

Company number: 03753345

Charity number: 1077444

Family and Childcare Trust
Report and Financial Statements
31 March 2016



Family and Childcare Trust
Reference and administrative details
For the year ended 31 March 2016

Status	The organisation is a charitable company limited by guarantee, incorporated on 15 April 1999 and registered as a charity on 16 September 1999.	
Governing document	The company was established under a Memorandum of Association which established the objects and powers of the charitable company and is governed under its Articles of Association.	
Company number	03753345	
Charity number	1077444	
Registered office and operational address	2nd Floor, The Bridge 73-81 Southwark Bridge Road London SE1 0NQ	
Website	www.familyandchildcaretrust.org	
Honorary officers	Maggie Darling	Joint Chair (to 30 November 2015)
	David White	Joint Chair (to 30 November 2015) Chair (from 1 December 2015)
	Stephen Dunmore	Secretary (to 29 July 2015)
	Julia Margo	Secretary (from 29 July 2015)
Principal staff	Stephen Dunmore	Interim Chief Executive (to 24 July 2015)
	Julia Margo	Chief Executive (from 20 July 2015)
Bankers	National Westminster Bank plc 38 Strand London WC2N 5JB	
	Unity Trust 9 Brindleyplace Birmingham B1 2HB	
Auditors	Sayer Vincent LLP Chartered Accountants Registered Auditors Invicta House 108-113 Golden Lane London EC1Y 0TL	

Family and Childcare Trust
Report of the trustees
For the year ended 31 March 2016

The Trustees present their report and the audited financial statements for the year ended 31 March 2016.

The legal and administrative information set out on page 2 forms part of this report. The financial statements comply with current statutory requirements, the memorandum and articles of association and the Statement of Recommended Practice - Accounting and Reporting by Charities.

Structure, governance and management

Organisational structure

The Trustee Board meets at least five times a year. It delegates a number of financial matters to a Finance Audit and Risk Committee which reports to the Board.

The day to day management of the organisation is delegated to a Chief Executive who is assisted by a Senior Management Team of three senior staff. The staff of Family and Childcare Trust is organised into three teams: Consultancy and NAFIS, External Affairs and Programmes and Finance and Resources.

Trustees

Rebecca Asher (appointed 27 April 2016)	Martin Pilgrim
Sarah-Jane Butler (appointed 27 April 2016)	Christopher Pond
Maggie Darling (resigned 15 July 2016)	Ryan Shorthouse (resigned 7 July 2015)
Ken Hogg	Kate Stephens (resigned 15 July 2016)
Diana Hunter (resigned 24 June 2016)	Carole Ward (appointed 21 September 2016)
Paul Johnson (resigned 7 July 2015)	David White
Niall McVicar (resigned 21 September 2016)	

Appointment of trustees

Trustees are appointed by either an ordinary resolution of members or by a decision of the board of existing Trustees.

Family and Childcare Trust provides all trustees with an induction pack which includes information about the organisation and about Trustee responsibilities in general. In addition new trustees are provided with an individual introduction to Family and Childcare Trust's work and training is provided where specific knowledge is required.

Members of the charitable company guarantee to contribute an amount not exceeding £1 to the assets of the charitable company in the event of winding up. The total number of such guarantees at 31 March 2016 was 8 (2015 - 10). The trustees have no beneficial interest in the charitable company.

Related parties and connected organisations

At 1 April 2013 Family and Childcare Trust had four dormant related companies. During the year Daycare Trust Enterprises Ltd and National Childcare Campaign Ltd were dissolved. National Association of Family Information Services (NAFIS) Ltd was dissolved in June 2014. Daycare Trust was dissolved on 12 May 2015.

Risk statement

The trustees have undertaken a full risk assessment and keep this under review at the Trustee Board via a formal annual review of the risk register. The Senior Management Team review the risk register and update it on a quarterly basis. This is reported to and considered by the Finance, Audit and Risk Committee who report on this matter to the Trustee Board.

Areas covered include recruitment of skilled staff, governance, legislation, compliance, delivery of contracted projects, diversity of funding, IT data storage, risk and appropriate levels of insurance. Decisions are taken and processes put in place to mitigate risks identified in these areas and more generally.

As part of the regular review during 2016 the trustees have considered reputational risks. The key controls for managing potential risks to reputation include regular review of policies and procedures designed to protect staff, as well as our policies on social media, ethical fundraising and whistle-blowing. Funding and income diversification are identified as key risks and these are managed by close management and monitoring of all finances and funding applications plus detailed scrutiny of project proposals.

Objectives and activities

The Family and Childcare Trust challenges the poverty and unfairness experienced the UK's most vulnerable families. We empower parents through parent-led services and programmes to achieve long lasting, sustainable change within communities. We innovate, advocate and enable through a cycle of research into policy into practice, which influences both national policy and practice on the ground.

Our four year plan includes achieving the following outcomes for families:

- Family care services, including childcare and elder care, are viewed as infrastructure – as vital to deliver a prosperous country as roads or electricity – and therefore receive appropriate political prioritisation.
- Family services and support are accessible, affordable, high-quality, flexible. They meet families' needs, help children reach their full potential and families to thrive.
- The law protects families and there is a clear course of redress when this is not the case. Parents are aware of their rights and are proactively encouraged to exercise them.

And the following outcomes for our organisation:

- The leading family charity, known for achieving real change with and for families and helping to define the next phase of family policy.
- An expert research organisation - our thought leadership helps improve the lives of families.
- A respected provider of innovative, sustainable, replicable and effective parent-led programmes and solutions to the challenges facing families.
- A sustainable business, with unique programme work, based on income from professional services that funds independent research and advocacy.
- A committed and passionate staff team with the skills, expertise and drive to deliver our mission.

