



Family Links (Educational Programmes)
(A company limited by guarantee)

Report and Financial Statements
for the year ended
31st August 2017

Registered charity number: 1062514

Registered company number: 3323287

Family Links (Educational Programmes)

Report of the Trustees for the year ended 31st August 2017

The trustees are pleased to present their annual report together with the financial statements of the charity for the year ended 31st August 2017 which are also prepared to meet the requirements of a directors' report and accounts for Companies Act purposes.

The financial statements comply with the Charities Act 2011, the Companies Act 2006, the Memorandum and Articles of Association, and Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2016).

Reference and administrative details

Charity number: 1062514
Company number: 03323287
Registered office: Units 2&3 Fenchurch Court, Bobby Fryer Close, Oxford, OX4 6ZN

Our advisers

Auditors Wenn Townsend, 30 St Giles, Oxford, OX1 3LE
Bankers CAF Bank Ltd, 25 Kings Hill Avenue, West Malling, Kent, ME19 4JQ

Directors and trustees

The directors of the charitable company are its trustees. Trustees and officers serving during the year and since the year-end were as follows:

Trustees

Sarah Hargreaves (Chair)
Rosalind Portman
Debbie Cowley
Vanessa Emmett
Shaila Khan
Geoffrey McDonald
Avril McIntyre (appointed 14th February 2017)

Key Management personnel

Nick Haisman-Smith	–	Chief Executive Officer (left, January 2018)
Sally Alden	–	(Executive) Director of Fundraising and External Relations
Gail Allan	–	(Executive) Director of Business Development (left, December 2017)
Sarah Darton	–	(Executive) Director of Programmes, CEO from January 2018
Gina Hocking	–	Chief Operations Officer (left, December 2017)

Family Links (Educational Programmes)

Report of the Trustees for the year ended 31st August 2017

Structure, Governance and Management

Governing Document

Family Links (Educational Programmes) is a charitable company governed by its Memorandum and Articles of Association. The company was incorporated on 24th February 1997. At their AGM on 15 November 2016, the directors (trustees) of Family Links agreed to adopt a new constitution, as set out in the document entitled Family Links Articles of Association 15 November 2016, to take effect immediately. This new constitution replaced the Articles of Association dated 21 February 1997.

Appointment of Trustees

As set out in the Articles of Association, the chair of the trustees is elected by the trustees. New trustees are co-opted onto the board of trustees. The term of service for a trustee is 4 years, renewable once, hence is usually not more than 8 years. The trustees may extend the term of service. At each Annual General Meeting one quarter, or if their number is not four or a multiple of four, the nearest to one quarter, of the trustees must retire from office.

Trustee induction and training

Potential and new trustees are given a copy of the Charity Commission publication "The Essential Trustee: What you need to know", together with the most recent annual report, the development plan, a Directors' Handbook and other relevant papers and materials relating to Family Links. They are invited to meet the staff and observe Family Links training courses, where appropriate.

Organisation

The board of trustees administers the charity. The board meets every three to four months. The Chief Executive is appointed by the trustees to manage the day-to-day operations of the charity, and has delegated authority, within terms of delegation approved by the trustees, for operational matters, including finance, employment and trainings. In 2016-17, the CEO headed a senior leadership team comprising Chief Operations Officer, (Executive) Director of Programmes, (Executive) Director of Business Development, Head of Finance and (Executive) Director of Fundraising and External Relations.

Related parties and co-operation with other organisations

None of the trustees receive remuneration or other benefit from their work with the charity. Family Links is a sponsor of the Blackbird Academy Trust and in its role as sponsor, it offers free training and support for staff in the Trust schools. The value of this offer amounted to £9,932 in the period under review. Trustee donations to Family Links totaled £14,313 in the year (2016 - £2,000).

Pay policy for senior staff

Family Links has a pay policy for senior staff, which ensures that salary decisions take into account motivation, retention, affordability, appropriateness for the sector and the beneficiary context, and impact on the organisation as a whole. The pay of all staff is reviewed annually and any increase, which is applied to all staff, is approved by the trustees. In recent years, increases have been between 0% and 1.5%.

Principal risks and uncertainties

As part of the annual business and budgeting planning process, the leadership team present the trustees with an analysis of the key risks facing the organisation. These include reputation, people and implementation, and market and financial risks. The trustees then sign off the analysis when they sign off the business plan.

In 2016-2017 the key risks centred on the funding difficulties faced by Family Links' key customers, which has caused a general weakness in demand for training in parenting support. The main mitigation comprised investment in the development of new programmes in addition to the 10-week programme.

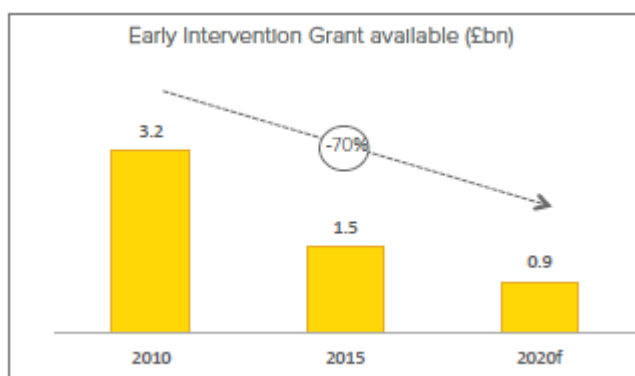
Family Links (Educational Programmes)

