover any potential project closure costs or continuing lease obligations. The Trustee will continue with its strategy of building reserves through planned operating surpluses over the medium term in order to achieve the free reserve target.

General Funds form part of our Unrestricted Reserves which, totalled £3.93m at 31 March 2020 compared with last year £3.94m. Funds designated for specific purposes stood at £1.55m (2019: £1.98m). The reduction is due to Board approved spend on our anniversary activity and the cost of moving into our newly acquired Head Office in the summer of 2019.

Notes 16-17 of the accounts show the various funds or reserves by type and summarise the year's movements on each fund. Note 20 shows the assets and liabilities attributable to the various funds.

### Going Concern

The Trustees have reviewed the projected operations and activities of the company, including consideration of the existing contracts and a two year projected cash flow forecasts. Based on the available financial information, we are of the opinion that adequate resources will continue to



## Trustees' Report (continued)

be available to fund the activities and operations of the company, therefore Family Action is a going concern.

### Pension Fund

In common with other Charities with final salary schemes, our pension scheme shows a deficit which stood at £5.5m at 31 March 2020 (£7.3m last year) and under UK accounting standards, we are required to account for this deficit on the balance sheet (Note 9).

The deficit on the defined benefit pension scheme reduced by £1,855k in the year to 31 March 2020 compared with a decrease of £604k last year.

During the year, the pension scheme trustees implemented a revised investment strategy thus achieving an improved performance from the scheme assets which contributed to the reduction in the deficit as at 31st March 2020.

The main financial assumptions as at 31 March 2020 have changed since 31 March 2019:

Corporate bond yields have decreased slightly, leading to a lower discount rate, from 2.45% to 2.20%. Inflation expectations decreased from 3.20% to 2.50% in combination, these place a slightly lower value on the Schemes liabilities.

There has been a change in demographic assumptions at 31 March 2020 compared to 31 March 2019 due to the Charity using the updated CMI 2019 model for future mortality improvements. This has led to a loss of £127k.

The funding status of the Scheme has improved over the period as shown in the table below. The Charity continues to make significant annual

	31 March 2019 £'000	31 March 2018 £'000	Difference £'000
Present value of liabilities	33,167	34,169	1,002
Market value of assets	27,709	26,856	853
<b>Funding surplus/(deficit)</b>	<b>(5,458)</b>	<b>(7,313)</b>	<b>1,855</b>

payments towards the deficit under an agreed repayment plan made with the Pension Regulator in March 2018.

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 the investments so as to permit without interruption the continued provision of the Charities core services.

During the year, there was a review of the Investment Strategy with a change to the objectives.

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

#### Primary

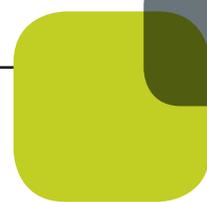
- The target is that the value of the portfolio will be maintained at a minimum of £10m

#### Secondary

- To generate £225,000 to £275,000 per annum of 'clean' income available to distribute as Grants
- Diversification
- Capital growth to keep pace with inflation (CPI)

From December 2019, the Investment Portfolio is managed by Brewin Dolphin owing to the acquisition of Epoch Wealth Management.

The investment income generated during the year is £337k, a reduction of £37k compared with the previous year's total of £374k. The forecast income for 2020/21 is expected to be £225k, the reduction is owing to the change of investment strategy and future market performance.



## Trustees' Report (continued)

The capital value offunds reduced to £9.45m at the end of the financial year compared with £10.60m in 2019, a reduction of £1.15m. With income at 3.45% of capital value, almost the same level as last year (3.5%) and capital value decrease of 10.8%, (decrease of 0.6% -less than one percent in 2019), the overall return (growth over inflation) in the year was a decrease of 12.1%, compared with 2.9% in 2019.

The performance of this strategy continues to be reviewed by Trustees, the Investment Committee and Brewin Dolphin 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.

### Plans for Future Periods

In 2020/21 Family Action will continue to take forward the 5 strategic objectives in our 5 year strategy, **Building on 150 Years**. These 5 priorities are:

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 more children, adults and families to have better lives

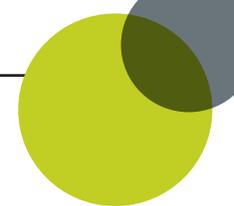
3. **Improved Quality** - to ensure that our services are of the highest possible quality so that we can maximise the difference made to our service users
4. **Better Known with a Bolder, Stronger Voice for Families** - to build our national profile and positioning and to ensure we have increased influence 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

Particular challenges in the year ahead include building on the success of our 150th Anniversary year, continuing to bring in new income while retaining as much of the income we currently have as possible and completing our quality programme. However, the biggest challenge of all will be continuing to respond to the Covid-19 crisis while ensuring that the crisis does not deflect the organisation from focus on its longer term strategic goals.

As mentioned above, Family Action responded immediately to the crisis and our organisational response has been concentrated on keeping our services running albeit in new and different ways. In the year to come we know that we must continue doing this. Hundreds of thousands of people rely on our services and we must do everything in our power to keep them running. At the same time the Board and Senior Management team are determined to keep the whole organisation together and to focus on the longer term strategic objectives too. This approach should help Family Action to emerge from the crisis in the best shape possible so that it can continue its vital work.

### Post Balance Sheet Events

There are post balance sheet event details of which are disclosed in Note 19 to these accounts.



## Trustees' Report (continued)

### Structure, Governance and Management

#### Governing Document and group structure

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 Friendship Works, BAND and PAC-UK which are registered and charitable companies that are now dormant following their mergers and transfers of trade and assets to Family Action in the previous year. During the year, the trade and assets of Family Action Enterprises Ltd, a trading subsidiary company wholly owned by Family Action were transferred to Family Action. The intention is for the company to be struck off the companies register. (See Note 12)

#### 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.

#### 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 April 2019, Brewin Dolphin completed the acquisition of Epoch Wealth Management, who were the adviser and investment managers for the Family Action investment portfolio worth £10m. Siobhan Boylan, a trustee (Treasurer) on the Board of Family Action joined Brewin Dolphin as the Finance Director in March 2019. Prior to the acquisition, Siobhan rescinded her membership of the Investment Committee in line with our Governance Policy and Procedure.

Dez Holmes, a trustee of Family Action, is also a member of the key management personnel of The Dartington Hall Trust which run Research in Practice (RiP), a membership organisation providing online resources supporting evidence-informed practice with children and families, young people and adults. During the year Family Action had an active membership subscription to RiP at a cost of £9,750 per annum as this is a valuable professional resource for all Family Action staff. This transaction



## Trustees' Report (continued)

was carried out at an arm's length basis. There are no other related party transactions to report.

### 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 benchmark is the mid-point of the range paid for similar roles adjusted for a weighting of up to 30% for any additional responsibilities.

