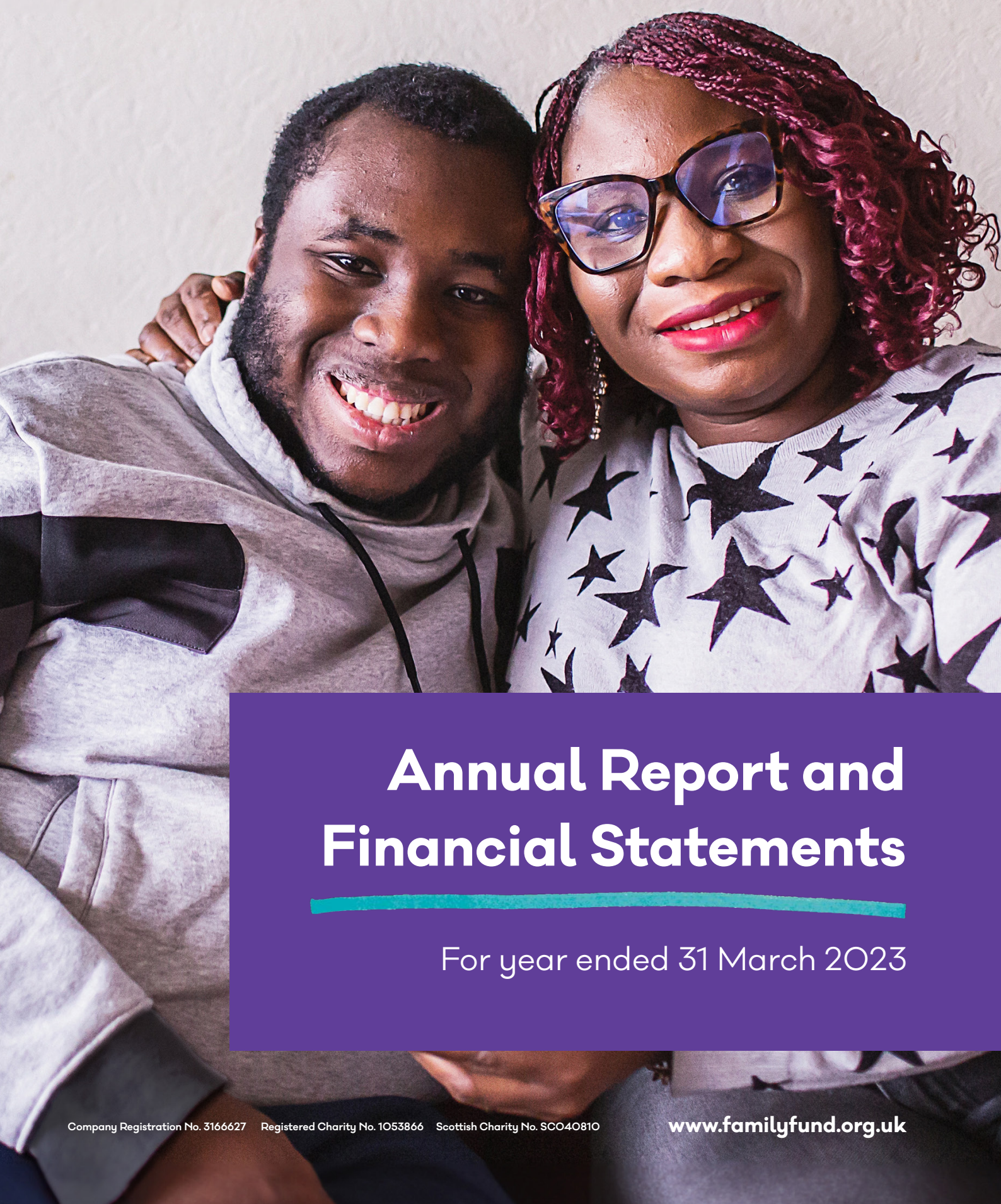


Family Fund Trust



Family Fund

Helping disabled children



Annual Report and Financial Statements

For year ended 31 March 2023



Annual Report and Financial Statements

For year ended
31 March 2023

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Chair's review of Family Fund

Report and financial statements 2023

Emerging from a pandemic directly into a cost-of-living crisis, was challenging for all of us but especially so for the families that we serve, those raising a disabled or seriously ill child or young person.

Stark findings from our "Cost of Caring" report, published in October, showed that significant rises in food and fuel costs, coupled with reductions to services following the COVID pandemic, had a disproportionately negative effect. It was therefore no surprise that Family Fund received 24% more applications than forecast for the year, and applications from families needing support for the first time reached levels never experienced by the charity in its 50 years.

Despite this background, as the subsequent sections of this report will show, 2022/23 was a high-performing year for Family Fund, with progress achieved against all areas of the strategy #help150,000.

Our teams once again responded with both urgency and dedication to provide critical grants and services throughout the year, reaching a record level of 173,756 grants and services to families. Our support was needed more than ever, as we provided families with essentials such as a cooker or a bed, a fridge to store a child's medication, sensory toys to help calm a child and enable them to communicate with others, digital devices to support learning and family breaks to create happy memories during difficult times. The impact of this practical help for families cannot be over-estimated.



We supported families with
173,756
grants and services

We were able to provide this support thanks to our Government, Trust and Foundation funders, our partnership with McCain and the generosity of individual donors. During the year the Scottish Government increased its funding for parents and carers through our Take A Break scheme, The Pears Foundation and the Edward Gostling Foundation committed additional funds to support our Your Opportunity programme for 18-24 year olds, and the Garfield Weston Foundation boosted the number of families we were able to help in Wales. BBC Children in Need (a contract held by our trading subsidiary but delivered in the charity) provided additional funds to launch a winter support package as part of its Emergency Essentials Programme, and our corporate partner, McCain, doubled its annual donation of £300,000 to provide further support to families in this challenging year.

With the delivery of higher levels of grants and services to families becoming the norm, Family Fund has worked hard over the last year to improve its systems and processes to enable the charity to respond to greater demand. The charity made a significant step forward in 2022/23 with the completion of Project Horizon, a complex technology project to replace the entire grant-making system from application form, right through to grant award. Whilst the project made huge demands upon operational resources, we are now better placed than ever before to respond to the challenges of the future.

This year has been my last full year as Chair of Family Fund, having served six years with the charity. I leave in a milestone year, as in April 2023, Family Fund celebrated 50 years of supporting disabled or seriously ill children, young people and their families. As Chair of the charity, I am immensely proud of what has been achieved over that time, and the progress we have made in the past 12 months, and the vital role we continue to play in so many families' lives.

Neil Scott

Chair



29 September 2023

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 audited financial statements and auditors' report for the year ended 31 March 2023.

In accordance with section 414C (11) of the Companies Act 2006 (Strategic Report and Directors Report) Regulations 2013, the company has prepared a Strategic Report which includes information that would previously have been included in the Trustees' Report.

Structure, governance and management

Group status

Family Fund Trust ("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 Limited, 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 2023.

Governance and management

Trustees who served during the year and up to the date of this report are:

Neil Scott - *Chair*

David Braybrook – *Vice Chair*

(retired at end of term on 30 September 2022)

Neil Ashton – *Vice Chair*

Mary Bishop (resigned on
9 September 2022)

Kate Fleck

Jonathan Evans

Gareth Lambert

Andrew Piper

Modaser Choudhary

Shona Elliott

Marguerite Haye

Emma Pinnock

Paul Bass (appointed 24 March 2023)

Michal Noe (appointed 24 March 2023)

Ian Thomas (appointed 24 March 2023)

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 charitable trusts, private funders, donors and donations.

The Board meets on at least a quarterly basis, with a Board Development day scheduled annually. There are three permanent committees, Finance, Audit and Risk Committee, Safeguarding Committee, and the People and Nominations Committee, which also sit on a quarterly basis prior to the meeting of the full Board, which they report into.

The People and Nominations Committee has oversight of the Group People Strategy and all matters relating to staff employment and wellbeing. It also acts as the Nominations Committee to oversee the recruitment of new trustees, and membership of Committees. Shortlisting of candidates and interviewing are completed by the Nominations Committee, which subsequently makes an appointment recommendation to the Board. This year, Family Fund welcomed three new trustees – Michal Noe, Paul Bass and Ian Thomas, as two trustees retired from their role during the year. The board formally records its thanks to David Braybrook and Mary Bishop for their commitment and significant contribution they made to the charity over two terms, and wishes them well for the future.

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 provided with an operational induction with the Executive team, and an induction into the relevant Committees to which they serve. Each new Trustee completes a post-induction review with the Chair, within the first 12 months, alongside future term reviews, all of which encompass feedback from the wider Board and Executive team alongside feedback from the newly appointed Trustees.

The Board retains individual and collective policies and procedures to evaluate and develop the performance of the Trustees. 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 the Chairs of all of the Committees.

Trustees' liability insurance was in force during the financial year and at the date of approval of the financial statements.

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 and to all of the Committees in the run up to the Board.

The principal officers serving during the year and reporting directly to the Group Chief Executive are detailed on page 102.