Public Benefit

In considering how Family and Childcare Trust fulfils its aims and objectives the Trustees have had regard to the Charity Commission guidance on public benefit. The descriptions of Family and Childcare Trust's charitable activities and plans in the remainder of this report are drafted with this guidance in mind. The services and advice which the Trust provides are available to a wide range of beneficiaries, in most cases at no cost to the beneficiary.

Achievements and Performance

Family and Childcare Trust has worked towards the above themes through a range of programmes and activities. These included in 2015/16:

- Continuing the Parent Champions initiative in partnership with Contact a Family: this initiative supports local parents in their role as advocates for local family and childcare services in their local communities.
- Directly influencing the take up of free early education among some of the most deprived families in the UK. As a result of our work 665 additional children accessed their free early entitlement.
- Reaching just under 15,000 families through the work of Parent Champions.
- Funding and launching the next phase of the Young Dads' Collective with Esmee Fairbairn, to ensure the voices of young fathers are heard in policy and practice.
- Supporting 20 schools across the North West and South East of England to deliver the extended schools offer creating 384 flexible early years and childcare places.
- Support to 15 nurseries delivering childcare financial support information to 1700 current and prospective parents.
- Providing support to Family Information Services and other local agencies to improve information provision to parents at a time when not enough parents, particularly the most deprived, are benefiting from early years support and services, including free early education.
- Delivery of an ambitious research programme into family policy and the early years, including the research and publication of surveys of costs for both childcare and holiday childcare. Other reports published in this year looked at how to deliver an anti-poverty childcare system, higher quality childcare, implementation of the family test, use of family information services and how to improve access to early education for children with special educational needs and disabilities.
- Campaigning with others in the field on key issues that affect families across England, Wales and Scotland. Successes have included lobbying to secure changes to the Childcare Act 2015, a parliamentary inquiry into parenting and social mobility and playing leading roles in All Party Parliamentary Groups on Parents and Families. We have had significant successes around supporting children with special educational needs and disabilities, including strengthening the local authority role, improving funding and ensuring it is recognised in the upcoming workforce development strategy.
- Delivering consultancy and training support to local authorities and others to assist in their delivery of effective childcare and family services, including supporting local authorities to implement the two-year-old early education offer and the 30 hour pilot offer.
- Co-ordinating the work of a large number of charities operating in similar areas to Family and Childcare Trust through the Family Room initiative.

Plans for the Future

In 2016-17 we will:

Programmes:

- Fund and launch a new portfolio of parent-led programmes in partnership with others, including scoping the first parent-led childcare cooperatives and investing in the pilot phase of Little Village.
- Continue to deliver and build our flagship Parent Champions programme, working with DfE and others.
- Seek seed funding to develop Parent Champions into a targeted programme for new migrant communities (integration champions).

Research:

- Further develop our ability to produce robust, economic analysis to underpin our policy calls.
- Deliver more effective, public facing campaigns led and supported by families.

Family and Childcare Trust
Report of the trustees
For the year ended 31 March 2016

Consultancy and training:

- Initiate the process for development of a new early help training package in partnership with FISs.
- Turn the Family First Quality Award into a national benchmark.
- Build our consultancy business.

Influencing:

- Expand the remit of our interventions beyond childcare and work to deliver work on older people's care, relationships, health and integration.
- Work with think tanks and academic departments to build our reputation.
- Build the virtuous research, policy, practice cycle by working with local authorities (particularly FIS) and providers to innovate on the ground and feed this frontline expertise back into policy.
- Build on our strong relationships with government and political parties to further establish ourselves as the go to family charity.

Organisation:

- Continue to professionalise financial management and HR processes.
- Pursuing a strong corporate and trust and foundation income strategy.
- Rebalance our income towards professional services funding our advocacy.
- We will continue to review our costs and quickly make changes where needed.
- Develop our staff team by building on senior managers' skills, securing better income generation expertise and strengthening our research capabilities with quantitative skills.
- Invest in our IT and communications technologies so we can truly be the voice of families and communicate effectively with and for them.

Financial Review

	2016	2015
	£	£
Income	960,792	1,366,620
Operating expenditure	1,516,839	2,177,954
Merger costs	-	22,696
Increase/(decrease) in pension provision	38,000	(4,000)
Total expenditure	1,554,839	2,173,954
(Losses) on investments	(3,597)	-
Net (outgoing) resources	(597,644)	(807,334)

The sources of Family and Childcare Trust's income are set out in detail in note 4 to the accounts on pages 14 to 15.

Reserves Policy

The reserve and cash positions are regularly monitored and reviewed by the trustees who consider reports and projections prepared by the senior management team.

The Trustees continue to believe that the next few years will be a period where Family and Childcare Trust has an opportunity to consolidate the position of its predecessor organisations as the major authority on family and childcare matters. To do this at a time when the government funding, which has been the organisation's mainstay for many years, is reducing involves a range of risks and the organisation has taken this into account when considering its reserves policy.

The Trustees have also acknowledged the potential liabilities which might arise in respect of the contributions paid by both predecessor organisations to pension arrangements managed for employees and former employees by Pensions Trust.

In the light of the risks inherent in the changing nature of the funding for Family and Childcare Trust over the next two years and the level of uncertainty about the future success and sustainability of the new funding sources now being developed, the Trustees believe that it is important to maintain a reserve of at least six-nine months budgeted costs as a general reserve. This is to ensure that it does not have to reduce key staff posts at a time when new business opportunities are being developed and before they have demonstrated their value.

At 31 March 2016 the free reserves excluding designated funds are £1,340,863, which amounts to around twelve months budgeted operating costs (excluding direct project costs) based on costs for the twelve months to 31 March 2017.