### Risk Management

The Trustees have a risk management strategy which comprises:

- a review of the principal risks and uncertainties faced by Family Action and the group as a standing agenda item at every Board meeting and Audit Committee meeting;
- regular review of the principal risks and uncertainties faced by Family Action and the group by the Executive Group, in line with its Building on 150 Years Strategy;
- 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. A comprehensive review of our risks was undertaken in late 2019 and this work has identified the following top six risks:

- Failure to retain contracted services or win replacement work.
- Risk to external service delivery reputation and goodwill from poor quality services (as a result of a lack of management or monitoring oversight).
- Inadequate IT security or cyber-attack results in financial loss and/or theft of data and loss of IT service for an extended period.
- Death of, or serious harm to, a service user, due to poor safeguarding practice.
- Failure to manage effectively the wide range of concurrent organisational priorities.
- Failure to improve our strategic focus on succession planning.

Key factors in the management of these risks are also reflected in our Building on 150 Years strategy that was launched in 2019. The strategy has five underpinning objectives to help us prioritise and manage ongoing organisational risks and opportunities, especially in light of the external environment, including the continuing impact of Brexit and the Covid-19 pandemic (our Coronavirus Response Group - made up of the Executive Group and key senior leaders across Family Action- meets three times a week to review and manage current organisational and operational risks in light of the pandemic), as follows:

- Agile and Responsive- always able to look ahead, to innovate and to seize opportunities.
- Managed Growth- continue to grow in a managed, sustainable way so that we can support more children, adults and families to have better lives.
- Improved Quality- to ensure that our services are of the highest possible quality so that we can maximise the difference made to the people we work with.
- Better Known with a Bolder, Stronger Voice for Families- to speak out for families through building our national profile and positioning and having increased influence and impact.
- Valuing Our People- investing in our staff and volunteers and their development so that Family Action becomes an even better place to work.



## Trustees' Report (continued)

Further to the above, there is also ongoing mitigation of other key risks such as those relating to Health & Safety, IT Security, and the Family Action Pension Scheme. Such risks are managed through policies and procedures (with external quality accreditation), regular training and guidance, collaborative working with pension scheme trustees, and ongoing reviews by the Executive Group and the Board of Trustees.

### Slavery and Human Trafficking Statement

The Modern Slavery Act 2015 introduced new obligations in relation to slavery and human trafficking. Family Action is fully supportive of the legislation as it is in keeping with our values. Family Action is committed to the principles of the Modern Slavery Act 2015 and the abolition of modern slavery and human trafficking. As an equal opportunities employer, Family Action is committed to creating and ensuring a non-discriminatory and respectful working environment for its staff and volunteers. Family Action wants all its staff and volunteers to feel confident that they can expose wrongdoing without any risk to themselves.

The nature of our organisation and supply chains means Family Action has a low risk of being exposed to suppliers who utilise human trafficking or slavery. However, we are committed to improving our practices and processes to combat slavery and human trafficking, where we can.

### Due Diligence Processes for Slavery and Human Trafficking

As part of our initiative to identify and mitigate risk, we are reviewing our Procurement Policy and processes, which will ensure we have in place systems to:

- identify and assess potential risk areas in our supply chains;
- mitigate the risk of slavery and human trafficking occurring in our supply chains; and
- monitor potential risk areas in our supply chains.

### Supplier Adherence to our Values

We have a zero tolerance to slavery and human

trafficking. To ensure all those in our supply chain and contractors comply with our values, we will also develop a supply chain compliance programme. Family Action maintains the following policies which are accessible via the Family Action intranet:

- Employee Code of Conduct
- Anti-Bribery Policy
- Anti-Fraud Policy
- Ethical Fundraising Policy
- Health & Wellbeing Policy
- Whistleblowing Policy
- Anti-Bullying and Harassment Policy
- Equality, Diversity & Inclusion Policy
- Safer Recruitment Policy

Family Action does not enter into business with any organisation, in the United Kingdom or abroad, which knowingly supports or is found to be involved in slavery, servitude and forced or compulsory labour.

This statement is made pursuant to section 54(1) of the Modern Slavery Act 2015 and constitutes the slavery and human trafficking statement for the financial year ended 31 March 2020.

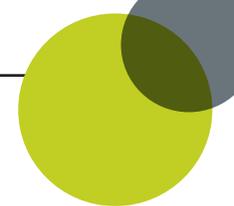
### Statement of Trustees' Responsibilities

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 of the incoming resources and application of resources including the income and expenditure of the Charitable Company 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



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

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 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, 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.

### Appointment of Auditors

A resolution proposing the appointment of our auditors will be submitted at our AGM in 2020.

### Our Thanks

2019/2020 has been an extraordinary year. We spent much of the year marking a huge milestone - our 150th Anniversary - while also working hard to grow and to increase our reach and impact. The year ended unexpectedly with a global pandemic to which Family Action has responded with its customary sense of focus and purpose. 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 151st year with more services, staff and volunteers than ever before and I am confident that the charity will continue to rise to the challenge of Covid-19.

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

HM The Queen (until Dec 2019)  
HRH The Duchess of Cambridge (from Dec 2019)

### 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) (resigned 5 December 2019)  
Paul Hayes (Vice Chair from 5 Dec 2019)  
Siobhan Boylan (Honorary Treasurer)

### Members

Aida Cable  
Pim Piers\*\* (resigned 13 February 2020)  
Sophy Doyle\*\*\*\*\*  
Robert Tapsfield\*  
George Dunnett  
Phillip Bowkley  
Dez Holmes  
Philippe Broadhead\*\*\*\*  
Ian Hargrave \*\*  
Janet Kolind

### 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

### Director of Development & External Affairs

Anja Bailey

\*\*\*\*\* 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 N1 7GR  
Tel: 020 7254 6251  
E-mail: [info@family-action.org.uk](mailto:info@family-action.org.uk)  
Web: [www.family-action.org.uk](http://www.family-action.org.uk)

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

Brewin Dolphin Ltd  
12 Smithfield Street  
London  
EC1A 9LA

### Lawyers

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

Stone King LLP  
Boundary House  
91 Charterhouse Street  
London  
EC1M 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 2020 which comprise the Statement of Financial Activities, the Summary Income and Expenditure Account, Balance Sheet, the Statement of Cash Flows 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 charitable company's affairs as at 31 March 2020, and its 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 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 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 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

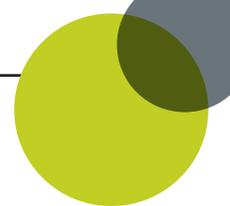
Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee 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](http://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 charitable company's ability to continue to adopt 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.