Report of the Trustees for the year ended 31st August 2017

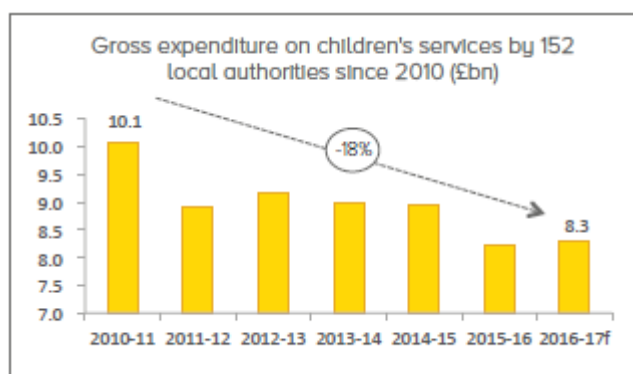
Chair's report

Family Links has faced a challenging year with a drop in revenue from training and a corresponding drop in our reserves. The organisation has responded by restructuring to reduce its cost base and to create a financial and operational equilibrium. Despite the decline in income, Family Links was able to reach nearly as many parents as in the previous year - 16,401 parents received programme resources in 2016-17, compared to 17,812 parents in 2015-16.

The context in which we currently operate is challenging. As the John Ellerman Trust noted last year, *"Financial pressures resulting from deepening local authority funding cuts and a government shift from more flexible grants to contracting for services have hit small to medium-sized charities hardest"*. During the year we benefited from market research by NumbersForGood (funded by Big Potential) which brought home the scale of the decline in funding available for early intervention, as illustrated by the following charts:



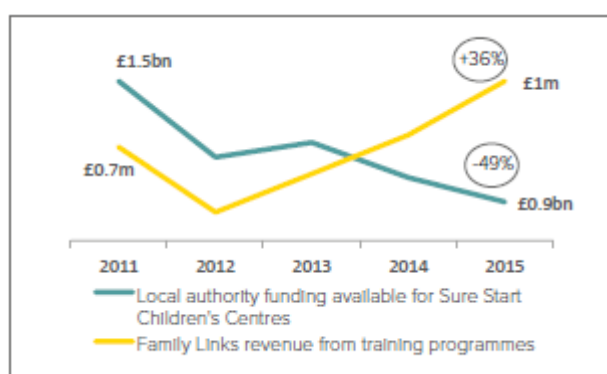
The Early Intervention Grant funds much of the training commissioned from Family Links by children's centres and early years' services.



Despite this context, over the years 2010 – 2015 the demand for Family Links programmes continued to grow and revenue from training increased by nearly one third.

Family Links (Educational Programmes)

Report of the Trustees for the year ended 31st August 2017



Despite the popularity of Family Links programmes, the pressure on local authority budgets in 2016-17 ultimately fed through to the Family Links' order book and over the course of the year, training revenue fell back to its 2011 level.

The response from the Leadership Team has been systematic. The focus has been to create a sustainable basis for financing the work with families and children, without a detrimental effect on impact and reach. To this end:

1. Staffing costs have been reduced. By the end of January 2018, the staff headcount had been reduced to 14, (FTE 11.3) with an ongoing saving in salaries of approximately £40K per month. This includes a reduction in the number of Executive Directors from 5 to 3.
2. Family Links is developing new training and resources to enable practitioners to use the programme with higher need families. The budgets for work with these families have been less hard hit by funding cuts.
3. Operational and other indirect costs have been reduced, and the Hull Office has been closed.

Family Links CEO, Nick Haisman Smith, resigned in January 2018 and Sarah Darton, previously Executive Director of Programmes, has been appointed as CEO.

The trustees of Family Links are confident that the organisation has taken the right steps towards minimising financial risk. The market context remains uncertain, given the pressures on commissioners' budgets, but the order book and fundraising resources are currently on budget for 2017-2018, and the finance subgroup of trustees, executive directors and Nigel Hamway, (former Chair of Trustees) meet monthly to monitor progress against Key Performance Indicators.

Sarah Hargreaves

Family Links (Educational Programmes)

Report of the Trustees for the year ended 31st August 2017

Summary of purposes and activities

The purposes of Family Links as set out in the objects contained in the company's memorandum of association are:

- To encourage and teach nurturing and relationship skills and the prevention of neglect and abuse, through schools, colleges and other educational settings; and
- To promote public understanding of the importance of the education of emotional self-awareness.

In order to achieve the charitable aims of the organisation, Family Links offers training in the Nurturing Programme to a wide range of professionals working with children and families, including teachers and other school staff, children's centre practitioners, and health professionals. This enables them to support the development of the emotional health of parents, children and teachers, and the relationships between them.

Public Benefit

The trustees have complied with their duty to have due regard to the guidance on public benefit published by the Charity Commission in exercising their powers and duties.

Family Links' activities in 2016-17 were centred around the strategic goals set out by the trustees for the two year period ended 31st August 2017. These goals had been set in the context that the local authorities and other commissioners of our trainings were operating in a very tight financial context, due to government austerity measures. These goals were:

Goal 1: Reach more parents and children through our trainings and materials

Goal 2: Know that we have a positive impact and communicate it

Goal 3: Ensure our organisational values actively inform our work

Goal 4: Ensure our long term financial sustainability

Performance

Goal 1: Reach more parents and children through our trainings and resources

Delivery of training courses

The delivery of training for the year was lower than planned. The decline in funding particularly impacted training in the 10-week Nurturing Programme and the antenatal programmes, as well as our training in the educational sector. This was only slightly ameliorated by an increase in training in working 1:1 with parents. We trained 352 new parent group leaders, compared to a figure of 850 in the previous 17-month period. The number of educational practitioners trained (including teachers and trainee teachers) was 2,071 in 2016-2017 compared with 2,776 in the previous 17-month period to August 2016.

The decline in revenue from training in 2016-2017 has led to cautious budgeting in 2017-2018, and the budget is being tracked closely by a finance sub-committee.

Sales of Resources

Our resources are purchased by practitioners who use them in their work with families and children. Overall, sales of resources were comparable with the previous 17-month period, increasing by 2% on an annualised basis.

