



Building
stronger
families

Family Action Annual Report & Accounts 2014/15



Early Years



Children &
Families



Adult Mental Health
& Wellbeing

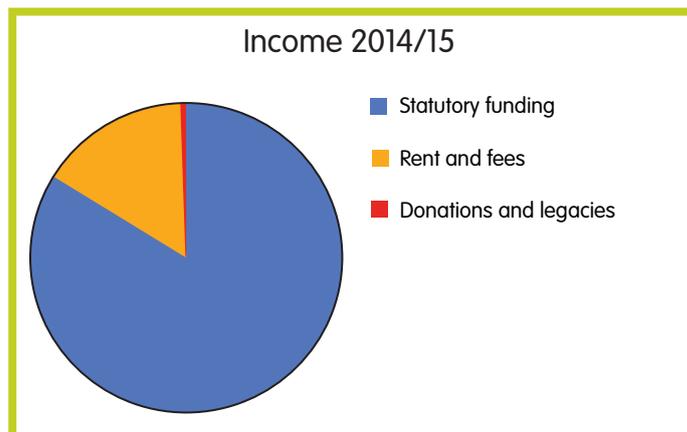


Grants

Income & Expenditure Charts

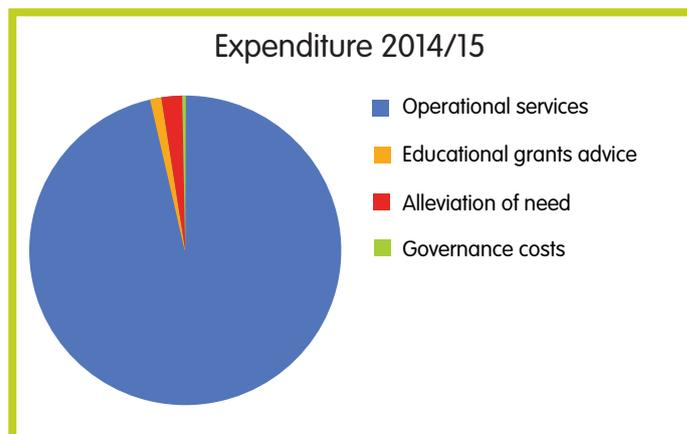
INCOME

	£'million
	2014/15
Donation & Legacies	1.196
Merchandising	0.006
Investment	0.343
Statutory Funding	18.026
Rent and fees	1.701
Trust & administered funds	0.134
Other	0.718
	<u>22.124</u>



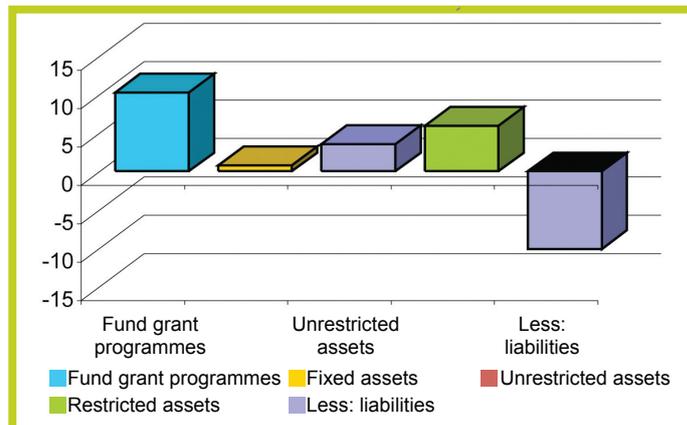
EXPENDITURE

	£'million
	2014/15
Charitable activities:	
Fundraising & publicity costs	0.396
Merchandising costs	0
Pension Scheme finance costs	-0.111
Operational Services	20.667
Educational grants advice	0.231
Alleviation of need	0.448
Governance costs	0.041
	<u>21.672</u>



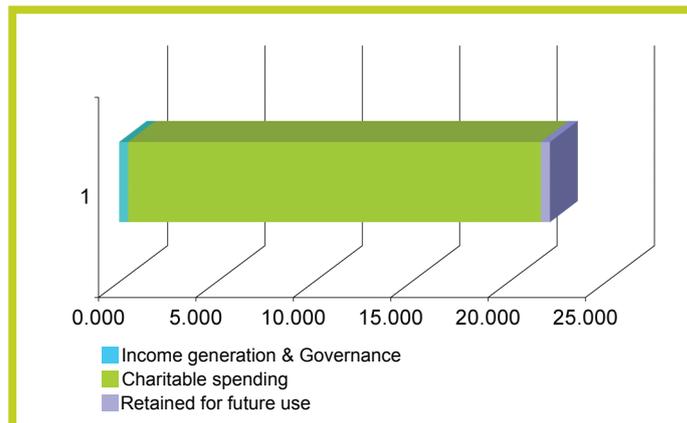
ASSETS & LIABILITIES

	£'million
	2014/15
Restricted investments and Endowments invested to -	
Fund grant programmes	10.249
Fixed assets	0.785
Unrestricted assets	3.517
Restricted assets	5.937
Less: liabilities	(10.144)
Total net assets	<u>10.344</u>



CHARITABLE SPENDING

	£'million
	2014/15
Income generation & Governance	0.437
Charitable spending	21.235
Retained for future use	0.452



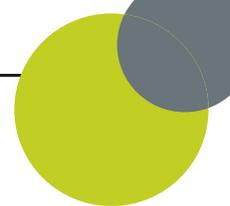
EMPLOYEES	715
VOLUNTEERS	518



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Welcome from Bryan Portman, Chairman of Family Action



I am delighted to present to you the Family Action Trustees' report for 2014/15. This has been a year of growth for the organisation which has seen us achieving our second highest level of income ever.

This of course means that we have been able to reach more children, families and individuals who need our valuable services over the past twelve months. At the same time Family Action has continued to implement its **Stronger than Ever** organisational strategy with pace and vigour. Over the 2014/15 financial year the charity has achieved its best fundraising performance ever, implemented a new workforce strategy, launched a new website with all new content, further improved service quality, moved head office, published its first Impact Report and retained 96% of its services into the 2015/16 financial year amongst many other achievements that are summarised in the Trustees Report below. 2014/15 was an excellent year for Family Action and we are well-placed now to achieve further growth and to increase our impact in 2015/16.

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

Bryan Portman
Chairman of Trustees
July 2015



Family Action today

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

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

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

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

We are **People Focused**;

We have a **Can Do** attitude;

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

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

Key activities – what we offer

Family Action supports over 45,000 families and children a year via 130 community-based services across England. We help many more every year with financial assistance through our education and welfare grant programmes. We provide services to strengthen families and communities, to build skills and resilience and to improve outcomes for children and their parents. Our services transform lives and are grouped under the following themes:

Early Years work

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

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

Children and Families work

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

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

Adult Mental Health and Wellbeing work

Family Action works to support and sustain adult recovery through:

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

Family Action today (continued)

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

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

We believe it is important to take proactive steps to ensure equality & diversity remain embedded in all that we do, and we are very proud to have recently been awarded Investors in Diversity Accreditation Level 2 for our commitment to Equality and Diversity.

We celebrate the importance of equality and diversity for service users, staff and volunteers through:

Service Users:

- Targeted services aimed at engaging with specific groups in the community.
- Promoting our services through a wide range of sources.
- Providing leaflets and information in braille, and ensuring events are connected to a hearing loop where needed. Similarly, we work closely with interpreters, sign language services and organisations such as Deaf CAMHS to ensure all families can access our services.
- Employing staff who can speak a variety of languages, including sign language, in order to engage with a diverse section of the community.
- Regularly seeking feedback from service users about service provision, with a view to maintaining continuous improvement including improved accessibility for those with disabilities.

