



**The Family Fund Trust**  
For families with severely disabled children

# Annual Report and Financial Statements

Year ended 31 March 2019



**Family Fund**  
Helping disabled children



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# Officers and Professional Advisers

## Trustees and Officers

**Neil Scott** – *Chair*  
**David Braybrook** – *Vice Chair*  
**Ian Black** (retired at end of term on 26 June 2018)  
**David Lewis**  
**Grant Macrae**  
**Geoff Linnell**  
**Tara Palmer**  
**Gordon Anderson** (resigned 23 July 2018)  
**Lucy Williams** (resigned 31 December 2018)  
**Mary Bishop**  
**Kate Fleck**  
**James Turton** (resigned 11 July 2018)  
**Jonathan Evans** (appointed 22 March 2019)  
**Gareth Lambert** (appointed 22 March 2019)  
**Andrew Piper** (appointed 22 March 2019)

## Finance, Audit and Risk Committee

**Grant Macrae** – *Chair*  
**David Lewis**  
**Mary Bishop**  
**David Braybrook**

## Reward and Nominations Committee

**David Braybrook** – *Chair*  
**Neil Scott**  
**Mary Bishop**

## Family Fund Trading Directors

**Jon Hogan** – *Chair*  
 (retired at end of term on 21 March 2019)  
**Heath Thomas** – *Chair* (with effect from 21 March 2019)  
**Mark Dundon** – *Vice Chair*  
**Cheryl Ward**  
**Jill Wheeler**  
**Claire Locker**  
**James Turton** (resigned 11 July 2018)  
**Geoff Linnell**  
**Joanna Lund**  
**David Lewis** (appointed 6 December 2018)  
**The Family Fund Trust for Families with Severely Disabled Children** (resigned 7 December 2018)

## Principal Officers

**Cheryl Ward** – *Group Chief Executive and Company Secretary*  
**Claire Locker** – *Group Director of Finance*  
**James Turton** – *Chief Operating Officer*  
 (appointed 5 November 2018)  
**Ben Calverley** – *Director of Grant Services*  
**Andrew Newton** – *Group Director of ICT and Change* (resigned 31 May 2019)  
**Andrew Harper** – *Director of Development and Engagement*  
**Tracy Evans** – *Group Director of HR & Facilities*  
 (appointed 1 April 2019)  
**Jill Wheeler** – *Managing Director*  
 (Family Fund Trading)

## Bankers

**National Westminster Bank Plc**  
 1 Market Street  
 York YO1 8SR

## Solicitors

**Rollits LLP**  
**Forsyth House**  
**Alpha Court**  
**Monks Cross**  
**York YO32 9WN**

## Independent Auditor

**PricewaterhouseCoopers LLP**  
**Chartered Accountants and Statutory Auditors**  
**Central Square**  
**29 Wellington Street**  
**Leeds LS1 4DL**

## Registered Office

**Unit 4**  
**Alpha Court**  
**Monks Cross Drive**  
**Huntington**  
**York YO32 9WN**

# Chair's review of Family Fund

When I became Chair of The Family Fund Trust for Families with Severely Disabled Children ("Family Fund") in June 2018, I was already aware, as an existing trustee, of the various ways the work of the charity was growing and evolving as we sought new ways to help families. Already, I have felt very privileged to take on the responsibility for helping steer the organisation through further exciting developments over the last year as we continue to build upon our experience both within the charity and our trading subsidiary, Family Fund Trading Ltd (trading as Family Fund Business Services), to help both our beneficiaries and customers.

## Our support for families

We provided 89,101 grants and services to families across the UK last year, exceeding the previous year's total of 88,407. I am particularly pleased that we were able to deliver over 70,000 grants again from our core grant programmes for the first time since our Wales funding was reduced in 2016/17. The four 'core' grant programmes, funded by the four UK governments, alongside our Take a Break short breaks grant programme for parents and carers in Scotland, supported 72,408 families with grants – an increase of 502 on the previous year. This increase was delivered against a backdrop of relative static funding and rising costs and is a testament to the hard work of our team to ensure we are and continue to remain as efficient as possible. That this efficiency is delivered without losing sight of the humanity and kindness that families tell us they value in a landscape where they so often have to fight for the help their child or young person needs, is even more important.

Last year, we established three new schemes providing support to particular families based on the type of support required, their child's condition or where they live – all funded by donors, trusts and foundations. Our Wales Essential Grants scheme supported 236 families in Wales who would otherwise be ineligible for our support (following changes in our funding agreement with Welsh Government). Funding from the Marian Elizabeth Trust ensured 174 families raising children with learning disabilities in North West England and the Midlands were helped this year. Flora's Fund, which supports children with cystic fibrosis, helped 12 families.

We also continued our pilot project with the charity Motability and funded by the Motability Tenth Anniversary Trust to provide a grant for a car lease to families with children under the age of three with significant mobility support needs, and who, because of their age, are not eligible to receive the mobility component of Disability Living Allowance (DLA). Evaluation of the pilot is currently taking place, but feedback from families who have received support has been incredibly powerful. As one parent put it: *"The whole process was fantastic and easy, I never once felt like I was being judged. Everyone I talked to was so friendly and helpful. I couldn't recommend it more, the car has given us our lives back, it means more than we can express."*

This year we also launched a new grant scheme that begins to address a long-held ambition at Family Fund to do more to help young people aged 18 and over, who face a challenging and difficult time as they transition into adult services, and negotiate wider changes to their lives in relation to continued learning, independent living and, for some, employment. We conducted focus groups with young people during summer 2018, where they told us that they needed support that would help with their education and employment as well as enabling them to have fun and friendships and improve their wellbeing. The resulting scheme, 'Your Opportunity', provides grants to help ease some of the difficulties they face with transition, including help with social and leisure opportunities, education and employment. Funded by The Edward Gostling Foundation and designated funding from Family Fund, 'Your Opportunity' began providing grants in January 2019, and 49 young people benefited from a grant last year.

We also continued to provide grants that recognised the vital contribution made by the brothers and sisters of disabled children through our 'Siblings Matter Too' grant programme, with 480 siblings receiving a small grant.

One of the major developments in our work in recent years has been the recognition of the value families place on the information and signposting families receive from our team, whether through the First Contact Team on the phone, or in face-to-face home visits. Improving the information we can offer, alongside the development of specific services that we are appropriately placed to offer, is an ongoing and growing part of what we can provide families – truly more than just a grant.

This year, our First Contact Team answered 129,536 calls from families – an 8% increase on the previous year. By investing in staff training and partnering with organisations such as Turn2Us to allow us to access comprehensive databases of available information on family support, more families are better able to navigate the often complex world of support available for their disabled or seriously ill child. 13,633 families received

extra information, advice and support, as well as 1,748 who received help to apply for the disabled child element of tax credits. This approach supports many families but we do and will continue to provide support through our visits to meet families in their own home, and provide a vital opportunity for families to spend time speaking one-to-one with one of our independent assessors – this year we were able to visit 10,656 families in this way.

In addition 282 families also received support in making the most of their digital device through our digital skills programme, aimed at parents and carers building their understanding and confidence in how they can use technology to support the day to day care and development of their children and young people.

## Funding and sustainability

We have made great strides in recent years to diversify our funding base, both to allow us to invest more in our people and systems, and to increase the number of families we are able to support. We are very grateful to all our funders for their commitment and support to improving the lives of families raising disabled or seriously ill children.

Retaining and making the most of the funding we receive from the four UK governments is still the primary way we are able to deliver our work. We received £27.3 million from the Department for Education – the second year of our three-year funding agreement which has enabled us to plan with confidence. In Scotland, we received the same level of funding from Scottish Government for our main grant programme and our Take a Break short breaks programme (£3 million and £700,000 respectively). The Department of Health in Northern Ireland maintained its support for Family Fund at £1.6 million. In Wales, funding was reduced by 5% to £475,000, as per the terms of our three-year agreement. This funding will be maintained at the same level as part of a one-year extension before the tendering process for the next Sustainable Social Services grant programme begins in summer 2019.

The efforts of our team to maximise the funding we receive should not be underestimated, with the discounts and rebates negotiated with our suppliers being key to these efforts. We received £3.2 million of additional value in this way, allowing us to help thousands more families. The willingness of our suppliers to work with us to understand our families' needs and the way in which we aim to seek added value is greatly appreciated and stands as a strong example of what corporate social responsibility can look like. Such as the support of partners like Stone, who are helping us deliver our digital skills training and developed three new animated video guides on applying to Family Fund, or Haven, providing free fun days for families at their parks during the summer, is a valuable contribution to our offer.

Several key contracts went out to tender during 2018/19, including for sensory toys and equipment, computers and tablets, and kitchen appliances. The feedback and experiences of families who have received grants from these suppliers is key to this process, shaping both what the requirements and expectations of our suppliers should be, as well as our own policy and processes.

Efforts to bring in new funding rely on two key sources: our trading subsidiary Family Fund Business Services, and our Fundraising team who are making a strong case to corporate partners, trusts and foundations and individual donors for why Family Fund needs more money to help more families. The team has been successful in securing funding for this year from trusts and foundations that we began working with in 2017/18, namely Flora's Fund, Garfield Weston Foundation and Moondance Foundation (for our Wales Essential Grants scheme), Marian Elizabeth Trust and the Motability Tenth Anniversary Trust. In addition, we were also able to secure funding from the Edward Gostling Foundation (for 'Your Opportunity'), David Family Foundation (for Wales Essential Grants), Dixie Rose Findlay Charitable Trust (for Siblings Matter Too) and Good Things Foundation (to support our work on helping families access the disability element of tax credits).

In total, we generated £652,435 of income, and a notable increase in donations from individuals through challenge events and runs, as well as events such as a black tie dinner in York and a Charity Golf Day organised in conjunction with Inspire, another supplier supporting our work.

Our trading subsidiary, Family Fund Business Services (FFBS), had a year of notable successes which reflect the value of its unique offer in using our experience as a grant making charity, and combining this with a fulfilment service. Indeed this year we were all incredibly proud to win the 'Grantmaking and Funding' award at the 2018 Charity Awards for the innovative way we have sought to support other organisations and generate income for the charity. In July 2018, the charity and FFBS began administering the BBC Children in Need Emergency Essentials Programme, which provides grants to support children and young people facing exceptionally difficult circumstances. This vital and high-profile partnership has helped deliver over £3 million of support to children and families in crisis to date. The retention of customers and growth of new

opportunities in FFBS has meant that £746,000 can be paid to Family Fund in donated income during 2019/20 – a significant achievement and a growing figure from the previous year.

Our responsibility as an organisation is to make sure all this income is used to its best advantage, which includes investing in the people, resources and infrastructure to deliver our work effectively. The development of our new grant administration system, which is now being used on the Children in Need Emergency Essentials Programme, is a key part of these improvements and will remain a major focus of our internal work this coming year. We have recognised the need for more senior resource to ensure these improvements and changes are managed appropriately and properly bedded into our culture and practice, so have recruited our first Director of HR and Facilities, Tracy Evans, and a Chief Operating Officer, James Turton, who both bring a wealth of skills and experience to allow us to meet these challenges.

## Strategy and governance

The expansion of our grants and services as outlined in our current five-year strategy is broadly on track, with the forecast for the coming year focusing on modest growth in grants and services, to allow teams internally to build the foundations in improving internal processes and securing and generating income to prepare for more ambitious growth in 2020/21.

One key improvement, about which I am particularly pleased and proud, has been the extensive preparation and work that took place to prepare the Family Fund Group for the introduction of the General Data Protection Regulation (GDPR). As an organisation which processes so much sensitive personal information, it was vital that we ensured our processes and practices were in place and guaranteed buy-in from staff across the Group to embed the changes that were necessary. The ongoing commitment by the group to continuously monitor and improve our practice will help keep consideration of data protection as an integral part of our work.

Three trustees stood down this year, Gordon Anderson, Lucy Williams and our former Chair, Ian Black. All have provided excellent counsel and advocacy for Family Fund, with Lucy playing an active and vital role in Wales helping to build support for our work among key influencers, and Gordon having made a significant contribution to our thinking on income generation and risk management. For Ian, I can say with confidence that he has left an impressive legacy for me to follow and am personally grateful for his support in preparing to take on the role. James Turton also stood down from the Board, but this was in order to join Family Fund as Chief Operating Officer, where I am sure he will bring his significant operational experience and motivation in helping us to internally improve and deliver more for families.

Three new trustees joined the Board in March – Jonathan Evans, Gareth Lambert and Andrew Piper – adding valuable skills and experience in HR, finance and technology and cyber security. For all Board members, we have a comprehensive induction and governance programme, as we ensure they are aware of their duties and the output of the Charity Governance Code and all Charity Commission guidelines.

Since taking on the role of Chair in June, I have been frequently moved as I learn more about the challenges, stories and experiences of the families we support. And the need for that support is not diminishing – there are more families than ever that are asking for help with essential items to allow them to enjoy just some of the opportunities that others take for granted. The task ahead for us is not just to do our best to deliver this help ourselves, but to act as a champion for the improvements in support and policy that families tell us they need, and work with our partners in government, public services and across the charity sector to see it happen.

I am proud to support this organisation and I look forward with relish to helping make further inroads in providing even more support to families and continuing to deliver our strategy #help150000.



**Neil Scott**

Chair



# Trustees' Report

The trustees, who are also directors of the charitable company, present their annual report (including the Chair's review of Family Fund and the Strategic report) on the affairs of the charity and the group, together with the financial statements and auditor's report for the year ended 31 March 2019.

## Structure, governance and management

### Group status

The Family Fund Trust for Families with Severely Disabled Children ("Family Fund") is registered as a charity and is a company limited by guarantee, and does not have a share capital. Every member undertakes to contribute towards the assets of the company in the event of winding up. Their individual liability cannot exceed £10.