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

### 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

25th September 2020

10 Queen Street Place  
London  
EC4R 1AG

## Consolidated Statement of Financial Activities

### For the year ended 31 March 2020



	Notes	Unrestricted Funds £'000	Restricted Funds £'000	Endowment Funds £'000	Total 2020 £'000	Total 2019 £'000
<b>Incoming and Endowments from:</b>						
Donations and legacies	3	301	995	-	1,296	1,355
Investment	4	17	347	-	364	423
Charitable activities	5	909	34,724	-	35,633	28,491
Gains on Acquisition of Business		-	-	-	-	2,082
<b>Total</b>		<b>1,227</b>	<b>36,066</b>	<b>-</b>	<b>37,293</b>	<b>32,351</b>
<b>Expenditure on:</b>						
Raising funds:		657	-	75	732	692
Charitable activities		578	34,500	-	35,078	28,021
<b>Total</b>	6	<b>1,235</b>	<b>34,500</b>	<b>75</b>	<b>35,810</b>	<b>28,713</b>
<b>Net income/(expenditure) before investments gains/(losses)</b>		<b>(8)</b>	<b>1,566</b>	<b>(75)</b>	<b>1,483</b>	<b>3,638</b>
(losses)/Gains on investments	11	-	(75)	(997)	(1,072)	-
<b>Net income/(expenditure) before other recognised gains and losses</b>		<b>(8)</b>	<b>1,491</b>	<b>(1,072)</b>	<b>411</b>	<b>3,638</b>
Remeasurement on net defined benefit pension liability	9	-	1,571	-	1,571	323
<b>Net movements in funds</b>		<b>(8)</b>	<b>3,062</b>	<b>(1,072)</b>	<b>1,982</b>	<b>3,961</b>
<b>Fund balance brought forward at 1 April 2019</b>		<b>3,941</b>	<b>1,124</b>	<b>10,062</b>	<b>1,127</b>	<b>11,166</b>
<b>Fund balances carried forward At 31 March 2020</b>		<b>3,933</b>	<b>4,186</b>	<b>8,900</b>	<b>17,109</b>	<b>15,127</b>

All amounts relate to continuing activities. Conduit activities are not included above but are set out in Note 22. The attached Notes form part of the financial statements.

## Consolidated Summary Income and Expenditure Account

### For the year ended 31 March 2020

	2020 £'000	2019 £'000
Total income	37,293	32,351
Total expenditure excluding endowment funds charges	<u>(35,735)</u>	<u>(28,654)</u>
Net income before investments gains/(losses)	1,558	3,697
Gains/(losses) on investments (excluding endowment funds)	(75)	(2)
<b>Net income for the year</b>	<b><u>1,483</u></b>	<b><u>3,695</u></b>

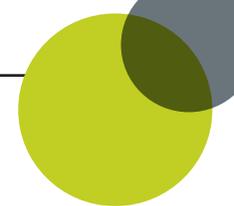
Total income comprises £1,227k (2019: £1,350k) unrestricted funds and £36,066k (2019: £31,001k) restricted funds.

A detailed analysis of expenditure is available in the Statement of Financial Activities and Note 5.

The Summary Income and Expenditure Accounts are derived from the 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 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 charitable company. The attached notes form part of the financial statements.





## Consolidated Balance Sheet

At 31 March 2020 - Company Number: 01068186

	Notes	2020		2019	
		£'000	£'000	£'000	£'000
<b>Fixed Assets</b>					
Tangible assets	10		6,623		6,195
Trust and Investments	11		9,459		10,605
<b>Current Assets</b>					
Debtors	13	5,654		4,794	
Cash		6,999		7,302	
		<u>12,653</u>		<u>12,096</u>	
<b>Creditors:</b> amounts falling due within one year	14	<u>(3,575)</u>		<u>(3,799)</u>	
<b>Net Current Assets</b>			<u>9,078</u>		<u>8,297</u>
<b>Total Assets Less Current Liabilities</b>			<u>2,160</u>		<u>25,079</u>
<b>Creditors:</b> amounts falling due within one year	15		(2,593)		(2,6757)
Pension scheme deficit	9		(5,458)		(7,313)
<b>Net Assets</b>	20		<u><b>17,109</b></u>		<u><b>15,127</b></u>
<b>Funds</b>					
Unrestricted funds:					
General funds	16		2,378		1,960
Designated reserve			1,555		1,982
			<u>3,933</u>		<u>3,941</u>
Restricted funds					
Income funds - including revaluation reserve of (£42k) (2019: (£126k))	17		9,644		8,437
Pension Reserves	9		(5,458)		(7,313)
Endowment Funds - including revaluation reserve of (£799k) (2019: £5,863k)	18		8,990		10,062
			<u><b>17,109</b></u>		<u><b>15,127</b></u>

The Financial Statements on pages 22 to 56 were approved and authorised for issue by the Board of Trustees, and signed on its behalf on 24th September 2020 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 2020 - Company Number: 01068186

	2020		2019	
	£'000	£'000	£'000	£'000
Net cash provided by operating activities		108		333
<b>Cash flow from investing activities:</b>				
Dividends and interest received	364		423	
Purchase of tangible assets	(712)		(3,909)	
Proceeds from sale of investments	8,904		-	
Purchase of investments	(7,700)		-	
Net movement in cash held not yet invested	(1,204)		-	
Cash acquired from acquisition of businesses	-		565	
Net cash used in investing activities		(348)		(2,921)
<b>Cash flow from financing activities:</b>				
Cash inflow from new borrowing	-		2,720	
Repayments of borrowing	(63)		(33)	
Net cash (used in)/provided by financing activities		(63)		2,687
<b>Change in cash and cash equivalents in the year</b>		<b>(303)</b>		<b>99</b>
Cash and cash equivalents at the beginning of the year		7,302		7,203
<b>Cash and cash equivalents at the end of the year</b>		<b>6,999</b>		<b>7,302</b>



## Consolidated Cash Flow Statement

### For the year ended 31 March 2020

	2020 £'000	2019 £'000		
<b>Reconciliation of net income to net cash flow from operating activities</b>				
<b>Net income for the year before investment gains/ (losses)</b>	<b>1,483</b>	<b>3,638</b>		
Depreciation	163	72		
Loss on disposal of assets	122	-		
Increase in debtors	(860)	(2,098)		
Decrease in creditors	(224)	1,846		
Decrease in pension scheme deficit, net of gains/losses	(287)	(679)		
Net investment income	(364)	(423)		
Investment manager fees	75	59		
Gains on acquisition of businesses	-	(2,082)		
<b>Net cash provided by operating activities</b>	<b>108</b>	<b>333</b>		
<b>Analysis of cash and cash equivalents</b>				
Cash in hand	6,999	7,302		
	<b>6,999</b>	<b>7,302</b>		
	At start of year	Cash flows	Other non-cash changes	At end of year
	£'000	£'000	£'000	£'000
Cash	7,302	(303)	-	6,999
Loans falling due within one year	7,302	(303)	-	6,999
Loans falling due in more than one year	(63)	63	(63)	(63)
	(2,657)	-	63	(2,594)
<b>TOTAL</b>	<b>4,582</b>	<b>(240)</b>	<b>-</b>	<b>4,343</b>

The attached notes form part of the financial statements.

# Notes to the Financial Statements

## For the year ended 31 March 2020

### 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 34 Wharf Road, London N1 7GR. 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 Accounting and Reporting by Charities: Statement of Recommended Practice (SORP) applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) second edition effective 1 January 2019, 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) Group reconstruction and use of merger accounting

On 30 September 2019, the trade and assets of the Charity's wholly owned subsidiary, Family Action Enterprises Limited ("FAE"), were transferred to the Charity under a Deed of Transfer. As the transfer has not resulted in a change in the beneficiaries of the Charity, it constitutes a group reconstruction and merger accounting has been applied in accordance with FRS 102. This means that the financial statements of Family Action include the activities of FAE for the entire year as if they were one entity. The comparative figures for the Charity have been restated accordingly. As FAE was the only active subsidiary, the comparative consolidated financial statements for the year ended 31 March 2019 have replaced those of the Charity. Any differences arising on the carrying value of the net assets of FAE and any remaining amounts owed to the Charity at the date of the transfer, have been recognised within the Statement of Financial Activities. As the Charity's remaining subsidiary undertakings have been dormant for the current and comparative period, consolidated financial statements have not been presented.