Family Links (Educational Programmes)

Report of the Trustees for the year ended 31st August 2017

Sales of Resources (continued)

If sales of copies of The Parenting Puzzle and other parent-centred resources are used as a measure of how many parents we have reached, we fell slightly short of reaching the number of parents that we had reached over the previous 12 months, 14,725 compared to 16,455. However, the question of whether resources are being reused by practitioners with parents, or not being provided at all, makes us less confident in using it as a measure of our reach. As we have not identified a more reliable measure of our reach, we continue to track this in the same way, confident that any degree of error would be an underestimate.

Sales of Training Courses

The 2016 Impact Report was published in October 2016 and gave a thorough account of how the work of Family Links impacts on the lives of our beneficiaries and those who work with them.

We have developed new programmes to meet specific needs in the community, including more work with parents of teenagers and an online module focused on emotional and mental health in school. Our research with the Colebrooke Centre has resulted in an updating of our core programmes and resources. Our research into the importance and impact of emotional health for all adults, as well as children, has resulted in programmes developed with and for organisations interested in the emotional wellbeing of their staff through a new Emotional Health at Work strand.

We have invested in a Customer Relationship Management system to improve our communication with our partners and trained practitioners and to reach more potential partners.

We have developed two new websites: Emotional Health at School and Emotional Health at Work.

Goal 2: Know that we have a positive impact and communicate it

The final report of the service evaluation of the Welcome to the World programme by the University of Hull was completed in October 2016 with presentations at conferences and events on the findings. Papers are also being submitted to journals for publication.

Detailed work by the Colebrooke Centre on the evidence base for the Nurturing Programme was completed with subsequent updating of training and resources. The Colebrooke Centre is submitting papers for publication on the process.

Expressions of interest were sought from research teams to become partners with Family Links in taking forward the evaluation of the 10-week Nurturing Programme for parents. Partners were identified and progress will depend upon funding opportunities.

A service evaluation of the Talking Teens programme is in progress and learning partnerships with local authorities including Middlesbrough, Luton and Hampshire have been initiated.

We have contributed to the growing interest and discussion around emotional and mental health through research on the concept of Emotional Health for All. In collaboration with the Institute for Public Policy Research (IPPR) we are working on a major report on emotional health in the workplace, to be published in 2018.

Goal 3: Ensure our organisational values actively inform our work

The staff team spent time at the team away days working on how to articulate and implement our organisational values into our work. There was a trial of including values-based competencies into the performance review process and this will be reviewed in 2017-2018.

Family Links (Educational Programmes)

Report of the Trustees for the year ended 31st August 2017

Goal 4: Ensure our long term financial sustainability

Financials

Whilst we aim to ensure that all our training and resource sales make some degree of contribution towards overheads, we were very much aware of the strictures placed upon our customers and offered some promotions. These supported our reach to parents and children and ensured income that would otherwise not have been ours, but reduced that level of contribution.

Our cost base was kept within the budgets set, but had been increased towards the end of the 2016 financial year so that employment costs were budgeted at 18% higher (annualized) than in the previous year. Although we managed by the end of the financial year to reduce our cost base to a level below the budget, costs were significantly higher than revenue.

We invested into SAP accounting software, with the aim of improving efficiency of internal financial reporting. The transition took longer than expected, and efficiencies were not realised until after the end of the financial year under review. To the same end, we also invested in new Customer Relationship Management software, which was not fully operational by the end of the financial year.

We continued to raise funds primarily through applications for donations and grants from major trusts. An additional member of staff had been appointed to assist in the fundraising effort, but the target set for the financial year proved unreachable even with the additional resource.

The details of how we performed against our financial goals are included in the financial review and the chair's report.

Financial review

It became apparent at the point of our mid-year reforecast that whilst we were successfully keeping our cost base below budget, our income streams were insufficient to cover the anticipated costs for the year. Our initial response was to increase the effort into reaching customers, with the aim of boosting income from training. This was unsuccessful, and we turned instead to the difficult task of reducing our costs by downsizing our staffing resource to match the funds available to sustain us. This has, of course, resulted in the need to prioritise activities which are essential over those which are nice to have. The process of restructuring took several months, and we were still part-way through this process at the end of the financial year, when our outgoings had exceeded our income by nearly £360K.

The decline in our training income was chiefly from the 10-week Nurturing Programme, which dropped from 69% of our training income to 60% of an income figure 20% lower than in the previous period (annualised). Our investment in diversified programmes paid off to some extent, as we experienced actual growth in our Teens Programme, Parenting Puzzle Workshops, and the Working 1:1 Programmes. Income from training in the Education sector dropped away in line with the general decline, remaining at 9% of the total training income.

Sales of resources, having experienced a proportionate decline in the 2015-16 financial year, returned to raising 22% of our total income for the year. The cost of resource sales was 25% higher than in the previous financial year, both because of increase supplier costs, and because of promotional discounts offered to customers periodically through the year.

Donations and grants as a percentage of total revenue decreased from 27% in 2015-16 to 25% in 2016-17. This was an actual decrease of 19% (annualised), which arose both through our having no replacement funding following the final year of our support from Impetus PEF, and from comparison with the boost to the previous year's income of the grant from the Department for Education. There was, of course, an equivalent reduction in related expenditure in the year under review for the DfE project.

(continued...)

Family Links (Educational Programmes)

Report of the Trustees for the year ended 31st August 2017

Financial Review (*continued*)

Our commitment to staff costs for the year had been set at a higher level than in earlier years, and was predicated upon higher training income than we were able to attain. We also invested (with funding from Big Potential) into market research and into programme development, with a significant outlay for our new online module, Mental and Emotional Health in Schools. Further investment went into working with the Institute for Public Policy Research to write a report on Emotional Health in the Workplace. The intention had been for the research and development costs to be funded by our reserves, but with the lower level of operational income, we were also obliged to fund much of our employment costs from reserves, until, following due process, we were able to reduce them to within our means.