Recruitment Process

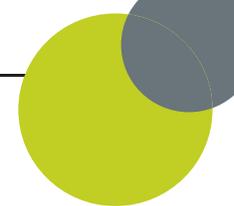
- Adopting the Positive about Disability commitments, which guarantees an interview for all applicants who declare themselves disabled and who meet the minimum criteria.
- Advertising jobs in local newspapers and magazines in order to encourage applicants who represent the local community.

Current Staff and Volunteers

- Fully supporting all staff and volunteers through offering reasonable adjustments where needed and seeking independent medical advice from an occupational health specialist.
- Offering flexible working and the option of a job share where appropriate in order to meet staff needs.
- Employer supported childcare in the form of childcare vouchers through the salary sacrifice scheme, allowing employees to take advantage of tax and national insurance savings in relation to childcare.
- Ensuring staff and volunteers are given adequate time to sign-up for and attend training in order to support those with additional needs.
- Quarterly internal awareness-raising days, each focusing on a particular theme. For example previous themes have included Disability, LGBT and the Gypsy, Roma and Traveller Communities.
- A page on our intranet dedicated to equality & diversity, including the sharing of documents, a calendar of events and key contacts for further support.
- Encouraging feedback and suggestions from staff and volunteers via a designated equality & diversity email address.

We are also pleased to have been awarded the Jobcentre Plus Two Ticks Symbol – Positive about Disabled People. The award confirms that Family Action are committed to employing disabled people and will ensure that we do the following things to enable this:

- Interview all applicants with a disability who meet the minimum criteria for a job vacancy and we will consider them on their abilities
- 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
- Make every effort when employees become disabled to make sure they stay in employment
- Take action to ensure all employees develop the appropriate awareness needed to make these commitments work and each year, we review the five commitments, what has been achieved and plan ways to improve on them.



Strategic Report - Highlights of the year

Development and External Affairs

- Our Business Development worked hard to maintain a high win rate in 2014/15 and the team brought in £476,378 in new work during the financial year but over £4.7m in new income over three years. At all times the BDT has worked very hard to create strong relationships with commissioners and partners, sound systems, a track record and credibility.
- The visual identity refresh and new website have been key factors in our modernisation drive. Our new visual identity is obvious throughout our new head office, our new marketing and sales materials and in the design and delivery of our first Impact Report.
- In terms of external affairs, we campaigned hard on maternal mental health, the importance of small financial grants to people in crisis and on learning from Phase 1 of the Troubled Families Programme. During the year senior representatives of Family Action gave many public presentations and chaired many regional and national conferences on subjects linked to our service delivery expertise.

Fundraising

Fundraising had a superb year with total income exceeding £2.4m well in excess of target. We were delighted to be chosen by the National Association of Head Teachers as their Charity of Choice for the second year running. Our second Shoes, Bags and Glad Rags fashion-themed auction in March 2015 raised over £60,000 in one evening for Family Action. We are also grateful to everyone who participated in a range of Challenge events for the charity over the course of the financial year.

Grants

It was a good year in 2014/15 for our Grants service. We made 1,563 grants totalling £447k to a very wide range of vulnerable people. These grants each made a significant difference to the life of an individual or family buying essential items such as beds, cookers, fridges and school uniforms. We also paid college course fees for many and helped with travel costs to educational

courses. Through the support of the LankellyChase Foundation we are evaluating the impact of small financial grants on individual recipients. This project named Opening Doors produced an interim report in December 2014 which showed that the impact of small grants went far beyond immediate financial help with positive impacts on e.g. emotional wellbeing and capacity to engage with other sources of help and assistance. The full Opening Doors evaluation will report in 2015/16.

Services and Innovation

We had a very successful year once again in terms of the delivery of our much needed services. We now provide some 130 services across England. During the year we achieved:

- 96% retention of service income
- Successful development, consultation and implementation of new pay structure and implementation of a new appraisal process
- Enhanced quality of service delivery as evidenced by meeting incentivised payment targets in a range of contracts and by strong Ofsted inspection results

Systems and Impact

- A key achievement during the year was the Head Office move – identification of premises, negotiation of terms, new office fit-out and move all done very effectively, to time and budget.
- Systems modernisation – during the year we made substantial progress in developing and implementing our IT strategy, in rolling our in-house electronic case recording and service performance management system (In-Form) and in improving organisational performance in Health & Safety.
- Launch of training and consultancy business at the end of March 2015 – this was a big development for Family Action and was achieved despite a tight timescale from decision to launch.



Progress made on Strategic Objectives for 2014/15

During the year we continued to implement all milestones in our Stronger than Ever organisational strategy in a timely way and to a high standard. We had a particular organisational focus on the following objectives during the year:

1. Stronger Organisation

- Set out with absolute clarity our expectations of all managers in order to embed and measure consistent high quality management practice

This was done and all managers are now working to and are measured and appraised against a consistent set of management standards.

- Move head office and further embed joint working across the organisation

The former head office was sold for a good price well above our initial estimates for the property. Suitable, modern, efficient, open-plan replacement head office premises were quickly identified and the move to the new premises was managed internally, on time and on budget. The move to the new head office building has facilitated improved joint working between head office departments and has also enabled the co-location of several of our direct services in the same building thus enabling us to share costs. More generally there have been a range of initiatives over the past year to embed joint working across the organisation. These have included a series of regional conferences, regular webinars and conference calls to share practice and the bringing together of similar services from across the country in order to learn from each other, make links and to enhance

service quality and development.

2. Stronger Systems and Impact

- Continue systems development (IT strategy, impact, performance reporting etc.)

An IT strategy was developed during the year and is now being implemented. We published our first-ever Impact Report in November 2014 and this will now become an annual event. We continued to improve our reporting and analysis of performance during the year and produce a monthly executive scorecard so that the performance of the organisations can be scrutinised quickly and easily.

- Embed an appropriate ethos of sales throughout the organisation to encourage the further selling of our services and create the infrastructure to support this in order to grow the charity and ensure we reach more people

We have seconded a group of highly-experienced operational managers to form an in-house sales team. Our marketing department has developed a range of new materials to help us market our services. We have also secured pro bono support from corporate supporters to help to mentor and develop the skills of our sales team.

- Increase our focus on our influencing strategy and on giving a voice to our service users

Our influencing strategy is strongly grounded in reflecting and communicating the lived experience of our service users to commissioners, policy makers, politicians, the media and other opinion

Progress made on Strategic Objectives for 2014/15 (continued)

formers. During 2014/15 we developed an overarching campaigning theme of Building Stronger Families. Key areas that we focused on during the year were promoting perinatal mental health particularly through the Maternal Mental Health Alliance, raising awareness of the importance of small financial grants to people in crisis particularly through our support of the Keep the Safety Net campaign and intensive influencing to help shape Phase 2 of the Troubled Families Programme.

3. Stronger Services and Innovation

- Improve quality assurance and measurement of service performance across the organisation

The inspection results of our regulated services were very good during the year. As noted above we have continued to refine our measurement of individual services performance and are using internal expertise to help us benchmark similar services against each other.

- Get better at converting ideas into viable new services that will help us to reach more people

During the year we have continued to develop a steady stream of new service development ideas. We also implemented a new Development and Funding Group meeting which ensures a single consistent forum where all new services development ideas can be considered and where potential routes to funding can be identified, agreed and monitored. A number of new service development ideas have been funded during the year and in 15/16 we will build on this further.