#### (d) Going concern

Following a thorough review of projections, including consideration of the delivery costs of existing contracts, a two year projected cash flow forecast and the impact of the Covid-19 pandemic on the company's operations, the Trustees consider that there are no material uncertainties regarding the Charity's ability to continue as a going concern. Accordingly, the Trustees continue to adopt the going concern basis in preparing the financial statements.

#### (e) Entity combinations

Entity combinations are the effect on the accounts of Family Action of changes to the structure of the Charity and the group that may 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.

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

## Notes to the Financial Statements (continued)

### For the year ended 31 March 2020



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.

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 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 Charity.

#### **(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 and Leasehold property - 75 years;
- Leasehold Property Improvements - 20 years
- Leasehold Improvements - term of the Lease

## Notes to the Financial Statements (continued)

### For the year ended 31 March 2020

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.

#### (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

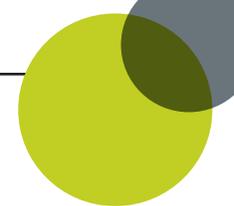
Basic financial liabilities, including trade and other payables, and loans from third parties are initially recognised at transaction price.

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.



## Notes to the Financial Statements (continued)

### For the year ended 31 March 2020

#### 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 Aviva (merged with Friends Life). New members are auto enrolled into the GPP based on eligibility except where employees choose the option to opt out. The contributions are recognised as an expense when they fall due. The assets of the pension plans are held separately from the Council in independently administered funds.

#### Defined benefit pension scheme

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

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

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 9.

#### (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.



## Notes to the Financial Statements (continued)

### For the year ended 31 March 2020

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.

## **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 2020

#### 3. Donations and Legacies

	2020 £'000	2019 £'000
Individuals	323	542
Charitable trusts	72	569
Companies	248	244
	<b>1,296</b>	<b>1,355</b>

#### 4. Investment income

	2020 £'000	2019 £'000
Interest receivable	17	15
Dividends receivable from investments	337	374
Investment income from Natwest	10	34
	<b>364</b>	<b>423</b>

#### 5. Income from charitable activities - 2020

	Notes	Unrestricted Funds £'000	Restricted Funds £'000	Endowment Funds £'000	Total 2020 £'000
<b>Income</b>					
Statutory, Lottery & Trusts Funding	5a,b&c	-	32,610	-	32,610
Rent and Fees		144	1,516	-	1,660
Trusts and Administered Funds		-	26	-	26
Other Incoming Resources		764	573	-	1,337
		<b>908</b>	<b>34,725</b>	-	<b>35,633</b>

#### Income from charitable activities - 2019

	Notes	Unrestricted Funds £'000	Restricted Funds £'000	Endowment Funds £'000	Total 2019 £'000	Total 2018 £'000
<b>Income</b>						
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
		<b>827</b>	<b>27,54</b>	-	<b>28,491</b>	<b>20,497</b>

## Notes to the Financial Statements (continued)

### For the year ended 31 March 2020

#### 5a. Lottery fund, trusts & grants

These funds are part of statutory funding in restricted funds

	Project Ref. Number	Movement in funds			Balance 31 March 2020
		Balance 31 March 2019*	Incoming Resources	Outgoing Resources	
		£'s	£'s	£'s	
Big Lottery Reaching Communities					
- Friendship Works	10302129	83,223	96,026	(166,195)	13,054
London Community Foundation					
- Building a Stronger Britain Together	A436130	606	-	(606)	-
National Lottery Community Fund					
- Sandwell DVA	10277423	34,460	5,597	(90,057)	-
National Lottery Community Fund					
- Southend Families Together	10305962	34,386	132,748	(120,281)	46,853
National Lottery Community Fund					
- Bradford DVA	10286586	-	61,611	(61,611)	-
National Lottery Community Fund					
- Medway Perinatal	N/A	10,087	165,366	(157,855)	17,598
National Lottery -Sport England	N/A	16,312	67,057	(83,369)	-
Norfolk Community Foundation - Borough Council of King's Lynn & West Norfolk Small Grants	N/A	1,661	-	(1,661)	-
Welsh Government Sustainable Social Services Grant - Families Together	N/A	9,945	427,800	(437,745)	-
National Lottery Community Fund		-	67,755	(63,610)	4,145
National Lottery Community Fund		-	37,509	(39,902)	(2,393)
London Community Foundation		-	2,493	(2,493)	-
Department of Health		-	299,989	(298,498)	1,491
Department of Health		-	166,722	(166,667)	55
Department of Education-Holiday Fun and Activities		-	573,591	(573,591)	-
		<b>190,680</b>	<b>2,154,264</b>	<b>(2,264,141)</b>	<b>80,803</b>

\*excludes funding that does not require disclosure on the face of the accounts.

## Notes to the Financial Statements (continued)

### For the year ended 31 March 2020

#### 5b. Statutory Funding

Adoption Support Fund	London Borough of Newham
Barnsley MBC	London Borough of Redbridge
Birmingham City Council	London Borough of Southwark
Bradford Metropolitan District Council	London Borough of Tower Hamlets
Bradford Trident	London Borough of Waltham Forest
Cambridgeshire Police & Crime Co	London Borough of Wandsworth
CAMHS Alliance City & Hackney CCG	Manchester City Council
Central Manchester, Manchester Children's Hospital	Medway Council
Children & Family Court Advisory & Support Service (CAFCASS)	National Children's Bureau
City of York Council	NHS Bradford CCG
Cumbria County Council	NHS City & Hackney CCG
Devon County Council	NHS Heywood, Middleton & Rochdale CCG
Derbyshire County Council	NHS Norfolk CCG
Department for Education	NHS Wandsworth CCG
Department of Health & Social Care	Norfolk County Council
Department of Justice (Styal)	North Lincolnshire Council
Durham County Council	North Tyneside Council
East Leicestershire & Rutland CCG	Nottinghamshire County Council
East Leicestershire CCG	Nottinghamshire NHS Trust
East Riding of Yorkshire Council	One Adoption Agency
Greater London Authority	One Adoption Beverley
Harrogate & Districts NHS	One Adoption North East Lincoln
Hereford County Council	One Adoption North & Humber
Homerton University Hospital NHS Trust	One Adoption North Yorkshire
Hull City Council	One Adoption West Yorkshire
Isle of Man Government	Pennine Care NHS Trust SALFORD
Kent County Council	Peterborough City Council
Kings Lynn & West Norfolk Borough Council	Pre-School Learning Alliance
Lancashire County Council	Rochdale Metropolitan Borough Council
Leeds City Council	Rotherham Met Borough Council
Leicestershire County Council	Royal Borough of Greenwich
Lincolnshire County Council	Royal Borough of Kensington & Chelsea
London Borough of Bromley	Royal Borough of Windsor and Maidenhead
London Borough of Camden	Sefton Council
London Borough of Croydon	Sheffield City Council
London Borough of Ealing	Solihull Metropolitan Borough Council
London Borough of Hackney	Southend on Sea Borough Council
London Borough of Hammersmith	Staffordshire County Council
London Borough of Haringey	Stockton Borough Council
London Borough of Harrow	Suffolk Mind
London Borough of Hillingdon	Warwickshire County Council
London Borough of Islington	West Leicestershire CCG
London Borough of Lambeth	Wigan Council
London Borough of Lewisham	Wiltshire County Council