Staff Pay policy

The Board of Trustees recognises the importance of transparency and accountability in all aspects of work across the Family Fund Group and we are committed to open and clear 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, if in agreement, approve the annual pay award budget for the Group. 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, provided to the Reward and Nominations Committee and applied consistently across the Group, including at Executive level.

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

Secure and accurate processes meeting legal requirements

The Board is committed to the continued review and maintenance by Family Fund Group of good quality procedures and processes. These include:

- Risk Management Framework, Register and Risk Appetite Statements 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 Recovery and Business Continuity Plans are in place and subject to annual review by the Board;
- All major contract areas are covered 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 a high 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 families face and help to promote quality of life. Everything we do contributes to that. Our vision is that families raising a disabled or seriously ill child 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 (1) primarily to assist families, parents and others with parental responsibility in the United Kingdom caring for a severely disabled child or person, and (2) the relief of those in need by reason of disability, ill health, financial hardship or other disadvantage by:

- i. providing support by way of financial grants, goods, services and information;
- ii. furthering knowledge about disability and its impact on the disabled child or person, their siblings, parents or carers; and
- iii working with other charitable organisations to delivery financial grants, goods, services and information to those in need by reason of disability, ill health, financial hardship or other disadvantage.

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.

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 mission to improve the day-to-day lives of families on a low income who are raising a disabled or seriously ill child or young person. It does this by:

- delivering grants and services that ease daily pressures and improve quality of life;
- growing and diversifying its funding base, in order to do more, for more families;
- partnering with families and others to create positive, long-term change through research, public affairs and campaigning; and
- continuous development of the organisation's people, processes and practices, to provide the most effective and efficient service to families.



Grant-making policy

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

- Families living on the lowest of incomes across the UK 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;
- Carers of disabled children and young people up to the age of three, requiring a lease for a vehicle that will support their mobility needs;
- 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; and
- As many families as possible will receive grants within the funding that is available.

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, where possible;
- Promotes positive outcomes;
- Results in lasting change;
- Is flexible and practical; and
- Is efficient, effective and responsive.

Environmental statement

During 2022/23, our total energy usage across our offices at Unit 3 and Unit 4 Alpha Court was 234,127 kwh (2022: 155,551 kwh). Below is a breakdown of the resulting greenhouse gas emissions, based on figures provided by our energy supplier.

Energy usage	2023 CO2e emissions (metric tonnes)	2022 CO2e emissions (metric tonnes)
Gas consumption	23.85	11.55
Purchased electricity	20.01	19.64
Transport	N/A*	N/A*
Total gross emissions	43.86	31.19

*The Group does not have any company owned vehicles

The chosen intensity measurement ratio is total gross emissions in metric tonnes of carbon dioxide equivalent (CO2e) per full-time employee (FTE), which is 0.22 tonnes (2022: 0.19 tonnes).

To prepare these figures, we have followed the 2019 HM Government Environmental Reporting Guidelines. We have also used the GHG Reporting Protocol - Corporate Standard, and have used the 2022 UK Government’s Conversion Factors for Company Reporting.

We remain committed to the aims of our environmental policy, namely:

- Comply with and exceed all relevant regulatory requirements.
- Continually improve and monitor environmental performance.
- Continually improve and reduce environmental impacts.
- Incorporate environmental factors into business decisions.
- Increase employee awareness and training.

The Group focuses on a number of key areas of activity to deliver our goals of becoming a low-waste, low-energy organisation. These include:

- Sustainable procurement: more recycled products, greater emphasis on repair, 'buying local' where possible, environmentally friendly cleaning materials.
- Sustainable transport: Promote more remote / video meetings than travel (even pre-pandemic), promote public transport through securing staff discounts on buses.
- Energy and water usage reduction: Efficient heating and air conditioning use, turning off equipment and lights not in use.
- Waste reduction and safe disposal: Reuse and recycle all paper, remove single plastic cup use, encourage plastic and can recycling, send general waste to waste-to-energy power plant.

During 2022/23, the Group embarked on developing an Environmental, Social and Governance (ESG) strategy, which is due for completion by September 2023. The environmental element includes engaging a third-party consultant to assist us in measuring our current carbon footprint and implementing a carbon reduction plan.

Statement of trustees' responsibilities

The trustees (who are also directors of Family Fund Trust for the purposes of company law) are responsible for preparing the Trustees' Annual Report (including the Strategic Report) and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the trustees to prepare financial statements for each financial year. 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 affairs of the charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that period. In preparing these financial statements, the trustees are required to:

- select suitable accounting policies and apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgments and estimates that are reasonable and prudent;
- state whether applicable UK accounting standards have been followed, subject to any departures disclosed and explained in the financial statements; and
- prepare the accounts on a going concern basis unless it is inappropriate to presume that the charity will continue in business.

The trustees are responsible for maintaining proper 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 accounts comply with the Companies Act 2006 Scotland: the Charities and Trustee Investment (Scotland) Act 2005 and the Charities Accounts (Scotland) Regulations 2006. They 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 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.

Strategic report

Background

The 2022/23 financial year has been one of economic turbulence. This has created difficulties for families, and a challenging operating environment for Family Fund, and indeed many charities.

It is well documented that households with a disabled child face a higher cost-of-living compared to other households, and this was exacerbated in 2022/23 by rising food and energy prices, increases in housing costs and changes to the benefits system.

Research carried out by Family Fund in 2022 showed that:

- 54% of parents and carers reported skipping or cutting the size of their meals because there wasn't enough money for food.
- More than one in ten said they'd had to cut back on essential items for their disabled child.
- Four in five were in debt, with rising debt levels for two in five families polled.
- More than 40% reported that they couldn't afford to keep accommodation warm – a 13% increase since December 2021.

Faced with these circumstances, it is no surprise that the need for support – which increased dramatically during the COVID pandemic – continued at a high level. In 2022/23 Family Fund received 24% more grant applications than expected, 44% of which were from first time applicants – the highest the charity has ever received, and a 114% increase on pre-pandemic levels.

Whilst the number of applications has increased, the funding environment for charities has contracted. Both Trust and Government funding has come under pressure due to the ongoing impact of support given during the pandemic, and then the cost-of-living crisis, and this has had a consequent impact on many third sector organisations. Although Family Fund's funding was not directly affected in the year, the fact that there are fewer places where families can seek support means an increased demand for those that remain.

Higher prices have also had an impact on the charity's activities. Significant price increases for Family Fund's most requested grant items, such as technology and white goods, have placed pressure on grant programme budgets, making it more difficult to deliver grants at a level that covers the full cost of the requested item.

Despite this difficult landscape, Family Fund has continued to deliver on its mission to improve the day-to-day lives of families on a low-income who are raising a disabled or seriously ill child or young person. Key targets for 2022/23 have been achieved, and the organisation has seen significant successes across all strategic focus areas.

Strategy and activities

In 2017, Family Fund launched a five-year strategy entitled #help150,000. Just prior to the start of the 2022/23 financial year, the Board of Trustees extended the strategy for a further 12 months in recognition of the hiatus caused by the COVID pandemic and the need to consolidate achievements against the current strategy, whilst engaging staff and stakeholders in developing plans for the next five years. 2022/23 was therefore an extra (and final) year of the #help150,000 strategy.

The strategy aimed to achieve progress in the following strategic areas of activity:

- **Deliver 150,000 grants and services**

Constituting Family Fund's core service, this element of the strategy was aimed at extending the charity's support to families to achieve delivery of 150,000 grants and services per year, by the last year of the strategy. This 150,000 target was maintained in the last (extra) year of the strategy. The activity was performed primarily through the work of the Grant Delivery, First Contact and Services teams, supported by the Internal Assurance, Finance and Communications teams.

- **Secure our future**

This was a medium to long-term set of activities, aimed at expanding Family Fund's funding base. This activity was primarily driven by the Fundraising Team and the charity's trading arm.

- **Make voices heard**

This was a long-term set of activities aimed at influencing systemic change. Work included conducting and sharing research, and providing families with opportunities to share their lived experience with policymakers, funders and other influencers, and have a say in shaping the support available to them. This activity was primarily driven by the Partnerships, Public Affairs and Family Outcomes team, with support from Communications.

- **Transform our support**

This was a short to medium-term area of activity, aimed at improving the application and grant-making process through digitisation. This activity was primarily driven by the Information and Communications Technology Team.

- **Enable our success**

This was a short to medium-term set of activities aimed at supporting/developing our people, and putting the optimum structures, systems and standards in place to help our teams to deliver for families. This activity was primarily driven by the HR, ICT and Audit Teams.

Achievements and performance

#help150,000 – delivery for families

The number of grants awarded and services supplied in 2022/23 exceeded forecasts – a considerable achievement for the charity in a year when volumes of applications exceeded forecast, and unprecedented numbers of first-time applicants placed considerable pressure on grant-making resources.

Whilst the overarching figure for grants and services was achieved, it was identified that some programmes were more challenging to deliver than others, and there are opportunities to improve efficiency with refined processes and technology. This is something we will seek to address in the 2023/24 continuous improvement programme.