Stronger Strategic Growth and Partnerships

- Achieve £22m income in 2014/15 through achieving 95% service retention, seeking opportunities to acquire complementary services and developing new strategies to manage financial risk when tendering

We exceeded these targets by achieving income of £22.1m in 2014/15 and 96% service retention. This is truly excellent performance given the challenging financial climate for charities and public services. We continue to manage financial risk very carefully and employed our first in-house lawyer during 2014/15 in order to strengthen our internal capacity.

- Keep our organisational structure under review and consider a traded services subsidiary

During the year we created Family Action Enterprises as a traded services subsidiary and began to develop a training and consultancy business that will trade through this vehicle.

Moving forward: Strategic objectives for 2015/16

During the year we will continue to implement all relevant milestones in our *Stronger than Ever* organisational strategy in a timely way and to a high standard. We will have a particular organisational focus on the following objectives during the year:

1. Stronger Organisation

- Improve reporting compliance on service performance by linking it to appraisals and pay
- Improve internal communications across the organisation
- Improve sharing of practice between services
- Improve our organisational performance in relation to co-production and volunteering
- Improve our focus on staff wellbeing with a particular emphasis on diversity

2. Stronger Systems and Impact

- Further implement our IT strategy to include a CRM database, improved capacity for mobile working (including a new intranet) and an employee information system
- Raise the profile of Family Action through increasing brand recognition
- Ensure high level engagement at national level particularly with the new Westminster Government
- Deliver the research and evaluation strategy

3. Stronger Services and Innovation

- Maximise service retention with a target to retain 95% of services into 16/17
- Keep a very strong focus on service quality
- Ensure that all Ofsted regulated services achieve an inspection rating of at least Good
- Secure funding for and pilot the new Safe Haven service
- Continue to develop a pipeline of funded new service models

4. Stronger Strategic Growth and Partnerships

- Achieve our 15/16 income growth target of £24m
- Bid for and secure at least one significant new service with an annual value running into seven figures
- Continue to invest in building strategic partnerships in order to position ourselves as well as possible to win new work
- Deliver our income diversification strategy



Charity Administration & Financial Review

Governance & Management

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

Govern the charity responsibly

Our Articles of Association, most recently amended on 23 April 2015, provide that Family Action may have up to 15 Trustees and the present members of the Board are listed in this report. During 2014/15, there were three committees of the Trustee Board – the Audit Committee, the Quality & Performance Committee and the Governance Committee.

The recruitment of Trustees is steered through the Governance Committee, chaired by the Chair of Trustees. We assess the strengths of the board and the skills that we need for effective governance. All new Trustees go through a rigorous induction process. This involves meeting with the Chair, CEO and senior managers to gain a full understanding of the work of the charity, its strategy, finances, performance and impact. They will also visit services and can, where appropriate, attend external trustee training courses.

Ongoing training is provided to Trustees. This covers areas of essential knowledge such as health and safety and includes familiarisation with service models, safeguarding and impact. A programme of service visits is in place. All Trustees are volunteers and therefore unpaid but are entitled to claim expenses.

In 2014/15 there were several changes to the Board of Trustees Penny Astrop and John Richards resigned from the Board of Trustees in April and July 2014 respectively and Paul Hayes and Sophy Brown joined the Board in July and December 2014 respectively. The Trustees would like to thank Penny and John for their contributions to the charity.

Provide effective governance through the Trustee Board and Committees

During 2014/15, the Trustee Board met five times, and held an Annual General Meeting. The Audit Committee met four times, the Quality & Performance Committee met four times and the Governance Committee met twice.

Family Action decision-making framework

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

Provide strategic leadership of the charity.

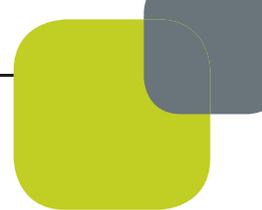
The Trustees agreed a new strategy for Family action, Stronger than Ever, in September 2013 to guide our activities for the five years to our 150th Anniversary in 2019. Implementation of that new strategy is well underway and significant progress is being made as reported elsewhere in this report.

Financial Review

Family Action had incoming resources of £22.1m. 93% of our income was restricted to funding specific services. Income for operational services came from local authorities, central government and NHS trusts for the provision of specific services. These funders are listed in the accounts (Note 5).

The scale of our work has expanded. For example, we are now providing the vast majority of Northamptonshire's family support and Lewisham's Family Intervention Project. We were also commissioned to provide a carer support service in Newham, family support work and emotional wellbeing work in a number of schools and new perinatal services in Derbyshire, Medway and Bradford. Overall, we now employ 715 staff, an increase of 38 compared with 677 in 2014.

Outgoing resources amounted to £21.7m (2014 £20.0m), with £20.6m (2014 £19.3m) relating to



Charity Administration & Financial Review (continued)

operational services.

Funds at year end were £10.3m (2014 £12.3m), the reduction is primarily due to an increase in the FRS 17 Pension deficit from £4.2m in 2014 to £6.5m as at 31st March 2015. The values of the Endowment Funds increased to £9.7m compared with £9.3m in 2014

Administration costs

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

Reserves Policy

The Trustees have considered their policy on building up reserves and established that the appropriate level of free reserves is one that allows the charity to continue its normal activities in the event of a significant drop in funding or loss of projects. In considering the nature and diversity of our income, the Trustees believes this should be £1.2m.

Our freely-available Funds, being unrestricted General Funds less amounts relating to revaluations at 31 March 2015 were £1.3m up from £1.1m last year. General Funds form part of our Unrestricted Reserves which, following disposal of the Kingsland Road property, totalled £3.5m at 31 March 2015, a decrease of £0.1m from last year. Funds designated for specific purposes stood at £1.9m up from £0.06m last year (see note 15 for details).

The sale of the central office property released £2.0m from the revaluation reserve with the

balance to be designated for investment in new areas of work to be agreed on a case by case basis by the Trustee Board.

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

Investment Policy

The investment Portfolio is managed by Epoch Wealth Management. During 2014/15, the investment strategy generated income of £316k. This represents an increase of £26k on the previous year total of £290k.

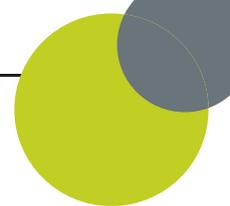
The capital value of funds at the end of the year increased to £10.2m compared with £9.7m in 2014.

With income at 3.1% of capital value (2013/14 3%) and capital value increase of 5.2% (2013/14 nil), the overall return was 8.3% compared with 3.0% in 2013/14.

We have experienced a strong 12 months of performance with the portfolio achieving both the income generation and capital growth objectives of the Trustees' investment strategy.

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

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



Charity Administration & Financial Review (continued)

Family Action risk management statement

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

The main risks identified are as follows:

- Achieving income growth targets/diversify income
- Develop strategic and operational sales and marketing capability across the organisation
- Safeguarding retention of confidential data
- Managing higher threshold casework safely and effectively
- Identifying and managing performance issues in services

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

Our funding will continue at a slightly increased level in the coming year and the Board has agreed a growth budget for 15/16 that is unlikely to draw on our unrestricted reserves. Reports are produced to monitor the effectiveness of our control systems on a planned basis, and such reporting will continue to be developed.

Pension Fund

In common with other charities with final salary schemes, our pension scheme shows a deficit which stood at £6.5m at 31 March 2015 (£4.2m last year) and under UK accounting standards, we are required to account for this deficit on the balance sheet (see note 9).

As outlined above, the deficit on the defined benefit pension scheme has increased by £2.3m in the year to 31 March 2015 compared with a similar increase of £2.3m last year.

For the year ended 31 March 2015 the changes in the assumptions have adversely affected the deficit with the main assumption, the discount rate deteriorating by 1.3% from 4.6% in 2014 to 3.3% at the end of March 2015.