Investment powers and policy

The trustees aim to ensure that sufficient liquidity remains available to the charity at all times to cover expenditure arising in accordance with the strategic plan. In order to allow for income failing to meet strategic targets, investment decisions are made conservatively, taking into account both the forecast cash flow for the ensuing periods, and historic spending patterns. The decision taken in October 2016 to reinvest only half of the capital on our matured fixed deposit proved to have been wise, as we used more than the £200,000 released into cash flow to fund operations during the difficult financial year. Our smaller one-year fixed deposit, yielding 1.29% interest, matured on 20th November 2017, and was not reinvested. Going forward, our intention is to invest in shorter-term deposits, to allow more flexibility with our cash, until we have sufficient funds in reserves to make longer investments once more.

Reserves policy and going concern

Our reserves policy is regularly reviewed to take into consideration the long-term impact of necessary investment into programme development and evaluation, and the need for financial security in economically uncertain times. The trustees agreed at our planning stage for 2015-16 that we would continue to invest in programme development and evaluation over the coming years, allowing the reserves to reduce to 6 months' worth of fixed costs by 31st March 2018. In the 17-month financial period to 31st August 2016, our free reserves had decreased to £591,267 representing 6.5 months' of budgeted fixed costs. By the 31st August 2017, our free reserves had dipped still further to £223,489 representing only 3.6 months' worth of fixed costs. This was clearly not the required outcome of the earlier strategic plan, and we changed our plan to respond to events. At the time of writing this report, our reserves have stabilised, and free reserves cover 4 months' worth of fixed costs. We are on track to return to the 6 months' cover of fixed costs by the end of the 2017-18 financial year.

Plans for the future

- Continued promotion and development of digital ways of reaching parents, practitioners and teachers via relationships with Netmums, Channel Mums and Virtual College
- Dissemination of more targeted programmes, including the HAPPY programme focusing on childhood obesity, developed with Bradford Teaching Hospitals FoundationTrust, and training and resources for working 1:1 with parents
- Working in a more intensive way with schools to support a whole school approach to emotional and mental health
- Continued promotion of the importance of emotional health at home, at school and at work.

Family Links (Educational Programmes)

Report of the Trustees for the year ended 31st August 2017

Trustees' Responsibilities

The Trustees are responsible for preparing a trustee's annual report and financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the charity trustees to prepare financial statements for each 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 charity for that period. In preparing the financial statements, the trustees are required to:

- select suitable accounting policies and apply them consistently;
- observe the methods and principles in 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 presume that the charity will continue operating;

The Trustees are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the charity 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 charity and hence taking reasonable steps for the prevention and detection of fraud and other irregularities.

The trustees are responsible for the maintenance and integrity of the corporate and financial information included on the charitable company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Statement as to disclosure to our auditors

In so far as the trustees are aware at the time of approving our trustees' annual report:

- there is no relevant information, being information needed by the auditor in connection with preparing their report, of which the charity's auditor is unaware, and
- the trustees, have taken all steps that they ought to make themselves aware of that information.

This report has been prepared having taken advantage of the small companies exemption in the Companies Act 2006.

By order of the board of trustees.

Sarah Hargreaves (Chair)

23rd March 2018

Family Links (Educational Programmes)

Independent auditors' report to the members of Family Links (Educational Programmes)

Opinion

We have audited the financial statements of Family Links (Educational Programmes) (the 'charitable company') for the year ended 31st August 2017 which comprise of the statement of financial activities, balance sheet, statement of cashflows and notes to the financial statements, 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).

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

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31st August 2017, and of 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.

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.

Other information

The trustees are responsible for the other information. The other information comprises the information included in the trustees' annual report other than the financial statements and our auditor's report thereon. 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.

[continued ...]

Family Links (Educational Programmes)

Independent auditors' report to members of Family Links (Educational Programmes) (continued)

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' report (incorporating the directors' report) for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the trustees' report has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of our knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the [strategic report and the]⁴ 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, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit ; or
- the trustees were not entitled to prepare the financial statements in accordance with the small companies' regime and take advantage of the small companies' exemptions in preparing the directors' report and from the requirement to prepare a strategic report.

Responsibilities of trustees

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 the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

*Lee Baker BA ACA
Senior Statutory Auditor
For and on behalf of Wenn Townsend
Statutory Auditor
Oxford*

Family Links (Educational Programmes)

Statement of Financial Activities (including income and expenditure account) for the year ended 31st August 2017

	Note	Unrestricted Funds £	Restricted Funds £	Year Total 2017 £	Unrestricted Funds £	Restricted Funds £	17-months Total 2016 £
Income							
<i>Donations and Grants</i>	3	201,157	123,958	325,115	313,920	254,057	567,977
<i>Income from charitable activities:</i>							
Provision of training and development	4a	672,665	-	672,665	1,147,264	-	1,147,264
Sale of support resources	4b	280,229	-	280,229	388,063	-	388,063
<i>Investment income</i>	5	2,633	-	2,633	6,811	-	6,811
Total income		<u>1,156,684</u>	<u>123,958</u>	<u>1,280,642</u>	<u>1,856,058</u>	<u>254,057</u>	<u>2,110,115</u>
Expenditure							
<i>Costs of raising funds:</i>							
Fundraising costs	6	62,866	1,313	64,179	61,597	-	61,597
<i>Expenditure on charitable activities:</i>	7						
Cost of training and development		1,282,605	100,566	1,383,171	1,609,749	257,600	1,867,349
Sale of support resources		186,742	6,099	192,841	202,450	16,505	218,955
Total expenditure		<u>1,532,213</u>	<u>107,978</u>	<u>1,640,191</u>	<u>1,873,796</u>	<u>274,105</u>	<u>2,147,901</u>
Net income/(expenditure) and net movement in funds for the period		(375,529)	15,980	(359,549)	(17,738)	(20,048)	(37,786)
Reconciliation of funds							
Total Funds brought forward		642,352	37,169	679,521	660,090	57,217	717,217
Total Funds carried forward		<u>266,823</u>	<u>53,149</u>	<u>319,972</u>	<u>642,352</u>	<u>37,169</u>	<u>679,521</u>

The statement of financial activities includes all gains and losses recognised in the period.