Remuneration Statement

Family and Childcare Trust have a pay strategy which provides a framework within which decisions about pay and remuneration for the organisation can be made. There is a job evaluation framework which aims to determine the appropriate pay banding for each post, and to undertake this in accordance with national guidelines and principles and with equal pay for work of equal value considerations.

The organisation's requirements will define the nature of the job and the level of responsibility, the job evaluation framework will then determine the pay band. By using the pay strategy and job evaluation system Family and Childcare Trust aims to ensure fairness, consistency and transparency across the organisation.

The pay strategy and pay scales are reviewed by the Finance, Risk and Audit Committee annually and any recommendations are presented to the Board of Trustees for approval. Where appropriate, the committee may ask for external advice on any changes relating to pay where they may wish to take account of market conditions, and the relationship of the organisation with its competitors.

The Trustees plan to review the pay strategy and remuneration statement during the year to March 2017.

Family and Childcare Trust
Report of the trustees
For the year ended 31 March 2016

Responsibilities of the trustees

Company law requires the trustees to prepare financial statements for each financial year which give a true and fair view of the state of the affairs of the charitable company as at the balance sheet date and of its incoming resources and application of resources, including income and expenditure, for the year then ended.

In preparing those financial statements which give a true and fair view, the trustees should follow best practice and:

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

The trustees are responsible for keeping accounting records which disclose with reasonable accuracy at any time the financial position of the charitable company and to enable them to ensure that the financial statements comply with the Companies Act 2006.

The trustees are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The trustees confirm that to the best of their knowledge there is no information relevant to the audit of which the auditors are unaware. The trustees also confirm that they have taken all necessary steps to ensure that they themselves are aware of all relevant audit information and that this information has been communicated to the auditors.

Auditors

Sayer Vincent LLP were re-appointed as auditors in their year and have indicated their willingness to continue in that capacity.

Approved by the trustees on 2 November 2016 and signed on their behalf by

David White - Chair

Independent auditor's report
To the members of
Family and Childcare Trust

We have audited the financial statements of Family and Childcare Trust for the year ended 31 March 2016 which comprise the Statement of Financial Activities, the Balance Sheet and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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

Respective responsibilities of trustees and auditors

As explained more fully in the statement of trustees' responsibilities set out in the report of the trustees, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

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

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the charitable company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the trustees; and the overall presentation of the financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. In addition, we read all the financial and non-financial information in the report of the trustees to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements

In our opinion the financial statements:

- Give a true and fair view of the state of the charitable company's affairs as at 31 March 2016 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- Have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- Have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the report of the trustees, for the financial year for which the financial statements are prepared is consistent with the financial statements.

Independent auditor's report

To the members of

Family and Childcare Trust

Matters on which we are required to report by exception

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

- Adequate accounting records have not been kept or returns adequate for our audit have not been received from branches not visited by us; or
- The financial statements are not in agreement with the accounting records and returns; or
- Certain disclosures of trustees' remuneration specified by law are not made; or
- We have not received all the information and explanations we require for our audit; or
- The trustees were not entitled to take advantage of the small companies exemption in preparing the report of the trustees' and take advantage of the small companies exemption from the requirement to prepare a strategic report.

Catherine Sayer (Senior statutory auditor)

10 November 2016

for and on behalf of Sayer Vincent LLP, Statutory Auditors

Invicta House, 108-113 Golden Lane, LONDON EC1Y 0TL

Family and Childcare Trust

Statement of financial activities (Incorporating an income and expenditure account)

For the year ended 31 March 2016

		2016			2015		
	Note	Restricted £	Unrestricted £	Total	Restricted £	Unrestricted £	Total £
Income from:							
Donations and legacies	2	-	1,540	1,540	-	1,700	1,700
Charitable activities							
Insight	3a	52,449	130,207	182,656	51,956	62,092	114,048
Influence and Information	3b	13,000	55,753	68,753	99,543	86,161	185,704
Innovation and Improvement	3c	534,500	156,664	691,164	778,988	256,320	1,035,308
Other trading activities							
Publications		-	375	375	-	7,837	7,837
Advertising, Speaking fees and Other trading income		-	-	-	-	2,573	2,573
Investment income		-	16,304	16,304	-	19,450	19,450
Total income		599,949	360,843	960,792	930,487	436,133	1,366,620
Expenditure on:							
Raising funds		-	232,547	232,547	-	110,372	110,372
Charitable activities							
Insight		64,039	62,375	126,414	38,668	12,462	51,130
Influence and Information		13,000	47,754	60,754	101,241	343,270	444,511
Innovation and Improvement		513,148	583,976	1,097,124	810,434	738,811	1,549,245
Merger reorganisation costs		-	-	-	-	22,696	22,696
Total charitable expenditure		590,187	694,105	1,284,292	950,343	1,117,239	2,067,582
Increase/(decrease) in pension provision		-	38,000	38,000	-	(4,000)	(4,000)
Total expenditure	4	590,187	964,652	1,554,839	950,343	1,223,611	2,173,954
Net income/(expenditure) for the year before net (losses) on investments	5	9,762	(603,809)	(594,047)	(19,856)	(787,478)	(807,334)
(Losses)/gains on investments		-	(3,597)	(3,597)	-	-	-
Net income/(expenditure) for the year before transfers		9,762	(607,406)	(597,644)	(19,856)	(787,478)	(807,334)
Transfers between funds		-	-	-	31,446	(31,446)	-
Net movement in funds		9,762	(607,406)	(597,644)	11,590	(818,924)	(807,334)
Funds at 1 April 2015		11,590	2,343,053	2,354,643	-	3,161,977	3,161,977
Funds at 31 March 2016		21,352	1,735,647	1,756,999	11,590	2,343,053	2,354,643

All of the above results are derived from continuing activities. There were no other recognised gains or losses other than those stated above. Movements in funds are disclosed in note 16 to the financial statements.