The effect of this was an actuarial loss on the scheme liabilities of £4.4m (2014 £3.2m) which taking into account the actuarial gains achieved on the scheme assets of £1.6m (2014 £0.8m) gives a net loss of £2.8m which consequently result in an increase in the pension deficit. Thus the large increase in the deficit in the year ended 31 March 2015 highlight how relatively small changes to the assumptions can make such a large impact on the deficit.

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

Statement of Trustees' responsibilities

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

Company law requires the Trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charitable company and group and of the incoming



Charity Administration & Financial Review (continued)

resources and application of resources including the income and expenditure of the charitable company and group for that period. In preparing these financial statements, the Trustees are required to:

- Select suitable accounting policies and apply them consistently
- Observe the methods and principles of the charities SORP
- Make judgements and estimates that are reasonable and prudent
- Prepare the financial statements on the going concern basis unless it is inappropriate to assume that the Charity will continue on that basis
- State whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements

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

Public Benefit Statement

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

Family Action's charitable purpose is enshrined in its vision of a society where all families are free from poverty, disadvantage and social exclusion.

The Trustees ensure that this purpose is carried out for the public benefit by delivering services in accordance with our strategic aims. Many of our services are open to all and our awareness raising and campaigning work will benefit everyone.

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

Appointment of Auditors

A resolution proposing the re-appointment of our auditors will be submitted to our AGM in 2015.

Our Thanks

2014/15 has been a year of significant strategic development and pleasing growth. Trustees recognise the tremendous commitment and determination of Family Action's Chief Executive David Holmes CBE, the Executive Group, Senior Management Group, the Extended Leadership Team, and all our excellent staff, volunteers and supporters, and I would like to thank them all. I am confident that Family Action is more strongly placed than ever to move forward with confidence despite the continuing pressures on publicly funded services.

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

On behalf of the Board

Bryan Portman
Chair of Trustees



Family Action Trustees, Officers and Advisers

Patron

Her Majesty the Queen

Officials

Bryan Portman (Chair)
Hilary Seal (Vice Chair) Appointed April 2014
Siobhan Boylan, (Honorary Treasurer)

Members

Sean O'Callaghan
Hilary Seal *
John Rowlands OBE
Sally Shire**
Aida Cable
Mary Fulton
John Richards –Resigned 29 July 2014
Penny Astrop –Resigned 24 May 2014
Philippa Charman
Stephen Cates
Pim Piers
Sophy Brown – Appointed 11 December 2014
Paul Hayes –Appointed 18 September 2014

Chief Executive and Company Secretary

David Holmes CBE

Director of Services & Innovations

Heather Loxley

Director of Finance

Phil King

Director of Systems & Impact

Norman Blissett

Director of Development & External Affairs

Jayne Stokes

* Chair of Quality & Performance Committee

** Chair of Audit Committee

Family Action Registered Office

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Web: www.family-action.org.uk

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

Principal Advisers to Family Action

Bank

Coutts & Co
Commercial Banking
440 Strand
London
WC2R 0QS

Independent Auditor

haysmacintyre
26 Red Lion Square
London
WC1R 4AG

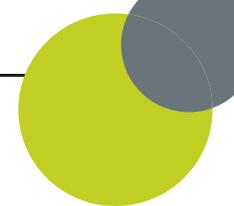
Investment Advisor

Epoch Wealth Management LLP
The Tramshed
Beehive Yard
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BA1 5BB

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Russell Cooke plc
2 Putney Hill
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London
SW15 6AB





Independent Auditors' Report to the Members of Family Action

We have audited the financial statements of Family Action for the year ended 31 March 2015 which comprise the Consolidated Statement of Financial Activities, the Consolidated Summary Income and Expenditure Account, the Consolidated Note of Historical Cost, Profits and Losses, the Group and Parent Charitable Company Balance Sheets, the Consolidated Cash Flow Statement and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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

Respective responsibilities of trustees and auditors

As explained more fully in the Trustees' Responsibilities Statement on page 11, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB'S) Ethical Standards for Auditors.

Scope of the audit of the financial statements

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

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the group's and the parent charitable company's affairs as at 31 March 2015 and of the group's incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the Companies Act 2006.

Opinion on other matter prescribed by the Companies Act 2006

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

Matters on which we are required to report by exception

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

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

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

26 Red Lion Square
London
WC1R 4AG

Consolidated Statement of Financial Activities

For the year ended 31 March 2015

	Notes	Unrestricted Funds £'000	Restricted Funds £'000	Endowment Funds £'000	Total 2015 £'000	Total 2014 £'000
Incoming Resources						
Incoming resources from generated funds:						
Donations and legacies	2	500	696	-	1,196	765
Activities for generating funds:						
Merchandising income	3	-	-	-	6	-
Investment income	4	6	324	-	343	335
Incoming resources from charitable activities:						
Statutory funding	5	4	18,022	-	18,026	16,984
Rent and fees		37	1,664	-	1,701	1,310
Trust and administered funds		-	134	-	134	141
Other incoming resources		437	281	-	718	684
Total incoming resources		1,003	21,121	-	22,124	20,219
Resources Expended						
Cost of generating funds:						
Fundraising and publicity costs		396	-	-	396	249
Pension scheme net finance (income)/ costs		-	(111)	-	(111)	(67)
Charitable activities:						
Operational services		773	19,894	-	20,667	19,384
Educational grants advice		-	231	-	231	248
Alleviation of need	6	-	448	-	448	175
Governance costs		41	-	-	41	39
Total resources expended	7	1,210	20,462	-	21,672	20,028
Net (outgoing)/incoming resources before transfers						
		(207)	659	-	452	191
Transfers between funds	10	132	(132)	-	-	-
Net incoming resources before other recognised gains and losses						
		(75)	527	-	452	191
Gains on revaluation of tangible fixed asset	11	-	-	-	-	1,585
Gains on investment assets	18	-	-	482	482	-
FRS17 – Actuarial losses	9	-	(2,876)	-	(2,876)	(2,420)
Net movement in funds		(75)	(2,349)	482	(1,942)	(644)
Fund balance brought forward at 1 April 2014		£3,643	£(624)	£9,267	£12,286	£12,930
Fund balance carried forward at 31 March 2015		£3,568	£(2,973)	£9,749	£10,344	£12,286

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

Consolidated Summary Income and Expenditure Account

For the year ended 31 March 2015

	2015 £'000	2014 £'000
Total income	22,124	20,219
Total expenditure	(21,672)	(20,028)
Net income for the year	£452	£191

These all relate to continuing activities.

Total income comprises £1,003k of unrestricted funds and £21,121k of restricted funds.

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

The net incoming resources for the year of £452k comprises a deficit on unrestricted activities of £208k and a surplus on restricted activity of £660k, as shown in the Consolidated Statement of Financial Activities.

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

The attached notes form part of the financial statements.

CONSOLIDATED NOTE OF HISTORICAL COST PROFITS AND LOSSES

	2015 £'000	2014 £'000
Net income for the year	452	191
Realisation of revaluation gains of previous year	2,090	-
Net income for the year	£2,515	£191

Consolidated Balance Sheet

At 31 March 2015 - Company Number: 01068186

	Notes	2015 £'000	2014 £'000	2014 £'000	£'000
Fixed Assets					
Tangible assets	11		785		2,721
Trust and administered funds	12		10,249		9,743
Current Assets					
Debtors	13	2,072		2,358	
Cash		7,382		4,536	
		<u>9,454</u>		<u>6,894</u>	
Creditors: amounts falling due within one year	14	<u>(3,668)</u>		<u>(2,886)</u>	
Net Current Assets			<u>5,786</u>		<u>4,008</u>
Total Assets Less Current Liabilities			16,820		16,472
Pension scheme deficit	9		<u>(6,476)</u>		<u>(4,186)</u>
Net Assets			<u>£10,344</u>		<u>£12,286</u>
Funds					
Unrestricted funds:					
General funds – include revaluation reserve of £318k (2014: £2,415k)	15		1,619		3,583
Designated reserve	15		<u>1,949</u>		<u>60</u>
			<u>3,568</u>		<u>3,643</u>
Restricted funds					
Income funds – include revaluation reserve of £183k (2014: £158k)	16		3,503		3,562
Pension Reserves	9		<u>(6,476)</u>		<u>(4,186)</u>
Endowment Funds - include revaluation reserve of £5,449k (2014: £4,968k)	18		9,749		9,267
			<u>£10,344</u>		<u>£12,286</u>

Approved and authorised for issue by the Trustees,
and signed on their behalf on 30th July 2015.