Family Fund Trading Ltd, trading as Family Fund Business Services, is a wholly owned subsidiary of Family Fund and commenced trading in April 2008. The principal activity of the company is to work commercially for its parent, undertaking new activities to provide financial support to Family Fund so that it can sustain its work, develop its services and continue to make a difference to families who care for a disabled child or young person. The company shall transfer all trading profit, subject to prudent retention, to its parent.

### Governing document

Family Fund's governing instrument is the Articles of Association adopted in February 1996 and as subsequently updated; most recently in March 2015. We are currently in the process of broadening the Objects clause to allow us to support a wider range of beneficiaries.

### Governance and management

Details of the membership of the Board of Trustees during the year and up to the date of this report are shown on page 1.

Family Fund's Board determines the direction of the charity, with responsibility for sound stewardship of the grants provided by the governments of England, Scotland, Wales and Northern Ireland, alongside private funders, donors and donations.

The Board meets on a quarterly basis, usually in York. Board meetings may occasionally be held in London, Edinburgh, Cardiff or Belfast, where budgeting allows, so that trustees can meet with families and contacts within each country. A Board Development day is scheduled annually.

During 2018/19, the Board committee structures were reviewed and in March 2019, the previous Audit, Risk and Remuneration Committee was replaced by the Finance, Audit and Risk Committee. At the same time, a newly formed Reward and Nominations Committee assumed oversight of the Group People Strategy and all matters relating to staff employment. It will also act as the Nominations Committee to oversee the recruitment of new trustees, when necessary. This Committee, at the request of the Board, evaluates current skills to determine what skills trustees have and identify the gaps the recruitment should seek to fill. Trustee vacancies are promoted widely, normally in the media and via other organisations and professional bodies so as to attract a broad range of highly skilled individuals and to encourage diversity. Shortlisting and interviewing are completed by the Nominations Committee which subsequently makes an appointment recommendation to the Board. All new trustees are provided with an induction which includes relevant reading materials related to the governance of Family Fund, including its Articles of Association and policies. Trustees are also required to visit the central office in York to meet key staff and familiarise themselves with the activities of the charity. The Chair completes a post induction review with each new trustee, which encompasses feedback from the wider Board and Executive team.

The Board has individual and collective policies and procedures in place to evaluate and develop the performance of the Board. Board members complete a number of self-assessment reviews with the Chair during their term(s) of office. Similar procedures are followed in respect of the Chair, Vice-Chair and Chair of the Finance, Audit and Risk Committee.

The day-to-day running of Family Fund and Family Fund Business Services is delegated to the key management personnel - the Group Chief Executive and her fellow principal officers - who have the power to act and take decisions under the guidance of the Board. The Group Chief Executive and principals provide written reports detailing progress and future planned activity to the Board at its quarterly meetings.

The principal officers serving during the year and reporting directly to the Group Chief Executive are detailed on page 1.

## Staff Pay policy

The Family Fund Group recognises the importance of transparency and accountability in all aspects of our work and we are committed to open information. This includes transparency about our Executive team's salaries in both the charity and trading subsidiary, and how they are set.

Family Fund is driven by its vision and is committed to maximising our impact across all elements of our work. To do this means we need to work hard to balance two different needs: the need to ensure value for money in everything we do, including how we pay our staff; and the need to attract and retain people with the right leadership, experience, knowledge and skills required to lead the charity through the changing landscape of disability policy and economic change so that we can evidence impact, outcomes and effectiveness.

We aim to ensure that our employees' salaries reflect the level of responsibility and leadership expected of them, and that they are in line with the salaries paid by other voluntary organisations. We benchmark all of our salaries across the Group each year against voluntary sector organisations of similar sizes, complexity and profile, using established salary surveys. This determines the minima and maxima for each of the salary bands, including the Executive grades. We also keep an overview of local markets to ensure that pay differentials do not affect our ability to attract the right calibre of person.

This practice is in line with the National Council for Voluntary Organisations' executive pay guidance that 'the overall goal of a charity's pay policy should be to offer fair pay to attract and keep appropriately qualified staff to lead, manage, support and/or deliver the charity's aims.'

By paying salaries that match similar roles at comparable organisations, we can attract and keep the highly skilled and committed staff the Family Fund Group needs. This means we can keep meeting our ambitious plans, remain effective and efficient, increase our funding and with it grant support and services to families.

Following recommendation from the Reward and Nominations Committee, the Board of Trustees will consider and approve the annual pay award budget. An employee's ability to progress through the salary band is based on individual performance, using predetermined ratings. Percentage increases are attributed to each of the ratings, approved by the Reward and Nominations Committee and applied consistently across the Group, including at Executive level.

The performance rating of the Chief Executive is presented by the Chair for approval by the Reward and Nominations Committee, with senior management team ratings being set by the Chief Executive and reported to the Reward and Nominations Committee.



## Secure and accurate processes meeting legal requirements

The Board is able to confirm the continuing maintenance by Family Fund Group of good quality procedures and processes. These include:

- Risk Management Framework and Register maintained and updated at quarterly intervals. A summary of changes is presented to the Board at each meeting, with a full review by the Board twice a year;
- Systems, policies and procedures in place, with monitoring and review mechanisms, to ensure compliance with data protection and other legislation;
- Audit mechanisms and processes for minimising errors or risk of fraud by staff and contractors in place;
- Audit mechanisms for minimising attempts to utilise grants for unintended purposes or to defraud by grant recipients;
- Disaster and Business Recovery Plans are in place and subject to annual review by the Board;
- All major contract areas covered are by service-level agreements with performance standards; and
- Internal quality review procedures for all business areas.

We are confident that these procedures will ensure that the governance and risk management of the organisation continues to be of the highest standard.

## Objectives

Family Fund helps meet the needs of families living on the lowest of incomes raising disabled and seriously ill children. We remove many of the barriers they face and help to promote quality of life. Everything we do contributes to that. Our vision is that families raising disabled or seriously ill children have the same choices, quality of life, opportunities and aspirations as other families.

Family Fund is established for the public benefit and for general charitable purposes according to the laws of England and Wales. The purpose of the charity, as set out in the governing document, is to support families, parents and others with parental responsibilities in the United Kingdom caring for a severely disabled or seriously ill child (or children) living at home up to the age of 25 years by:

- providing support by way of financial grants, goods, services and information; and
- furthering knowledge about childhood disability and its impact on the child, siblings, parents and other carers, provided that we will pursue the objectives primarily with regard to severely disabled children under the age of 25 years.

The Trustees have complied with the duty (set out in section 4 of the Charities Act 2006) to have due regard to public benefit guidance published by the Charity Commission.

The families make no payment for our services and no relevant individuals are excluded from our application procedures. Further details of the specific achievements of the Group are included in the Chair's review. In addition, a summary of the grants awarded to families are included in note 5 to the financial statements.

Family Fund continues to pursue its aspirations which relate to its vision of help for families raising disabled or seriously ill children. These include:

- sourcing sufficient funds to support a wider number of families and increase the age limit for support;
- provision of timely and practical advice by way of improving information for families and signposting families to other organisations;
- visiting families applying to us and providing timely support;
- expanding our work in delivering additional support and services and realising funding for small grants for the siblings of disabled children;
- maintaining our efficiency through improvements in our service, systems and contract arrangements with suppliers;
- increasing the level of funding from other grant programmes administered on behalf of government and private funders.

We are currently in the process of broadening the Objects clause to allow us to support a wider range of beneficiaries whilst retaining our primary focus on disability.

## Grant-making policy

The Trustees have determined that the current priorities for grant-making will be:

- Families living on the lowest of incomes caring for a child or young person with a disability or serious illness up to the age of 25;
- Carers of disabled children and young people up to the age of 21, and their families, requiring a short break; and
- Siblings within families living on the lowest of incomes caring for a child or young person with a disability or serious illness up to the age of 25 years.

The priorities within this policy will be reviewed annually or more often if deemed appropriate by the Trustees, and may be changed in accordance with the Trustees' view of the most effective application of available funds, whilst giving consideration to any grant agreements in place.

Family Fund aims to ensure that our grant-making:

- Is informed by family voice;
- Meets a family's individual needs;
- Provides a choice;
- Covers the cost of the item;
- Results in lasting change;
- Is flexible and practical; and
- Is efficient, effective and responsive.

# Strategic Report

## Achievements and Performance

Last year saw our largest number of different grant schemes and service types provided to families to date, retaining the new schemes that were launched in 2017/18, with a new grant scheme supporting 18-24 year-olds and an expanded range of information and support available to families, alongside the first year of Family Fund and Family Fund Business Services delivering the BBC Children in Need Emergency Essentials Programme.

We aimed to maintain the same level of grant support to families from our government funded grant programmes in England, Northern Ireland, Scotland, and Wales, and this was achieved in all countries except Northern Ireland, which saw a slight fall in grants provided (4,050 to 4,036), though still meeting the level required by funders. In total, 89,101 grants and services were provided to families across the UK – an increase of 694 on the previous year. This included 70,377 grants to families from our four main grant schemes, made with funding of £32.3 million, an increase of 501 over the previous year. Maintaining this level of support is a testimony to the efficiency of our grant-making model and also could not have happened without the strong relationships we have with our suppliers, who work with us on keeping the cost of items down and, through our contracted discounts and rebates, we generated an extra £3.2 million of value to fund grants for thousands more families.

New schemes that began in 2017/18, funded by trusts and foundations, continued to provide crucial grant support in particular geographic areas, or for children or young people with specific conditions. 422 grants were provided by these schemes funded by Marian Elizabeth Trust (174 grants to families in North West England and the Midlands raising children with learning disabilities); Garfield Weston Foundation and Moondance Foundation (149 and 87 grants respectively for essential items for families in Wales who would otherwise have been ineligible for support from our main grant programme); and Flora's Fund (12 grants to families raising children with cystic fibrosis).

Family Fund Mobility Support, our pilot scheme to provide grants to cover the lease of vehicles to families with children under three who have mobility support needs but are unable to claim the mobility component of Disability Living Allowance, helped 79 families. Funded by the Motability Tenth Anniversary Trust, the pilot was extended further during 2018/19 and will conclude in Q1 2019/20. An evaluation of the impact of the scheme is currently being undertaken.

In response to feedback from families asking for more support for young people who, because of their age, were no longer eligible for our support, Family Fund developed a new programme to provide 18-24 year-olds with grants to help ease some of the difficulties they face with transition, including help with social and leisure opportunities, education and employment. Funded jointly by The Edward Gostling Foundation and Family Fund, 'Your Opportunity' began providing grants in January 2019, and 49 young people benefited from a grant in 2018/19.

The much-needed urgent referrer service provided grants to 2,372 families requiring emergency grant support. These families are referred to us by a committed network of health-care professionals in hospitals, hospices and other health-care settings, who identify that a family facing prolonged or repeated hospital visits may need extra support with related costs. An evaluation of a pilot for a related scheme for hospices in Scotland is currently underway before a decision is taken on whether to roll this out more widely in the UK.

After helping a record number of brothers and sisters of disabled children through our Siblings Matter Too programme last year, we were not able to help as many siblings this year. This was largely due to the need for us to redirect our resources to support the increased number of applications that we received. We did still provide 480 with a small grant that recognised the important, and often overlooked, contribution they make to the lives of their family.



Overall, this means that our total number of grants provided in 2018/19 was 73,438, which was slightly less than the 73,461 provided in 2017/18 – reflective of the reduction in Siblings Matter Too grants despite helping more families than last year across most of our other schemes.

Families continue to need information and support, including signposting to other sources of help. Contact with families increased across all our channels in the last year, including 129,536 calls answered by our First Contact Team (FCT) – an increase of 8% year-on-year. We were able to provide 13,633 instances of information and support during 2018/19. This included 10,656 assessments with families at home or on the telephone where we had the chance to discuss families' situations with them in detail, enabling us to signpost to other sources of local or national support appropriate to their needs. FCT was also able to provide 471 families with information on financial support in terms of what grants or benefits they might be entitled to, thanks to our partnership with Turn2Us allowing us to make use of their comprehensive database tools. Tax Credit advice remained a valuable service for families and saw a significant increase in families helped this year, with 1,748 families (compared with 796 in 2017/18) receiving help to access a crucial extra source of income they were entitled to. We are grateful to HMRC (via Good Things Foundation) for funding this valuable work.

Our Digital Skills programme continued to make a difference to families who needed extra training to get the most out of the digital device they had been granted, and which can be so helpful for children and young people in meeting their communication and education needs, to name but two. We helped 282 people in total, which was slightly less than last year, and reflected a difficulty in finding available qualified trainers during the first half of the year. We are looking to make this training more widely available and, thanks to our technology supplier, Stone Computers, we have been able to make a series of 'how to' videos covering some of the key elements of the training for iPads, including parental controls and accessibility features. We continue to look for new opportunities to work with funders and corporate partners to fund an expansion of this work and reduce digital exclusion among families raising disabled children.

Our trading subsidiary, Family Fund Business Services (FFBS), had a very successful year, expanding the number of customers using its grant fulfilment solution and increasing the amount it will be able to donate to Family Fund to £746,000.

Key among its achievements was the Group delivery of the BBC Children in Need Emergency Essentials Programme from June 2018. This £3 million programme supports families in crisis facing severe financial, health or social difficulties, and provides items such as kitchen appliances, clothing, or furniture that meet children's most basic needs. The programme has already helped over 11,000 children, delivering more than 15,000 essential items.

This expansion of FFBS' offer into provision of wider grant making services was also taken up by the North Yorkshire Local Welfare Assistance Fund (NYLAF); a privilege to be working on our own home turf.

New customers included Paragon Asra Housing Limited, Just Solutions, Perennial and The Charity for Civil Servants. The partnership with Northgate Public Services providing fulfilment services to the Welsh Government Discretionary Assistance Fund grew significantly, supporting over 49,000 applicants during 2018/19, with essential cash, white goods and furniture. Welsh Government confirmed an additional £2 million grant funding for 2018/19, taking the total fund to £10.5 million.