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

	2020 £'000	2019 £'000
Turnover	780	754
Expenditure	(646)	(661)
<b>Surplus/(Deficit)</b>	<b>134</b>	<b>93</b>

## Notes to the Financial Statements (continued)

### For the year ended 31 March 2020

#### 6a. Alleviation of need

The Charity made 1,559 (2019: 1,991) grants to individuals in the year that totalled £0.3m (2019: £0.7m). The Charity has opted to take the exemption available under Charity Law not to disclose the names of grants recipients in these financial statements.

#### 6b. Analysis of Total Expenditure 2020

	Staff Costs £'000	Other Costs £'000	Depreciation £'000	2020 £'000	2019 £'000
<b>Raising funds</b>					
Fundraising and publicity costs	594	133	5	732	692
<b>Charitable activities</b>					
Operational services	20,603	13,869	156	34,628	27,288
Educational grants advice	27	28	2	57	94
Alleviation of need	-	362	-	362	606
Governance costs	-	31	-	31	33
	<u>20,630</u>	<u>14,290</u>	<u>158</u>	<u>35,078</u>	<u>28,021</u>
	<b>21,224</b>	<b>14,423</b>	<b>163</b>	<b>35,810</b>	<b>28,713</b>
	Direct Costs £'000	Allocated Costs £'000	Support Costs £'000	2020 £'000	2019 £'000
<b>Raising funds</b>					
Fundraising and publicity costs	594	-	138	732	692
<b>Cost of charitable activities</b>					
Operational services	32,216	1,371	1,041	34,628	27,288
Educational grants advice	27	-	30	57	94
Alleviation of need	362	-	-	362	606
Governance costs	-	31	-	31	33
	<u>32,605</u>	<u>1,402</u>	<u>1,071</u>	<u>35,078</u>	<u>28,021</u>
	<b>33,209</b>	<b>1,402</b>	<b>1,209</b>	<b>35,810</b>	<b>28,713</b>

## Notes to the Financial Statements (continued)

### For the year ended 31 March 2020



#### 6b. Analysis of Total Expenditure 2019

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

## Notes to the Financial Statements (continued)

### For the year ended 31 March 2020

#### 6b. Analysis of Total Expenditure 2019 (continued)

	2020	2019
	£'000	£'000
<b>Other costs include:</b>		
Other costs for running services**	10,120	6,229
Staff training, travel and recruitment	1,389	1,199
Buildings and grounds	1,590	1,667
Insurance and office costs	585	390
Printing and promotion	367	794
Pension scheme finance costs	372	356
	<b>14,423</b>	<b>10,635</b>

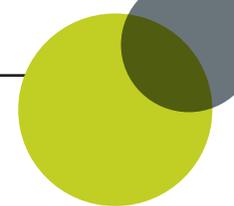
The above expenditure includes the following charges:

Auditor's remuneration - Statutory audit	22	27
Auditor's remuneration - non audit services:		
Taxation advisory services	1	5
Assurance services	4	4
Depreciation	163	72
Interest costs on Bank Loan	114	-
Operating lease rentals:		
- Buildings	416	550
- Other	55	31

#### 7. Staff costs

	2020	2019
	£'000	£'000
<b>Staff costs consist of:</b>		
Wages and salaries	17,990	15,157*
Redundancy	257	150
Social security costs	1,505	1,284
Employer's Pension costs	832	570
	<b>20,583</b>	<b>17,161</b>
Agency costs	336	422
	<b>20,920</b>	<b>17,583</b>
The monthly average number of employees was	<b>847</b>	<b>753</b>

\* Annual deficit contribution payment deducted from wages and salaries.



## Notes to the Financial Statements (continued)

### For the year ended 31 March 2020

#### 7. Staff costs (continued)

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

	2020 No.	2019 No.
£60,000 - £70,000	1	2
£70,000 - £80,000	1	1
£80,000 - £90,000	2	1
£140,000 - £150,000	-	1
£150,000 - £160,000	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 £555,727 (2019: £526,053).

#### 8. 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 (2019: £nil) neither were they reimbursed expenses during the year (2019: £nil). No Charity Trustee received payment for professional or other services supplied to the Charity (2019: £nil).

#### 9. 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 £831,366 (2019: £570,277).

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 2020 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 2020

#### 9. 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 2020. 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 2020 are approximately £537k 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):

	2020	2019
	£'000	£'000
Benefits obligation, beginning of the year	34,169	33,900
Current service cost	-	-
Interest cost	827	840
Scheme participants contributions	-	-
Actuarial losses/(gains) arising from changes in demographic assumption	127	(619)
Actuarial (gains)/losses arising from changes in financial assumption	(1,124)	687
Experience losses	-	-
Gross Benefits paid	(814)	(639)
Past service costs/(gains)	-	-
Benefits obligation, end of year	<b>33,167</b>	<b>34,169</b>

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

	2020	2019
Discount rate	2.20%	2.45%
Rate of retail price inflation	2.50%	3.20%
Rate of consumer price inflation	1.60%	2.20%
Rate of future salary increases	1.00%	1.00%
Pension increases in payment:		
- Fixed 3% pa	3.00%	3.00%
- LPI max 5% pa	2.50%	3.05%
- LPI max 3% pa	2.15%	2.40%

## Notes to the Financial Statements (continued)

### For the year ended 31 March 2020

#### 9. Pension costs (continued)

Post-retirement mortality assumption:

-Base table

-Projections for future improvements

	2020	2019
	S2PMA	S2PMA
	CMI 2019 projections, with a long term trend rate of 0.5%p.a. 85% of maximum cash at retirement	CMI 2018 projections, with a long term trend rate of 0.5% p.a. 85% of maximum cash at retirement

#### Commutation allowance

Life expectancy from 65 for a male currently aged 65	21.1	21.0
Life expectancy from 65 for a male currently aged 45	21.5	21.4
Life expectancy from 65 for a female currently aged 65	23.0	22.9
Life expectancy from 65 for a female currently aged 45	23.7	23.5

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

	2020 £'000	2019 £'000
Fair value of Scheme assets, beginning of the year	26,856	25,983
Interest Income	654	648
Experience (losses)/gains	556	391
Employer's Contributions	656	637
Scheme Participants contributions	-	-
Administration Expenses	(199)	(164)
Gross benefits paid	(814)	(639)
Fair value of Scheme assets, end of year	<b>27,709</b>	<b>26,856</b>