Bryan Portman
Chairman of Trustee Board

Siobhan Boylan
Honorary Treasurer

The attached notes form part of the financial statements.

Company Balance Sheet

At 31 March 2015 - Company Number: 01068186

	Notes	2015 £'000	£'000	2014 £'000	£'000
Fixed Assets					
Tangible assets	11		785		2,721
Investment	12		500		476
Current Assets					
Debtors	13	2,115		2,334	
Cash		6,877		4,050	
		<u>8,992</u>		<u>6,384</u>	
Creditors: amounts falling due within one year	14	<u>(3,680)</u>		<u>(2,843)</u>	
Net Current Assets			<u>5,312</u>		<u>3,541</u>
Total Assets Less Current Liabilities			6,597		6,738
Pension scheme deficit	9		(6,476)		(4,186)
Net Assets			<u>£121</u>		<u>£2,552</u>
Funds					
Unrestricted funds:					
General funds - include revaluation reserve of £2,415k (2013: £848k)	15		1,612		3,576
Designated reserve	15		<u>1,949</u>		<u>60</u>
			£3,561		£3,636
Restricted funds					
Income funds – include revaluation reserve of £158k (2013: £158k)	16		3,036		3,102
Pension Reserves	9		(6,476)		(4,186)
			<u>£121</u>		<u>£2,552</u>

Approved and authorised for issue by the Trustees,
and signed on their behalf on 30th July 2015.

Bryan Portman
Chairman of Trustee Board

Siobhan Boylan
Honorary Treasurer

The attached notes form part of the financial statements.

Consolidated Cash Flow Statement

For the year ended 31 March 2015

Notes	2015 £'000	2014 £'000
Reconciliation of net incoming resources to net cash inflow from operating activities		
Net incoming/(outflow) resources for the year	452	191
Depreciation	57	88
Decrease in debtors	286	(514)
Increase in creditors	782	736
(Decrease) in pension scheme deficit, net of gains/losses	(586)	(207)
Net investment income	(343)	(335)
	£648	£(41)
Net cash inflow/(outflow) from operating activities		
Net cash inflow/(outflow) from operating activities	648	(41)
Returns on investments and servicing of finance	1 343	335
Capital expenditure and financial investment	1 1,855	(165)
	£2,846	£129
Increase in cash in the year		
Reconciliation of net cash flow to movements in net cash		
Increase in cash in the year	2 2,846	129
	2,846	129
Change in net cash		
Net cash at 1 April 2014	2 4,536	4,407
	£7,382	£4,536
Net cash at 31 March 2015		

The attached notes form part of the financial statements.

Notes to the Consolidated Cash Flow Statement

For the year ended 31 March 2015

1. Gross Cash Flows

Returns on investments and servicing of finance

Dividends received
Interest received

	2015 £'000	£'000	2014 £'000	£'000
	324		307	
	19		28	
		£343		£335

Capital expenditure and financial investment

Disposal of Asset
Purchase of tangible assets

	2,157		-	
	(302)		(165)	
		£1,855		£(165)

2. Analysis of Cash Movements

Cash in hand and at bank

Total

	At 1 April 2014 £'000	Cash flows £'000	At 31 March 2015 £'000
	4,536	2,846	7,382
	£4,536	£2,846	£7,382



Notes to the Financial Statements

For the year ended 31 March 2015



1. Accounting Policies

Basis of preparation

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

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

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

Company status

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

Fund accounting

General funds are unrestricted funds which are available for use at the discretion of the trustees in furtherance of the general objectives of the charity and which have not been designated for other purposes.

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

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

Investment income and gains are allocated to the appropriate fund.

Incoming resources

All incoming resources are included in the SOFA when the charity is legally entitled to the income and the amount can be quantified with reasonable accuracy. No amounts are included in the financial statements for services donated by volunteers. Legacies are recognised on notification of an impending distribution or on receipt.

Resources expended

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

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

Notes to the Financial Statements (continued)

For the year ended 31 March 2015

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

Tangible fixed assets and depreciation

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

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

During the year the Trustees reviewed the estimated useful economic life of furniture and revised this from 3 years to 10 years as this more fairly reflects the life of these assets. As this is a change in accounting estimate, no prior period adjustment is required. This change has not impeded the depreciation expense for the current year.

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

Investments

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

Pensions

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

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

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

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

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

Notes to the Financial Statements (continued)

For the year ended 31 March 2015

2. Donations and Legacies

	2015 £'000	2014 £'000
Individuals	550	310
Charitable trusts	386	357
Companies	260	98
	£1,196	£765

3. Merchandising Income and Costs

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

	Group		Company	
	2015 £'000	2014 £'000	2015 £'000	2014 £'000
Merchandising income	6		-	-
Cost of sales	-		-	-
Merchandising costs	-		-	-
Surplus/(deficit)	£6	£-	£-	£-

4. Investment income

	2015 £'000	2014 £'000
Interest receivable	19	28
Dividends receivable from investments	324	307
	£343	£335

Notes to the Financial Statements (continued)

For the year ended 31 March 2015

5. Statutory Funding

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

6. Alleviation of Need

The charity made 1,563 (2014: 556) grants to individuals in the year that totalled £0.44m (2014: £0.17m).

Notes to the Financial Statements (continued)

For the year ended 31 March 2015

7. Analysis of Total Resources Expended

	Staff Costs £'000	Other Costs £'000	Depreciation £'000	2015 £'000	2014 £'000
Cost of generating funds					
Fundraising and publicity costs	271	122	3	396	249
Pension scheme finance costs	-	(111)	-	(111)	(67)
	<u>271</u>	<u>11</u>	<u>3</u>	<u>285</u>	<u>182</u>
Cost of charitable activities					
Operational services	16,613	4,002	52	20,667	19,336
Educational grants advice	152	77	2	231	296
Alleviation of need	-	447	-	447	175
Governance costs	-	42	-	42	39
	<u>16,765</u>	<u>4,568</u>	<u>54</u>	<u>21,387</u>	<u>19,846</u>
	£17,036	£4,579	£57	£21,672	£20,028

	Direct Costs £'000	Allocated Costs £'000	Support Costs £'000	2015 £'000	2014 £'000
Cost of generating funds					
Fundraising and publicity costs	271	-	125	396	249
Merchandising costs	-	-	-	-	-
Pension scheme finance costs	(111)	-	-	(111)	(67)
	<u>160</u>	<u>-</u>	<u>125</u>	<u>285</u>	<u>182</u>
Cost of charitable activities					
Operational services	19,395	497	775	20,667	19,336
Educational grants advice	152	-	79	231	296
Alleviation of need	447	-	-	447	175
Governance costs	-	42	-	42	39
	<u>19,994</u>	<u>539</u>	<u>854</u>	<u>21,387</u>	<u>19,846</u>
	£20,154	£539	£979	£21,672	£20,028