All income and expenditure derive from continuing activities.

Family Links (Educational Programmes)

Balance Sheet As at 31st August 2017

	Note	2017	2016
		£	£
Fixed assets			
Tangible assets	12	43,334	51,085
		<u>43,334</u>	<u>51,085</u>
Current assets			
Stocks		58,911	47,985
Debtors	13	125,915	119,330
Short term investments		200,000	400,000
Cash at bank and in hand		211,028	409,300
		<u>595,854</u>	<u>976,615</u>
Creditors: amounts falling due within one year	14	(319,216)	(348,179)
Net current assets		<u>276,638</u>	<u>628,436</u>
Net assets		<u>319,972</u>	<u>679,521</u>
The funds of the charity:			
Unrestricted income funds		266,823	642,352
Restricted income funds	16	53,149	37,169
Total charity funds		<u>319,972</u>	<u>679,521</u>

The financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies' regime. The financial statements on pages 12 to 24 were approved by the Trustees on 23rd March 2018 and signed on their behalf by:

.....
Rosalind Portman

Registered Company No: 3323287

Family Links (Educational Programmes)

Statement of Cash Flows for the year ended 31st August 2017

	Year Total 2017 £	17-months Total 2016 £
Cash flows from operating activities		
Net movement in funds	(359,549)	(37,786)
Adjustments for:		
Depreciation	28,708	30,310
Interest receivable	(2,633)	(6,811)
Working Capital Changes:		
Movement in current assets:		
(Increase)/decrease in stock	(10,926)	11,231
(Increase)/decrease in debtors	(6,585)	98,271
Movement in current liabilities:		
(Decrease) in creditors	(28,963)	(53,415)
Net cash (outflow)/inflow from operating activities	(379,948)	41,800
Cash flows from investing activities		
Interest received	2,633	6,811
Purchase of tangible fixed assets	(20,957)	(42,224)
Cash used in investing activities	(18,324)	(35,413)
(Decrease)/increase in cash and cash equivalents in the period	(398,272)	6,387
Cash and cash equivalents at the beginning of the period	809,300	802,913
Total cash and cash equivalents at the end of the period	411,028	809,300

Family Links (Educational Programmes)

Notes to the accounts for the year ended 31st August 2017

1 Accounting policies

The principal accounting policies adopted, judgements and key sources of estimation uncertainty in the preparation of the financial statements are as follows:

a) Basis of preparation

Family Links is a company limited by guarantee in England and Wales, and has no share capital. In the event of the charity being wound up, the liability in respect of the guarantee is limited to £10 per member of the charity. The address of the registered office is given in the charity information on page 1 of these financial statements. The nature of the charity's operations and principal activities is to encourage and teach nurturing and relationship skills and the prevention of neglect and abuse, through educational institutions, families and the community, and to promote public understanding of the importance of education of emotional self-awareness.

The charity constitutes a public benefit as defined by FRS 102. The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) issued on 16 July 2014 (as updated through Update Bulletin 1 published on 2 February 2016), the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102), the Charities Act 2011, the Companies Act 2006 and Generally Accepted Accounting Practice.

The financial statements are prepared on a going concern basis under the historical cost convention, modified to include certain items at fair value. The financial statements are presented in sterling, which is the functional currency of the charity.

The significant accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all years presented unless otherwise stated.

b) Going concern

The financial statements have been prepared on a going concern basis as the trustees believe that no material uncertainties exist. The trustees have considered the level of funds held and the expected level of income and expenditure for 12 months from authorising these financial statements. The budgeted income and expenditure is sufficient with the level of reserves for the charity to be able to continue as a going concern.

c) Income

Income is included when the charity has entitlement to the funds, any performance conditions attached to the item(s) of income have been met, it is probable that the income will be received and the amount can be measured reliably.

Income from government and other grants, whether 'capital' grants or 'revenue' grants, is recognised when the charity has entitlement to the funds, any performance conditions attached to the grants have been met, it is probable that the income will be received and the amount can be measured reliably and is not deferred.

Income received in advance of training courses being provided is deferred until the criteria for income recognition are met (see note 14).

Family Links (Educational Programmes)

Notes to the accounts for the year ended 31st August 2017 (continued)

Accounting policies (continued)

d) Donated services and facilities

Donated professional services and donated facilities are recognised as income when the charity has control over the item, any conditions associated with the donated item have been met, the receipt of economic benefit from the use by the charity of the item is probable and that economic benefit can be measured reliably.

On receipt, donated professional services and donated facilities are recognised on the basis of the value of the gift to the charity which is the amount the charity would have been willing to pay to obtain services or facilities of equivalent economic benefit on the open market; a corresponding amount is then recognised in expenditure in the period of receipt.

e) Interest receivable

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the charity; this is either upon notification of the interest paid or payable by the bank or after calculation of interest due based on terms of the deposit certificate.

f) Fund accounting

Unrestricted funds are available to spend on activities that further any of the purposes of the charity. Restricted funds are donations which the donor has specified are to be solely used for particular areas of the charity's work.

g) Expenditure and irrecoverable VAT

Expenditure is included once there is a legal or constructive obligation to make a payment to a third party, it is probable that settlement will be required and the amount of the obligation can be measured reliably. Expenditure is classified under the following activity headings:

- Costs of raising funds comprise a proportion of employment costs of staff working on fundraising events and grant applications, and any costs accruing to those activities.
- Expenditure on charitable activities includes all costs incurred in providing training courses and in supplying support resources, as well as costs incurred in developing new training formats and resources and other programme delivery costs.
- Other expenditure represents those items not falling into any other heading.