#### Scheme Assets Allocation, End of Year

	31 March 2020 £'000	31 March 2019 £'000
Diversified Growth	14,884	16,887
Absolute Return Bonds	1,879	-
Corporate Bonds	-	1,845
Government Bonds/Gilts	-	5,515
Liability Driven Investment	8,290	-
Property	2,521	2,497
Cash	135	112
<b>Total</b>	<b>27,709</b>	<b>26,856</b>

## Notes to the Financial Statements (continued)

### For the year ended 31 March 2020

#### 9. 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 2020 £'000	31 March 2019 £'000
Fair value of Scheme assets	27,709	26,856
Benefit obligations	(33,167)	(34,169)
	(5,458)	(7,313)
Related deferred tax asset	-	-
Unrecognised surplus	-	-
Funding deficit	<b>(5,458)</b>	<b>(7,313)</b>

##### Components of benefit cost recognised in SOFA

Current service cost	-	-
Net interest cost on net defined liability	173	192
Administration Expenses	199	164
Past service(credit)/ cost recognised	-	-
Net benefit cost in SOFA before other recognised gains and losses	<b>372</b>	<b>356</b>
Actual return on plan assets	<b>1,210</b>	<b>1,039</b>

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

Actuarial (gains)/ losses arising from changes in assumptions	(1,015)	68
Experience (gains)/losses on liabilities	-	-
Actuarial (gains )/losses on assets	(556)	(391)
Loss recognised in other recognised gains and losses	<b>(1,571)</b>	<b>(323)</b>

## Notes to the Financial Statements (continued)

### For the year ended 31 March 2020

## 10. 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
<b>Cost</b>						
At 1 April 2019	1,950	3,900	278	161	73	6,362
Additions	-	-	671	-	41	712
Disposal		-	(203)	-	-	(203)
<b>At 31 March 2020</b>	<b>1,950</b>	<b>3,900</b>	<b>746</b>	<b>161</b>	<b>114</b>	<b>6,871</b>
<b>Depreciation</b>						
At 1 April 2019	-	-	105	33	28	166
Charge for the year	26	52	39	33	13	163
Disposal	-	-	(81)	-	-	(81)
<b>At 31 March 2020</b>	<b>26</b>	<b>52</b>	<b>63</b>	<b>66</b>	<b>41</b>	<b>248</b>
<b>Net Book Value at 31 March 2020</b>	<b>1,924</b>	<b>3,848</b>	<b>683</b>	<b>95</b>	<b>73</b>	<b>6,623</b>
<b>Net Book Value at 31 March 2019</b>	<b>1,950</b>	<b>3,900</b>	<b>172</b>	<b>128</b>	<b>45</b>	<b>6,195</b>

The net book value at 31 March 2020 represents assets used for:

	Freehold Land & Buildings £'000	Leasehold Property £'000	Leasehold Improvements £'000	IT Infrastructure £'000	Computers, Equipment & Furniture £'000	Total £'000
<b>Charitable purposes</b>						
Operational services	1,020	2,039	92	51	38	3,510
Educational Grants	269	539	24	13	10	927
Support services	635	1,270	56	31	25	2,186
	<b>1,924</b>	<b>3,848</b>	<b>172</b>	<b>95</b>	<b>73</b>	<b>6,623</b>

## Notes to the Financial Statements (continued)

### For the year ended 31 March 2020

#### 11. Fixed Assets & Investments

	2020 £'000	2019 £'000
Market value at 1 April	10,605	10,664
Disposal in year	(8,904)	-
Acquisitions in year	7,700	-
Net cash movement in year not yet invested	1,204	-
Investment management fees	(75)	(59)
Net (losses) on revaluation in year	(1,072)	-
Market value at 31 March	<b>9,459</b>	<b>10,605</b>
Historical cost at 31 March	<b>10,300</b>	<b>4,617</b>
<b>Splits:</b>		
Listed Investment	8,237	10,588
Investment cash	1,222	17
	<b>9,459</b>	<b>10,605</b>
Investments in Endowed Trusts and Administered Funds-Capital at Valuation	9,459	10,605

#### 12. 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 up to March 2019. On 30th September 2019, the trade and assets of Family Action Enterprises were transferred to Family Action under a Deed of Transfer. After the balance sheet date the directors have applied for the company to be struck off the public register as it is no longer required. This transfer has been accounted for as a group reconstruction and merger accounting has been applied as set out in Note I(c) to the accounts. During the year, amounts due from Family Action Enterprises totalling £48k were waived by Family Action under a Deed of Waiver.

The statement of financial activities includes the following amounts in relation to Family Action Enterprises.

	2020 £'000	2019 £'000
Turnover	60	138
Administrative Expenses	(68)	(133)
Profit/(loss) for the year	<b>(8)</b>	<b>5</b>

The Net assets of Family Action Enterprises at the date of the merger were (£48k).

## Notes to the Financial Statements (continued)

### For the year ended 31 March 2020

#### 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.

#### Building A New Direction (BAND):

BAND is a dormant charitable company incorporated in England and Wales (Charity no: 1060822, Company no: 03284504) controlled by Family Action by virtue of being its sole member.

#### Post Adoption Centre UK (PAC-UK):

PAC-UK is a dormant charitable company incorporated in England and Wales (Charity no: 294998, Company no: 2040322) controlled by Family Action by virtue of being its sole member.

### 13. Debtors

Amounts invoiced to funders  
Prepayments and accrued income

	2020 £'000	2019 £'000
	4,778	3,773
	876	1,021
	<b>5,654</b>	<b>4,794</b>

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

Trade Creditors  
Payment received on account for contracts  
Accruals and Deferred Income  
Tax and social security  
Other creditors  
Bank Loans

	2020 £'000	2019 £'000
	1,075	1,168
	22	146
	387	401
	1,082	1,044
	946	977
	63	63
	<b>3,575</b>	<b>3,799</b>

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

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

Bank loans amounts falling due:  
- within two to five years  
- over five years

	2020 £'000	2019 £'000
	261	261
	2,332	2,396
	<b>2,593</b>	<b>2,657</b>

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.

Amounts due to Charity Bank are disclosed as bank loans in Notes 14 and 15. 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.

## Notes to the Financial Statements (continued)

### For the year ended 31 March 2020



#### 16. Unrestricted funds as at March 2020

##### GROUP

	Movement in funds				Balance 31 March 2020 £'000
	Balance 31 March 2019 £'000	Incoming Resources £'000	Gains and transfers £'000	Expenditure £'000	
General funds	1,960	1,227	(1,649)	840	2,378
Fixed Assets fund	160		963	(417)	706
Property Improvement fund	-	-	150	-	150
Service Development Funds	444		7	(157)	294
Staff Contingency	265		529	(389)	405
Property fund	1,112		-	(1,112)	-
	<b>3,747</b>	<b>1,227</b>	<b>-</b>	<b>(1,235)</b>	<b>3,933</b>

The general funds represent the free funds of the Charity, which are not designated for any particular purpose. The balance as at 31 March 2020 is: £2,378k (2019: £1,960k).

The fixed assets fund represents leasehold improvements of the Charity's offices used for charitable activities. The balance as at 31 March 2020 is £706k (2019: £160k). The increase is due to the fit out costs of the new Head Office in Wharf Road purchased in the year.