Objective:

- Deliver 150,000 grants and services to families comprising
- 95,000 grants to families via government and Trust-funded grant schemes
- 55,000 services (instances of advice and support) to help families to manage day-to-day challenges

Achievements/performance:

- 173,756 grants and services were provided over the year, exceeding the original target
- 89,278 grants were awarded across all grant-making programmes
- 84,478 instances of advice and support were provided

As well as monitoring and maximising outputs, Family Fund carries out qualitative evaluation surveys to assess the outcomes and impact of grant-making and services on each scheme it delivers. In the case of our main grant schemes, the surveys were issued to a sample of families when they applied for support, and then three to four months after their grant award. Survey results showed that Family Fund continues to deliver benefits to families in line with our charitable purpose.

- 94% of disabled children's health and wellbeing benefitted from the grant, with the health and wellbeing of 70% of their non-disabled siblings also benefitting.
- 85% of families said that Family Fund helped them to do more of the things that matter to them.
- 83% of families said that Family Fund helped them better access information and support.
- 69% of families said that Family Fund helped them manage better financially.
- 42% of families said that their Family Fund grant had helped them better manage their children's care and support needs.

Secure our future

During the year we sought to secure ongoing support from existing funders (including our trading subsidiary) as well as additional funding from Trusts and Foundations, corporate donors and individual givers. Funding targets were successfully achieved for 2022/23, in difficult economic landscape due to the cost-of-living crisis and that all charities are seeking to raise their income to meet the needs of their beneficiaries and delivery of the their purpose.

Objective:

- Secure ongoing funding from government funders

Achievements/performance:

Family Fund was successful in retaining all government funding in 2022/23 – more details can be found in the Financial Review section of the Strategic Report.

Objective:

- Achieve income plans

Achievements/performance:

In a challenging recruitment market, Family Fund successfully recruited to its fundraising team during the year, to bring the team to full capacity. Despite a difficult economic climate, the team reported a successful year, raising a total of £417,000 against the new income target of £439,000. The team also secured an additional £300,000 from our partnership with McCain.

Some areas of fundraising proved more successful than others over the course of the year, and we will feed this knowledge into next year's planning. Key achievements in 2022/23:

- Individual giving raised a total of £174,000 throughout the year through website donations and regular monthly and annual giving. Event fundraising also increased, generating £76,000 from a range of community and third-party events and challenges, such as the Great North run, national skydives and the London to Brighton cycle event.
- The Family Fund lottery launched in December 2022, giving supporters a chance to win £25,000 every week. Whilst income from the lottery was modest (as expected until it becomes established), we aim to grow this into a sustainable unrestricted income stream as we increase the number of players taking part.
- Also in December, Family Fund participated in the Big Give Christmas campaign, with matched funding against a target of £18,000. This was allocated to Your Opportunity – Family Fund's flagship grant programme to support young people aged 18-24 years old.
- Trust/Foundation funding was successfully retained and enhanced for the Your Opportunity Programme that supports young people aged 18-24. More details can be found in the Financial Review section of the Strategic Report.
- Working as a Group alongside our trading subsidiary, Family Fund Business Services, we were selected once again by BBC Children in Need to deliver its Emergency Essentials Programme from 1 June 2023. During 2022/23, as part of the existing contract, BBC Children in Need increased funding into the programme by £500,000 to launch a highly successful winter support package of specially selected grant items, to help families to cope over the winter period.

- New funding was successfully secured from the Garfield Weston Foundation, which committed to provide £300,000 over three years to create the Wales Essentials programme. The appointment of a new Income Generation Officer, exclusive to fundraising in Wales, further demonstrated Family Fund's commitment to supporting families in Wales.
- Family Fund's trading subsidiary, Family Fund Business Services, generated profits of £3.3 million which are gifted to the charity and invested in organisational development projects and additional staff capacity. Profits exceeded forecast by £1.2 million.



Objective:

- Deliver our corporate partnership with McCain

Achievements/performance:

In 2020, Family Fund secured a corporate partnership with McCain Foods UK. This comprised of £1m of income over three years which is designated for grants to help families to enjoy mealtimes together and create moments that matter. The partnership continued to thrive in 2022/23, and in January McCain increased their annual donation, bringing the total value to £1.3million, and enabling more grants to be made to families in need.

The Family Fund brand continues to feature prominently on McCain product packaging and is the focus of television advertising sprints and national PR campaigns. In 2022/23 this included a digital campaign about low-cost mealtimes, featuring MasterChef's Gregg Wallace, together with a family supported by our grants.

We will continue to build on this mutually beneficial partnership with McCain and prioritise expanding and embedding additional corporate partnerships as a sustainable strand of activity in our future fundraising strategy.

Objective:

- Deliver value for money by ensuring 90p of every £1 spent is direct charitable expenditure

Achievements/performance:

During the year, Family Fund continued to monitor the cost of delivery and overheads as a proportion of charitable expenditure, to ensure that operating costs remained at an appropriate level. In 2022/23, 94p of every £1 spent was direct charitable expenditure, indicating to funders that Family Fund continues to represent value for money as a programme delivery partner.

Transform our support

Objective:

- Make our operations more efficient

Achievements/performance:

The key activity in 2022/23 was the delivery of Project Horizon, a complex technology project to replace the charity's grant-making system. This entailed developing bespoke software solutions for making an application online, data entry of paper applications, allocating family assessments to independent assessors, and placing orders with suppliers, as well as configuration of Microsoft software for the charity's core grant processing operations.

Family Fund's Information and Communications Technology team led the development, with some external specialist support. However, the size and scale of the project – the charity's largest ever technology investment – meant that most teams across the organisation were involved in some aspect of delivery, whether process design, testing or training activity.

The draw on internal resources for Project Horizon, which was carried out alongside a demanding year for business-as-usual, resulted in the project running over its scheduled delivery date, and longer than usual grant processing times, which were also impacted by the high level of applications. Other technology projects also had to be postponed due to limited capacity. Nevertheless, by the end of the year, the new system was delivering expected benefits, including a better digital application process for families, and improved efficiency in data entry and grant processing, helping families to receive their grant decision faster.

A "lessons learned" exercise was undertaken on the back of Project Horizon, resulting in changes to the way Family Fund will resource and approach large-scale technology changes in the future.



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Objective:

- Enhance the customer service experience

Achievements/performance:

During the year, Family Fund planned the replacement of its customer contact centre technology with a new, more configurable system that would help the First Contact Team to improve its telephone helpline for families. The new system was implemented in November 2022, and has allowed the team to adapt on-hold messages more easily, route calls more effectively, and introduce webchat to support families making an online grant application.

In March 2023, Family Fund launched a new website, designed to meet international accessibility standards. The new site provides updated content, better search functionality and simpler navigation, to make it easier for families to find out about the grants and services Family Fund offers. It also provides a better platform to promote the charity's fund-raising activities and research studies.

In 2022/23, as part of Family Fund's equity, diversity and inclusion work, we updated our analysis of groups who may face barriers to accessing our support (such as lone parent families, disabled parent carers, ethnic minority families and kinship carers). This will inform ongoing engagement and process improvement.

During the year we continued to seek geographic equity in our family reach. We do this by comparing the volume of first-time grant applications from local authority areas against child Disabled Living Allowance and low-income data, to identify "cold spots" where we can undertake targeted outreach activity. In 2022/23 we held ten family information events in relevant areas, which allowed us to engage face-to-face with more than 1,200 families who would otherwise have been hard to reach.

Make voices heard

Ensuring that everything we do is informed by the needs of families with disabled children is key to Family Fund's approach, and we also provide families with a platform to share their lived experience and influence the activity of key stakeholders through our research studies, public affairs activity, and partnership work.

Objective:

- Help funders, policymakers and partners to understand family needs and experiences

Activities/achievements:

During the last year we continued to grow and develop our research function, engaging more than 4,000 families via our quarterly family poll.

Results from the family poll were collated into our "Cost of Caring" report, which was released in October 2022. The report highlighted the heightened impact of the cost-of-living crisis, and reduced support services post-pandemic, on families with a low income who are raising a disabled or seriously ill child.

The report was shared with the four UK governments and across the third sector, helping to inform policy-making and practical responses. It was also the focus of a media campaign which achieved extensive coverage across national and regional print and broadcast channels.

Direct engagement with policy officials continued across all four governments over the year. This included focus group sessions with families, the submission of consultation responses and meeting directly with elected representatives - including the UK Minister for Disabled People and the Scotland Minister for Children and Young People.

Through our partnership work, we engaged with a wide range of organisations and coalitions to promote the support we provide and contribute to initiatives to deliver better outcomes for families. Key activity in 2022/23 included campaigning for improved health and social care provision via the Disabled Children's Partnership, and part-funding End Child Poverty's annual analysis on the scale and distribution of disabled children living in poverty.

Objective

- Raise our profile, with families at the heart of publicity

Activities/achievements

Family Fund increased the capacity of its Communications Team during the year, appointing to several vacant positions. Throughout 2022/23, the team carried out multi-channel campaigns to promote grant programmes, as well as realising media opportunities and delivering research reports, fundraising campaigns and donor support activity – especially through the McCain partnership. As a result, Family Fund achieved its highest-ever brand profile in 2022/23.