During 2018/19 customer grant spend increased by more than £5 million compared to the previous year, ending the year at £18.15 million. This continued success and standards of excellence were recognised in July 2018, when Family Fund won the Grantmaking and Funding category at the Charity Awards for the establishment of FFBS.

## Achievement of objectives

2018/19 was the second year of our new five-year strategy, which set out our ambition to provide 150,000 grants and services a year to families across the UK by the end of 2021/22. Below, we have outlined how we have performed against the declared objectives in last year's annual report.

## Transform our support

*By 2022 we will not only provide practical financial help, but will also be meeting wider needs in terms of information and support. These needs will be articulated by our families and met directly by Family Fund or through appropriately sourced expertise.*

In 2018/19, we sought to:

- Continue to deliver our government funded, grant programmes, those grant programmes funded by trusts and foundations, along with our Siblings Matter Too grant programme, supporting as many families as possible.

*The achievements section on previous pages shows how we have continued to deliver our grant programmes, helping more families with grants, and continuing to diversify the range of grant programmes we can offer.*

- Provide information, advice and support (IAS) to families at visits, over the phone, at events and via digital channels. We will scope additional options for delivering further IAS via a public-facing digital platform, including personalised online chat, as well as continuing to ensure IAS provided is most relevant to their needs.

*We continued to deliver IAS to families through various means, providing a variety of relevant and appropriate information to families, as detailed in the previous pages, and totalling 13,633 instances of information or support provision. Scoping work has taken place to better understand the wider environment for information and support available to the families, including focus groups with families and an audit of currently available IAS from leading providers in the sector. This work will inform the development of new materials and signposting during 2019/20. Options for developing a digital platform and online chat have been initially investigated, and Family Fund has joined a Learning Exchange for charities working on developments in machine learning and artificial intelligence to better understand how these technologies might support such work. However, in order to focus on internal process improvements and core grant and service delivery, further work on this project will not take place until the last quarter of 2019/20.*

- Train 300 families or young people in digital skills, meeting all funder requirements. Progress digital skills provision to include all technologies that are granted by Family Fund.

*We supported 282 people with training in digital skills, which was just short of our target for the year. This is mainly due to a shortage of available trainers in the earlier part of the year, meaning we were unable to catch up sufficiently during the remainder of the year. Funders were, however, satisfied with the final number of people supported. Digital Skills training remains focused on tablet devices at the moment, but further development of the programme is expected during 2019/20.*

- Provide support with accessing the disability element of child tax credits to 1,000 families across the UK.

*As detailed earlier, we were able to support 1,748 families with accessing the disability element of child tax credits, exceeding this target significantly.*

- Enable and support the final development of the new grant management software to ensure that all programmes are being administered in the new solution by the end of 2019/20.

*In the first quarter of 2018/19, Family Fund took the decision to change the focus of development work to ensure the grant management software would be available for the administration of the BBC Children in Need Emergency Essentials Programme, which needed to be set up with a relatively short lead time. The software was successfully deployed to deliver the initial programme, with a significant amount of further development over subsequent months. This development has benefited the overall programme, allowing Family Fund to work through new system learnings on one scheme, rather than all schemes at once, but does mean that the software is not expected to be fully implemented until April 2020.*

- Build on our work to ensure compliance with the General Data Protection Regulation and maintain the highest standards of information management and data security, bedding good working practice into our organisational culture and particularly continue to retain our IASME Gold and Cyber Essentials Plus accreditations.

*Family Fund's significant work to ensure compliance with the new General Data Protection Regulation has meant that the overall processes and understanding around best practice for data security are of a high standard across the organisation, with no subsequent issues after the new legislation came into force on 25 May 2018. We also retained our IASME Gold and Cyber Essentials Plus accreditation.*

## Make voices heard

*By 2022 we want to be the 'go to' organisation for those who wish to understand the reality of life for families living on lower incomes, raising disabled or seriously ill children and young people.*

In 2018/19, we sought to:

- Continue to develop our internal research capability to actively share the voice of families and aim to work to inform and influence the external policy environment.

*Alongside developing more robust internal evaluation processes for our work in providing grants and services, the research team worked on several projects to help ensure the experiences of families we support can influence policy-making. We agreed to help fund, and provide placement opportunities to, a PhD student examining the extra costs of raising a child with autism, in conjunction with Loughborough University. We worked with Joseph Rowntree Foundation to use data they had prepared on households below average income statistics to extrapolate a figure of the likely number of families potentially eligible for Family Fund support in the UK – a figure we had not previously been able to accurately estimate. We supported family participation in shaping the development of a new Scottish Government resource 'Supporting Disabled Children, Young People and Their Families'. We also conducted a survey of families across England to establish their thoughts and experience on the SEND reforms, which was shared with the Department of Education and as part of a ministerial roundtable with the sector.*

- Develop a pilot parent reference group to involve families more closely in Family Fund policy and strategic development.

*Preparation and development work on our pilot parent carer reference group took place through the second half of 2018/19, with recruitment for both an online group and a Manchester-based group that would meet face-to-face taking place during February and March ahead of the first meeting that took place in April 2019. The group will meet on a quarterly basis over the coming year and an evaluation of the project will then take place and recommendations on next steps will follow.*

## Reach out across the UK

*By 2022 we want to be better known by families, professionals and supporters as an organisation that improves the wellbeing of disabled and seriously ill children and young people through delivering solutions and enabling positive change.*

In 2018/19 we sought to:

- Ensure current supporter engagement is structured, consistent and compliant, whilst continuing to recognise valuable contribution of supporters.

*Contact with our various supporter audiences is monitored through our Development and Engagement department, with internal processes for ensuring full understanding across public-facing roles of how individuals and organisations interact with Family Fund. Our fundraising team has clear methodology and approach in place for managing the supporter's journey both as donors and fundraisers. All contact with supporters, as well as families, is in line with best practice around contact consent as outlined in both the General Data Protection Regulation and by bodies such as the Fundraising Regulator.*

- Begin a pilot volunteer scheme for 'Family Fund Ambassadors' in Yorkshire, which supports parents/carers to raise awareness of/advocate for Family Fund. This will be supported by robust processes and policies to ensure the scheme is meaningful and volunteers are appropriately supported.

*Extensive scoping and planning work for this scheme took place over the course of the year, with all policies and considerations for appropriate training and support for volunteers agreed and in place. Recruitment began during January and February 2019, with initial volunteers starting the training and induction process. Volunteers will attend events and outreach activities from early 2019/20.*

## Secure our future

*By 2022 we will have strengthened our financial position and diversified our income streams.*

In 2018/19 we sought to:

- Deliver the requirements of our agreements with our funders, putting ourselves in a strong position to maintain similar or increased levels of funding for 2019/20 where these have not already been agreed.

*We delivered the requirements of our different agreements with the four UK governments and have secured the same levels of funding for 2019/20 in Scotland, Northern Ireland and Wales (as a one-year extension to the previous three-year agreement), with England continuing to provide the level of funding stated in the current three-year agreement, for which 2019/20 is the last year.*

- Raise a total of £450,000 of restricted and unrestricted funding from individual donors, trusts and foundations and corporate partnerships.

*We raised a total of £652,425 of restricted and unrestricted income in 2018/19. Overall this was an excellent result, primarily driven by an additional £500,000 of funding from the Motability Tenth Anniversary Trust to extend the Family Fund Mobility Support pilot, as well as other grants from trusts and foundations to support specific grant streams. We had hoped to generate a larger amount of unrestricted income as part of this mix, but our events and community fundraising activity did not generate as much as we had forecast, although our individual giving and corporate income was above our internal targets.*

- Continue Family Fund Business Services' new strategic approach to generating new customers from grant making associations, charities and benevolent associations, with a target for donated income to the charity of £600,000 in 2018/19.

*As detailed in previous pages, the performance of Family Fund Business Services has exceeded all expectations this year. This will result in a donation of £746,000 to the charity during 2019/20.*

## Financial review

For 2018/19, our government grant funding has been received from the following sources:

The Department for Education, England

**£27.3 million**

(2017/18: £27.3 million)

Children and Families Directorate,  
Scotland Government

**£3.0 million**

(2017/18: £3.0 million)

Department of Health and Social Services,  
Wales Government

**£475,000**

(2017/18: £499,000)

Department of Health, Northern Ireland

**£1.6 million**

(2017/18: £1.6 million)

Primary and Community Care Directorate,  
Scotland Government

**£700,000**

(2017/18: £700,000)

The funding levels from England, Scotland (including Take a Break Scotland) and Northern Ireland remained the same as the previous year but there was a 5% reduction in funding from Wales, in line with the existing three year agreement.

We remain extremely grateful to our funders for their continued support, both in 2018/19 and the forthcoming year.

From this government funding, grants and services of £32.8 million were awarded to over 72,400 families; with over 90% of these being goods or services, rather than cash.

During 2018/19, we also received grant funding from a range of other sources:

- £7,500 (2018: £7,500) from Good Things Foundation (HMRC) to support families who are in receipt of tax credits to ensure that they are receiving the disabled child element of tax credits, where appropriate;
- £200,000 (2018: £200,000) from the Marian Elizabeth Trust to continue support for families caring for children and young adults with multiple complex significant learning and physical support needs living in Liverpool, Wirral, and the Midlands;
- £10,025 of new funding from the David Family Foundation for our Wales Essential Grants Scheme, which provides support to families in Wales who are not eligible to apply for funding from the Social Services Third Sector Grant Scheme;
- £7,000 (2018: £2,000) from Flora's Fund to support families caring for children and young people with Cystic Fibrosis;
- £100,000 of new funding from the Edward Gostling Foundation to extend our support to families with young people aged 18-24 from our Your Opportunity scheme (the Trustees have also matched funded this scheme until such time that additional funding sources are secured);
- £2,000 of new funding from Dixie Rose Findlay Charitable Trust to support our Siblings Matter Too scheme; and
- £1.0 million (2018: £500,000) from the Motability Tenth Anniversary Trust to provide leased vehicles to families with severely disabled children under the age of three with specific mobility needs.

Family Fund Trading had another successful year and a donation of £746,000 (2018: £400,000) will be paid to the charity during 2019/20. This brings the total gifted profits from the last six financial years to over £3.6 million (2018: £2.9 million).

Incorporating the pension liability in the financial statements has resulted in a negative unrestricted reserve for the charity; although the total funds position remains positive. The triennial valuations of the defined benefit pension schemes have resulted in a shortening of the recovery plans, which has reduced the total pension liability by £550,000 and brought the group unrestricted reserves back to a positive position of £530,000 (2018: -£456,000).

There was an overall surplus for the year of £867,000 (2018: £649,000); with total funds standing at £4.3 million (2018: £3.5 million) at 31 March 2019.

## Fundraising

Family Fund received a total of £100,000 from donations, gift aid and fundraising in 2019/20, and a further £552,435 from new funders. We exceeded expectations for trust and foundation income from new funders, as well as unrestricted income from individual giving and corporates, but did not receive the expected return from community or events activities. The current intention is to focus more strongly on growing corporate partnership and trust and foundations income in the coming year, and maintain current levels of other individual giving and community income.

We are mindful of the need to ensure our fundraising activities are undertaken in line with best practice and are a positive experience for our supporters. For these reasons, Family Fund has opted not to undertake forms of fundraising that carry higher reputational risks such as unsolicited direct mail or telephone fundraising campaigns. Similarly, we do not contract with any external fundraising organisations or professional fundraisers.

In order to support our planned growth in fundraising, our Trustees agreed the following split for donated income:

- > **79% of donated income is used for charitable aims;**
- > **20% is reinvested into fundraising costs;**
- > **1% is used for organisational sustainability.**

In the interests of improved transparency, this income split is clearly stated within our Fundraising Promise and within the fundraising pages on our website.

We have strong internal fundraising governance arrangements in place. Oversight of strategic direction on fundraising and on performance and compliance is maintained by a Fundraising Committee. Chaired by the Director of Development and Engagement, this committee meets quarterly and has a membership comprising the Group CEO, Group Director of Finance, Director of Grant Services, Head of Fundraising, Head of Audit and Compliance, Head of Communications and Communications and Marketing Manager. In addition, reports on fundraising are now considered by Trustees at both the full Board and the Finance, Audit and Risk Committee, and there is a nominated Trustee to maintain oversight of fundraising activity.

## Fundraising Standards

Family Fund is registered with the Fundraising Regulator and are committed to abiding by their Fundraising Promise as well as their Code of Fundraising Practice.



## Fundraising Complaints

Our fundraising complaints process is published on our main website. We remain proud of the fact that Family Fund has, to date, never received a formal complaint in respect of our fundraising activities.

## Protecting Vulnerable Individuals

Family Fund is responsible in its fundraising practice and will never exploit vulnerability; doing everything possible to ensure supporters make an informed decision about any donation they choose to make.

Family Fund does not accept donations where it has reason to believe the donor may be experiencing vulnerable circumstances and accepting the donation would be harmful to the donor or morally wrong.

## Reserves policy

The Trustees set Family Fund's reserves policy, which is developed through consideration of the requirements of charity law, the Charities SORP, finances, strategy and future funding needs.

We will retain reserves of not less than six months operating costs. The Department for Education in England permits us to retain six months operating costs in a restricted reserve to cover unforeseen circumstances and potential wind down costs; with the remaining value being met from our free reserves.

The level of reserves at 31 March 2019, excluding the pension liability, is now outside the limits set by the Trustees due to a change in accounting policy which has resulted in us being unable to accrue the £746,000 gift aid payment due from Family Fund Business Services. The donation will, however, be paid up to the charity in July 2019, bringing the level of reserves back in line with the reserves policy.

The level of unrestricted reserves at 31 March 2019 is -£219,000 (2018: -£461,000), incorporating the pension liability that arose as a result of implementing FRS 102. We do not intend to build reserves to cover this provision, as this is a long term liability for which an affordable long term repayment plan is in place.