Family and Childcare Trust

Company number 03753345

Balance Sheet

As at 31 March 2016

	Note	2016	2015
Fixed assets:			
Tangible fixed assets	10	-	2,860
Investment	11	349,390	1
Current assets:			
Debtors	12	382,012	535,266
Cash at bank and in hand		1,347,770	2,192,714
		<u>1,729,782</u>	<u>2,727,980</u>
Liabilities:			
Creditors: Amounts falling due within one year	13	<u>204,533</u>	<u>294,372</u>
Net current assets		<u>1,525,249</u>	<u>2,433,608</u>
Creditors: amounts falling due after one year	14	<u>117,640</u>	<u>81,826</u>
Total net assets	15	<u><u>1,756,999</u></u>	<u><u>2,354,643</u></u>
The funds of the charity:			
Restricted income funds		21,352	11,590
Unrestricted income funds:			
Designated funds		394,784	443,836
General funds		1,340,863	1,899,217
		<u>1,756,999</u>	<u>2,354,643</u>
Total charity funds	16	<u><u>1,756,999</u></u>	<u><u>2,354,643</u></u>

Approved by the trustees on 2 November 2016 and signed on their behalf by

Martin Pilgrim – Trustee

Family and Childcare Trust

Statement of cash flows

For the year ended 31 March 2016

	Note	2016	2015
		£	£
Cash flows from operating activities	19		
Net cash (used in) / provided by operating activities		(508,261)	(945,892)
Cash flows from investing activities:			
Dividends, interest and rents from investments		16,304	19,450
Purchase of investments		(352,987)	-
Net cash (used in) / provided by investing activities		(336,683)	19,450
Change in cash and cash equivalents in the year		(844,944)	(926,442)
Cash and cash equivalents at the beginning of the year		2,192,714	3,119,156
Cash and cash equivalents at the end of the year	20	1,347,770	2,192,714

Family and Childcare Trust

Notes to the financial statements

For the year ended 31 March 2016

1. Accounting policies

a) Basis of preparation

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2015) – (Charities SORP FRS 102), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (August 2014) and the Companies Act 2006.

Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy or note.

b) Reconciliation with previously Generally Accepted Accounting Practice (GAAP)

In preparing the accounts, the trustees have considered whether in applying the accounting policies required by FRS 102 and the Charities SORP FRS 102 a restatement of comparative items was required. The transition date was 1 April 2014.

At the date of transition in applying the requirement to recognise the present value of future deficit contributions payable to the Pension Grant plan, a liability was recognised. The initial liability was for £97,000. No other restatements were required.

c) Public benefit entity

The charitable company meets the definition of a public benefit entity under FRS 102.

d) Going concern

The trustees consider that there are no material uncertainties about the charitable company's ability to continue as a going concern.

The trustees do not consider that there are any sources of estimation uncertainty at the reporting date that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next reporting period.

e) Income

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

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

Income received in advance of the provision of a specified service is deferred until the criteria for income recognition are met.

Family and Childcare Trust

Notes to the financial statements

For the year ended 31 March 2016

1 Accounting policies (continued)

f) Donations of gifts, services and facilities

Donated professional services and donated facilities are recognised as income when the charity has control over the item or received the service, any conditions associated with the donation 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. In accordance with the Charities SORP (FRS 102), volunteer time is not recognised so refer to the trustees' annual report for more information about their contribution.

On receipt, donated gifts, 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.

g) Interest receivable

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the charity; this is normally upon notification of the interest paid or payable by the bank.

h) Fund accounting

Restricted funds are to be used for specific purposes as laid down by the donor. Expenditure which meets these criteria is charged to the fund.

Unrestricted funds are donations and other incoming resources received or generated for the charitable purposes.

Designated funds are unrestricted funds earmarked by the trustees for particular purposes.

i) Expenditure and irrecoverable VAT

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

Costs of raising funds relate to the costs incurred by the charitable company in inducing third parties to make voluntary contributions to it, as well as the cost of any activities with a fundraising purpose

Expenditure on charitable activities includes the costs of delivering research projects, delivering an increasing number of programme activities, running events and conferences, all undertaken to further the purposes of the charity, and their associated support costs

Other expenditure represents those items not falling into any other heading

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

Family and Childcare Trust

Notes to the financial statements

For the year ended 31 March 2016

1 Accounting policies (continued)

j) Allocation of support costs

Resources expended are allocated to the particular activity where the cost relates directly to that activity. However, the cost of overall direction and administration of each activity, comprising the salary and overhead costs of the central function, is apportioned on the following basis which are an estimate, based on staff time, of the amount attributable to each activity.

Where information about the aims, objectives and projects of the charity is provided to potential beneficiaries, the costs associated with this publicity are allocated to charitable expenditure.

Where such information about the aims, objectives and projects of the charity is also provided to potential donors, activity costs are apportioned between fundraising and charitable activities on the basis of area of literature occupied by each activity.

Support and governance costs are re-allocated to each of the activities on the following basis which is an estimate, based on staff time, of the amount attributable to each activity

Cost of raising funds	15%
Insight	8%
Influence	4%
Innovation and Improvement	72%

Governance costs are the costs associated with the governance arrangements of the charity. These costs are associated with constitutional and statutory requirements and include any costs associated with the strategic management of the charity's activities.

k) Operating leases

Rental charges are charged on a straight line basis over the term of the lease.

l) Tangible fixed assets

Items of equipment are capitalised where the purchase price exceeds £1,500. Depreciation costs are allocated to activities on the basis of the use of the related assets in those activities. Assets are reviewed for impairment if circumstances indicate their carrying value may exceed their net realisable value and value in use.