Notes to the Financial Statements (continued)

For the year ended 31 March 2015

7. Analysis of Total Resources Expended (continued)

Support Costs

	Admin	Executive Office	Finance	2015	2014
	£'000	£'000	£'000	£'000	£'000
Cost of generating funds					
Fundraising and publicity costs	109	11	5	125	41
Merchandising costs	-	-	-	-	-
	<u>109</u>	<u>11</u>	<u>5</u>	<u>125</u>	<u>41</u>
Cost of charitable activities					
Operational services	386	159	230	775	712
Educational grants advice	66	7	6	79	39
	<u>452</u>	<u>166</u>	<u>236</u>	<u>854</u>	<u>751</u>
	<u>£561</u>	<u>£177</u>	<u>£241</u>	<u>£979</u>	<u>£792</u>

Other costs include

Other costs for running services				1,113	1,734
Staff training, travel and recruitment				1,137	987
Buildings and grounds				1,046	859
Insurance and office costs				1,037	927
Printing and promotion				357	106
Pension scheme finance costs				(111)	(67)
Net pension service costs				-	-
				<u>£4,579</u>	<u>£4,546</u>

The above expenditure includes the following charges:

Audit fee				21	21
Depreciation				57	88
Operating lease rentals					
- Buildings				354	205
- Other				11	30
				<u>11</u>	<u>30</u>

8. Trustees' Remuneration

The Trustees neither received nor waived any emoluments during the year (2014 £ Nil). No out of pocket expenses were reimbursed to Trustees.

Notes to the Financial Statements (continued)

For the year ended 31 March 2015

9. Employee and Pension Costs

Staff costs consist of:

Wages and salaries
Social security costs
Employer's Pension costs

	2015 £'000	2014 £'000
	14,788	13,819
	1,150	1,067
	419	516
	<u>16,357</u>	<u>15,021</u>
Agency costs	743	878
	<u>£17,101</u>	<u>£16,280</u>
	<u>715</u>	<u>677</u>

The average number of employees was

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

	2015	2014
£70,000 - £80,000	2	3
£80,000 - £90,000	1	-
£110,000 - £120,000	-	1
£120,000 - £130,000	1	-

The number of higher paid staff to whom retirement benefits are accruing under defined contribution pension schemes was 4 (2014:4). The total contribution in respect of these employees was £21,333 (2014: £20,053).

Pension Arrangements

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

As from February 2014, new members are auto enrolled into the GPP based on eligibility except where employee choose the opt out option.

The disclosures set out below are based on calculations carried out as at 31 March 2015 by a qualified independent Actuary.

The Scheme's assets are held in a separate trustee-administered fund to meet long-term pension liabilities to past and present employees. The liabilities of the Scheme are measured by discounting the best estimate of future cash flows to be paid out of the Scheme using the Projected Unit Method which is a method suitable for a scheme that was closed to new entrants. The liabilities set out in this note have been calculated based on the full FRS17 valuation as at 1 January 2014, updated to 31 March 2015. 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 2015 are approximately £402,000 based on the revised schedule of contributions dated October 2013.

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

Notes to the Financial Statements (continued)

For the year ended 31 March 2015

9. Employee and Pension Costs (continued)

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

	2015 £'000	2014 £'000	2013 £'000	2012 £'000	2011 £'000
Fair value of Scheme assets	22,324	19,486	18,274	16,215	14,103
Present value of funded obligations	(28,800)	(23,672)	(20,231)	(20,687)	(16,859)
Net liability recognised in the balance sheet	£(6,476)	£(4,186)	£(1,957)	£(4,472)	£(2,756)
Experience gains/(losses) on Scheme liabilities	£(181)	£(0)	£(4)	£(808)	£692
Experience gains/(losses) on Scheme assets	£1,688	£787	£1,311	£(137)	£114

Analysis of amounts charged to activity cost categories:

Charitable expenditure operating charge

Current service cost of the Scheme

Total

Bank and other interest/(other finance charges)

Expected return on Scheme assets

Interest cost on obligations

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

Actuarial (losses)/gains

Cumulative actuarial (losses) and gains

Changes in present value of the defined benefits obligation:

Opening defined benefits obligation

Current service cost - employer

Interest cost on Scheme liabilities

Contributions by members

Actuarial losses/(gains) on liability assumption changes

Actuarial losses/(gains) on liability experience changes

Benefits paid

Closing defined benefits obligation

	2015 £'000	2014 £'000
Current service cost of the Scheme	-	135
Total	£-	£135
	2015 £'000	2014 £'000
Expected return on Scheme assets	1,188	1,060
Interest cost on obligations	(1,077)	(993)
	£111	£67
	2015 £'000	2014 £'000
Actuarial (losses)/gains	£(2,876)	£(2,420)
Cumulative actuarial (losses) and gains	£(5,907)	£(3,031)
	2015 £'000	2014 £'000
Opening defined benefits obligation	23,672	20,231
Current service cost - employer	0	135
Interest cost on Scheme liabilities	1,077	993
Contributions by members	0	0
Actuarial losses/(gains) on liability assumption changes	4,383	
Actuarial losses/(gains) on liability experience changes	181	3,207
Benefits paid	(513)	0
		(894)
Closing defined benefits obligation	£28,800	£23,672

Notes to the Financial Statements (continued)

For the year ended 31 March 2015

9. Employee and Pension Costs (continued)

Changes in fair value of Scheme assets are as follows:

	2015 £'000	2014 £'000
Opening fair value of Scheme assets	19,486	18,274
Expected return on Scheme assets	1,188	1,060
Actuarial gains / (losses) on Scheme assets	1,688	787
Contributions by members	0	0
Contributions by employer	475	259
Benefits paid	(513)	(894)
Closing fair value of Scheme assets	£22,324	£19,486

The major categories of Scheme assets are as follows:

	% of Total Scheme 2015	Share of Fund value at 31 March 2015 £'000	% of Total Scheme 2014	Share of Fund value at 31 March 2014 £'000
Scheme Assets				
Diversified Growth/Absolute Return Fund	66.9	14,601	66.9	13,032
Equities	0	0	0	0
Corporate Bonds	5	1,171	5	976
Government Bonds/Gilts	19.2	4,562	19.2	3,750
Property	8.6	1,939	8.6	1,671
Cash	0.3	51	0.3	57
Total		£22,324		£19,486

Actual return on scheme assets

2015 £'000	2014 £'000
£2,876	£1,712

Actuarial assumptions used at 31st March:

	2015 Per annum	2014 Per annum
Aggregate long-term expected rate of return on Scheme assets	4.80%	6.10%
Discount rate	3.30%	4.60%
Rate of Inflation	3.10%	3.40%
Salary increases		
- 1 April 2015	1.00%	1.00%
- 1 April 2016 onwards	1.00%	2.40%
Pension increases:		
- Pension earned before 6.4.97 –Fixed 3% pa	3.00%	3.00%
- Pension earned after 5.4.97 for pre 1.5.06 joiners- RPI max 5% pa	3.00%	3.20%
- Pension earned after 5.4.97 for post 30.4.06 joiners-RPI max 3% pa	2.40%	2.40%
Expected rate of return on Government Bonds	2.20%	3.50%
Expected rate of return on corporate bonds	3.10%	4.20%
Expected rate of return on property	5.20%	6.50%
Expected rate of return Diversified Growth/Absolute Return Funds	5.70%	7.00%
Expected rate of return on cash	0.50%	0.50%

Notes to the Financial Statements (continued)