Irrecoverable VAT is charged as a cost against the activity for which the expenditure was incurred.

h) Allocation of support costs

Support costs are the functions that assist the work of the charity but do not directly undertake charitable activities. Support costs include the cost of external relations, business development, evaluation, operational back office costs, finance, personnel, payroll and governance costs which support the charity's activities. The bases on which support costs have been allocated are set out in note 9.

i) Operating leases

The charity classified the lease of photocopiers and mobile phones as operating leases; the title to the equipment remains with the lessor, and the equipment is replaced at the end of the lease term. Rental charges are charged on a straight line basis over the term of the lease.

Family Links (Educational Programmes)

Notes to the accounts for the year ended 31st August 2017 (continued)

Accounting policies (continued)

j) Tangible fixed assets

Individual fixed assets costing £250 or more are capitalised at cost and are depreciated over their estimated useful economic lives as follows:

Leasehold improvements	over the life of the lease
Computer equipment	33 1/3% straight line
Other office equipment	20% straight line

Website costs are accounted for through the statement of financial activities in the year in which they are incurred, and are not capitalised.

k) Stock

Stock consists of printed books, games, training resources and purchased goods for resale. Stocks are valued at the lower of cost and net realisable value. Donated items of stock are included at fair value which is the amount the charity would have been willing to pay for the items on the open market.

l) Debtors

Trade debtors are recognised at the settlement amount, and prepayments are valued at the amount prepaid.

m) Cash at bank and in hand

Cash at bank and in hand includes cash and short term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

n) Creditors and provisions

Creditors and provisions are included where the charity has a present obligation resulting from a past event that will probable result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably.

o) Employee benefits

When employees have rendered service to the charity, short-term employee benefits to which the employees are entitled are recognised at the undiscounted amount expected to be paid in exchange for that service.

The charity operates a defined contribution pension scheme. The cost of the contributions made to the scheme is charged to the SOFA as it becomes payable. The charity also runs an auto-enrolment pension scheme to comply with statutory requirements. The defined contribution from the charity is paid as the employer's contribution, whilst the employees' contributions are kept in line with the statutory minimum provision. Employees choosing to opt out of the auto-enrolment pension continue to have the employer's contribution made to their personal pension.

p) Taxation status

The charitable company is a registered charity with no trading activities and therefore has no liability to corporation taxation.

Family Links (Educational Programmes)

Notes to the accounts for the year ended 31st August 2017 (continued)

3 Income from donations and grants	Unrestricted	Restricted	Year Total 2017	17-months Total 2016
Donations	£	£	£	£
Doris Field Charitable Trust	-	-	-	2,000
The Dragon School	1,000	-	1,000	1,000
Mr James Emmett	2,000	-	2,000	2,500
Mr James Hanbury	20,000	-	20,000	15,000
Gilda and Christopher Haskins	1,000	-	1,000	1,000
Inchcape Foundation	2,000	-	2,000	4,000
Mr Christopher Jones	-	3,000	3,000	-
- Mr Christopher Jones matched funding	-	9,000	9,000	-
John Swire 1989 Charitable Trust	1,000	-	1,000	1,000
The Pease Charitable Trust	-	-	-	3,500
Mrs Rosalind Portman	-	14,313	14,313	2,000
SAGE Matched Funds	1,000	-	1,000	-
The Sandford Trust	-	-	-	500
Mr Jared Smith	-	-	-	1,000
St James's Place Charitable Foundation	2,500	-	2,500	-
St Michael's and All Saints	5,000	-	5,000	5,000
Others	1,991	-	1,991	5,936
Fundraising Events	3,687	-	3,687	-
Gift Aid recoverable	1,979	-	1,979	1,884
	<u>43,157</u>	<u>26,313</u>	<u>69,470</u>	<u>46,320</u>
Grants:				
Big Potential	-	27,365	27,365	-
Core Filing	-	5,000	5,000	5,000
Department for Education	-	-	-	142,463
The Dulverton Trust	25,000	-	25,000	-
The Esmée Fairbairn Foundation	-	49,030	49,030	-
Fossil Foundation	-	-	-	20,194
Garfield Weston Foundation	20,000	-	20,000	20,000
The Headley Trust	20,000	-	20,000	30,000
The Henry Smith Charity	-	-	-	40,000
Impetus – The Private Equity Foundation	-	-	-	125,000
John Ackroyd Charitable Trust	-	-	-	28,000
The John Ellerman Foundation	30,000	-	30,000	30,000
The Kiawah Charitable Trust	33,000	-	33,000	34,000
The Robert & Margaret Moss Charitable Trust	-	1,000	1,000	1,500
Pye Charitable Settlement	-	-	-	500
The Rayne Foundation	-	15,000	15,000	15,000
The Schroder Foundation	30,000	-	30,000	30,000
University of Hull	-	250	250	-
	<u>158,000</u>	<u>97,645</u>	<u>255,645</u>	<u>521,657</u>
Total Donations and Grants:	<u>201,157</u>	<u>123,958</u>	<u>325,115</u>	<u>567,977</u>

No income was generated during the period from Government grants (2016: £142,463 from the Department for Education).