Where fixed assets have been revalued, any excess between the revalued amount and the historic cost of the asset will be shown as a revaluation reserve in the balance sheet.

Depreciation is provided at rates calculated to write down the cost of each asset to its estimated residual value over its expected useful life. The depreciation rates in use are as follows:

Computer equipment	3 years
Furniture	4 years

Family and Childcare Trust

Notes to the financial statements

For the year ended 31 March 2016

1 Accounting policies (continued)

m) Listed investments

Investments are a form of basic financial instrument and are initially recognised at their transaction value and subsequently measured at their fair value as at the balance sheet date using the closing quoted market price. Any change in fair value will be recognised in the statement of financial activities and any excess of fair value over the historic cost of the investments will be shown as a fair value reserve in the balance sheet.

Investment gains and losses, whether realised or unrealised, are combined and shown in the heading "Net gains/(losses) on investments" in the statement of financial activities. The charity does not acquire put options, derivatives or other complex financial instruments.

Investments in subsidiaries

Investments in subsidiaries are at cost.

n) Debtors

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.

o) Cash at bank and in hand

Cash at bank and cash in hand includes cash and short term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account. Cash balances exclude any funds held on behalf of service users.

p) Creditors and provisions

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.

The charity only has 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 with the exception of bank loans which are subsequently measured at amortised cost using the effective interest method.

Family and Childcare Trust

Notes to the financial statements

For the year ended 31 March 2016

1 Accounting policies (continued)

q) Pensions

Family and Childcare Trust participates in the Pensions Trust Growth Plan scheme, a multi-employer scheme. There is a historic liability relating to previous Pensions Trust Growth Plan schemes which are now closed to new entrants.

Pensions Trust has a recovery plan in place requiring participating employers to make further contributions. This long term liability for Family and Childcare Trust is now included in the accounts as the net present value of those deficit reduction contributions payable. The present value is calculated using the discount rate detailed in note 7. The liability is shown in note 14 to the financial statements.

Family and Childcare Trust established a relationship with an alternative pension provider which was able to operate defined contribution personal pension schemes for employees. A number of staff have transferred to such personal pension schemes and this arrangement is the only one available to newly employed staff.

2. Income from Donations

	Restricted £	Unrestricted £	2016 Total £	2015 Total £
Donations under £1,000 from trusts, individuals and other organisations	-	1,540	1,540	1,700
Total	-	1,540	1,540	1,700

Family and Childcare Trust

Notes to the financial statements

For the year ended 31 March 2016

3. Income resources from charitable activities

	Restricted £	Unrestricted £	2016 Total £	2015 Total £
a <i>Insight</i>				
Research projects including Oxford University/Nuffield Foundation	14,441	89,307	103,748	24,625
Big Lottery-Silver Dreams Sponsorship	38,008	-	38,008	41,542
Event Income	-	35,500	35,500	11,644
JRF/CPAG	-	5,400	5,400	3,487
Family Friendly Week	-	-	-	14,000
Computershare Sponsorship	-	-	-	9,750
	-	-	-	9,000
Subtotal for Insight	52,449	130,207	182,656	114,048
b <i>Influence & Information</i>				
NAFIS – Membership	-	26,776	26,776	13,313
Family Room – Membership	-	10,390	10,390	10,980
NAFIS – Conference	-	10,125	10,125	11,917
Sobell	10,000	-	10,000	10,000
Consultancy	-	5,873	5,873	2,886
Trust for London	3,000	-	3,000	40,625
Research	-	2,000	2,000	-
Event Income	-	589	589	-
DfE Strategic Partnership	-	-	-	20,000
KIDS Project	-	-	-	28,918
Policy	-	-	-	2,717
DfE – Family Lives	-	-	-	33,848
Community Playthings Sponsorship	-	-	-	10,500
	-	-	-	-
Subtotal for influence and information	13,000	55,753	68,753	185,704

Family and Childcare Trust

Notes to the financial statements

For the year ended 31 March 2016

3. Incoming resources from charitable activities (continued)

	Restricted £	Unrestricted £	2016 Total £	2015 Total £
c <i>Innovation & Improvement</i>				
DfE- Parent Champions	500,000	-	500,000	527,217
DfE Extended Hours (8am - 6pm) London Pilot	-	-	-	71,627
DfE- Information	-	-	-	-
DfE - Parent Champions Extension/SEND	-	-	-	40,308
Knee High	2,500	-	2,500	139,836
Consultancy & training	-	122,864	122,864	157,339
Young Dad's Council - Families First - Quality	32,000	-	32,000	-
Welsh Assembly - Support of Family Friendly - membership	-	31,300	31,800	33,867
Family Friendly - consultancy	-	-	-	40,000
	-	-	-	19,714
	-	2,500	2,500	5,400
Subtotal for Innovation and Improvement	<u>534,500</u>	<u>156,664</u>	<u>691,664</u>	<u>1,035,308</u>
Total income from charitable activities	<u>599,949</u>	<u>342,624</u>	<u>943,073</u>	<u>1,335,060</u>

Restricted funds include a grant totalling £500,000 (2015: £527,217) received from the Department for Education. The terms of these grant require Family and Childcare Trust to submit regular monitoring reports to the department. The funds were fully spent by 31 March 2016 and the year end monitoring information was submitted in April 2016 in accordance with the terms of the grants.