Property improvements fund is a new designated fund set aside for the purchase of our Head Office. This is for cyclical repairs and maintenance of the Head Office property. The balance as at 31 March 2020 is £150k.

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 Board approved expenditure for the 150th Anniversary, a balance of £131k was spent in 19/20. The Board also approved a sum of £75k towards Fundraising - individual giving project of which £26k is spent with the balance to be spent in 20/21. The balance as at 31 March 2020 is £294k (2019: £444k).

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 2020 is £405k (2019: £265k).

Property Fund is set aside for the purchase of the new Head Office property. The purchase, fit out and move to the property was completed in August 2019. The balance as at 31 March 2020 is £ nil (2019: £1,112k).



## Notes to the Financial Statements (continued)

### For the year ended 31 March 2020

#### 16. 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	11,350	(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
	<b>3,747</b>	<b>1,350</b>	<b>-</b>	<b>(1,156)</b>	<b>3,941</b>

#### 17. Restricted funds as at March 2020

	Movement in funds				Balance 31 March 2020 £'000
	Balance 31 March 2019 £'000	Incoming Resources £'000	Gains/ (losses) and transfers £'000	Expenditure £'000	
<b>Operational services</b>	7,395	35,694	-	(34,341)	8,748
<b>Other restricted funds:</b>					
New Day	13	-	-	(13)	-
Other Trust funds - Revenue	77	39	-	(28)	88
Nora Henry Trust- Revenue	22	55	-	(62)	15
Other Trust funds - Revenue	386	278	-	(341)	323
Edith & W Morgan Mental Health - Capital	340	-	(37)	-	303
Other Trust funds - Capital	204	-	(37)	-	167
	1,042	372	(74)	(444)	896
<b>Restricted income funds</b>	<b>8,437</b>	<b>36,066</b>	<b>(74)</b>	<b>(34,785)</b>	<b>9,644</b>
<b>Pension scheme reserve</b>	<b>(7,313)</b>	<b>-</b>	<b>1,570</b>	<b>285</b>	<b>(5,458)</b>
<b>Total restricted funds including pension scheme reserve</b>	<b>1,124</b>	<b>36,066</b>	<b>1,496</b>	<b>(34,500)</b>	<b>4,186</b>

Restricted funds comprise two main elements:

1. The unexpended income from Operational Services of £8,748k as at 31 March 2020 (2019: £7,395k). 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.

## Notes to the Financial Statements (continued)

### For the year ended 31 March 2020

2. 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 £896k as at March 2020 (of which £470k is held as investment in our portfolio thus referred to as capital above) compared with to £1,042k in 2019 (£544k in 2019 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.

### 17. 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	
<b>Operational services</b>	3,884	30,585	-	(27,074)	7,395
<b>Other restricted funds:</b>					
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
	1,333	416	(3)	(704)	1,042
<b>Restricted income funds</b>	<b>5,217</b>	<b>31,001</b>	<b>(3)</b>	<b>(27,777)</b>	<b>8,437</b>
<b>Pension scheme reserve</b>	<b>(7,917)</b>	<b>-</b>	<b>323</b>	<b>281</b>	<b>(7,313)</b>
<b>Total restricted funds including pension scheme reserve</b>	<b>(2,700)</b>	<b>31,001</b>	<b>319</b>	<b>(27,496)</b>	<b>1,124</b>

## Notes to the Financial Statements (continued)

### For the year ended 31 March 2020

#### 18. Endowment Funds as at March 2020

	Charity Reg. Number	Movement in funds			Balance 31 March 2020 £'000
		Balance 31 March 2019 £'000	Additions £'000	Expenditure and Unrealised Gains/(Losses) £'000	
<b>Permanent Endowments</b>					
Caterham Whyteleafe Trust	272724	736	-	(79)	657
Eleanor Ponsonby Trust	275060	1,180	-	(127)	1,053
FWA Greater London Relief in Need Charity	1006487	440	-	317	757
FWA National Relief in Need	231205	435	-	294	729
FWA Relief in Need Charity for the Aged	237118	986	-	(107)	879
FWA Relief in Sickness Charity	264713	370	-	(40)	330
Limpsfield Convalescence Fund	208536	161	-	(161)	0
Women's Holiday Fund	207455	946	-	(102)	844
Green Bequest Fund	252152	124	-	(124)	0
Metropolitan Visiting and Relief Association	251586	373	-	(40)	333
Queen Adelaide Fund	207228	267	-	(29)	238
Bishop Andrews Charity	205288	123	-	(13)	110
Cumberland Benevolent Fund	231206	120	-	(120)	0
Other funds (balances <£ 100,000)		531	-	(149)	383
		<b>6,792</b>	<b>-</b>	<b>(480)</b>	<b>6,312</b>
<b>Expendable endowments</b>					
Nora Henry Trust	313949	1,734	-	(187)	1,47
British War Refugees Fund	251578	192	-	(192)	0
Fenton Trust	247552	626	-	(68)	558
Lamming Will Trust	216257	196	-	(21)	175
Alfred de Rothschild Trust	202025	315	-	(34)	281
Other funds (balances < £100,000)		207	-	(90)	117
		<b>3,270</b>	<b>-</b>	<b>(592)</b>	<b>2,678</b>
Total endowment funds		<b>10,062</b>	<b>-</b>	<b>(1,072)</b>	<b>8,990</b>

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 2020 is £9,459k compared with £10,605k in 2019. The decrease in market value, which are unrealised losses, amounts to £1,146k compared with a decrease in value in 2019 of £59k.

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 2020

#### 18. 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	
<b>Permanent Endowments</b>					
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 FWA Relief in Need Charity For the Aged	231205	326	-	109	435
FWA Relief in Sickness Charity	237118	992	-	(6)	986
Limpsfield Convalescence Fund	264713	372	-	(2)	370
Women's Holiday Fund	208536	163	-	(2)	161
Green Bequest Fund	207455	949	-	(3)	946
Metropolitan Visiting and Relief Association	252152	125	-	(1)	124
Queen Adelaide Fund	251586	375	-	(2)	373
Bishop Andrews Charity	207228	269	-	(2)	267
Cumberland Benevolent Fund	205288	124	-	(1)	123
Other funds (balances < £100,000)	231206	120	-	-	120
		582	-	(51)	531
		<b>6,757</b>	<b>-</b>	<b>35</b>	<b>6,792</b>
<b>Expendable endowments</b>					
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)		285	-	(77)	207
		<b>3,362</b>	<b>-</b>	<b>(92)</b>	<b>3,270</b>
Total endowment funds		<b>10,119</b>	<b>-</b>	<b>(57)</b>	<b>10,062</b>

#### 19. 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

Family Action has exchanged the contract for the sale of the properties at 3-5 Torriano Mews with FABH LTD. The sale is expected to be completed in December 2020 at a price of £1,850,000.