The total funds held by the charity at the end of the reporting year are £3.6 million.

## Investment policy

Family Fund strives to produce the best financial return with a minimal level of risk and will not invest restricted funding in financial instruments that may result in a loss of capital. Our Scheme of Delegated authority permits surplus cash, over and above working capital requirements, to be held in interest bearing accounts with a number of different UK banks. Bank credit ratings are regularly reviewed using the leading credit agencies of Moody's, S&P and Fitch.

## Plans for Future Periods

2019/20 is the third year of our current five-year strategy, focused around our ambition to provide 150,000 grants and services a year to families across the UK by the end of 2021/22. Below, we have outlined our objectives for the coming year.

## Transform our support

*By 2022 we will not only provide practical financial help, but will also be meeting wider needs in terms of information and support. These needs will be articulated by our families and met directly by Family Fund or through appropriately sourced expertise.*

In 2019/20, we will:

- Continue to deliver our government-funded grant programmes, those grant programmes funded by trusts and foundations, along with our Siblings Matter Too grant programme, supporting as many families as possible.
- Provide 17,000 instances of information and support to families at visits, over the phone, at events and via digital channels. We will continue to revise and update the information provided to ensure it is appropriate and fit for purpose and, later in the year, resume scoping of additional options for delivering further IAS via a public-facing digital platform, including personalised online chat.
- Train 350 families or young people in digital skills, meeting all funder requirements.
- Provide support with accessing the disability element of child tax credits to 1,000 families across the UK.
- Enable and support the final development of the new grant management software to ensure that all programmes are ready to be administered in the new solution from April 2020.
- Continue to ensure the highest standards of information management and data security are embedded and adhered to in the organisation, with no major data breaches reported and the retention of our IASME Gold and Cyber Essentials Plus accreditations.

## Make voices heard

*By 2022 we want to be the 'go to' organisation for those who wish to understand the reality of life for families living on lower incomes, raising disabled or seriously ill children and young people.*

In 2019/20, we will:

- Continue to develop our internal research capability to actively share the voice of families and aim to work to inform and influence the external policy environment.
- Produce a report on the outcomes and impact of Family Fund grants and services by April 2020.
- Complete the pilot parent-carer reference group and produce an evaluation report with recommendations for how to build on this work and help families become more involved in shaping the organisation's strategic development.

## Reach out across the UK

*By 2022 we want to be better known by families, professionals and supporters, as an organisation that improves the wellbeing of disabled and seriously ill children and young people through delivering solutions and enabling positive change.*

In 2019/20, we will:

- Complete pilot volunteer programme, producing evaluation by the end of 2019/20 that considers impact on Family Fund objectives, types of role, opportunities for university or corporate pro bono support and set out recommendations for future volunteer work.

## Secure our future

*By 2022 we will have strengthened our financial position and diversified our income streams.*

In 2019/20 we will:

- Deliver the requirements of our agreements with our funders, putting ourselves in a strong position to maintain similar or increased levels of funding for 2020/21 where these have not already been agreed, including advocating for multi-year funding agreements where possible.
- Raise £500,000 through a mix of restricted and unrestricted funding from individual donors, trusts and foundations and corporate partnerships.
- Continue Family Fund Business Services' new strategic approach to generating new customers from grant making associations, charities and benevolent associations, with a target for donated income to the charity of £1 million in 2019/20.

## Principal Risks and Uncertainties

### Risk management

The Risk Management Framework and Register adopted by Family Fund follows the principles laid out in the Charity Commission guidance. It is the responsibility of every member of the senior management team to identify and assess potential risks. The Risk Register is fully reviewed by the Board's Finance, Audit and Risk Committee twice a year, with quarterly risk status reports and actions presented at each meeting. Actions, systems or procedures have been established to manage those major risks to which the organisation is exposed.

The principal financial risk facing the charity and the group is the uncertainty around funding levels in future years. The majority of agreements in place provide adequate security of funding until March 2020. There is some mitigation in place to protect against this risk, as explained in the Going Concern section below.

The other financial risk to which the charity is exposed is the crystallisation of the pension liability. As the repayments under the recovery plan are affordable and the scheme still has around 90 employers, there is no short term risk; however, the Board will continue to regularly monitor the situation.

### Going concern basis

Family Fund is largely dependent upon receiving funding from the four UK Governments to maintain its grant making and information provision to families. Family Fund has worked in partnership with the UK Governments for 46 years and continues to deliver excellent value for money, ensuring more than 90p in every £1 spent is used on direct charitable expenditure. With funding for these schemes largely remaining static since 2010/11, we have increased the number of families helped with government funded grant support during that time from 56,278 to 70,377 – a 24% increase. We have also improved our outcome reporting to funders to better evidence the impact of our work and demonstrate the 'added value' provided to their beneficiaries by the diversification of our funding base and the expansion of our information and support service.

2019/20 is the final year of a three year funding commitment from the Department for Education in England for £27.3 million per year, which commenced on 1 April 2017. This commitment arose following an extremely positive Grant Assurance Review that was commissioned by the Department in 2016. The review concluded that:

- we have robust governance in place, with strong financial procedures and controls;
- we have a good understanding of our key risks and how to mitigate them;
- we have common policies and procedures embedded into the organisation;
- we demonstrate value for money; and
- we have sufficient skills to ensure sound financial management.

Since 2016, we have improved further in these areas, investing in staff in our Audit and Compliance, Finance and Procurement Teams, and negotiating hard with suppliers to ensure excellent value for money, and continuously improving in our delivery to our funders and families.

Additionally, in December 2016, Scottish Government published 'A Fairer Scotland for Disabled People' in which it commits to "invest in Family Fund" until 2021.

With continued good relationships with government funders, commitments to continue funding through 2019/20 and a successful story to tell this year, we have every confidence that government funding will be renewed in 2020/21.

Following a successful pilot, we have also secured a £5 million grant fund from Motability for the year July 2019 to June 2020, to continue our Mobility Support programme for families with children under three who are not eligible to receive the mobility component of DLA.

Incorporating the pension liability in the financial statements has resulted in a negative unrestricted reserve for the charity, although total reserves remain positive. We do not intend to build reserves to cover this provision as there is an affordable repayment plan in place.

Cash flow forecasts have been prepared for a period greater than 12 months from approval of these financial statements demonstrating the charity having sufficient cash reserves.

The Trustees, therefore, consider that the going concern assumption is an appropriate basis on which to prepare these financial statements.

## Internal financial control

The Trustees recognise that a system of internal financial control can only provide reasonable and not absolute assurance, against material misstatement or loss. The principal elements of the system of internal financial control within Family Fund are:

- The Finance, Audit and Risk Committee, consisting of four Trustees, to consider all significant internal financial control matters;
- Delegated authority procedures, which are reviewed annually, set out the authorisation levels for the commitment, approval and payment of all expenditure;
- A monthly Financial Report to the members of the Board of Trustees highlighting the reasons for any significant variances between the budget for the period and the actual out-turn;
- Appropriate staff employed to carry out the day-to-day work of Family Fund with an appropriate staff structure; and
- A quarterly report on internal controls to the Finance, Audit and Risk Committee.

The Finance, Audit and Risk Committee have the following responsibilities, which are subsequently reported to the Board:

- To keep under review the financial and internal control systems;
- To review and approve the scheme of delegated authority;
- To approve all financial and accounting policies;
- To review the financial content of the corporate plan and the annual budget;
- To review monthly financial performance and ensure adherence to the annual budget;
- To review the risk management framework and risk register;
- To review the levels and types of insurance cover in place;
- To review the disaster recovery and business continuity plans;
- To review information security policies and procedures;
- To review draft annual financial statements to ensure compliance with appropriate accounting standards and to be responsible for all other audit matters;
- To review reports on fundraising activity to monitor progress against income targets and adherence to fundraising regulation;
- To review and approve the relationship definition between Family Fund and Family Fund Business Services, including the shared services agreement; and
- To review the Family Fund Trading annual business plan and financial performance.

## Provision of information to auditor

Each of the persons who are trustees at the time when this Trustees' report is approved has confirmed that:

- so far as that trustee is aware, there is no relevant audit information of which the charitable company's auditor is unaware, and
- that trustee has taken all the steps that ought to have been taken as a trustee in order to be aware of any information needed by the charitable company's auditor in connection with preparing its report and to establish that the charitable company's auditor is aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of section 418 of the Companies Act 2006.

## Employee information

During the year, we continued to provide employees with relevant information and to seek their views on matters of common concern.

Family Fund has a Joint Consultative Council (JCC) whose members are two management representatives and two staff representatives. The JCC meet, as a minimum, every three months to discuss and put forward proposals to the senior management team on employee relations and welfare matters.

It is our policy to support the employment of disabled persons where possible, both in recruitment and by retention of employees who become disabled whilst in the employment of Family Fund, as well as generally through training and career development. We are accredited as a Disability Confident Employer by the Department for Work and Pensions and are an equal opportunities employer.

Family Fund continues to be accredited as a Living Wage Employer.

## Auditor

PricewaterhouseCoopers LLP have been appointed for a five year term, commencing 2018/19.

The Trustees' Report, including the Strategic Report, was approved by the Board and signed on its behalf by:



**Neil Scott**

*Chair of Trustees*

# Trustees' responsibilities statement

The trustees (who are also directors of The Family Fund Trust for Families with Severely Disabled Children for the purposes of company law) are responsible for preparing the Trustees' Report (including the Strategic Report) and the financial statements in accordance with applicable law and regulation.

Company law requires the trustees to prepare financial statements for each financial year. Under that law the trustees have prepared the financial statements in accordance with United Kingdom Accounting Standards, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", and applicable law (United Kingdom Generally Accepted Accounting Practice). Under company law the trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of the affairs of the charitable company and the group and of the incoming resources and application of resources, including the income and expenditure, of the charitable company and group for that period. In preparing these financial statements, the trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Statement of Recommended Practice: Accounting and Reporting by Charities (2015);
- make judgments and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards, comprising FRS 102, have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

The trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the charitable company's transactions and disclose with reasonable accuracy at any time the financial position of the charitable company and the group and 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 the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The trustees are responsible for the maintenance and integrity of 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.



# Independent Auditor's report to the members and trustees of the Family Fund Trust for Families with Severely Disabled Children

## Report on the audit of the financial statements

### Opinion

In our opinion, The Family Fund Trust for Families with Severely Disabled Children's group financial statements and charity financial statements (the "financial statements"):

- give a true and fair view of the state of the group's and of the charity's affairs as at 31 March 2019 and of the group's and charity's incoming resources and application of resources, including its income and expenditure, and of the group's cash flows, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", and applicable law); and
- have been prepared in accordance with the requirements of the Companies Act 2006, the Charities and Trustee Investment (Scotland) Act 2005 and regulations 6 and 8 of the Charities Accounts (Scotland) Regulations 2006 (as amended).

We have audited the financial statements, included within the Annual Report and Financial Statements (the "Annual Report"), which comprise: the group and charity balance sheets as at 31 March 2019; the consolidated and charity statements of financial activities, the consolidated cash flow statement for the year then ended; and the notes to the financial statements, which include a description of the significant accounting policies.

### Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities under ISAs (UK) are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### Independence

We remained independent of the charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, which includes the FRC's Ethical Standard and we have fulfilled our other ethical responsibilities in accordance with these requirements.

### Conclusions relating to going concern

ISAs (UK) require us to report to you when:

- the trustees' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the group's and charity'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.

We have nothing to report in respect of the above matters.

However, because not all future events or conditions can be predicted, this statement is not a **guarantee** as to the group's and charity's ability to continue as a going concern. For example, the terms on which the United Kingdom may withdraw from the European Union are not clear, and it is difficult to evaluate all of the potential implications on the group's trade, customers, suppliers and the wider economy.

## Reporting on other information

The other information comprises all of the information in the Annual Report other than the financial statements and our auditors' report thereon. The trustees are responsible for the other information. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except to the extent otherwise explicitly stated in this report, any form of assurance 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 an apparent material inconsistency or material misstatement, we are required to perform procedures to conclude whether there is a material misstatement of 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 based on these responsibilities.

With respect to the Strategic Report and Trustees' Report, we also considered whether the disclosures required by the UK Companies Act 2006 have been included.

Based on the responsibilities described above and our work undertaken in the course of the audit, ISAs (UK) require us also to report certain opinions and matters as described below.

## Strategic Report and Trustees' Report

In our opinion, based on the work undertaken in the course of the audit 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; and the Strategic Report and the Trustees' Report have been prepared in accordance with applicable legal requirements.

In addition, in light of the knowledge and understanding of the group and charity and its environment obtained in the course of the audit, we are required to report if we have identified any material misstatements in the Strategic Report and the Trustees' Report. We have nothing to report in this respect.

## Responsibilities for the financial statements and the audit

### Responsibilities of the trustees for the financial statements

As explained more fully in the Trustees' Responsibilities Statement set out on page 20, the trustees are responsible for the preparation of the financial statements in accordance with the applicable framework and for being satisfied that they give a true and fair view. The trustees are also responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

### Auditor's responsibilities for the audit of the financial statements

We have been appointed as auditors under section 44(1) of the Charities and Trustee Investment (Scotland) Act 2005 and under the Companies Act 2006 and report in accordance with the Acts and relevant regulations made or having effect thereunder.

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 auditors' 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](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our auditors' report.

## ***Use of this report***

This report, including the opinions, has been prepared for and only for the charity's members and trustees as a body in accordance with section 44(1)(c) of the Charities and Trustee Investment (Scotland) Act 2005 and the Companies Act 2006 and regulations made under those Acts (regulation 10 of the Charities Accounts (Scotland) Regulations 2006 (as amended) and Chapter 3 of Part 16 of the Companies Act 2006) and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

## **Other reporting required**

### ***Matters on which we are required to report by exception***

Under the Companies Act 2006 and the Charities Accounts (Scotland) Regulations 2006 (as amended) we are required to report to you if, in our opinion:

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

We have no exceptions to report arising from this responsibility.