For the year ended 31 March 2015



9. Employee and Pension Costs (continued)

Mortality Assumptions

	2015	2014
	In accordance with S2PMA table for men and S2PFA for women, projected by year of birth using CMI_2014 with a 0.5% long term improvement 85% of maximum cash at retirement	In accordance with SIPMA table for men and SIPFA for women, projected by year of birth using CMI_2010 with a 0.5% long term improvement 85% of maximum cash at retirement

Cash Commutation

Males

Aged 65 at balance sheet date	21.6	21.7
Aged 65 in 20 years from balance sheet date	22.1	22.5

Females

Aged 65 at balance sheet date	23.5	23.8
Aged 65 in 20 years from balance sheet date	24.3	24.7

10. Transfers between funds

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

Notes to the Financial Statements (continued)

For the year ended 31 March 2015

11. Tangible Fixed Assets - Group and Company

	Freehold Property	Leasehold Improvements	IT Infrastructure	Computers, Equipment & Furniture	Total
	£'000	£'000	£'000	£'000	£'000
Cost					
At 31 March 2014	2,581	-	416	99	3,096
Disposals	(2,181)	-	-	-	(2,181)
Additions	2	204	-	96	302
At 31 March 2015	402	204	416	195	1,217
Depreciation					
At 31 March 2014	0	-	283	92	375
Charge for the year	8	-	39	10	57
At 31 March 2015	8	-	322	102	432
Net Book Value at 31 March 2015	£394	£204	£94	£93	£785
Net Book Value at 31 March 2014	£2,581	£-	£133	£7	£2,721

In December 2014 the old Head Office property at 501-505 Kingsland Road was sold for net proceeds of £2.18m.

Freehold land and buildings consists of the project office at 219 Stanstead Road. The property was valued at 31 March 2014 at £400,000 by Salter Rex LLP Chartered Surveyors & Estate Agents on an open market basis.

The original purchase cost of this property was £75,000.

The net book value at 31 March 2015 represents assets used for:

	Freehold Property	Leasehold Improvements	IT Infrastructure	Computers, Equipment & Furniture	Total
	£'000	£'000	£'000	£'000	£'000
Charitable purposes					
Operational services	209	110	50	50	419
Educational Grants Advice	55	26	13	12	106
Support services	130	68	31	31	260
	£394	£204	£94	£93	£785

Notes to the Financial Statements (continued)

For the year ended 31 March 2015

12. Fixed Assets - Trust & Administered Funds

GROUP

Trust and administered funds

At valuation

2015 £'000	2014 £'000
£10,249	£9,743

All trust fund investments were revalued to the quoted price on 31 March 2015.

Summary of subsidiary undertakings:

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

61 Endowed Trusts funds owning investments.

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

All investments are in the United Kingdom

	Group 2015 £'000	Group 2014 £'000
Market value at 31 March 2014	£9,743	£9,743
Net gains/(losses) on revaluation in year	506	-
Market value at 31 March 2015	£10,249	£9,743
Historical cost at 31 March 2015	£4,617	£4,617

COMPANY

Investment in administered funds – Capital at valuation

500 476

Investment in Family Welfare Enterprises Ltd

Shares at cost

10 10

Amount owing

(10) (10)

£500 **£476**

13. Debtors

	Group		Company	
	2015 £'000	2014 £'000	2015 £'000	2014 £'000
Amounts invoiced to funders	1,500	1,762	1,500	1,762
Payments in advance and accrued income	572	596	615	572
	£2,072	£2,358	£2,115	£2,334

Notes to the Financial Statements (continued)

For the year ended 31 March 2015

14. Creditors: amounts falling due within one year

	Group		Company	
	2015 £'000	2014 £'000	2015 £'000	2014 £'000
Tax and social security	338	310	338	310
Other creditors	2,549	2,063	2,529	1,998
Receipts in advance	781	513	813	535
	£3,668	£2,886	£3,680	£2,843

15. Unrestricted funds

	Movement in funds				
	Balance 31 March 2014 £'000	Incoming Resources £'000	Gains and transfers £'000	Expenditure £'000	Balance 31 March 2015 £'000
GROUP					
General funds	1,168	1,003	339	(1210)	1,300
Revaluation Reserve	325	-	(6)	-	319
Designated fund(staff)	60	-	42	-	102
Fixed Assets fund	-	-	273	-	273
Other Designated funds	2,090	-	(516)	-	1,574
	£3,643	£1,003	£132	£ (1,210)	£3,568
COMPANY					
General funds	1,161	1,003	339	(1,210)	1,293
Revaluation Reserve	325	-	(6)	-	319
Designated fund	60	-	42	-	102
Fixed Assets fund	-	-	273	-	273
Other Designated funds	2,090	-	(516)	-	1,574
	£3,636	£1,003	£132	£(1,210)	£3,561

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

The revaluation reserve is required by the Companies Act 2006 and represents the amount by which the valuation of the buildings exceeds their historical cost or purchase price.

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

The Fixed assets fund was set up to cover the cost of leasehold improvements and furnitures associated with the office move. Other designated fund has been set up to enable the Charity to invest in service developments.

Notes to the Financial Statements (continued)

For the year ended 31 March 2015

16. Restricted funds

	Movement in funds				Balance 31 March 2015 £'000
	Balance 31 March 2014 £'000	Incoming Resources £'000	Gains (losses) and transfers £'000	Expenditure £'000	
Operational and other services	2,487	20,663	(724)	(19,932)	2,476
Other restricted funds:					
Lankelly Foundation	73	119	-	(187)	5
Triangle Trust 1949 fund	-	-	-	-	-
Barclaycard Horizon	-	-	-	-	-
Other Trust funds – Revenue	64	20	-	(31)	53
Edith & W Morgan Mental Health – Capital	313	-	16	-	329
Other Trust funds – Capital	165	-	8	-	173
	615	139	24	(218)	560
Total Company	3,102	20,802	(717)	(20,150)	3,036
Nora Henry Trust - Revenue	49	52	-	(69)	32
Other trust funds - Revenue	411	267	-	(242)	436
Group restricted funds	3,562	21,121	(717)	(20,462)	3,504
Pension scheme reserve	(4,186)	-	(2,290)	-	(6,476)
Group restricted funds including pension scheme reserve	£(624)	£21,121	£(3,007)	£(20,462)	£(2,972)

- The restricted funds comprise two main elements – the unexpended income from the operational services and unexpended income of both endowed and non-endowed trust funds. The operational restricted funds represent funded projects and services run by Family Action. The balance at 31 March 2015 consists mainly of start-up funding on new projects not yet spent and funding to be carried forward as agreed with individual funders
- As explained in note 18, Family Action administers endowed funds. The unexpended income from the funds is carried forward under its restricted purpose.
- In addition to the endowed funds, Family Action administers income received from 30 Trusts and organisations. It distributes this income in the form of grants to individuals. The unexpended income from these sources is carried forward as restricted funds.
- Sufficient resources are held in an appropriate form to enable each fund to be applied in accordance with the restrictions imposed.