Objective

- Ensure that our service meets the needs of families by seeking regular feedback and using it to shape our service

Activities/achievements

Family Fund's quarterly family poll continued in 2022/23, with the results used to inform improvements in grant-making and service provision.

Within the year, we established a Service Quality Feedback Forum to review families' experience of applying for and accessing our grant support and other services. Some of the points raised by families were addressed through Project Horizon, whilst others will be used to inform next year's continuous improvement plans.

Enable our success

Objective

- Develop our future strategy

Achievements/performance:

Having extended the 2017-22 strategy for an extra year, Family Fund used 2022/23 to develop a new five-year strategy. Trustees and staff contributed ideas and shaped the content of the new strategy, which was also informed by Family Fund's research studies, and other contextual information.

Trustees signed off the new strategy in March 2023, in preparation for publication in the coming year.



Objective

- Develop our organisation as a great place to work, for great people

Achievements/performance:

Family Fund continued to deliver its People Strategy in 2022/23, with a particular focus on responding to a challenging staff retention/recruitment environment, staff engagement, and progressing the inclusion agenda.

Following extensive salary benchmarking, the charity uplifted the bottom of its pay grades to keep pace with the sector and stay ahead of the increasing Voluntary Living Wage. This helped the charity to attract and retain talented people in a difficult recruitment market and ensured that staff remained engaged and motivated to deliver a quality service to families. We will continue to monitor pay and conditions closely to ensure that we are delivering a pay and benefits package that can attract and retain colleagues but is also a responsible and respectful use of charitable funds.

In terms of staff engagement, Family Fund continued to support Staff Representatives and the Staff Council, and this group provided a valuable staff perspective on various plans throughout the year, including the pay offer.

In a new development, Family Fund launched a staff “pulse” survey in 2022/23. This short survey is carried out quarterly, and provides data on employee satisfaction, work/life balance and one topical question that changes throughout the year. In 2022/23, 97% of staff reported that they felt positive about working at Family Fund, against a target of 80%. This was a positive achievement, in the face of a challenging year operationally.

We continued our focus on inclusion in 2022/23. An Inclusion Champions group was formed from staff volunteers, and the group led on the delivery of several activities across the year.

These included organising the charity's attendance at York Pride, coordinating delivery of mental health training for all staff, developing a well-being "passport", and supporting inclusion training for all colleagues in the Group. Staff members have also shared blogs to build awareness of diversity and inclusion, on topics such as World Down's Syndrome Day, Autism Awareness Week and Trans Day of Visibility.

Throughout the year, Family Fund continued to reinforce and celebrate the charity's values – passionate, determined, connected and supported. This included making the values a feature of recruitment and performance evaluation, and delivery of the Values Awards scheme, which allows staff members to recognise colleagues for demonstrating the organisation's values. This is now well-established across all staff teams, and successes are reported at quarterly staff briefings.

Objective

- Be an exemplar place for disabled people to work

Achievements/performance:

Following a successful first year, Family Fund's supported internship scheme expanded in 2022/23.

Of the first cohort of supported interns, two moved onto paid employment (including one now being employed in Family Fund's Grants team) and one to further education.

In 2022 we broadened the scheme to respond to the needs of our partner, Blueberry Academy, and appointed two Supported Interns and one Supported Work Placement. One of our Supported Interns has been working with the National Development Team for Inclusion to develop content and a webinar to promote Supported Interns to employers nationally.

We plan to progress the scheme further in 2023-24.

Objective

- Ensure we have the right structure, systems and standards in place for effective working

Achievements/performance:

There were three key areas of development in 2022/23.

Family Fund's First Contact Team achieved the Helplines Standard accreditation for its telephone helpline and email response service. This demonstrated the high standard of service provided to families who contact the charity with queries or requests for support.

During the year, the charity started on its journey to become carbon neutral, employing an external partner to help calculate the organisation's carbon footprint, and formulate a carbon reduction plan. This is work that we will continue in the coming years, with a medium-term aim of meeting the PAS 2060 environmental standard.

Family Fund carried out two tender processes throughout the year (for white goods and family breaks) to ensure the charity continues to provide best value across the full range of grant items.

Objective

- Keep families' data secure

Achievements/performance:

Data security continued to be a high priority in 2022/23. Regarding systems, Family Fund successfully retained its Cyber Essentials Plus accreditation. All staff undertook mandatory training in data security, emailing phishing awareness improved during the year due to ongoing awareness-raising and testing activity, and there were no reportable data breaches during the year.

Financial review

For 2022/23, government grant funding has been received from the following sources:

- The Department for Education, England - **£27.3 million** (2021/22: £27.3 million)
- Children and Families Directorate, Scottish Government - **£3.0 million** (2021/22: £3.5 million)
- Department of Health and Social Services, Welsh Government - **£360,000** (2021/22 £590,000)
- Department of Health, Northern Ireland - **£1.6 million** (2021/22: £2.1 million)
- Primary and Community Care Directorate, Scottish Government (Take a Break Scotland scheme) - **£1.5 million** (2021/22: £1.2 million)

We remain extremely grateful to our funders for their continued support, both in 2022/23 and the forthcoming year.

From this government funding, nearly 173,756 grants and services worth £32.1 million were awarded to families; with 89% of these being goods or services, rather than cash.

During 2022/23, we also received grant funding from a range of other sources:

- **£5.5 million** (2022: £1.5 million) from **Motability** to provide leased vehicles to families with severely disabled children under the age of three with specific mobility needs;
- **£200,000** (2022: £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;
- **£350,000** (2022: £250,000) from **Pears Foundation** to further expand our Your Opportunity grant scheme;

- **£100,000** (2022: nil) of new funding from the **Garfield Weston 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.
- **£8,000** (2022: £7,000) 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; and
- **£11,000** (2022: £31,000) of funding from a range of private trusts and foundations to support our **Siblings Matter Too** scheme, our digital skills training programme and research projects.

The Group received £700,000 during 2022/23 from the partnership with McCain Foods, with £433,000 being recognised in the year and included in the gifted profits from FFBS. The unrestricted income has subsequently been designated by the board to provide grants which help families come together at mealtimes.

Family Fund Business Services had its most successful year to date and generated profits of £3.3 million. A proportion of the profits (£1.4 million) was paid up to the charity during the year along with the balance of the 2021/22 donation (£1.5 million); with the remaining balance of the current year's taxable profits due to be paid in September 2023. This brings the total profits from the last nine financial years to over £12.7 million (2022: £9.4 million).

Within the charitable entity, there was an overall surplus for the year of £1.9 million (2022: £1.9 million); with total funds standing at £11.6 million (2022: £9.8 million) at 31 March 2023.

Fundraising

During 2022/23, our fundraising team were responsible for generating a total of £251,000 from donations, gift aid and fundraising, £755,000 from corporate donations (including the income from McCain that is paid via Family Fund Business Services) and a further £110,000 of new restricted income from new and existing funders.

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 opted not to undertake forms of fundraising that carry higher reputational risks such as unsolicited direct mail or telephone fundraising campaigns although we continue to review this activity and opportunities to widen our supporter base. Similarly, we do not contract with any external fundraising organisations or professional fundraisers. All fundraising plans are monitored to ensure individuals do not receive excessive amounts of communications requesting support and emails are only sent to those who have explicitly opted in to receiving fundraising communications.

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 Head of Fundraising, this committee meets quarterly and has a

membership comprising the Group CEO, Group Director of Finance, Group Director of Communications and Fundraising, Director of Grant Services, Head of Fundraising, Director of Internal Assurance, Director of Partnerships, Public Affairs & Family Outcomes, Head of Communications and Managing Director of Family Fund Business Services. In addition, reports on fundraising are 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 is committed to abiding by our Fundraising Promise as well as their Code of Fundraising Practice.

Fundraising Complaints

Our fundraising complaints process is published on our 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. We have a Vulnerable Supporter Policy to ensure best practice is embedded throughout our fundraising work.

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, equating to £2.5 million at 31 March 2023. This is calculated based on the charges to the restricted grant programmes, including assessment costs, for the following financial year. The Department for Education in England permits us to retain six months operating costs (£1.9 million) in a restricted reserve to cover unforeseen circumstances and potential wind down costs contributing to this reserves target; with the remaining £600,000 being met from our free reserves.

Monitoring of the reserves policy is performed solely on the charity, with free reserves being £2.3 million at 31 March 2023. The current level of reserves exceeds the minimum policy set by the Trustees, but new funding arrangements will create additional pressures on central costs that will need to be covered from free reserves in future years. It is, therefore, expected that free reserves will reduce in the coming years.

Group free reserves at 31 March 2023 are £3.5 million (2022: free reserves of £3.7 million) and total group funds at the end of the reporting year are £12.8 million (2021: £10.6 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.

The year ahead: plans and challenges

Strategy

Family Fund's new strategy, entitled "**Being there for families**", recognises and responds to the needs of families and the economic situation that is likely to impact on the charity's operations for some years to come, and builds on what has already been achieved in the previous six years. Focus areas for the new strategy are:

1

Deliver

essential help to families, making day-to-day life easier.



2

Grow

our support – to do more, for more families.



3

Partner

with families and others to create positive change



4

Enable

our team to work at their best.