### **Kevin Strauther (Senior Statutory Auditor)**

for and on behalf of PricewaterhouseCoopers LLP  
Chartered Accountants and Statutory Auditors  
Leeds  
28 June 2019



# Consolidated Statement of Financial Activities

## for the year ended 31 March 2019

(including consolidated income and expenditure account).

	Note	Unrestricted funds £'000	Designated funds £'000	Restricted funds £'000	Total funds 2019 £'000	Total funds 2018 £'000
<b>INCOME FROM:</b>						
<b>Charitable activities</b>						
Funding for grants and services	3	-	-	34,380	34,380	33,945
<b>Donations, Gift Aid and fundraising</b>		159	-	1	160	117
		159	-	34,381	34,540	34,062
<b>Other trading activities</b>						
Trading income		2,215	-	-	2,215	1,324
<b>Investments</b>						
Interest receivable		21	-	67	88	43
<b>TOTAL INCOME</b>		<b>2,395</b>	<b>-</b>	<b>34,448</b>	<b>36,843</b>	<b>35,429</b>
<b>EXPENDITURE ON:</b>						
<b>Charitable activities – delivery of grants and services to families</b>						
Cost of delivering grants and services to families	4	(1,218)	(384)	-	(1,602)	(1,408)
Grants and services to families	5	(60)	(10)	(34,060)	(34,130)	(33,478)
Discretionary grants	5	-	(22)	-	(22)	(61)
Less discounts receivable	5	-	2	3,172	3,174	3,302
Support costs	6	(1,720)	(128)	-	(1,848)	(2,159)
		(2,998)	(542)	(30,888)	(34,428)	(33,804)
<b>Raising funds</b>						
Trading costs		(1,400)	-	-	(1,400)	(874)
Fundraising costs		-	(148)	-	(148)	(102)
<b>TOTAL EXPENDITURE</b>		<b>(4,398)</b>	<b>(690)</b>	<b>(30,888)</b>	<b>(35,976)</b>	<b>(34,780)</b>
<b>Net income/(expenditure) before tax</b>		<b>(2,003)</b>	<b>(690)</b>	<b>3,560</b>	<b>867</b>	<b>649</b>
Taxation		-	-	-	-	-
<b>Net income/(expenditure) for the year</b>		<b>(2,003)</b>	<b>(690)</b>	<b>3,560</b>	<b>867</b>	<b>649</b>
Transfer between funds	15	2,989	542	(3,531)	-	-
<b>Net movement in funds</b>		<b>986</b>	<b>(148)</b>	<b>29</b>	<b>867</b>	<b>649</b>
<b>RECONCILIATION OF FUNDS:</b>						
Total funds brought forward		(456)	1,436	2,501	3,481	2,832
Net movement in funds for the year		986	(148)	29	867	649
<b>Total funds carried forward</b>	<b>15</b>	<b>530</b>	<b>1,288</b>	<b>2,530</b>	<b>4,348</b>	<b>3,481</b>

There were no recognised gains or losses other than the net income for the year. All income and expenditure derives from continuing activities. See note 20 for comparative Consolidated Statement of Financial Activities analysed by funds.

# Charity Statement of Financial Activities

## for the year ended 31 March 2019

(including consolidated income and expenditure account).

	Note	Unrestricted funds £'000	Designated funds £'000	Restricted funds £'000	Total funds 2019 £'000	Total funds 2018 £'000
<b>INCOME FROM:</b>						
<b>Charitable activities</b>						
Funding for grants and services	3	-	-	34,380	34,380	33,945
Donations, Gift Aid and fundraising		159	-	1	160	517
		159	-	34,381	34,540	34,462
<b>Investments</b>						
Interest receivable		13	-	67	80	40
<b>TOTAL INCOME</b>		172	-	34,448	34,620	34,502
<b>EXPENDITURE ON:</b>						
<b>Charitable activities – delivery of grants and services to families</b>						
Cost of delivering grants and services to families	4	(1,218)	(384)	-	(1,602)	(1,408)
Grants and services to families	5	(60)	(10)	(34,060)	(34,130)	(33,478)
Discretionary grants	5	-	(22)	-	(22)	(61)
Less discounts receivable	5	-	2	3,172	3,174	3,302
Support costs	6	(1,641)	(128)	-	(1,769)	(2,109)
		(2,919)	(542)	(30,888)	(34,349)	(33,754)
<b>Raising funds</b>						
Fundraising costs		-	(148)	-	(148)	(102)
<b>TOTAL EXPENDITURE</b>		(2,919)	(690)	(30,888)	(34,497)	(33,856)
<b>Net income/(expenditure) for the year</b>		(2,747)	(690)	3,560	123	646
Transfer between funds	15	2,989	542	(3,531)	-	-
<b>Net movement in funds</b>		242	(148)	29	123	646
<b>RECONCILIATION OF FUNDS:</b>						
Total funds brought forward		(461)	1,436	2,501	3,476	2,830
Net movement in funds for the year		242	(148)	29	123	646
<b>Total funds carried forward</b>	15	(219)	1,288	2,530	3,599	3,476

There were no recognised gains or losses other than the net income for the year. All income and expenditure derives from continuing activities. See note 21 for comparative Charity Statement of Financial Activities analysed by funds.

# Balance Sheets

## At 31 March 2019

	Note	Group		Charity	
		2019 £'000	2018 £'000	2019 £'000	2018 £'000
<b>FIXED ASSETS</b>					
Tangible assets	9	123	104	118	100
		123	104	118	100
<b>CURRENT ASSETS</b>					
Debtors	11	2,800	2,048	676	1,168
Cash at bank and in hand	12	13,926	12,568	11,964	11,468
		16,726	14,616	12,640	12,636
<b>LIABILITIES</b>					
Creditors: amounts falling due within one year	13	(11,296)	(9,388)	(7,954)	(7,409)
<b>NET CURRENT ASSETS</b>		5,430	5,228	4,686	5,227
Provision for pension scheme liability	14	5,553 (1,205)	5,332 (1,851)	4,804 (1,205)	5,327 (1,851)
<b>TOTAL NET ASSETS</b>		4,348	3,481	3,599	3,476
<b>FUNDS</b>					
Unrestricted funds		530	(456)	(219)	(461)
Designated funds		1,288	1,436	1,288	1,436
Restricted funds		2,530	2,501	2,530	2,501
<b>TOTAL FUNDS</b>	15,16	4,348	3,481	3,599	3,476

These financial statements of The Family Fund Trust for Families with Severely Disabled Children registered number 3166627 were approved by the Board of Trustees and authorised for issue on 28 June 2019, and were signed on its behalf by:



**Neil Scott**

Chair of Trustees



**Cheryl Ward**

Chief Executive



# Consolidated Cashflow Statement

## Year ended 31 March 2019

	Note	2019 Unrestricted funds £'000	2019 Designated funds £'000	2019 Restricted funds £'000	2019 Total funds £'000
Net cash flows from operating activities	18	944	(120)	501	1,325
Cash flows from investing activities:					
Interest receivable		21	-	67	
Purchase of property, plant and equipment		(55)	-	-	(55)
Net cash flows from investing activities		(34)	-	67	33
Net increase/(decrease) in cash and cash equivalents		910	(120)	568	1,358
Cash and cash equivalents at beginning of year		2,070	1,430	9,068	12,568
Cash and cash equivalents at the end of the year	12	2,980	1,310	9,636	13,926

	Note	2018 Unrestricted funds £'000	2018 Designated funds £'000	2018 Restricted funds £'000	2018 Total funds £'000
Net cash flows from operating activities	18	509	(394)	2,126	2,241
Cash flows from investing activities:					
Interest receivable		9	-	34	43
Purchase of property, plant and equipment		(58)	-	-	(58)
Net cash flows from investing activities		(49)	-	34	(15)
Net increase/(decrease) in cash and cash equivalents		460	(394)	2,160	2,226
Cash and cash equivalents at beginning of year		1,610	1,824	6,908	10,342
Cash and cash equivalents at the end of the year	12	2,070	1,430	9,068	12,568

# Notes to the Financial Statements

## Year ended 31 March 2019

### 1. Accounting Policies

#### Company and charitable status

The Family Fund Trust for Families with Severely Disabled Children ("Family Fund"), a public benefit entity, is incorporated in England and Wales as a company limited by guarantee not having a share capital. There are currently eleven Trustees who are also the members of the company. Each member has undertaken to contribute to the assets in the event of winding up a sum not exceeding £10. Family Fund is a registered charity. The registered office is shown on page 1.

#### Basis of accounting

The financial statements are prepared under the historical cost convention, in accordance with the Statement of Recommended Practice "Accounting and Reporting by Charities (SORP 2015)" applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable to the UK and Republic of Ireland (FRS 102), effective 1 January 2015; the Companies Act 2006; the Charities and Trustee Investment (Scotland) Act 2005 and the Charities Accounts (Scotland) Regulations 2006 (as amended).

Family Fund has availed itself of chapter 4 section 396 of the Companies Act 2006 and adapted the Companies Act formats to reflect the special nature of our activities.

The Company meets the definition of a qualifying entity under FRS 102 and has therefore taken advantage of the disclosure exemption available to it in respect of its separate financial statements in relation to presentation of a cash flow statement. The principal accounting policies are set out below.

#### Preparation of financial statements - going concern basis

Family Fund is largely dependent upon receiving funding from the four UK Governments to maintain its grant making and information provision to families. Family Fund has worked in partnership with the UK Governments for 46 years and continues to deliver excellent value for money, ensuring more than 90p in every £1 spent is used on direct charitable expenditure. With funding for these schemes largely remaining static since 2010/11, we have increased the number of families helped with government funded grant support during that time from 56,278 to 70,377 – a 24% increase. We have also improved our outcome reporting to funders to better evidence the impact of our work and demonstrate the 'added value' provided to their beneficiaries by the diversification of our funding base and the expansion of our information and support service.

2019/20 is the final year of a three year funding commitment from the Department for Education in England for £27.3 million per year, which commenced on 1 April 2017. This commitment arose following an extremely positive Grant Assurance Review that was commissioned by the Department in 2016, as explained in the Going Concern section of the Strategic Report.

Additionally, in December 2016, Scottish Government published 'A Fairer Scotland for Disabled People' in which it commits to "invest in Family Fund" until 2021.

With continued good relationships with government funders, commitments to continue funding through 2019/20 and a successful story to tell this year, we have every confidence that government funding will be renewed in 2020/21.

Following a successful pilot, we have also secured a £5 million grant fund from Motability for the year July 2019 to June 2020, to continue our Mobility Support programme for families with children under three who are not eligible to receive the mobility component of DLA.

Cash flow forecasts have been prepared for a period greater than 12 months from approval of these financial statements demonstrating the charity having sufficient cash reserves.

The Trustees, therefore, consider that the going concern assumption is an appropriate basis on which to prepare these financial statements.

## Basis of consolidation

Group financial statements have been prepared in respect of Family Fund and its wholly owned subsidiary undertaking Family Fund Trading Limited. These financial statements have been consolidated on a line by line basis and the results of the subsidiary undertaking are disclosed in note 10.

## Income

Income is recognised when the charity and subsidiary have 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.

Grant funding is treated as income in the year in which it is receivable. Income is received as grant funding in accordance with the funding agreements between Family Fund and its funding bodies.

Donations include all income received by the charity that is made on a voluntary basis, along with related gift aid income and income from a small number of fundraising events organised by the charity.

Interest is accrued to the balance sheet date.

## Donated goods and services

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.

## Expenditure

Expenditure is included in the Statement of Financial Activities on an accruals basis, inclusive of any VAT, which cannot be recovered.

Expenditure on raising funds includes the costs incurred in generating fundraising income and trading costs.

Family Fund has a single charitable activity to deliver grants and services to families with severely disabled children. Expenditure on charitable activities includes:

- costs of delivering grants and services to families, being the direct costs associated with the processing of applications or providing services;
- grants given to families, which are recognised as expenditure based on the date of the grant award. Any discounts on goods and services provided to families, receivable up to the balance sheet date, are credited against grants provided to families in the Statement of Financial Activities;
- services to families, being the costs of information provision and support to the whole family;
- support costs, which include central functions and governance costs. Governance costs comprise all costs involving the public accountability of the charity and its compliance with regulation and good practice. These costs include legal and audit fees, together with Trustees' expenses. Support costs are not allocated to fundraising activities, as a significant proportion of these relate to fulfilling our obligations under our restricted funding agreements.

## Fund accounting

Restricted funds are funds subject to specific restrictions imposed by the funding authorities. These funds are not available for the Trustees to apply at their discretion. The purpose and use of the restricted funds is set out in the notes to the financial statements.

Designated funds at 31 March 2019 comprise £173,000 to improve our IT infrastructure to enhance service delivery to families; £197,000 for direct grant support to families and the siblings of disabled children and young people; and £918,000 towards the delivery of the current five year strategy (2017-2022).

## Taxation

The parent company is a registered charity and has no liability to corporation tax on its charitable activities under the Corporation Tax Act 2010 (chapters 2 and 3 of part ii, section 466 onwards) or Section 256 of the Taxation for Chargeable Gains Act 1992, to the extent surpluses are applied to its charitable purposes.

Current tax for the subsidiary company, including UK corporation tax and foreign tax, is provided at amounts expected to be paid (or recovered) using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events that result in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred at the balance sheet date. Timing differences are differences between the company's taxable profits and its results as stated in the financial statements that arise from the inclusion of gains and losses in tax assessments in periods different from those in which they are recognised in the financial statements.

A net deferred tax asset is regarded as recoverable and therefore recognised only to the extent that, on the basis of all available evidence, it can be regarded as more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

Deferred tax is measured at the average tax rates that are expected to apply in the periods in which the timing differences are expected to reverse based on tax rates and laws that have been enacted or substantively enacted by the balance sheet date. Deferred tax is measured on a non-discounted basis.

## Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost, net of depreciation.

Tangible fixed assets over £1,000 are initially included at their cost of acquisition, including costs that are directly attributable to bringing the assets into working condition for their intended use.

Donated, functional fixed assets are included at a valuation made by the Trustees. Where the use of these assets is unrestricted they are included in a designated fund reflecting their book value.

Depreciation is calculated to write down the cost less estimated residual value of all tangible fixed assets over their expected useful lives from the date of installation. The rates generally applicable are:

Leasehold improvements	straight line over the lease term
Furniture and equipment	5 years straight line
Computer equipment and software	4 years straight line

## Operating leases

Rentals applicable to operating leases where substantially all of the benefits and risks of ownership remain with the lessor are charged to the Statement of Financial Activities on a straight line basis over the period of the lease.

## Employee benefits - Pensions

Family Fund participates in the Scottish Voluntary Sector Pension Scheme. This scheme was closed to future accrual on 31 March 2010. The assets of the scheme are held separately in a fund administered for the benefit of the individual participating employees. The scheme is a multi-employer defined benefit final salary scheme where the share of the assets and liabilities applicable to each employer is not identified. Accordingly, these financial statements recognise a liability for the present value of contributions payable under the recovery plan. The present value is calculated using a discount rate which, when used to discount the future recovery plan contributions due, would give the same results as using a full AA corporate bond yield curve to discount the same recovery plan contributions. This discount rate has been adopted due to restrictions on borrowing within some grant funding agreements preventing this being used to calculate an alternative rate.

The unwinding of the discount rate is recognised as a finance cost within support costs.

We also participate in TPT Retirement Solutions' Growth Plan; another scheme where the assets and liabilities applicable to each employer cannot be separately identified. As such, these financial statements also recognise a liability for the present value of contributions payable under the recovery plan. The present value

is calculated using a discount rate which, when used to discount the future recovery plan contributions due, would give the same results as using a full AA corporate bond yield curve to discount the same recovery plan contributions. The unwinding of the discount rate is recognised as a finance cost within support costs.

In place of the previous defined benefit schemes, we introduced a Group Personal Pension Plan administered by Scottish Widows in April 2010 which is a defined contribution scheme. This scheme is funded by contributions from employees and the charity/subsidiary as employer. The amount charged to the Statement of Financial Activities in respect of pension costs is the contributions payable in the year. Differences between contributions payable in the year and contributions actually paid are shown either as accruals or prepayments in the balance sheet.

## Financial instruments

The charity and group only have financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value.

Trade and other debtors are recognised at the settlement amount due after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due.

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

Creditors and provisions are recognised where the charity has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors and provisions are normally recognised at their settlement amount after allowing for any trade discounts due.

## 2. Critical accounting judgements and key sources of estimation uncertainty

In the application of the Group's accounting policies, which are described in note 1, the Trustees are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

The Trustees do not consider there are any critical judgements or sources of estimation uncertainty requiring disclosure beyond the accounting policies listed above.

### 3. Funding for Grants and Services

During the year, funding was received from the following sources for the group and charity's single charitable activity

2019	Unrestricted £'000	Designated £'000	Restricted £'000	2019 Total £'000
<b>Government Grants</b>				
England	-	-	27,323	27,323
Northern Ireland	-	-	1,572	1,572
Scotland	-	-	2,983	2,983
Wales	-	-	475	475
Take a Break Scotland	-	-	700	700
	-	-	33,053	33,053
<b>Other sources of funding</b>				
Good Things Foundation/HMRC	-	-	8	8
Marian Elizabeth Trust	-	-	200	200
David Family Foundation	-	-	10	10
Flora's Fund	-	-	7	7
Edward Gostling Foundation	-	-	100	100
Dixie Rose Findlay	-	-	2	2
Motability Tenth Anniversary Trust	-	-	1,000	1,000
	-	-	34,380	34,380

2018	Unrestricted £'000	Designated £'000	Restricted £'000	2018 Total £'000
<b>Government Grants</b>				
England	-	-	27,323	27,323
Northern Ireland	-	-	1,572	1,572
Scotland	-	-	2,983	2,983
Wales	-	-	499	499
Take a Break Scotland	-	-	700	700
	-	-	33,077	33,077
<b>Other sources of funding</b>				
Good Things Foundation/Big Lottery	-	-	32	32
Good Things Foundation/ HMRC	-	-	9	9
Marian Elizabeth Trust	-	-	200	200
Garfield Weston Foundation	-	-	100	100
Flora's Fund	-	-	2	2
Moondance Foundation	-	-	25	25
Motability Tenth Anniversary Trust	-	-	500	500
	-	-	33,945	33,945

The government funding departments are detailed within the Financial Review section of the Strategic Report. There are no unfulfilled conditions or other contingencies attached to the grants that have been recognised in income for the year.

## 4. Cost of Delivering Grants and Services to Families

The direct cost of delivering grants and services to families comprises of staff costs relating to the assessment and processing of grant applications. All costs are paid out of unrestricted funds; with a funds transfer from each funder to settle their share of the costs.

2019: Group and charity	Unrestricted £'000	Designated £'000	Restricted £'000	2019 Total £'000
Siblings Matter Too	-	9	-	9
Transform Our Support	-	270	-	270
Make voices heard	-	102	-	102
Big Lottery /Good Things Foundation	-	-	-	-
Head office	1,218	3	-	1,221
	1,218	384	-	1,602

2018: Group and charity	Unrestricted £'000	Designated £'000	Restricted £'000	2018 Total £'000
Siblings Matter Too	-	10	-	10
Transform Our Support	-	204	-	204
Make voices heard	-	54	-	54
Big Lottery /Good Things Foundation	-	-	-	-
Head office	1,140	-	-	1,140
	1,140	268	-	1,408

## 5. Grants and Services to Families

2019: Group and charity	Unrestricted funds £'000	Designated funds £'000	Restricted funds £'000	Total funds 2019 £'000
<b>Grants</b>				
Holidays and Outings	-	-	13,494	13,494
Recreation/Home Entertainment	-	1	3,795	3,796
Computers	-	-	6,658	6,658
Clothing and Bedding	-	1	1,044	1,045
Furniture	-	1	1,877	1,878
White Goods	-	2	3,169	3,171
Hospital Visiting Costs	-	-	738	738
Jet Bath	-	-	679	679
Floorcovering	-	-	166	166
Other	-	-	1,580	1,580
<b>Total grants</b>	-	5	33,200	33,205
<b>Services</b>				
Digital training sessions	60	4	-	64
Tax credit advice	-	-	8	8
Transforming Support	-	1	852	853
	60	10	34,060	34,130
Discretionary grants	-	22	-	22
	60	32	34,060	34,152
Less discount receivable	-	(2)	(3,172)	(3,174)
	60	30	30,888	30,978

2018: Group and charity	Unrestricted funds £'000	Designated funds £'000	Restricted funds £'000	Total funds 2018 £'000
<b>Grants</b>				
Holidays and outings	-	-	13,230	13,230
Computers	-	-	6,969	6,969
White goods	-	-	3,563	3,563
Recreation/home entertainment	-	-	3,629	3,629
Furniture	-	-	1,910	1,910
Clothing and bedding	-	-	1,069	1,069
Hospital visiting expenses	-	-	724	724
Floor covering	-	-	183	183
Other	-	-	1,216	1,216
<b>Total grants</b>	-	-	32,493	32,493
<b>Services</b>				
Digital training sessions	42	-	43	85
Tax credit advice	-	-	10	10
Transforming Support	-	26	864	890
	42	26	33,410	33,478
Discretionary grants	-	61	-	61
	42	87	33,410	33,539
Less discount receivable	-	(9)	(3,293)	(3,302)
	42	78	30,117	30,237

2019: Grants and services analysed by funding stream	Unrestricted £'000	Designated £'000	Restricted £'000	2019 Total £'000
England	-	-	27,369	27,369
Northern Ireland	-	-	1,462	1,462
Scotland	-	-	2,864	2,864
Wales	-	-	523	523
Take a Break Scotland	-	-	604	604
Marian Elizabeth Trust	-	-	76	76
Garfield Weston Foundation	-	-	54	54
Flora's Fund	-	-	4	4
Moondance Foundation	-	-	24	24
Motability Tenth Anniversary Trust	-	-	1,058	1,058
Good Things Foundation/ HMRC	-	-	8	8
Edward Gostling Foundation	-	-	12	12
Siblings Matter Too	-	22	2	24
Good Things Foundation/ Big Lottery	-	-	-	-
Designated Funds	-	10	-	10
Donated Services	60	-	-	60
	60	32	34,060	34,152

2018: Grants and services analysed by funding stream	Unrestricted £'000	Designated £'000	Restricted £'000	2018 Total £'000
England	-	-	27,606	27,606
Northern Ireland	-	-	1,489	1,489
Scotland	-	-	2,885	2,885
Wales	-	-	473	473
Take a Break Scotland	-	-	608	608
Marian Elizabeth Trust	-	-	83	83
Garfield Weston Foundation	-	-	49	49
Flora's Fund	-	-	2	2
Motability Tenth Anniversary Trust	-	-	162	162
Good Things Foundation/HMRC	-	-	10	10
Siblings Matter Too	-	61	-	61
Good Things Foundation/Big Lottery	-	-	43	43
Designated Funds	-	26	-	26
Donated Services	42	-	-	42
	42	87	33,410	33,539

2019: Number of Grants/Services	Unrestricted No.	Designated No.	Restricted No.	2019 No.
<b>Grant support:</b>				
England	-	-	59,018	59,018
Northern Ireland	-	-	4,036	4,036
Scotland	-	-	6,268	6,268
Wales	-	-	1,055	1,055
Take a Break Scotland	-	-	2,031	2,031
Siblings Matter Too	-	432	48	480
Flora's Fund	-	-	12	12
Marian Elizabeth Trust	-	-	174	174
Garfield Weston Foundation	-	-	149	149
Moondance Foundation	-	-	87	87
Motability Tenth Anniversary Trust	-	-	79	79
Edward Gostling Foundation	-	-	31	31
Designated Funds	-	18	-	18
	-	450	72,988	73,438
<b>Services:</b>				
Digital training sessions	269	13	-	282
Tax credit advice	-	-	1,748	1,748
Information, advice and support	-	2,977	10,656	13,633
	269	3,440	85,392	89,101

2018: Number of Grants/Services	Unrestricted No.	Designated No.	Restricted No.	2018 No.
<b>Grant support:</b>				
England	-	-	58,607	58,607
Northern Ireland	-	-	4,050	4,050
Scotland	-	-	6,233	6,233
Wales	-	-	986	986
Take a Break Scotland	-	-	2,030	2,030
Siblings Matter Too	-	1,212	-	1,212
Flora's Fund	-	-	6	6
Marian Elizabeth Trust	-	-	171	171
Garfield Weston Foundation	-	-	156	156
Motability Tenth Anniversary Trust	-	-	10	10
	-	1,212	72,249	73,461
<b>Services:</b>				
Digital training sessions	199	-	87	286
Tax credit advice	447	-	349	796
Information, advice and support	-	3,102	10,762	13,864
	646	4,314	83,447	88,407

## 6. Support Costs

The breakdown of support costs attributable to the charitable activities of Family Fund are as follows:

	Unrestricted funds £'000	Designated funds £'000	Restricted funds £'000	Total funds 2019 £'000
<b>2019: Group And Charity</b>				
ICT costs	392	67	-	459
Development and Engagement	518	31	-	549
Governance costs	107	5	-	112
HR costs	199	6	-	205
Finance and office costs	895	5	-	900
Finance cost – unwinding of pension discount	36	-	-	36
Pension costs – changes to assumptions schedule	16	-	-	16
Pension costs – amendments to contributions	(542)	-	-	(542)
Depreciation/loss on disposal	20	14	-	34
<b>Total – charity (net of management income)</b>	1,641	128	-	1,769
Management charge	79	-	-	79
<b>Total – group</b>	1,720	128	-	1,848

Management income and charge is the recharge of certain costs from Family Fund to Family Fund Trading Limited, which are eliminated on consolidation.

	Unrestricted funds £'000	Designated funds £'000	Restricted funds £'000	Total funds 2018 £'000
<b>2018: Group and charity</b>				
ICT costs	352	38	-	390
Development and Engagement	508	27	-	535
Governance costs	89	2	-	91
HR costs	158	21	-	179
Finance and office costs	875	-	-	875
Finance cost – unwinding of pension discount	32	-	-	32
Pension costs – changes to assumptions	(26)	-	-	(26)
Depreciation/loss on disposal	20	13	-	33
<b>Total – charity (net of management income)</b>	<b>2,008</b>	<b>101</b>	<b>-</b>	<b>2,109</b>
Management charge	50	-	-	50
<b>Total – group</b>	<b>2,058</b>	<b>101</b>	<b>-</b>	<b>2,159</b>

## 7. Net Income/(Expenditure) for the Year

	2019 £'000	2018 £'000
<b>Net income is stated after charging:</b>		
Depreciation of owned assets	35	34
Loss on disposal of assets	-	-
Finance cost – unwinding of discount	36	32
Rentals under operating leases – land and buildings	144	123
<b>Auditor's remuneration:</b>		
- Fees payable to the charity's auditor for the audit of the charity's annual financial statements	27	27
Other services:		
- taxation services	1	2
- other non-audit assurance	2	2

Included within auditor's remuneration is £9,700 (2018: £11,000) for the audit of the charity's subsidiary.

## 8. Analysis of Staff Costs, Trustee Remuneration and Expenses, and the Cost of Key Management Personnel

The average number of full time equivalent staff employed by the Group during the year was 133 (2018: 116).