Notes to the Financial Statements (continued)

For the year ended 31 March 2015

17. Big Lottery Fund Grants

These funds are part of statutory funding in restricted funds

	Project Ref. Number	Movement in funds			Balance 31 March 2015 £'000
		Balance 31 March 2014 £'000	Incoming Resources £'000	Outgoing Resources £'000	
Haringey Improving Futures	010026217	-	224	(224)	-
Southend Improving Futures	010027568	-	206	(206)	-
Wandsworth Young Carers	010228817	-	1	(1)	-
Hackney BME Well Family	010056993	-	143	(143)	-
Building Bridges Plus	30112998	-	105	(105)	-
Canterbury Advice Service	30115444	-	61	(61)	-
Perinatal (Swaffham, Hackney and West Mansfield)	30115806	-	165	(165)	-
Heritage Lottery Fund-Swaffham	OH-12-12282	-	31	(31)	-
		£-	£936	£(936)	£-

18. Endowment funds

Permanent Endowments

	Charity Reg. Number	Movement in funds			Balance 31 March 2015 £'000
		Balance 31 March 2014 £'000	Additions £'000	Unrealised Gains/(Losses) £'000	
Caterham Whyteleafe Trust	272724	676	-	35	711
Eleanor Ponsonby Trust	275060	1,083	-	56	1,139
FWA Greater London Relief In Need Charity	1006487	386	-	20	406
FWA National Relief in Need	231205	271	-	14	285
FWA Relief in Need Charity For the Aged	237118	888	-	46	934
FWA Relief in Sickness Charity	264713	241	-	13	254
Limpsfield Convalescence Fund	208536	148	-	8	156
Women's Holiday Fund	207455	860	-	45	905
Green Bequest Fund	252152	114	-	6	120
Metropolitan Visiting and Relief Association	251586	343	-	18	361
Queen Adelaide Fund	207228	245	-	13	258
Bishop Andrews Charity	205288	113	-	6	119
Cumberland Benevolent Fund	231206	110	-	6	116
Other funds (balances < £100,000)		672	-	33	705
		£6,150	-	£319	£6,469

Notes to the Financial Statements (continued)

For the year ended 31 March 2015

18. Endowment Funds (continued)

	Movement in funds				
	Charity Reg. Number	Balance 31 March 2014 £'000	Additions £'000	Unrealised Gains/(Losses) £'000	Balance 31 March 2015 £'000
Expendable endowments					
Nora Henry Trust	313949	1,593	-	83	1,676
British War Refugees Fund	251578	176	-	9	185
Fenton Trust	247552	575	-	30	605
Lamming Will Trust	216257	180	-	9	189
Alfred de Rothschild Trust	201625	289	-	15	304
Other funds (balances < £100,000)		304	-	17	321
		3,117	-	163	3,280
Total endowment funds		£9,267	-	£482	£9,749

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

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

19. Analysis of Group Net Assets between funds

	Unrestricted funds £'000	Restricted funds £'000	Endowment funds £'000	Total funds £'000
Fund balances at 31 March 2015 are represented by:				
Tangible fixed assets	785	-	-	785
Investments	-	500	9,749	10,249
Current assets	3,517	5,937	-	9,454
Current liabilities	(734)	(2,934)	-	(3,668)
Pension scheme deficit	-	(6,476)	-	(6,476)
Total net assets	£3,568	£(2,973)	£9,749	£10,344
Unrealised gains included above:				
Tangible fixed assets	319	-	-	319
Investment assets	-	183	5,449	5,632
Total unrealised gains at 31 March 2015	£319	£183	£5,449	£5,950
Reconciliation of movements in unrealised gains on investment assets:				
Unrealised gains at 31 March 2014		159	4,967	5,126
Add: net gain/(loss) arising on revaluations in year		24	482	506
Unrealised gains/(loss) at 31 March 2015		£183	£5,449	£5,632

Notes to the Financial Statements (continued)

For the year ended 31 March 2015

20. Leasing Commitments

At 31 March 2015 the group had annual commitments under non-cancellable operating leases as detailed below

Operating leases which expire

- within one year

- within two to five years

- over five years

	2015 Land and Buildings £'000	2015 Other £'000	2014 Land and Buildings £'000	2014 Other £'000
	223	5	205	30
	38	-	-	-
	275	6	-	-
	£536	£11	£205	£30

21. Conduit Funds

Family Action manages and disburses funds on behalf of a number of organisations. The value of these funds at 31 March 2015 is stated below:

Motor Insurance Bureau

Deputy and Trusteeship Services

	Balance 31 March 2014 £'000	Incoming funds £'000	Outgoing funds £'000	Balance 31 March 2015 £'000
	102	20	(16)	106
	759	1,251	(1,211)	799
	£861	£1,271	£(1,227)	£905

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

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

22. Results of the Company

As permitted by Section 408 of the Companies Act 2006, the Statement of Financial Activities and Income and Expenditure Account of the Parent Charitable Company has not been presented as part of these financial statements. Net incoming resources before other recognised gains or losses was a surplus of £421k (2014:£77k surplus). The results of the parent undertaking (including all realised and all realised gains and losses) for the year ended 31 March 2015 was a net deficit of £2,431k (2014:£758k deficit).



LIST OF SUPPORTERS 2014-15

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

Adobe Systems UK
 AKO Capital LLP
 Almary Green Investments Ltd
 Annie Tranmer Charitable Trust
 Aurora Project
 Barbour Foundation
 Barclays
 Baron Davenport's Charitable Trust
 BBC Children in Need
 Bewley Charitable Trust
 Big Lottery Fund
 Boots
 C B & H H Taylor 1984 Trust
 Cafe Nero
 Camelia Trust
 Capita
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 Clyde & Co. LLP
 Comic Relief
 Danone UK Limited
 David and Claudia Harding Foundation
 Davis Rubens Charitable Trust
 Deakin Charitable Trust
 Debevoise & Plimpton LLP
 Dentsu Aegis Network
 Dimension Data UK
 DM Thomas Foundation (Formerly Hilton in the Community)
 Dow Jones
 Eastlea Community School
 Edinburgh Trust No.2 Account
 Eric W Vincent Trust
 Ethical IT
 Five Foot Six
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 Haringey Borough Council - One Borough One Future
 Harris and Sheldon Group Ltd
 Heritage Lottery Fund
 Hesselwood Children's Trust
 HMRC
 Huntress Group
 Idexx laboratories
 IKEA
 IMI plc
 James Wise Charitable Trust
 Joseph Hopkins Charity
 Kensington and Chelsea District Nursing Trust
 Kindness Offensive
 King's Preparatory School
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 Meadowhead Physiotherapy
 Merlin Primary School
 Michael Cornish Charitable Trust
 Mickleham Charitable Trust
 National Association of Head Teachers
 NEG UK Plumbing Services
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 Rosa
 Sheffield and District Hospital Services Charitable Fund
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 Silverstone UTC
 Simon Heller Charitable Settlement
 Sir John Sumner's Trust
 Social Action Fund
 St Andrews Church of England Primary School
 St. Mary's Eastling
 Sylvia Adams Charitable Trust
 Tesco
 The Mansfield Building Society
 The Ballinger Charitable Trust
 The Calpe Trust
 The Casey Trust
 The Charles Wolfson Charitable Trust
 The Communications Group
 The Eric F Sparkes Charitable Trust
 The Eveson Charitable Trust
 The Forest Hill Charitable Trust
 The G M Morrison Charitable Trust
 The Geoffrey Watling Charity
 The Green Trust
 The Hackney Parochial Charities
 The Hedley Foundation Ltd
 The Huntress Group
 The Ian Askew Charitable Trust
 The J Reginald Corah Foundation
 The John Ellerman Foundation
 The Keith and Joan Mindelsohn Charitable Trust
 The LankellyChase Foundation
 The Monument Trust
 The Paul Bassham Charitable Trust
 The Pennycress Trust
 The Privy Purse Charitable Trust
 The Rothley Trust
 The Saintbury Trust
 The Salamander Charitable Trust
 The Scots Guards
 The Scurrah Wainwright Charity
 The Shelroy Trust
 The Sir James Knott Trust
 The Sir Jeremiah Colman Gift Trust
 The Swire Charitable Trust
 Toureen Mangan
 Trade and Export Finance Limited
 Trinity Mirror Plc
 Trinity Oakfield
 West Kidlington Primary & Nursery Schools
 William Shewsbury Primary School
 WSP Group
 Yorkshire Building Society Charitable Foundation

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