The challenge of high volumes and funding pressures

A recurring theme in 2022/23 has been high levels of need, resulting in higher-than-predicted application volumes – especially from first time applicants – against a background of limited programme funding and future uncertainty.

In England, at the beginning of the 2022/23 financial year, Family Fund forecast that the number of applications received would significantly exceed the amount of funding available unless action was taken. A decision was made to change the reapplication date from 12 to 15 months, which reduced pressure on the programme budget. However, throughout the year, applications continued to exceed even the numbers forecast, which necessitated a further change to reapplication dates in early 2023/24, extending now to 24 months.

In Wales the programme had to close to new applications in January 2023 until the new financial year, because of funding pressures. This was also the case in Northern Ireland. Longer reapplication dates were introduced for the other UK government schemes in early 2023/24 (18 months in Scotland and 24 months in Wales and Northern Ireland), which will be difficult for families.

The “grow” focus in Family Fund’s new strategy is a direct response to these challenges and will see the charity seek to achieve £10m in additional funds over the next five years, and diversify its funding base.

Increased administration and governance burden

A trend from 2022/23 that we expect to see continue in 2023/24 is one of increased administration and governance.

With fewer than 200 employees, Family Fund remains a relatively small organisation, which “punches above its weight” in terms of its ability to deliver grant programmes at scale for a wide range of funders. Funders have always expected targets to be met in terms of grants awarded and funding allocated, but in recent times

some funders have introduced additional requirements relating to operational practice, accreditations held and policy alignment.

So far, Family Fund has been able to satisfy these requirements, but with overhead costs often capped, meeting funders' additional administrative and governance requests is likely to become increasingly challenging.

Work will be undertaken in 2023/24 to help the organisation to develop its responses and reduce the impact of such requests on the charity.

Speeding up the grant process

With the delivery of Project Horizon in 2022/23, Family Fund took a significant step forward in its digital journey and created a strong platform for future process improvements.

This will be a major focus in the first half of 2023/24, with work focused on reducing the time it takes to apply for a grant and complete the administration process, by making full use of the capabilities provided by Family Fund's new technology platforms.

Our fiftieth year

2023 is Family Fund's 50th anniversary year, and a programme of activities has been planned to celebrate this achievement with families, potential donors and staff, in appropriate ways throughout the year.

As well as recognising the charity's journey and growth over five decades, and the families that have received support (sometimes across more than one generation), we will use the anniversary to highlight our mission and boost our fundraising activities across the UK.



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. This Framework incorporates a series of risk appetite statements for the Group's key risks. 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 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. 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 49 years and continues to deliver their objectives, offering excellent value for money and ensuring more than 90p in every £1 spent is used on direct

charitable expenditure. We have also improved our scheme evaluation and 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.

In February 2023, the Department for Education in England issued a tender for the future delivery of the £27.3 million per year funding which has been received by Family Fund for more than 13 years. The Support for Disabled Children Fund, provides funding for a period of two and a half years, starting in October 2023. Family Fund has been successful in securing this tender and we are delighted to have retained this level of funding and have the security of continuing to provide this much needed support to families until March 2026.

Our grant agreements with Scottish Government and Northern Ireland are renewed annually, and 2022/23 was the first year of a three year funding commitment from Welsh Government for £360,000 per year which will run through to March 2025. With continued good relationships with all of our government funders, commitments to continue funding through 2023/24 and a successful story to tell this year, we have every confidence that all of our government funding will be renewed in 2024/25.

In January 2022, we secured a three-year agreement with Motability for our Mobility Support programme for families with children under three who are not eligible to receive the mobility component of DLA. This runs to January 2025, with £5 million of funding in each year. Following a one year review with Motability, we enter year two with confidence that this programme could be extended past the current agreement.

Following a successful bid to the Pears Foundation, Family Fund will receive £345,000 per year for two years, starting in April 2023, to support 18 to 25 year olds through our Your Opportunity grant programme. This supplements the £1 million expendable endowment from The Edward Gostling Foundation that has been committed to extend this programme through to March 2033.

Funding from The Marian Elizabeth Trust has been renewed for a further three years at £200,000 per year, providing security of funding for children and young adults with multiple complex significant learning and physical support needs, through to June 2026.

During 2022/23, we received a funding commitment of £300,000 over three years from the Garfield Weston Foundation, which will provide families living in Wales with essential items that are not supported through the Welsh Government scheme.

Following another extremely successful year, where profits exceeded £3 million for the first time, FFBS is embarking on an ambitious five year strategy which, by year five and beyond, aims to donate £5 million of profit to the charity each year. This provides a valuable, sustainable source of unrestricted income for Family Fund.

The board approved an ambitious fundraising plan in March 2023 to supplement the new five year strategy, focusing on diversifying our income streams and securing long term partnerships with new and existing funders.

The current agreement with McCain ends in November 2023, but the partnership has been really successful for both parties, and we are confident that it will continue into future years.

Sensitised cash flow forecasts, including a severe but plausible downside scenario, have been prepared for a period greater than 12 months from approval of these financial statements demonstrating the charity has sufficient cash reserves.

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 Group are:

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

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

To review and approve the Group financial and internal control systems;

- To review and approve the charity's scheme of delegated authority, with the scheme of delegated authority for Family Fund Business Services being reviewed and approved by the Family Fund Business Services Board;
- To approve all Group financial, whistleblowing and accounting policies;
- To review the financial content of the charity's corporate plan and the annual budget;
- To review monthly financial performance of the charity and ensure adherence to the annual budget;

- To review Family Fund Business Services' financial performance and progress against the business plan;
- To review compliance with Financial Conduct Authority (FCA) regulation;
- To review the Group risk management framework, risk register and risk appetite statements;
- To review the levels and types of insurance cover in place for the Group;
- To review the Group disaster recovery and business continuity plans;
- To review the crisis recovery plan;
- To review Group information security policies and procedures, along with the results of information governance assurance testing;
- To review draft annual financial statements for the Group to ensure compliance with appropriate accounting standards and to be responsible for all other audit matters;
- To review and approve the Group commercial contracts and agreements register;
- To review and approve the relationship agreement between Family Fund and Family Fund Business Services;
- To authorise the payment of dividends by Family Fund Business Services; and
- To review and approve Reserved Matters of Family Fund Business Services.

Provision of information to auditors

So far as each director is aware, there is no relevant audit information of which the company's auditor is unaware. Additionally, each director has taken all the necessary steps that they ought to have taken as directors in order to make themselves aware of all relevant audit information and to establish that the company's auditor is aware of that information.

Section 172 statement

All Trustees of Family Fund promote the charitable purpose of the charity; act in good faith and in doings so act in accordance with Section 172 of the Companies Act 2006 (Duty to promote the success of the company). In fulfilling this, the Trustees consider:

- the likely consequences of any decisions they make in the long term;
- the interests of the company's employees;
- the need to foster the company's business relationships with suppliers, customers and others;
- the impact of the company's operations on the community and the environment;
- the desirability of the company maintaining a reputation for high standards of business conduct; and
- the need to act fairly as between members of the company.

All Family Fund Trustees, upon appointment, receive an induction which includes reading on the duties of a trustee and a briefing on their duties. Trustees are directed to more advice, information and guidance from within governance documents, previous Board papers, Family Fund senior leadership team, staff, and external advisors where advice is required.

Trustees fulfil their duties through the Governance and Committee framework that includes a Finance, Audit and Risk Committee, People and Nominations Committee, and Safeguarding Committee. The Trustees delegate day-to-day decision making to employees, led by the Group Chief Executive and Executive Directors. Delegation to employees is based not only on financial authority, but also with the expectation that they embrace the organisational values and behaviours expected in fulfilment of their responsibilities. The Board has established measures and structures to ensure a robust system of control and assurance processes are in operation. The Trustee Board sets the strategic direction of Family Fund and decisions are taken in the context of the charity's strategy. This provides a consistent

and coordinated approach to the Trustee Board's decision making, with Trustees considering the charity's strategy, sustainability, and long-term success, at all times.

Trustees maintain the interests of Family Fund employees and volunteers, through its People Strategy, overseen by the People and Nominations Committee. During the year, a range of insights, including information from staff surveys, working groups and training and development feedback are provided to the Committee to understand staff views. The Trustees receive reports from the Group Director of HR and Facilities and Chief Executive, who work closely with, and sit in attendance at, the People and Nominations Committee.

The views, life challenges and aspiration of families with disabled children are also vital to inform Board work and decisions. The Trustee Board has trustees with lived experience of disability, but in addition, the charity presents quarterly family surveys to the trustees on the life experience of families, based on a largely retained set of questions that can be evaluated over the year for changes and trends. This work also extends to evaluate the impact and outcome of grant schemes delivered by the charity. The Trustees also have the opportunity to engage with families at events and listen to calls received from families into the charity's First Contact Team. The Board of Trustees understand the importance of maintaining productive relationships with all stakeholders, underlined by a strong

sense of purpose. We have also continued to focus on increasing our voice and influence with government and policymakers, as we aim to raise awareness of the needs of low income families with disabled or seriously ill children.

Family Fund has strong relationships with a large range of suppliers who support the delivery of grant items to families and work closely with the Executive to understand and support the charity's vision and purpose.