Family Links (Educational Programmes)

Notes to the accounts for the year ended 31st August 2017 (continued)

4 Income from charitable activities

	Year Total 2017 £	17-months Total 2016 £
a) Training and development – unrestricted income		
Training, development and courses	459,060	763,500
<i>The Parenting Puzzle</i> sold with trainings	13,588	13,608
Games and manuals sold with trainings	96,021	190,799
Reimbursed expenses from trainings	103,996	179,357
	<u>672,665</u>	<u>1,147,264</u>
b) Sale of support resources:		
<i>The Parenting Puzzle</i>	132,644	191,656
Games, manuals and other resources	147,585	196,407
	<u>280,229</u>	<u>388,063</u>

5 Investment income

All of the charity's investment income of £2,633 (2016 – £6,811) arises from money held in interest bearing deposit accounts.

6	Analysis of fundraising costs	Unrestricted	Restricted	Year Total 2017 £	17-months Total 2016 £
	Note	£	£	£	£
		40,486	-	40,486	38,571
		1,449	-	1,449	2,381
		550	-	550	-
		-	1,313	1,313	807
		354	-	354	280
		1,117	-	1,117	1,475
	8	319	-	319	403
	9	18,591	-	18,591	17,680
		<u>62,866</u>	<u>1,313</u>	<u>64,179</u>	<u>61,597</u>

Family Links (Educational Programmes)

Notes to the accounts for the year ended 31st August 2017 (continued)

7 Analysis of expenditure on charitable activities

<i>Restricted funds</i>		Training & development £	Support Resources £	Year Total 2017 £	17-months Total 2016 £
	Note				
Wages and salaries		54,178	-	54,178	162,585
Pensions		-	-	-	4,547
Freelance fees		7,060	-	7,060	13,985
Evaluation and development costs		929	-	929	15,004
Travel, accommodation, subsistence		-	-	-	678
Training costs		6,460	-	6,460	23,135
Consultancy fees		23,760	-	23,760	9,157
Training and support resources		3,273	6,099	9,372	25,410
Donations		-	-	-	400
Governance costs	8	-	-	-	1,020
Support costs	9	4,906	-	4,906	18,184
		<u>100,566</u>	<u>6,099</u>	<u>106,665</u>	<u>274,105</u>
<i>Unrestricted funds</i>		Training & development £	Support Resources £	Year Total 2017 £	17-months Total 2016 £
Wages and salaries		563,203	66,792	629,995	696,495
Pensions		37,651	5,786	43,437	51,212
Consultancy & freelance trainers		132,470	-	132,470	192,886
Travel, accommodation & subsistence		64,611	-	64,611	104,704
Training materials		7,161	-	7,161	6,475
Games, manuals and resources		22,775	52,540	75,315	101,663
<i>The Parenting Puzzle</i>		1,778	16,986	18,764	24,085
Carriage of resources		4,426	13,115	17,541	30,275
Programme refreshments & expenses		42,674	-	42,674	64,013
College network costs & Prison Project		2,045	-	2,045	3,587
Evaluation and development costs		42,892	-	42,892	21,668
Promotion costs		57,309	-	57,309	71,059
Website maintenance		11,738	-	11,738	36,314
Professional indemnity insurance		2,807	-	2,807	3,783
Governance costs	8	4,874	532	5,406	9,002
Support costs	9	284,191	30,991	315,182	394,978
		<u>1,282,605</u>	<u>186,742</u>	<u>1,469,347</u>	<u>1,812,199</u>

Family Links (Educational Programmes)

Notes to the accounts for the year ended 31st August 2017 (continued)

8 Allocation of Governance costs

a) Unrestricted	Training & development £	Sale of support resources £	Fund- raising £	Year Total 2017 £	17-months Total 2016 £
Audit and accountancy	3,126	341	204	3,671	2,889
Other professional fees	36	4	3	43	4,234
Bank and transaction charges	777	85	51	913	1,756
Trustee meeting and travel costs	935	102	61	1,098	526
	<u>4,874</u>	<u>532</u>	<u>319</u>	<u>5,725</u>	<u>9,405</u>
b) Restricted	£	£	£	£	£
Audit and accountancy	-	-	-	-	1,020
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,020</u>

9 Allocation of support costs

a) Unrestricted	Training & development £	Sale of support resources £	Fund- raising £	Year Total 2017 £	17-months Total 2016 £
Postage, stationery & photocopying	10,746	1,172	703	12,621	12,635
Telephone and internet	5,468	596	358	6,422	7,468
Insurance	2,193	239	144	2,576	3,189
Rent and rates	57,932	6,317	3,790	68,039	91,262
Repairs and maintenance	7,096	774	464	8,334	10,477
Utilities	6,091	664	398	7,153	7,853
Wages and salaries	125,314	13,665	8,198	147,177	169,270
Recruitment costs	3,030	331	198	3,559	2,537
Pensions and death in service	10,629	1,159	695	12,483	16,210
Other staff costs	147	16	10	173	1,534
Staff development	5,980	652	391	7,023	11,651
Depreciation	24,443	2,666	1,599	28,708	30,310
Computer & ISP costs	23,080	2,517	1,510	27,107	41,737
Doubtful debts written off/(back)	1,659	181	108	1,948	1,982
Subscriptions	383	42	25	450	2,084
Sundries	-	-	-	-	2,459
	<u>284,191</u>	<u>30,991</u>	<u>18,591</u>	<u>333,773</u>	<u>412,658</u>

Support costs are allocated proportionately based on the level of staff costs in each area of activity.

b) Restricted	Training & development £	Sale of support resources £	Fund- raising £	Year Total 2017 £	17-months Total 2016 £
Wages and salaries	4,656	-	-	4,656	18,184
Other staff costs	250	-	-	250	-
	<u>4,906</u>	<u>-</u>	<u>-</u>	<u>4,906</u>	<u>18,184</u>

Family Links (Educational Programmes)

Notes to the accounts for the year ended 31st August 2017 (continued)

9 Allocation of support costs (*continued*)

	Year Total 2017 £	17-months Total 2016 £
Auditors remuneration - audit services	3,671	2,988
- other services	-	1,020
	<u>3,671</u>	<u>4,008</u>

10 Staff costs

The average number of employees during the period was 29 (full time equivalents: 24) (2016: 26, FTE: 24).