	Group		Charity	
	2019 £'000	2018 £'000	2019 £'000	2018 £'000
Their aggregate remuneration comprised:				
Wages and salaries	3,301	2,678	2,529	2,250
Social security costs	306	244	244	212
Pension costs	227	174	192	160
	3,834	3,096	2,965	2,622

The number of Group employees whose emoluments, excluding pension contributions and employers' national insurance, but including benefits in kind, were in excess of £60,000 was:

	2019 No.	2018 No.
£60,000 - £70,000	2	1
£70,000 - £80,000	1	-
£100,000 - £110,000	-	1
£110,000 - £120,000	1	-

The key management personnel of the Group are Cheryl Ward (Chief Executive), Claire Locker (Group Director of Finance), James Turton (Chief Operating Officer), Ben Calverley (Director of Grant Services), Andrew Harper (Director of Development and Engagement), Andrew Newton (Director of Group ICT and Change), Jill Wheeler (Managing Director of Family Fund Business Services). The total remuneration (including pension contributions and employers' national insurance) of the key management personnel for the year totalled £548,000 (2018: £407,000).

### Trustees' Remuneration

No trustees received remuneration during the current or prior year. Total travel and subsistence expenses of £22,674 (2018: £24,792) were paid to 13 trustees (2018: 14 trustees). No trustee received payment for professional or other services supplied to the charity (2018: £nil).

## 9. Tangible Fixed Assets

Group	Leasehold improvements £'000	Furniture and equipment £'000	Computer equipment and software £'000	Total £'000
<b>Cost</b>				
At 1 April 2018	91	8	298	397
Additions	7	2	45	54
Disposals	-	-	-	-
At 31 March 2019	98	10	343	451
<b>Depreciation</b>				
At 1 April 2018	74	8	210	292
Charge for the year	7	0	29	36
Disposals	-	-	-	-
At 31 March 2019	81	8	239	328
<b>Net book value</b>				
At 31 March 2019	17	2	104	123
At 31 March 2018	17	-	87	104

Charity	Leasehold improvements £'000	Furniture and equipment £'000	Computer equipment and software £'000	Total £'000
<b>Cost</b>				
At 1 April 2018	91	8	193	292
Additions	7	2	43	52
Disposals	-	-	-	-
At 31 March 2019	98	10	236	344
<b>Depreciation</b>				
At 1 April 2018	74	8	110	192
Charge for the year	7	-	27	34
Disposals	-	-	-	-
At 31 March 2019	81	8	137	226
<b>Net book value</b>				
At 31 March 2019	17	2	99	118
At 31 March 2018	17	-	83	100

## 10. Fixed Asset Investments

Charity	2019 £	2018 £
<b>Cost</b>		
At 1 April 2018 and 31 March 2019	1	1

The company owns the entire issued ordinary share capital of Family Fund Trading Limited, a company incorporated and registered in England and Wales, whose registered office address is Unit 4, Alpha Court, Monks Cross Drive, Huntington, York, YO32 9WN. Family Fund Trading's principal activity is to work with its parent undertaking to find new ways to support and make a difference to all families that care for a disabled child or young person.

The result of Family Fund's trading activities through its subsidiary undertaking is detailed below. Family Fund Trading Limited's taxable profits are generally donated to the charity annually.

	2019 £'000	2018 £'000
<b>Turnover</b>	2,215	1,323
Cost of sales	(350)	(262)
<b>Gross profit</b>	1,865	1,061
Administrative expenses	(1,129)	(661)
<b>Operating profit</b>	736	400
Finance costs (net) - interest receivable	8	3
<b>Profit before taxation</b>	744	403
Gift aid distribution	(400)	(352)
Tax on profit	-	-
<b>Retained profit for the year</b>	344	51

The aggregate of the assets and liabilities was:	2019 £'000	2018 £'000
Fixed assets	5	4
Current assets	4,093	2,395
Current liabilities	(3,349)	(1,995)
<b>Net assets</b>	749	404

## 11. Debtors: Amounts Falling Due Within One Year

	Group		Charity	
	2019 £'000	2018 £'000	2019 £'000	2018 £'000
Trade debtors	1,684	1,055	-	-
Amounts owed by subsidiary undertaking	-	-	7	416
Prepayments and accrued income	1,116	993	669	752
	<u>2,800</u>	<u>2,048</u>	<u>676</u>	<u>1,168</u>

## 12. Analysis of Cash and Cash Equivalents

	2019 £'000	2018 £'000
Cash in hand	6,424	3,817
Notice deposits (less than 3 months)	7,502	8,751
Total cash and cash equivalents	<u>13,926</u>	<u>12,568</u>

## 13. Creditors

	Group		Charity	
	2019 £'000	2018 £'000	2019 £'000	2018 £'000
Amounts Falling Due Within One Year				
Accruals for grants payable	7,604	7,098	7,604	7,098
Trade creditors	3,211	2,086	189	201
Deferred income	133	84	-	10
Other taxation and social security	132	93	94	77
Other creditors	216	27	67	23
	<u>11,296</u>	<u>9,388</u>	<u>7,954</u>	<u>7,409</u>

### Deferred income

	Group		Charity	
Brought forward	84	-	10	-
Released in the year	(84)	-	(10)	-
Deferred in the year	133	84	-	10
Carried forward	<u>133</u>	<u>84</u>	<u>-</u>	<u>10</u>

Deferred income for the trading subsidiary comprises of fees for using the company's online fulfilment portal as well as treasury management fee income, which are invoiced to customers in March 2019, but relate to the period April 2019 to March 2020.

## 14. Pension Arrangements

### Defined benefit schemes

#### TPT Retirement Solutions – Scottish Voluntary Sector Pension Scheme (SVSPS)

The charity participates in the scheme, a multi-employer scheme which provides benefits to some 90 non-associated employers. The scheme is a defined benefit scheme in the UK. It is not possible for the charity to obtain sufficient information to enable it to account for the scheme as a defined benefit scheme. Therefore it accounts for the scheme as a defined contribution scheme.

#### TPT Retirement Solutions – The Growth Plan

The charity participates in the scheme, a multi-employer scheme which provides benefits to some 950 non-associated participating employers. The scheme is a defined benefit scheme in the UK. It is not possible for the charity to obtain sufficient information to enable it to account for the scheme as a defined benefit scheme. Therefore it accounts for the scheme as a defined contribution scheme.

The scheme is subject to the funding legislation outlined in the Pensions Act 2004 which came into force on 30 December 2005. This, together with documents issued by the Pensions Regulator and Technical

Actuarial Standards issued by the Financial Reporting Council, set out the framework for funding defined benefit occupational pension schemes in the UK.

The schemes are both classified as a 'last-man standing arrangement'. Therefore the charity is potentially liable for other participating employers' obligations if those employers are unable to meet their share of the scheme deficit following withdrawal from the scheme. Participating employers are legally required to meet their share of the scheme deficit on an annuity purchase basis on withdrawal from the scheme.

### Summary of defined benefit pension schemes

The total movement in the year on the defined benefit pension schemes is shown in the table below:

	SVSPS £'000	Growth Plan £'000	Total 2018 £'000
Pension liability at 1 April 2018	1,799	52	1,851
Deficit contributions paid in the year	(149)	(7)	(156)
Finance cost - unwinding of pension discount	35	1	36
Pension cost - changes to assumptions	24	-	24
Pension cost - changes to contribution schedule	(542)	(8)	(550)
<b>Pension liability at 31 March 2019</b>	<b>1,167</b>	<b>38</b>	<b>1,205</b>

	SVSPS £'000	Growth Plan £'000	Total 2017 £'000
Pension liability at 1 April 2017	1,937	58	1,995
Deficit contributions paid in the year	(144)	(6)	(150)
Finance cost - unwinding of pension discount	32	-	32
Pension cost - changes to assumptions	(26)	-	(26)
Pension cost - changes to contribution schedule	-	-	-
<b>Pension liability at 31 March 2018</b>	<b>1,799</b>	<b>52</b>	<b>1,851</b>

## Deficit contributions – The Scottish Voluntary Pension Scheme

A full actuarial valuation for the scheme was carried out at 30 September 2017. This valuation showed total scheme assets of £120.0 million, liabilities of £145.9 million and a deficit of £25.9 million. To eliminate this funding shortfall, the Scheme Trustee asked the participating employers to pay additional contributions to the scheme. Family Fund's contributions to the scheme from 1 April 2017 to 30 September 2026 are £148,828 plus scheme expenses of £21,923 per annum; increasing by 3% each year on 1 April.

The recovery plan contributions are allocated to each participating employer in line with their estimated share of the scheme liabilities.

## Deficit contributions – The Growth Plan

A full actuarial valuation for the scheme was carried out at 30 September 2017. This valuation showed total scheme assets of £795 million, liabilities of £926 million and a deficit of £131 million. To eliminate this funding shortfall, the Scheme Trustee has asked the participating employers to pay additional contributions to the scheme. Family Fund's contributions to the scheme from 1 April 2019 to 31 January 2025 are £6,288 per annum; increasing by 3% each year on 1 April.

The recovery plan contributions are allocated to each participating employer in line with their estimated share of the Series 1 and Series 2 scheme liabilities.

Where either or both of the schemes are in deficit and where the charity has agreed to a deficit funding arrangement, the charity recognises a liability for this obligation. The amount recognised is the net present value of the deficit contributions payable under the agreement that relates to the deficit. The present value is calculated using the discount rate detailed in these disclosures. The unwinding of the discount rate is recognised as a finance cost.

## Present values of provisions

	31 March 2019 £'000	31 March 2018 £'000
Scottish Voluntary Pension Scheme	1,167	1,799
Growth Plan	38	52

## Statement of Financial Activities impact

As at 31 March 2019	SVSPS £'000	Growth Plan £'000
<b>Finance cost</b>	35	1
Remeasurements – impact of any change in assumptions	24	-
Remeasurements – amendments to the contribution schedule	(542)	(8)
As at 31 March 2018	SVSPS £'000	Growth Plan £'000
<b>Finance cost</b>	32	1
Remeasurements – impact of any change in assumptions	(26)	-
Remeasurements – amendments to the contribution schedule	-	-

	31 March 2019 % per annum	31 March 2018 % per annum
Rate of discount – SVSPS	1.46	2.01
Rate of discount – Growth Plan	1.39	1.71

The discount rates shown above are the equivalent single discount rates which, when used to discount the future recovery plan contributions due, would give the same results as using a full AA corporate bond yield curve to discount the same recovery plan contributions.

The charity must recognise a liability measured as the present value of the contributions payable that arise from the deficit recovery agreement and the resulting expense in the Statement of Financial Activities i.e. the unwinding of the discount rate as a finance cost in the period in which it arises.

It is these contributions that have been used to derive the charity's balance sheet liability.

## Defined contribution scheme

Family Fund offers a defined contribution Group Personal Pension Plan administered by Scottish Widows. This scheme is funded by contributions from employees and the charity/trading subsidiary as employer. Family Fund's contribution to the Group Personal Pension Plan in the year was £158,562 (2018: £127,072). Fund contributions due to the scheme as at 31 March 2019 were £17,048 (2018: £10,912).



## 15. Movement on Funds

	At 1 April 2018	Income	Expenditure (including taxation)	Transfers	At 31 March 2019
	£'000	£'000	£'000	£'000	£'000
<b>Unrestricted funds:</b>					
Discretionary fund	72	81	-	(3)	150
General fund	(533)	91	(2,919)	2,992	(369)
<b>Unrestricted funds total</b>	<b>(461)</b>	<b>172</b>	<b>(2,919)</b>	<b>2,989</b>	<b>(219)</b>
<b>Designated funds:</b>					
Grants processing system	192	-	(110)	91	173
Siblings Matter Too	92	-	(32)	-	60
Charitable purposes	21	-	-	(21)	-
Depreciation	-	-	25	(25)	-
Transform our support	536	-	(275)	227	488
Secure our future	244	-	(163)	152	233
Reach out across the UK	29	-	(19)	(10)	-
Make voices heard	222	-	(103)	78	197
Matched funding (Edward Gostling)	100	-	(13)	50	137
<b>Designated funds total</b>	<b>1,436</b>	<b>-</b>	<b>(690)</b>	<b>542</b>	<b>1,288</b>
<b>Restricted funds:</b>					
England	1,880	27,379	(24,673)	(2,625)	1,961
Northern Ireland	15	1,576	(1,332)	(238)	21
Scotland	9	2,989	(2,583)	(397)	18
Wales	94	476	(476)	(72)	22
Take a Break Scotland	-	700	(604)	(96)	-
Good Things Foundation/ HMRC	-	8	(8)	-	-
Marian Elizabeth Trust	91	200	(67)	(30)	194
Garfield Weston Foundation	49	-	(47)	-	2
Moondance Foundation	25	-	(21)	(2)	2
David Family Foundation	-	10	-	-	10
Flora's Fund	-	7	(4)	-	3
Edward Gostling Foundation	-	100	(12)	(11)	77
Dixie Rose Findlay	-	2	(2)	-	-
Motability Tenth Anniversary Trust	320	1,000	(1,059)	(60)	201
Restricted donations	18	1	-	-	19
<b>Restricted funds total</b>	<b>2,501</b>	<b>34,448</b>	<b>(30,888)</b>	<b>(3,531)</b>	<b>2,530</b>
<b>Total charity funds</b>	<b>3,476</b>	<b>34,620</b>	<b>(34,497)</b>	<b>-</b>	<b>3,599</b>
<b>Unrestricted funds:</b>					
Family Fund Trading Limited	5	2,223	(1,479)	-	749
<b>Total group funds</b>	<b>3,481</b>	<b>36,843</b>	<b>(35,976)</b>	<b>-</b>	<b>4,348</b>

Restricted funding is to be used in providing support in the form of grants, goods and services to assist families, parents and others with parental responsibilities in the United Kingdom caring for severely disabled children living at home.