Family and Childcare Trust

Notes to the financial statements

For the year ended 31 March 2016

4. Analysis of expenditure

	Charitable activities				Merger reorganisation costs £	Pension liability	Governance £	Support Costs £	2016 Total	2015 Total
	Cost of raising funds	Insight £	Influence £	Innovation £						
Staff costs (note 6)	132,154	58,817	8,618	265,494	-	-	-	480,178	945,261	1,034,123
Increase in provision for future deficit contributions under multi-employer pension plan (note 6)	-	-	-	-	-	38,000	-	-	38,000	(4,000)
Freelance and consultancy costs	-	-	1,818	2,000	-	-	575	2,907	7,300	4,147
Premises costs	-	-	-	59,338	-	-	-	23,843	83,181	61,944
Communication costs	-	-	611	237	-	-	-	11,942	12,790	22,235
Audit and accountancy	-	-	-	-	-	-	15,733	-	15,733	19,033
Legal and professional	-	-	-	-	-	-	2,773	6,095	8,868	4,515
Training	-	-	40	39	-	-	-	2,918	2,997	13,542
Project costs	-	-	15,060	128,342	-	-	709	4,969	149,080	446,799
Travel and subsistence	-	278	460	3,451	-	-	379	1,296	5,864	31,022
Booklets and subscriptions	-	-	5,697	-	-	-	-	756	6,453	18,241
Consultancy and contracts	-	12,734	29	162,832	-	-	-	1,700	177,295	321,588
Conferences and events	-	-	496	-	-	-	-	380	876	1,820
Recruitment	-	-	-	619	-	-	-	21,673	22,292	31,887
Equipment	-	-	-	-	-	-	-	4,594	4,594	7,694
Trustee costs	-	-	-	-	-	-	952	-	952	108
Office establishment and insurance	-	10	1,697	350	-	-	28	37,515	39,600	68,157
Bad debts and (in 2014) Provision for leasing charges no longer required	-	-	-	-	-	-	-	-	-	20,037
Irrecoverable VAT	-	-	-	-	-	-	-	26,185	26,185	46,968
Miscellaneous	-	-	-	780	-	-	-	3,878	4,658	12,866
Depreciation	-	-	-	-	-	-	-	2,860	2,860	11,228
	132,154	71,839	34,526	623,482	-	38,000	21,149	633,689	1,554,839	2,173,954
Support costs allocated on basis of income received for each activity area	97,151	52,812	25,381	458,345	-	-	-	(633,689)	-	-
Governance costs	3,242	1,763	847	15,297	-	-	(21,149)	-	-	-
Total expenditure 2016	232,547	126,414	60,754	1,097,124	-	38,000	-	-	1,554,839	
Total expenditure 2015	110,372	51,130	444,511	1,549,245	22,696	(4,000)	-	-	-	2,173,954

Family and Childcare Trust

Notes to the financial statements

For the year ended 31 March 2016

5. Net expenditure for the year

This is stated after charging / (crediting):

	2016 £	2015 £
Depreciation	2,860	11,228
Auditors' remuneration (excluding VAT):		
▪ Current year	9,500	9,500
Operating lease rentals:		
▪ Property	57,250	57,250
▪ Other	2,400	2,404
	<u>(16,304)</u>	<u>(19,450)</u>

6. Analysis of staff costs, trustee remuneration and expenses, and the cost of key management personnel

Staff costs were as follows:

	2016 No.	2015 No.
Salaries and wages	749,636	856,537
Social security costs	65,988	82,215
Redundancy costs	38,477	-
Employer's contribution to defined contribution pension schemes	68,649	71,727
Total salary costs per payroll	<u>922,750</u>	<u>1,010,479</u>
Other staffing costs	22,511	23,644
Total salary costs excluding change in multi-employer plan	945,261	1,034,123
Cost related to multi-employer pension plan deficit contributions	38,000	(4,000)
Total staff costs	<u>983,261</u>	<u>1,030,123</u>

The following number of employees received employee benefits (excluding employer pension costs) during the year between:

	2016 £	2015 £
£60,000 to £69,999	1	-
£70,000 to £79,999	1	1

The total employee benefits including pension contributions of the key management personnel were £196,952 (2015: £264,952).

The charity trustees were not paid or received any other benefits from employment with the charity in the year (2015: £nil). No charity trustee received payment for professional or other services supplied to the charity (2015: £nil).

Trustees' expenses represents the payment or reimbursement of travel and subsistence costs totalling nil (2015: £108) incurred by 1 (2015: 1) members relating to attendance at meetings of the trustees.

The average weekly number of employees head count based on number of staff employed and full-time equivalent during the year was as follows:

	Headcount		Full-time equivalent	
	2016 No.	2015 No.	2016 No.	2015 No.
Raising funds	1.0	4.0	2.4	2.0
Insight	4.0	3.0	4.3	3.0
Influence and Information	3.0	4.0	4.3	3.0
Innovation and Improvement	6.5	9.0	9.8	8.5
Support and governance	5.0	6.8	4.1	4.0
Interns	4.0	0.0	3.0	0.0
	<u>23.5</u>	<u>26.8</u>	<u>27.9</u>	<u>20.5</u>

Family and Childcare Trust

Notes to the financial statements

For the year ended 31 March 2016

7. Pension scheme

Family and Childcare Trust participates in the Pensions Trust Growth Plan scheme, a multi-employer scheme which provides benefits to some 1,300 non-associated participating employers. The scheme is a defined benefit scheme in the UK. It is not possible for the company 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 scheme is classified as a 'last-man standing arrangement'. Therefore the company 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.