## Notes to the Financial Statements (continued)

### For the year ended 31 March 2020

## 20. Analysis of Group Net Assets between funds as at March 2020

### Fund balances at 31 March 2020

Are represented by:

	Unrestricted funds £'000	Restricted funds £'000	Endowment funds £'000	Total funds £'000
Tangible fixed assets	6,623	-	-	6,623
Investments	-	469	8,990	9,459
Current assets	578	12,075	-	12,653
Current liabilities	(3,268)	(307)	-	(3,575)
Long term liabilities	-	(2,5930)	-	(2,593)
Pension scheme deficit	-	(5,458)	-	(5,458)
<b>Total net assets</b>	<b>3,933</b>	<b>4,186</b>	<b>8,990</b>	<b>17,109</b>

### Unrealised gains included above:

Investment assets		(42)	(799)	(841)
-------------------	--	------	-------	-------

### Total unrealised gains at 31 March 2020

		<b>(42)</b>	<b>(799)</b>	<b>(841)</b>
--	--	-------------	--------------	--------------

## 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)
<b>Total net assets</b>	<b>3,941</b>	<b>1,124</b>	<b>10,062</b>	<b>15,127</b>

### Unrealised gains included above:

Investment assets		126	5,863	5,989
-------------------	--	-----	-------	-------

### Total unrealised gains at 31 March 2019

		<b>126</b>	<b>5,863</b>	<b>5,989</b>
--	--	------------	--------------	--------------

## Notes to the Financial Statements (continued)

### For the year ended 31 March 2020

#### 21. Leasing Commitments

At 31 March 2020 the charitable company had future minimum rentals payable under non-cancellable operating leases as detailed below:

Minimum lease payments due within:

- one year
- within two to five years
- over five years

	2020 Land and Buildings £'000	2020 Other £'000	2019 Land and Buildings £'000	2019 Other £'000
	416	55	550	31
	518	108	427	123
			81	-
	<b>988</b>	<b>163</b>	<b>1,058</b>	<b>154</b>

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

#### 22. 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 2020 is stated below:

	Balance 31 March 2019 £'000	Incoming funds £'000	Outgoing funds £'000	Balance 31 March 2020 £'000
Motor Insurance Bureau	73	-	(8)	65
Deputy and Trustee Services	47	6	(17)	36
CAMHS Alliance Fundholder	-	1,485	(411)	1,074
	<b>120</b>	<b>1,491</b>	<b>(436)</b>	<b>1,175</b>

Motor Insurance Bureau: Family Action acts as custodian trustee for minors in respect of awards made by the Motor Insurance Bureau. These funds are 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.

CAMHS Alliance Fund Holder: During the year Family Action became the Fund holder for Hackney & City Children, Adolescent Mental Health Service (CAMHS) Alliance. Family Action is responsible for payment of invoices on behalf of the alliance to various service providers commissioned by the Hackney & City NHS.

## Notes to the Financial Statements (continued)

### For the year ended 31 March 2020

### 23. Related Party transactions

In April 2019, Brewin Dolphin completed the acquisition of Epoch Wealth Management, who were the adviser and investment managers for the Family Action investment portfolio worth £10m. Siobhan Boylan, a trustee (Treasurer) on the Board of Family Action joined Brewin Dolphin as the Finance Director in March 2019. Prior to the acquisition, Siobhan rescinded her membership of the Investment Committee in line with our Governance Policy and Procedure.

Dez Holmes, a trustee of Family Action, is also a member of the key management personnel of The Dartington Hall Trust which run Research in Practise, a membership organisation providing online resources supporting evidence-informed practice with children and families, young people and adults. A valuable professional online resource for all the Family Action staff. During the year Family Action has an active membership subscription at a cost of £9,750 per annum. This transaction was carried out at an arm's length basis.

Donations made by Trustees totalled £10k as at 31 March 2020 (2019: £7.8k). There are no other related party transactions to report.

## LIST OF SUPPORTERS 2019-20

We'd like to thank everyone that has fundraised, donated and volunteered for Family Action in 2018/19, including:

Welsh Government - Sustainable Social Services Grants

The Tanza Trust

Sport England

Department of Health & Social Care - VCSE Health and Wellbeing Fund

Essex County Council

Esmee Fairbairn Foundation

Greater London Authority (GLA)

BBC Children in Need

City Bridge Trust

Four Acre Trust

Hackney Council

Walcot Foundation

The Rayne Foundation

idVerde

Council for Disabled Children

Slaughter and May

Augean Community Fund

Birmingham Children's Trust

The Mercers' Company

Mars Food UK Ltd

NHS Heywood, Middleton and Rochdale CCG

East End Community Foundation

MIND

Thornbury Youth Community Interest Company

MoMark

Durham County Council

Colyer Fergusson Charitable Trust

Gilead Sciences Europe Ltd

The Worshipful Company of Security Professionals Charitable Trust Fund

National Lottery Community Fund

Postcode Community Trust

Everyone Active

The London Community Foundation

Wandsworth Grant Fund

The Merchant Taylors' Company

C B and H H Taylor 1984 Trust

Fexco

NewDay

Catalyst Stockton

Fidelity Worldwide Investments

The Bergne-Coupland Charity

The Grace Trust

The Sir James Knott Trust

The Cheruby Trust

Ebay (Paypal)- Formally MissionFish

F & P C Scotto Charitable Trust

Hilda Farr Charitable Trust

Meals & More

St Andrew Holborn Charity

Norfolk Community Foundation

Finnis Scott Foundation

First News

Screwfix Foundation

The Eleanor Rathbone Charitable Trust

The Saintbury Trust

The Vandervell Foundation

The Woodhill Charitable Trust

British Ecological Society

R A & V B Reekie Trust

The Charles S French Charitable Trust

The Edgar E Lawley Foundation

The Geoffrey Watling Charity

G M Morrison Charitable Trust

Bawden Fund

Edinburgh Trust No.2 Account

Rotary Club of Cookham Bridge

Green Hall Foundation

AKO Foundation

Huntly and Margery Sinclair Charitable Trust

Loughborough University

Radstock Town Council

The Chapman Charitable Trust

The Cottingham Charity Trust

The Hampstead Wells and Campden Trust

The Salamander Charitable Trust

The White Oak Charitable Trust

Yorkshire Building Society Charitable Foundation

Young Lambeth Coop

St Olave's Foundation Fund

The Rothley Trust

The Hemby Trust

The J Reginald Corah Foundation

Friends 500 Club

Marsh Charitable Trust

The Alchemy Foundation

The Eric F Sparkes Charitable Trust

The Forest Hill Charitable Trust

The Ian Askew Charitable Trust

The Sir Jeremiah Colman Gift Trust

Asda Group plc

Davis Rubens Charitable Trust

The Privy Purse Charitable Trust

Michael & Anna Wix Charitable Trust

Sir John Sumner's Trust

WH Smith

Stockport College

Merlin's Magic Wand

The M & H Cadbury Trust

Fora

Charles Brotherton Trust

Nottinghamshire County Council

The Scots Guards

The Wallace & Edna Davis Charitable Foundation

JP Jacobs Charitable Trust

The Ryder Charitable Trust

**Family Action Head Office**

34 Wharf Road  
London  
N1 7GR

**T: 020 7254 6251**

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

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

Registered 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.