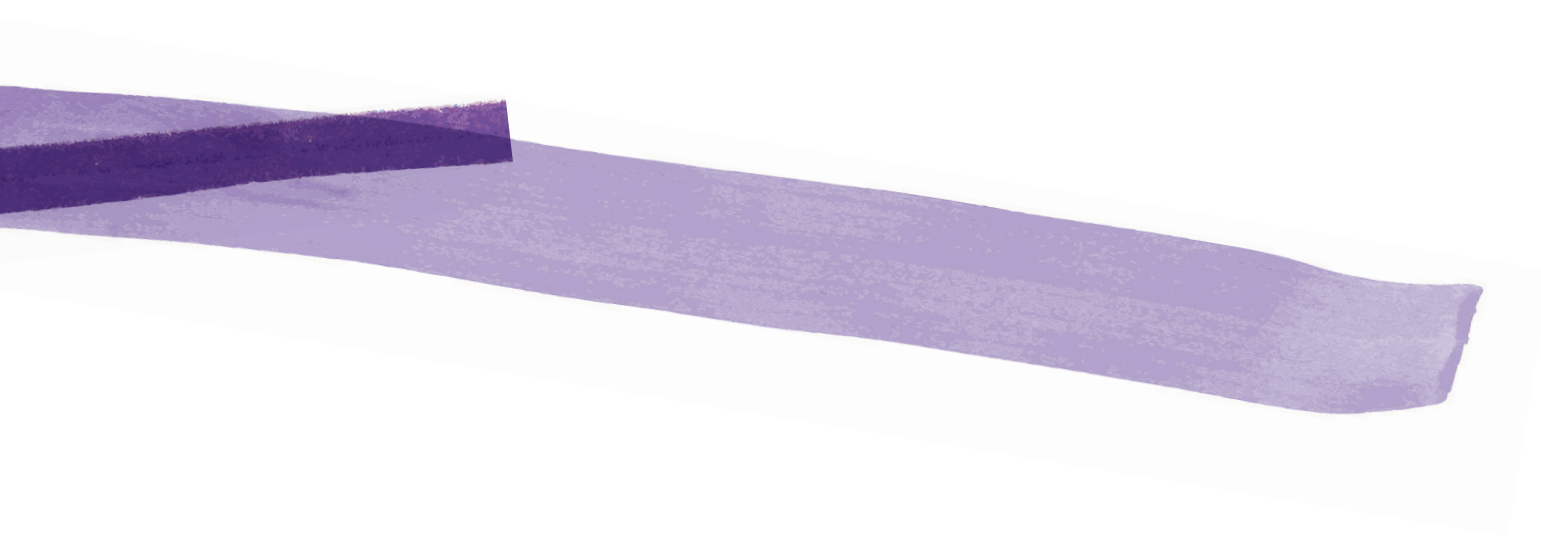
The Discretionary Fund is maintained for voluntary donations received and is used to help us further break down the barriers and ease the additional pressures that families face; making life easier and improving the well-being of parents and carers.

Transfers from restricted funds represent:

- each programme's share of support costs and the cost of delivering grants and services to families.

Designated funds are to be used:

- to improve the ICT infrastructure in order to enhance service delivery to families;
- to provide direct grant support, services and information provision to families; and
- to deliver Family Fund's five year strategy (2017-2022), including investment in targeted fundraising activities.



## Prior Year Movement on Funds

	At 1 April 2017 £'000	Income £'000	Expenditure (including taxation) £'000	Transfers £'000	At 31 March 2018 £'000
<b>Unrestricted funds:</b>					
Discretionary fund	98	37	-	(63)	72
General fund	907	482	(3,337)	3,266	1,318
Pension provision	(1,995)	-	144	-	(1,851)
<b>Unrestricted funds total</b>	<b>(990)</b>	<b>519</b>	<b>(3,193)</b>	<b>3,203</b>	<b>(461)</b>
<b>Designated funds:</b>					
Grants processing system	138	-	(81)	135	192
Siblings Matter Too	85	-	(68)	75	92
Charitable purposes	156	-	-	(135)	21
Depreciation	-	-	26	(26)	-
Transform our support	767	-	(231)	-	536
Secure our future	350	-	(115)	9	244
Reach out across the UK	46	-	(17)	-	29
Make voices heard	282	-	(60)	-	222
Matched funding (Edward Gostling)	-	-	-	100	100
<b>Designated funds total</b>	<b>1,824</b>	<b>-</b>	<b>(546)</b>	<b>158</b>	<b>1,436</b>
<b>Restricted funds:</b>					
England	1,813	27,352	(24,799)	(2,486)	1,880
Northern Ireland	11	1,574	(1,342)	(228)	15
Scotland	10	2,986	(2,607)	(380)	9
Wales	96	499	(425)	(76)	94
Take a Break Scotland	-	700	(608)	(92)	-
Good Things Foundation/ HMRC	1	9	(10)	-	-
Marian Elizabeth Trust	-	200	(76)	(33)	91
Garfield Weston Foundation	-	100	(44)	(7)	49
Moondance Foundation	-	25	-	-	25
Motability Tenth Anniversary Trust	-	500	(162)	(18)	320
Restricted donations	15	3	-	-	18
Good Things Foundation/Big Lottery	50	33	(42)	(41)	-
Flora's Fund	-	2	(2)	-	-
<b>Restricted funds total</b>	<b>1,996</b>	<b>33,983</b>	<b>(30,117)</b>	<b>(3,361)</b>	<b>2,501</b>
<b>Total charity funds</b>	<b>2,830</b>	<b>34,502</b>	<b>(33,856)</b>	<b>-</b>	<b>3,476</b>
Unrestricted funds: Family Fund Trading Limited	2	927	(924)	-	5
<b>Total group funds</b>	<b>2,832</b>	<b>35,429</b>	<b>(34,780)</b>	<b>-</b>	<b>3,481</b>

Restricted funding is to be used in providing support in the form of grants, goods and services to assist families, parents and others with parental responsibilities in the United Kingdom for caring for severely disabled children living at home.

The Discretionary Fund is maintained for voluntary donations received and is distributed as grants to families who fail to meet the guidelines for support under Grant in Aid.

Transfers from restricted funds represent:

- an agreement with three of the funders to permit retention of certain funds as unrestricted funds;
- a change in accounting process during 2015/16 now sees all overheads being paid for by the charity, with a transfer from restricted funds to cover each programme's share of support costs and the cost of delivering grants and services to families; reflecting the change in method used to recharge costs.

Designated funds are to be used:

- to improve the ICT infrastructure in order to enhance service delivery to families and ensure the future sustainability of the organisation;
- to provide direct grant support, services and information provision to families; and
- to invest in targeted fundraising activities.

## 16. Analysis of Assets and Liabilities Between Funds

Group	Unrestricted funds £'000	Designated funds £'000	Restricted funds £'000	Total £'000
Tangible fixed assets	123	-	-	123
Current assets	5,210	1,326	10,190	16,726
Current liabilities	(3,598)	(38)	(7,660)	(11,296)
Defined benefit pension scheme liability	(1,205)	-	-	(1,205)
At 31 March 2019	530	1,288	2,530	4,348

Charity	Unrestricted funds £'000	Designated funds £'000	Restricted funds £'000	Total £'000
Tangible fixed assets	118	-	-	118
Current assets	1,124	1,326	10,190	12,640
Current liabilities	(256)	(38)	(7,660)	(7,954)
Defined benefit pension scheme liability	(1,205)	-	-	(1,205)
At 31 March 2019	(219)	1,288	2,530	3,599

## Prior Year Analysis of Assets and Liabilities Between Funds

Group	Unrestricted funds £'000	Designated funds £'000	Restricted funds £'000	Total £'000
Tangible fixed assets	104	-	-	104
Current assets	3,476	1,452	9,688	14,616
Current liabilities	(2,185)	(16)	(7,187)	(9,388)
Defined benefit pension scheme liability	(1,851)	-	-	(1,851)
At 31 March 2018	(456)	1,436	2,501	3,481

Charity	Unrestricted funds £'000	Designated funds £'000	Restricted funds £'000	Total £'000
Tangible fixed assets	100	-	-	100
Current assets	1,496	1,452	9,688	12,636
Current liabilities	(206)	(16)	(7,187)	(7,409)
Defined benefit pension scheme liability	(1,851)	-	-	(1,851)
At 31 March 2018	(461)	1,436	2,501	3,476

## 17. Operating Leasing Commitments

The total future minimum lease payments under non-cancellable operating leases are:

Group and Charity	2019 Land and buildings £'000	2018 Land and buildings £'000
- within one year	186	144
- between one and five years	839	270
- more than five years	1,280	-
	2,305	414

## 18. Related Party Transactions

The group has taken advantage of the exemption available under the Charities SORP that permits non-disclosure of individual unconditional donations from trustees and wholly-owned group undertakings.

All transactions between Family Fund and Family Fund Trading Ltd are eliminated on consolidation.

There are no other related party transactions.

## 19. Reconciliation of Net Income to Net Cash Flow from Operating Activities

	Unrestricted 2019 £'000	Designated 2019 £'000	Restricted 2019 £'000	Total 2019 £'000	Total 2018 £'000
Net income for the reporting period	986	(148)	29	867	649
Adjustments for:					
Interest receivable	(21)	-	(67)	(88)	(43)
Depreciation charges/loss on disposal	35	-	-	35	34
(Increase)/decrease in debtors	(825)	6	68	(751)	(412)
Increase/(decrease) in creditors	1,415	22	471	1,908	2,157
(Decrease)/increase in pension provision	(646)	-	-	(646)	(144)
<b>Net cash provided by operating activities</b>	<b>944</b>	<b>(120)</b>	<b>501</b>	<b>1,325</b>	<b>2,241</b>



## 20. Prior Year Consolidated Statement of Financial Activities

	Note	Unrestricted funds £'000	Designated funds £'000	Restricted funds £'000	Total funds 2018 £'000
<b>INCOME FROM:</b>					
<b>Charitable activities</b>					
Funding for grants and services	3	-	-	33,945	33,945
Donations, Gift Aid and fundraising		113	-	4	117
Other income		-	-	-	-
		113	-	33,949	34,062
<b>Other trading activities</b>					
Trading income		1,324	-	-	1,324
<b>Investments</b>					
Interest receivable		9	-	34	43
<b>TOTAL INCOME</b>		<b>1,446</b>	<b>-</b>	<b>33,983</b>	<b>35,429</b>
<b>EXPENDITURE ON:</b>					
<b>Charitable activities – delivery of grants and services to families</b>					
Cost of delivering grants and services to families	4	(1,140)	(268)	-	(1,408)
Grants and services to families	5	(42)	(26)	(33,410)	(33,478)
Discretionary grants	5	-	(61)	-	(61)
Less discounts receivable	5	-	9	3,293	3,302
Support costs	6	(2,058)	(101)	-	(2,159)
		(3,240)	(447)	(30,117)	(33,804)
<b>Raising funds</b>					
Trading costs		(874)	-	-	(874)
Fundraising costs		(3)	(99)	-	(102)
<b>TOTAL EXPENDITURE</b>		<b>(4,117)</b>	<b>(546)</b>	<b>(30,117)</b>	<b>(34,780)</b>
<b>Net income/(expenditure) before tax</b>		<b>(2,671)</b>	<b>(546)</b>	<b>3,866</b>	<b>649</b>
Taxation		-	-	-	-
<b>Net income/(expenditure) for the year</b>		<b>(2,671)</b>	<b>(546)</b>	<b>3,866</b>	<b>649</b>
Transfer between funds	13	3,158	158	(3,316)	-
<b>Net movement in funds</b>		<b>487</b>	<b>(388)</b>	<b>550</b>	<b>649</b>
<b>RECONCILIATION OF FUNDS:</b>					
Total funds brought forward		(943)	1,824	1,951	2,832
Net movement in funds for the year		487	(388)	550	649
<b>Total funds carried forward</b>	<b>13</b>	<b>(456)</b>	<b>1,436</b>	<b>2,501</b>	<b>3,481</b>

## 21. Prior Year Charity Statement of Financial Activities

	Note	Unrestricted funds £'000	Designated funds £'000	Restricted funds £'000	Total funds 2018 £'000
<b>INCOME FROM:</b>					
<b>Charitable activities</b>					
Funding for grants and services	3	-	-	33,945	33,945
Donations, Gift Aid and fundraising		513	-	4	517
Other income		-	-	-	-
		513		33,949	34,462
<b>Investments</b>					
Interest receivable		6	-	34	40
<b>TOTAL INCOME</b>		<b>519</b>	<b>-</b>	<b>33,983</b>	<b>34,502</b>
<b>EXPENDITURE ON:</b>					
<b>Charitable activities – delivery of grants and services to families</b>					
Cost of delivering grants and services to families	4	(1,140)	(268)	-	(1,408)
Grants and services to families	5	(42)	(26)	(33,410)	(33,478)
Discretionary grants	5	-	(61)	-	(61)
Less discounts receivable	5	-	9	3,293	3,302
Support costs	6	(2,008)	(101)	-	(2,109)
		(3,190)	(447)	(30,117)	(33,754)
<b>Raising funds</b>					
Fundraising costs		(3)	(99)	-	(102)
<b>TOTAL EXPENDITURE</b>		<b>(3,193)</b>	<b>(546)</b>	<b>(30,117)</b>	<b>(33,856)</b>
<b>Net income/(expenditure) for the year</b>		<b>(2,674)</b>	<b>(546)</b>	<b>3,866</b>	<b>646</b>
Transfer between funds	13	3,203	158	(3,361)	-
<b>Net movement in funds</b>		<b>529</b>	<b>(388)</b>	<b>505</b>	<b>646</b>
<b>RECONCILIATION OF FUNDS:</b>					
Total funds brought forward		(990)	1,824	1,996	2,830
Net movement in funds for the year		529	(388)	505	646
<b>Total funds carried forward</b>	<b>13</b>	<b>(461)</b>	<b>1,436</b>	<b>2,501</b>	<b>3,476</b>