Through working collaboratively with the Executive Leadership Team and listening to feedback from the charity's many stakeholders and corporate governance structures, the Board of Trustees believes that it is well positioned to respond to uncertainties and promote the success of Family Fund.

See the section "Achievements and Performance" in the Strategic Report (p9) for consideration of the charity's impact on the community. See the section "Environmental statement" in the Trustees' Report (p6) for consideration of the charity's impact on the environment.

Independent Auditors

RSM UK Audit LLP were appointed as auditor on 25 January 2023 for a five year term.

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



Neil Scott

Chair of Trustees

29 September 2023

Independent Auditors' Report to the Members and Trustees of Family Fund Trust



Report on the audit of the financial statements

Opinion

We have audited the financial statements of Family Fund Trust (the 'parent charitable company') and its subsidiaries (the 'group') for the year ended 31 March 2023 which comprise the Consolidated Statement of Financial Activities, the Charity Statement of Financial Activities, the Group and Charity Balance Sheets, the Consolidated and Charity Cash Flow Statement and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the group's and the parent charitable company's affairs as at 31 March 2023; and of the group's and the parent charitable company's incoming resources and application of resources, including their income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the Companies Act 2006, the Charities and Trustee Investment (Scotland) Act 2005 and regulations 6 and 8 of the Charities Accounts (Scotland) Regulations 2006 (as amended).

Basis for opinion

We have been appointed auditor under section 44(1)(c) of the Charities and Trustee Investment (Scotland) Act 2005 and under the Companies Act 2006 and report in accordance with regulations made under those Acts.

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the group and parent charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the group's or parent charitable company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the trustees with respect to going concern are described in the relevant sections of this report.

Other information

The other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

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 course of the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the directors' report and the strategic report, prepared for the purposes of company law and included within the trustees' annual report, for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the directors' report and the strategic report, included within the trustees' annual report, have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the group and the parent charitable company and their environment obtained in the course of the audit, we have not identified material misstatements in the directors' report or the strategic report, included within the trustees' annual report.

We have nothing to report in respect of the following matters where the Companies Act 2006 and the Charities Accounts (Scotland) Regulations 2006 (as amended) require us to report to you if, in our opinion:

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

Responsibilities of trustees

As explained more fully in the statement of trustees' responsibilities set out on page 15 the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

The extent to which the audit was considered capable of detecting irregularities, including fraud

Irregularities are instances of non-compliance with laws and regulations. The objectives of our audit are to obtain sufficient appropriate audit evidence regarding compliance with laws and regulations that have a direct effect on the determination of material amounts and disclosures in the financial statements, to perform audit procedures to help identify instances of non-compliance with other laws and regulations that may have a material effect on the financial statements, and to respond appropriately to identified or suspected non-compliance with laws and regulations identified during the audit.

In relation to fraud, the objectives of our audit are to identify and assess the risk of material misstatement of the financial statements due to fraud, to obtain sufficient appropriate audit evidence regarding the assessed risks of material misstatement due to fraud through designing and implementing appropriate responses and to respond appropriately to fraud or suspected fraud identified during the audit.

However, it is the primary responsibility of management, with the oversight of those charged with governance, to ensure that the entity's operations are conducted in accordance with the provisions of laws and regulations and for the prevention and detection of fraud.

In identifying and assessing risks of material misstatement in respect of irregularities, including fraud, the group audit engagement team:

- obtained an understanding of the nature of the sector, including the legal and regulatory frameworks that the group and parent charitable company operate in and how the group and parent charitable company are complying with the legal and regulatory frameworks;
- inquired of management, and those charged with governance, about their own identification and assessment of the risks of irregularities, including any known actual, suspected or alleged instances of fraud;
- discussed matters about non-compliance with laws and regulations and how fraud might occur including assessment of how and where the financial statements may be susceptible to fraud having obtained an understanding of the effectiveness of the control environment.

As a result of these procedures we consider the most significant laws and regulations that have a direct impact on the financial statements are FRS 102, Charities SORP (FRS 102), Companies Act 2006, Charities Act 2011, Charities and Trustee Investment (Scotland) Act 2005, the parent charitable company's governing document and tax legislation. We performed audit procedures to detect non-compliances which may have a material impact on the financial statements which included reviewing the financial statements including the Trustees' Report, remaining alert to new or unusual

transactions which may not be in accordance with the governing documents, inspecting correspondence with local tax authorities and evaluating advice received from external advisors where applicable.

The most significant laws and regulations that have an indirect impact on the financial statements are those in relation to the data protection, safeguarding, fundraising and FCA regulations. We performed audit procedures to inquire of management whether the group is in compliance with these law and regulations and inspected correspondence with regulatory authorities.

The group audit engagement team identified the risk of management override of controls and revenue recognition as the area where the financial statements were most susceptible to material misstatement due to fraud. Audit procedures performed included but were not limited to testing manual journal entries and other adjustments, evaluating the business rationale in relation to significant, unusual transactions and transactions entered into outside the normal course of business, challenging judgments and estimates and consideration of whether any grant funders had requested repayment of any grant funding.

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

Use of our report

This report is made exclusively to the members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006, and to the charitable company's trustees, as a body, in accordance with section 44(1)(c) of the Charities and Trustee Investment (Scotland) Act 2005 and regulation 10 of the Charities Accounts (Scotland) Regulations 2006 (as amended). Our audit work has been undertaken so that we might state to the members and the charitable company's trustees those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company, its members as a body, and its trustees as a body, for our audit work, for this report, or for the opinions we have formed.

Lucy Robson

LUCY ROBSON (Senior Statutory Auditor)
for and on behalf of RSM UK Audit LLP, Statutory Auditor

Chartered Accountants
Central Square, Fifth Floor
29 Wellington Street
Leeds
LS1 4DL

29 September 2023

RSM UK AUDIT LLP is eligible to act as an auditor in terms of section 1212 of the Companies Act 2006.

Consolidated Statement of Financial Activities

(including consolidated income and expenditure account)

Year ended 31 March 2023

	Note	Unrestricted funds £'000	Designated funds £'000	Restricted funds £'000	Endow-ment funds £'000	Total funds 2023 £'000	Total funds 2022 £'000
INCOME FROM:							
Charitable activities							
Funding for grants and services	3	-	-	39,888	-	39,888	38,010
Other income		-	-	4	-	4	-
Donations, Gift Aid and fundraising		306	-	78	-	384	558
		306	-	39,970	-	40,276	38,568
Other trading activities							
Trading income	10	5,871	-	-	-	5,871	5,031
Investments							
Interest receivable		107	-	134	-	241	18
TOTAL INCOME		6,284	-	40,106	-	46,388	43,617
EXPENDITURE ON:							
Cost of delivering grants and services to families	4	(2,506)	(911)	-	-	(3,417)	(3,120)
Grants and services to families	5	(76)	(639)	(37,809)	-	(38,524)	(36,495)
Less discounts receivable	5	-	58	2,742	-	2,800	2,781
Support costs	6	(2,092)	(174)	-	-	(2,266)	(1,630)
		(4,674)	(1,666)	(35,067)	-	(41,407)	(38,464)
Raising funds							
Trading costs		(2,521)	-	-	-	(2,521)	(2,113)
Fundraising costs		-	(269)	-	-	(269)	(230)
TOTAL EXPENDITURE		(7,195)	(1,935)	(35,067)	-	(44,197)	(40,807)
Net (expense)/income before tax		(911)	(1,935)	5,037	-	2,191	2,810
Taxation		-	-	-	-	-	-
Net (expense)/income for the year		(911)	(1,935)	5,037	-	2,191	2,810
Transfer between funds	15	1,010	3,497	(4,507)	-	-	-
Net movement in funds		99	1,562	530	-	2,191	2,810
Reconciliation of funds:							
Total funds brought forward		3,617	3,097	2,923	1,000	10,637	7,827
Net movement in funds for the year		99	1,562	530	-	2,191	2,810
Total funds carried forward	15	3,716	4,659	3,453	1,000	12,828	10,637

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

(including income and expenditure account)

Year ended 31 March 2023

	Note	Unrestricted funds £'000	Designated funds £'000	Restricted funds £'000	Endowment funds £'000	Total funds 2023 £'000	Total funds 2022 £'000
INCOME FROM:							
Charitable activities							
Funding for grants and services	3	-	-	39,888	-	39,888	38,010
Other income		-	-	4	-	4	-
Donations, Gift Aid and fundraising		3,231	-	78	-	3,309	2,507
		3,231	-	39,970	-	43,201	40,517
Investments							
Interest receivable		75	-	134	-	209	17
TOTAL INCOME		3,306	-	40,104	-	43,410	40,534
EXPENDITURE ON:							
Cost of delivering grants and services to families	4	(2,496)	(911)	-	-	(3,407)	(3,113)
Grants and services to families	5	(76)	(639)	(37,809)	-	(38,524)	(36,495)
Less discounts receivable	5	-	58	2,742	-	2,800	2,781
Support costs	6	(1,974)	(174)	-	-	(2,148)	(1,535)
		(4,546)	(1,666)	(35,067)	-	(41,279)	(38,362)
Raising funds							
Fundraising costs		-	(269)	-	-	(269)	(230)
TOTAL EXPENDITURE		(4,546)	(1,935)	(35,067)	-	(41,548)	(38,592)
Net (expense)/income for the year		(1,240)	(1,935)	5,037	-	1,862	1,942
Transfer between funds	15	1,010	3,497	(4,507)	-	-	-
Net movement in funds		(230)	1,562	530	-	1,862	1,942
Reconciliation of funds:							
Total funds brought forward		2,748	3,097	2,923	1,000	9,768	7,826
Net movement in funds for the year		(230)	1,562	530	-	1,862	1,942
Total funds carried forward	15	2,518	4,659	3,453	1,000	11,630	9,768