A full actuarial valuation for the scheme was carried out at 30 September 2011. This valuation showed assets of £780m, liabilities of £928m and a deficit of £148m. To eliminate this funding shortfall, the Trustee has asked the participating employers to pay additional contributions to the scheme as follows:

Deficit contributions

From 1 April 2013 to 31 March 2023: £13.9m per annum (payable monthly, increasing by 3% each on 1st

A further full actuarial valuation for the scheme was carried out at 30 September 2014. This valuation showed assets of £793m, liabilities of £970m and a deficit of £177m. To eliminate this funding shortfall, the Trustee has asked the participating employers to pay additional contributions to the scheme as follows:

Deficit contributions

From 1 April 2016 to 30 September 2025:

£12,945,440 per annum (payable monthly, increasing 3% each on

From 1 April 2016 to 30 September 2028:

£54,560 per annum (payable monthly, increasing 3% each on 1

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 the scheme is in deficit and where the company has agreed to a deficit funding arrangement the company recognises a liability for this obligation. The amount recognised is the net present value of the deficit reduction 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. The liability is shown in note 14 to the financial statements.

During the year to 31 March 2013 Family and Childcare Trust established a relationship with an alternative pension provider which was able to operate defined contribution personal pension schemes for employees. A number of staff have transferred to such personal pension schemes and this arrangement is the only one available to newly employed staff.

Reconciliation of opening and closing provisions

	2016	2015
	£	£
	(£000s)	(£000s)
Provision at start of period	93	97
Unwinding of the discount factor (interest expense)	2	3
Deficit contribution paid	(11)	(11)
Remeasurements – impact of any change in assumptions	(2)	4
Remeasurements – amendments to the contribution schedule	49	–
Provision at end of period	<u>131</u>	<u>93</u>

Assumptions

	2016	2015	2014
Rate of discount – % per annum	<u>2.07</u>	<u>1.74</u>	<u>2.82</u>

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.

Family and Childcare Trust

Notes to the financial statements

For the year ended 31 March 2016

8. Related party transactions

There are no related party transactions to disclose for 2016 (2015: none).

There are no donations from related parties which are outside the normal course of business and no restricted donations from related parties.

9. Taxation

The charitable company is exempt from corporation tax as all its income is applied for charitable purposes.

10. Tangible fixed assets

	Furniture and equipment	Total
	£	£
Cost		
At 1 April 2015	42,587	42,587
Disposals	(34,007)	(34,007)
At 31 March 2016	<u>8,580</u>	<u>8,580</u>
At 1 April 2015	39,727	39,727
Charge for the Period	2,860	2,860
Released on disposal	(34,007)	(34,007)
At 31 March 2015	<u>8,580</u>	<u>8,580</u>
Net Book Value		
At 31 March 2016	<u>-</u>	<u>-</u>
NET BOOK VALUE		
At 31 March 2015	<u>2,860</u>	<u>2,860</u>

All tangible fixed assets are used to fulfil the charity's objects.

11. Investments

	2016 £	2015 £
Fair value at the start of the year	-	-
Additions at cost	350,000	-
Disposal proceeds	-	-
Net gain / (loss) on change in fair value	(3,597)	-
	<u>346,403</u>	-
Cash held by investment broker pending reinvestment	2,987	-
	<u>349,390</u>	-
Fair value at the end of the year	<u>349,390</u>	-
Historic cost excluding cash at the end of the year	<u>350,000</u>	-
Investments comprise:		
	2016 £	2015 £
Sarasin Alpha CIF for Endowments (Income units) 384,293.72	346,403	-
Cash	2,987	-
	<u>349,390</u>	-

In addition to the investments above, during the year to 31 March 2008 Daycare Trust a predecessor business of Family and Childcare Trust was donated, by a former Trustee, five shares in a newly formed private company. The investment represents 5% of the share capital of the company, which sells a product to organisations in the early years care field. The accounts for the most recent period of trading showed a small increase in reserves and Family and Childcare Trust has no information about current trading. Accordingly the Trustees are unable to put a value on the shares and they are stated at a nominal £1.

Family and Childcare Trust

Notes to the financial statements

For the year ended 31 March 2016

12. Debtors

	2016 £	2015 £
Grant receivable	213,509	361,731
Trade debtors	120,669	156,757
Prepayments	26,724	-
Sundry debtors	21,110	16,778
	<u>382,012</u>	<u>535,266</u>

13. Creditors : Amounts falling due within one year

	2016 £	2015 £
Trade creditors	97,029	198,267
Other Taxation and social security	18,810	24,952
Other creditors	16,563	-
Pension	21,320	26,549
Present value of future pension deficit contributions	13,360	11,174
Accruals	22,331	22,974
Amounts received in advance	15,120	10,456
	<u>204,533</u>	<u>294,372</u>

14. Creditors: amounts falling due after one year

	2016 £	2015 £
Present value of future pension deficit contributions	<u>117,640</u>	<u>81,826</u>
Multi-employer pension deficit cost		
Falling due within one year (note 13)	13,360	11,174
Falling due after one year (note 14)	<u>117,640</u>	<u>81,826</u>
Total present value of deficit contributions	<u>131,000</u>	<u>93,000</u>

15. Analysis of net assets between funds

	Restricted funds £	Designated funds £	General unrestricted funds £	Total funds £
Tangible fixed assets	-	-	-	-
Investments	-	-	349,390	349,390
Current assets	21,352	394,784	1,313,646	1,729,782
Current liabilities	-	-	(204,533)	(204,533)
Liabilities falling due after one year	-	-	(117,640)	(117,640)
Net assets at 31 March 2016	<u>21,352</u>	<u>394,784</u>	<u>1,340,863</u>	<u>1,756,999</u>