The charity contributes 7% of an employee's basic pay to personal pension schemes chosen by the individual employees. The cost of the contributions made is charged to the SOFA as it becomes payable. The charity also set up an auto-enrolment pension scheme in line with statutory requirements, starting on the 1st June 2016. The full 7% contribution from the charity is paid as the employer's contribution, whilst the employees' contributions are kept in line with the statutory minimum provision. Employees choosing to opt out of the auto-enrolment pension continue to have the employer's contribution made to their personal pension. The total employer contributions for the period are disclosed below. Unpaid contributions at the balance sheet date amounted to £383 (2016: £2,135).

	Year Total 2017 £	17-months Total 2016 £
Staff costs were		
Wages and salaries	787,656	991,072
Social security costs	72,146	94,034
Other pension costs	57,369	74,350
Redundancy costs	16,689	-
	<u>933,860</u>	<u>1,159,456</u>

The total remuneration paid to Key Management in the year to 31st August 2017 was £246,344 (17-months to 31st August 2016 - £335,453). No members of staff received annual emoluments of between £60,000 and £70,000. (2016 - 1).

11 Trustees' remuneration and expenses reimbursed

No remuneration was paid to the Trustees during the period (2016: Nil). No Trustees claimed reimbursement for travel expenses during the period (2016: 3 trustees – total £354).

Family Links (Educational Programmes)

Notes to the accounts for the year ended 31st August 2017 (continued)

12	Fixed assets	Leasehold Improvements	Fixtures, Fittings and equipment	Total
		£	£	£
	Cost:			
	At 1 st April 2016	29,127	116,073	145,200
	Additions	-	20,957	20,957
		<hr/>	<hr/>	<hr/>
	At 31 st August 2017	29,127	137,030	166,157
		<hr/>	<hr/>	<hr/>
	Depreciation:			
	At 1 st April 2016	16,838	77,277	94,115
	Charged in period	6,818	21,890	28,708
		<hr/>	<hr/>	<hr/>
	At 31 st August 2017	23,656	99,167	122,823
		<hr/>	<hr/>	<hr/>
	Net book value:			
	At 31 st August 2017	5,471	37,863	43,334
		<hr/>	<hr/>	<hr/>
	At 31 st March 2016	12,289	38,796	51,085
		<hr/>	<hr/>	<hr/>
13	Debtors		2017	2016
			£	£
	Trade debtors		85,539	73,532
	Other debtors		1,462	1,189
	VAT reclaimable		1,545	726
	Prepayments		33,752	38,972
	Accrued income		3,617	4,912
			<hr/>	<hr/>
			125,915	119,330
			<hr/>	<hr/>
14	Creditors			
	Trade creditors		48,363	21,876
	PAYE/NI		19,039	16,468
	Other creditors and accruals		25,138	28,895
	Deferred income		226,676	280,940
			<hr/>	<hr/>
			319,216	348,179
			<hr/>	<hr/>

Deferred income relates to payment in advance of services to be provided mostly in the 2017-18 period.

Balance as at 1 st April 2016	280,940	240,635
Amount deferred in period	156,594	240,186
Released to SOFA in period	(210,858)	(199,881)
	<hr/>	<hr/>
Balance as at 31 st August 2017	226,676	280,940
	<hr/>	<hr/>

Family Links (Educational Programmes)

Notes to the accounts for the year ended 31st August 2017 (continued)

15 Financial commitments

At 31st August 2017 the charity had total commitments under non-cancellable leases as follows:

	Plant and equipment		Land and buildings	
	2017	2016	2017	2016
	£	£	£	£
Expiry date:				
Not later than one year	1,622	4,922	23,092	58,267
Later than one and not later than five years	388	811	-	21,125
Later than five years	-	-	-	-
Total commitments	<u>2,010</u>	<u>5,733</u>	<u>23,092</u>	<u>79,392</u>

16 Restricted funds

Purpose of Fund	Balance at 1st August 2016	Incoming resources	Resources expended	Balance at 31st August 2017
	£	£	£	£
<i>The Parenting Puzzle</i> Booklet in Welsh	101	-	101	-
Transition from Primary to Secondary School	3,604	-	3,604	-
BAT schools	741	5,000	5,741	-
Islamic Community work	14,789	-	13,678	1,111
Nurturing Schools Network	934	-	934	-
Further Islamic Community Work	15,000	15,000	15,000	15,000
Free resources to Oxfordshire Schools	2,000	1,000	2,000	1,000
Numbers for Good market research		27,365	27,365	-
Expansion of work with Muslim families		49,030	37,992	11,038
Internships		250	250	-
Event costs		1,313	1,313	-
Consultancy on Independent Schools		25,000	-	25,000
	<u>37,169</u>	<u>123,958</u>	<u>107,978</u>	<u>53,149</u>

17 Analysis of net assets between funds

	Restricted Funds	Unrestricted Funds	Total Funds
	£	£	£
Tangible fixed assets	-	43,334	43,334
Stock	-	58,911	58,911
Debtors	-	125,915	125,915
Cash at bank and in hand	53,149	357,879	411,028
Current liabilities	-	(319,216)	(319,216)
Net assets at 31st August 2017	<u>53,149</u>	<u>266,823</u>	<u>319,972</u>