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 2022

	Note	Group		Charity	
		2023 £'000	2022 £'000	2023 £'000	2022 £'000
FIXED ASSETS					
Tangible assets	9	380	304	380	304
		380	304	380	304
CURRENT ASSETS					
Debtors	11	7,926	7,096	2,135	2,017
Cash at bank and in hand	12	22,624	21,061	20,439	19,198
		30,550	28,157	22,574	21,215
LIABILITIES					
Creditors: amounts falling due within one year	13	(17,893)	(17,475)	(11,115)	(11,402)
NET CURRENT ASSETS					
		12,657	10,682	11,459	9,813
TOTAL ASSETS LESS CURRENT LIABILITIES					
		13,037	10,986	11,839	10,117
Creditors: amounts falling due after one year					
Provision for other liabilities		(49)	(57)	(49)	(57)
Post-employment benefits	14	(160)	(292)	(160)	(292)
TOTAL NET ASSETS					
		12,828	10,637	11,630	9,768
FUNDS					
Unrestricted funds		3,716	3,617	2,518	2,748
Designated funds		4,659	3,097	4,659	3,097
Restricted funds		3,453	2,923	3,453	2,923
Endowment funds		1,000	1,000	1,000	1,000
TOTAL FUNDS					
	15,16	12,828	10,637	11,630	9,768

These financial statements of Family Fund Trust registered number 3166627 were approved by the Board of Trustees and authorised for issue on 29 September 2023, and were signed on its behalf by:



Neil Scott
Chair of Trustees



Cheryl Ward
Chief Executive

Charity Cash Flow Statement

Year ended 31 March 2023

	Note	2023 Unrestricted funds £'000	2023 Designated funds £'000	2023 Restricted funds £'000	2023 Endowment funds £'000	2023 Total funds £'000
Net cash generated from/(used in) operating activities	19	(545)	1,590	118	-	1,163
Cash flows from investing activities:						
Interest receivable		75	-	134	-	209
Purchase of property, plant and equipment		(131)	-	-	-	(131)
Net cash generated from investing activities		(56)	-	134	-	78
Net increase in cash and cash equivalents		(601)	1,590	252	-	1,241
Cash and cash equivalents at beginning of year		2,903	3,258	13,037	-	19,198
Cash and cash equivalents at the end of the year	12	2,302	4,848	13,289	-	20,439

	Note	2022 Unrestricted funds £'000	2022 Designated funds £'000	2022 Restricted funds £'000	2022 Endowment funds £'000	2022 Total funds £'000
Net cash generated from/(used in) operating activities	19	1,449	1,070	(3,088)	-	(569)
Cash flows from investing activities:						
Interest receivable		10	-	7	-	17
Purchase of property, plant and equipment		(207)	-	-	-	(207)
Net cash (used in)/generated from investing activities		(197)	-	7	-	(190)
Net increase/(decrease) in cash and cash equivalents		1,252	1,070	(3,081)	-	(759)
Cash and cash equivalents at beginning of year		1,651	2,188	16,118	-	19,957
Cash and cash equivalents at the end of the year	12	2,903	3,258	13,037	-	19,198

Notes to the Financial Statements

Year ended 31 March 2022

1. Accounting Policies

Company and charitable status

Family Fund Trust (“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 thirteen 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 102.

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 2019)” applicable to charities preparing their financial statements in accordance with the Financial Reporting Standard applicable to the UK and Republic of Ireland (FRS 102), effective 1 January 2019; 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 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 49 years and continues to deliver their objectives, offering excellent value for money and ensuring more than 90p in every £1 spent is used on direct charitable expenditure. We have also improved our scheme evaluation and 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.

In February 2023, the Department for Education in England issued a tender for the future delivery of the £27.3 million per year funding which has been received by Family Fund for more than 13 years. The Support for Disabled Children Fund, provides funding for a period of two and a half years, starting in October 2023. Family Fund has been successful in securing this tender and we are delighted to have retained this level of funding and have the security of continuing to provide this much needed support to families until March 2026.

Our grant agreements with Scottish Government and Northern Ireland are renewed annually, and 2022/23 was the first year of a three year funding commitment from Welsh Government for £360,000 per year which will run through to March 2025. With continued good relationships with all of our government funders, commitments to continue funding through 2023/24 and a successful story to tell this year, we have every confidence that all of our government funding will be renewed in 2024/25.

In January 2022, we secured a three-year agreement with Motability for our Mobility Support programme for families with children under three who are not eligible to receive the mobility component of DLA. This runs to January 2025, with £5 million of funding in each year. Following a one year review with Motability, we enter year two with confidence that this programme could be extended past the current agreement.

Following a successful bid to the Pears Foundation, Family Fund will receive £345,000 per year for two years, starting in April 2023, to support 18 to 25 year olds through our Your Opportunity grant programme. This supplements the £1 million expendable endowment from The Edward Gostling Foundation that has been committed to extend this programme through to March 2033.

Funding from The Marian Elizabeth Trust has been renewed for a further three years at £200,000 per year, providing security of funding for children and young adults with multiple complex significant learning and physical support needs, through to June 2026.

During 2022/23, we received a funding commitment of £300,000 over three years from the Garfield Weston Foundation, which will provide families living in Wales with essential items that are not supported through the Welsh Government scheme.

Following another extremely successful year, where profits exceeded £3 million for the first time, FFBS is embarking on an ambitious five year strategy which, by year five and beyond, aims to donate £5 million of profit to the charity each year. This provides a valuable, sustainable source of unrestricted income for Family Fund.

The board approved an ambitious fundraising plan in March 2023 to supplement the new five year strategy, focusing on diversifying our income streams and securing long term partnerships with new and existing funders.

The current agreement with McCain ends in November 2023, but the partnership has been really successful for both parties and we are confident that it will continue into future years.

Sensitised cash flow forecasts, including a severe but plausible downside scenario, have been prepared for a period greater than 12 months from approval of these financial statements demonstrating the charity has sufficient cash reserves.

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 (including receipt of endowment funds) 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.

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.

Family Fund Trading Ltd distributes grants to beneficiaries on behalf of its clients. The Company acts as agent, as it does not have exposure to the risks and rewards associated with the transfer of the grants to beneficiaries, therefore only the fees associated with the providing the service are recognised in the accounts.

Donated goods and services

Donated goods, 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 goods, 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 goods, services or facilities of equivalent economic benefit on the open market; a corresponding amount is then recognised in expenditure in the financial year of receipt.

Expenditure

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

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

Family Fund's primary charitable activity is 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 are funds approved by Trustees to develop and deliver enhanced support for beneficiaries, and to secure the ongoing sustainability of the organisation.

Funding received from endowments is recognised when the Charity has certainty over entitlement and the amount can be measured reliably. Where receipt is probable, amounts may be accrued ahead of receipt. Funds are held separately to other funds of the charity to allow monitoring of utilisation in accordance with the terms and conditions of the endowment.

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 financial years 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 financial year 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. 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.

Prepayments and accrued income

Prepayments are valued at the amount prepaid net of any trade discounts due.

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.

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. Fixed term deposit accounts with a duration of over 3 months are treated as cash equivalents as the deposits have no significant risk of a change in value as a result of an early withdrawal.

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.

Family Fund Trading Ltd distributes grants to beneficiaries on behalf of its clients. The Company acts as agent, as it does not have exposure to the risks and rewards associated with the transfer of the grants to beneficiaries. In the accounting period ended 31 March 2023 the Company received and disbursed £77.0 million (2022: £76.9 million).

The Trustees do not consider there are any other critical judgements or sources of estimation uncertainty requiring disclosure.