Family and Childcare Trust

Notes to the financial statements

For the year ended 31 March 2016

16. Movements in funds

	At 1 April 2015 £	Incoming resources £	Outgoing resources £	Transfers £	At 31 March 2016 £
Restricted funds:					
Insight					
Big Lottery – Silver Dreams	11,590	38,008	(49,598)	-	-
Oxford University/Nuffield Foundation	-	14,441	(14,441)	-	-
Influence and Information					
Sobell	-	10,000	(10,000)	-	-
Trust for London	-	3,000	(3,000)	-	-
Innovation and Improvement					
Department for Education – Parent Champions	-	500,000	(500,000)	-	-
Knee High – Parent Champions	-	2,500	(2,500)	-	-
Esmee Fairbairn – Young Dad's Collective	-	32,000	(10,648)	-	21,352
Total restricted funds	11,590	599,949	(590,187)	-	21,352
Unrestricted funds:					
<i>Designated funds:</i>					
Fixed Assets	2,860	-	(2,860)	-	-
Pensions	440,976	-	-	(46,192)	394,784
Office move	-	-	-	-	-
<i>Total designated funds</i>	443,836	-	(2,860)	(46,192)	394,784
General funds excluding pension provision	1,992,217	360,843	(965,389)	84,192	1,471,863
Present value of pension deficit contributions provision	(93,000)	-	-	(38,000)	(131,000)
Total general funds	1,899,217	360,843	(965,389)	46,192	1,340,863
Total unrestricted funds	2,343,053	360,843	(968,249)	-	1,735,647
Total funds	2,354,643	960,792	(1,558,436)	-	1,756,999

Family and Childcare Trust

Notes to the financial statements

For the year ended 31 March 2016

16. Movements in funds (continued)

Purposes of restricted funds

Big Lottery – Silver Dreams	This funding supported the Relative Experience project, a peer to peer kinship carers support network in the North East.
Oxford University/Nuffield Foundation	Working in partnership with the University of Oxford and the Nuffield Foundation we are producing a report on the early years experiences of looked after children.
Sobell Foundation	This funding was to develop a best practice resource for Family Information Services on working with families with disabled children
Trust for London – Family Report Card	This grant contributed towards the production of the national report looking at how family friendly the UK is. It examined how effective both national and local governments are in supporting family life, and this year the report card focussed in detail on local areas.
Department for Education – Strategic Grant – Parent Champions	The funding was to enable the development of a national network of Parent Champions who are community volunteers trained to act as advocates who can direct parent to sources of good information about childcare and related matters.
Knee High Design Challenge	This funding was to improve the impact of the Parent Champions work using a proactive approach to develop integrated working across the London Boroughs of Southwark and Lambeth.
Esmee Fairbairn Foundation – Young Dad's Collective	This funding is to develop the Young Dad's Collective (YDC) into a national project of a three year period. YDC works with and for young fathers to enable them to share their knowledge and experiences with practitioners, service providers and policy makers, so as to change policy and practice.

Purposes of designated funds

The purpose and requirement for the designated fund has been review by management and trustees at the year end in the light of the current position of Family and Childcare Trust.

Pensions	This fund recognises the potential liability for a debt on withdrawal which would arise if Family and Childcare Trust were to fully withdraw from the Pensions Trust Pension scheme arrangements. The transfer on the fund reflects the reduction in the liability as at 31 March 2016.
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Family and Childcare Trust

Notes to the financial statements

For the year ended 31 March 2016

17. Related companies and post balance sheet events

At 1 April 2015 Family and Childcare Trust had one dormant related companies, Daycare Trust. This company was officially dissolved on 12 May 2015.

18. Legal status of the charity

The charity is a company limited by guarantee and has no share capital. The liability of each member in the event of winding up is limited to £1.

19. Reconciliation of net income / (expenditure) to net cash flow from operating activities

	2016 £	2015 £
Net income / (expenditure) for the reporting period (as per the statement of financial activities)	(597,644)	(807,334)
Depreciation charges	2,860	11,228
Dividends, interest and rent from investments	(16,304)	(19,450)
(Increase)/decrease in debtors	153,254	(7,670)
Increase/(decrease) in creditors	(54,024)	(122,666)
Investment (gains)/losses	3,597	-
Net cash provided by / (used in) operating activities	(508,261)	(945,892)

20. Analysis of cash and cash equivalents

	At 1 April £	Cash flows £	Other £	At 31 March 2016 £
Cash at bank and in hand	134,262	(53,044)	-	81,218
Notice deposits (less than three months)	2,058,452	(791,900)	-	1,266,552
Total cash and cash equivalents	2,192,714	(844,944)	-	1,347,770

21. Operating lease commitments

The charity's total future minimum lease payments under non-cancellable operating leases is as follows for each of the following periods

	Property		Equipment	
	2016 £	2015 £	2016 £	2015 £
Less than one year	57,250	57,250	691	1,185
One to five years	-	57,250	-	691
	57,250	114,500	691	1,876

Family and Childcare Trust

Notes to the financial statements

For the year ended 31 March 2016

22. Impact of transition to FRS 102 and SORP 2015

	Restricted	Unrestricted	Total	Restricted	Unrestricted	Total
Reserves position	31 March 2015			1 April 2014		
	£	£	£	£	£	£
Funds previously reported	11,590	2,436,053	2,447,643	-	3,258,977	3,258,977
Adjustments on transition						
Recognition of provision for multi-employer pension deficit contributions	-	(93,000)	(93,000)		(97,000)	(97,000)
Funds restated on transition	11,590	2,343,053	2,354,643	-	3,161,977	3,161,977
	Unrestricted	Restricted	Total			
Impact on income and expenditure	31 March 2015					
	£	£	£			
Net (expenditure)/income as previously reported	11,590	(822,924)	(811,334)			
Adjustments on transition						
Movement in pension provision	4,000	-	4,000			
Net income as restated	15,590	(822,924)	(807,334)			