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:

2023	Unrestricted £'000	Designated £'000	Restricted £'000	Endowment £'000	2023 Total £'000
Government grants					
England	-	-	27,323	-	27,323
Northern Ireland	-	-	1,572	-	1,572
Scotland	-	-	2,959	-	2,959
Scottish Government Research	-	-	5	-	5
Take a Break Scotland	-	-	1,500	-	1,500
Wales	-	-	360	-	360
	-	-	33,719	-	33,719
Other sources of funding					
Motability	-	-	5,500	-	5,500
Marian Elizabeth Trust	-	-	200	-	200
Pears Foundation	-	-	350	-	350
Garfield Weston Foundation	-	-	100	-	100
Good Things Foundation/HMRC	-	-	8	-	8
Other trust/foundation funding	-	-	11	-	11
	-	-	39,888	-	39,888

2022	Unrestricted £'000	Designated £'000	Restricted £'000	Endowment £'000	2022 Total £'000
Government grants					
England	-	-	27,323	-	27,323
Northern Ireland	-	-	2,072	-	2,072
Scotland	-	-	3,474	-	3,474
Take a Break Scotland	-	-	1,245	-	1,245
Wales	-	-	590	-	590
	-	-	34,704	-	34,704
Other sources of funding					
Motability	-	-	1,500	-	1,500
Marian Elizabeth Trust	-	-	200	-	200
Edward Gostling Foundation	-	-	275	-	275
The Ted Gostling Fund	-	-	-	1,000	1,000
Pears Foundation	-	-	250	-	250
One Kirklees	-	-	25	-	25
Good Things Foundation - Power Up	-	-	18	-	18
Good Things Foundation/HMRC	-	-	7	-	7
Other trust/foundation funding	-	-	31	-	31
	-	-	37,010	1,000	38,010

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 staff costs relating to the assessment and processing of grant applications. All costs are paid out of unrestricted funds; with a fund transfer from restricted to unrestricted funds for each funder to represent their share of the costs.

2023: Group and charity	Unrestricted £'000	Designated £'000	Restricted £'000	2023 Total £'000
Siblings Matter Too	-	10	-	10
Transform Our Support	-	606	-	606
Making Voices Heard	-	105	-	105
Head Office	2,496	190	-	2,686
Total charity	2,496	911	-	3,407
Head Office	10	-	-	10
Total group	2,506	911	-	3,417

2022: Group and charity	Unrestricted £'000	Designated £'000	Restricted £'000	2022 Total £'000
Siblings Matter Too	-	10	-	10
Transform Our Support	-	639	-	639
Making Voices Heard	-	132	-	132
Head Office	2,158	174	-	2,332
Total charity	2,158	955	-	3,113
Head Office	7	-	-	7
Total group	2,165	955	-	3,120

5. Grants and services to families

2023: Group and charity	Unrestricted funds £'000	Designated funds £'000	Restricted funds £'000	2023 Total funds £'000
Grants				
Holidays and Outings	-	38	11,826	11,864
Other	-	12	5,556	5,568
Recreation/Home Entertainment	-	121	5,434	5,555
Computers	-	133	5,420	5,553
White Goods	-	285	3,078	3,363
Furniture	-	34	3,172	3,206
Clothing and Bedding	-	12	1,452	1,464
Jet bath	-	3	664	667
Hospital Visiting Costs	-	-	561	561
Floorcovering	-	-	147	147
Total grants	-	638	37,310	37,948
Services				
Digital training sessions	76	1	2	79
Tax credit advice	-	-	9	9
Transforming Support	-	-	488	488
	76	639	37,809	38,524
Less discount receivable	-	(58)	(2,742)	(2,800)
	76	581	35,067	35,724

2022: Group and charity	Unrestricted funds £'000	Designated funds £'000	Restricted funds £'000	2022 Total funds £'000
Grants				
Holidays and Outings	-	4	10,562	10,566
Computers	-	181	6,227	6,408
Recreation/Home Entertainment	-	101	6,164	6,265
White Goods	-	180	3,367	3,547
Other	-	6	2,772	2,778
Furniture	-	9	2,511	2,520
Jet bath	-	1	1,648	1,649
Clothing and Bedding	-	4	1,286	1,290
Hospital Visiting Costs	-	-	590	590
Floorcovering	-	-	140	140
Total grants	-	486	35,267	35,753
Services				
Digital training sessions	124	1	13	138
Tax credit advice	-	-	7	7
Transforming Support	-	2	595	597
	124	489	35,882	36,495
Less discount receivable	-	(29)	(2,752)	(2,781)
	124	460	33,130	33,714

5. Grants and services to families (continued)

2023: Grants and services analysed by funding stream	Unrestricted £'000	Designated £'000	Restricted £'000	2023 Total £'000
England	-	-	26,296	26,296
Northern Ireland	-	-	1,376	1,376
Scotland	-	-	2,786	2,786
Wales	-	-	330	330
Take a Break Scotland	-	-	1,350	1,350
BBC Afghan Employees	-	-	32	32
Wales Essentials	-	81	81	162
Marian Elizabeth Trust	-	-	97	97
Your Opportunity	-	148	496	644
Siblings Matter Too	-	1	20	21
Digital Skills/Donated Services	76	-	3	79
Good Things Foundation	-	-	9	9
Mobility Support	-	-	4,926	4,926
McCain	-	408	6	414
Information, Advice and Support	-	1	1	2
	76	639	37,809	38,524

2022: Grants and services analysed by funding stream	Unrestricted £'000	Designated £'000	Restricted £'000	2022 Total £'000
England	-	-	26,432	26,432
Northern Ireland	-	-	1,870	1,870
Scotland	-	-	3,219	3,219
Wales	-	-	568	568
Take a Break Scotland	-	-	1,128	1,128
One Kirklees	-	-	25	25
Marian Elizabeth Trust	-	-	184	184
Your Opportunity	-	66	271	337
Siblings Matter Too	-	51	18	69
Digital Skills/Donated Services	124	1	13	138
Good Things Foundation	-	-	7	7
Mobility Support	-	-	2,147	2,147
McCain	-	369	-	369
Information, Advice and Support	-	2	-	2
	124	489	35,882	36,495

5. Grants and services to families (continued)

2023: Number of Grants/Services	Unrestricted No.	Designated No.	Restricted No.	2023 No.
Grant support:				
England	-	-	67,933	67,933
Northern Ireland	-	-	4,208	4,208
Scotland	-	-	6,970	6,970
Wales	-	-	1,082	1,082
One Kirklees	-	-	7	7
BBC Afghan Employees	-	-	138	138
Take a Break Scotland	-	-	4,640	4,640
Siblings Matter Too	-	21	391	412
Marian Elizabeth Trust	-	-	269	269
Motability	-	-	409	409
Wales Essentials	-	246	247	493
Your Opportunity	-	357	1,194	1,551
McCain	-	1,164	2	1,166
	-	1,788	87,490	89,278
Services:				
Digital training sessions	393	9	18	420
Tax credit advice	-	680	268	948
Information, advice and support	-	72,713	10,397	83,110
	393	75,190	98,173	173,756
2022: Number of Grants/Services				
	Unrestricted No.	Designated No.	Restricted No.	2022 No.
Grant support:				
England	-	-	71,079	71,079
Northern Ireland	-	-	5,383	5,383
Scotland	-	-	8,026	8,026
Wales	-	-	1,627	1,627
Take a Break Scotland	-	-	5,881	5,881
Siblings Matter Too	-	1,020	368	1,388
Marian Elizabeth Trust	-	-	482	482
Motability	-	-	226	226
Your Opportunity	-	178	681	859
One Kirklees	-	-	82	82
McCain	-	1,007	-	1,007
	-	2,205	93,835	96,040
Services:				
Digital training sessions	258	4	186	448
Tax credit advice	-	832	228	1,060
Information, advice and support	-	6,534	50,643	57,177
	258	9,575	144,892	154,725

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 2023 £'000
2023: Group and charity				
Development and Engagement	432	58	-	490
Governance costs	341	4	-	345
HR costs	269	47	-	316
Finance and office costs	913	27	-	940
Finance cost – unwinding of pension discount	5	-	-	5
Pension costs – changes to assumptions	(3)	-	-	(3)
Pension costs – amendments to contributions schedule	-	-	-	-
Depreciation/loss on disposal	17	38	-	55
Total – charity (net of management income)	1,974	174	-	2,148
Management charge	115	-	-	115
Finance/Development and Engagement	3	-	-	3
Total – group	2,092	174	-	2,266

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 2022 £'000
2022: Group and charity				
Development and Engagement	469	10	-	479
Governance costs	128	3	-	131
HR costs	281	26	-	307
Finance and office costs	1,067	5	-	1,072
Finance cost – unwinding of pension discount	7	-	-	7
Pension costs – changes to assumptions	(4)	-	-	(4)
Pension costs – amendments to contributions schedule	(481)	-	-	(481)
Depreciation/loss on disposal	17	7	-	24
Total – charity (net of management income)	1,484	51	-	1,535
Management charge	95	-	-	95
Total – group	1,579	51	-	1,630

7. Net income for the year

	2023 £'000	2022 £'000
Net income is stated after charging:		
Depreciation of owned assets	55	24
Finance cost – unwinding of discount	5	7
Rentals under operating leases - land and buildings	206	206
Auditors' remuneration:		
- Fees payable to the charity's auditors for the audit of the charity's annual financial statements	26	22
- Fees payable to the charity's auditors for the audit of the charity's subsidiary	17	13
- Other services		
– taxation compliance services	2	3
– taxation advisory services	-	1
– other non-audit assurance	7	4

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 201 (2022: 192).

	Group		Charity	
	2023 £'000	2022 £'000	2023 £'000	2022 £'000
Their aggregate remuneration comprised:				
Wages and salaries	5,324	4,914	3,981	3,727
Social security costs	470	435	403	368
Pension costs	393	353	344	308
	6,187	5,702	4,728	4,403

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:

	2023 No.	2022 No.
£60,000 - £70,000	5	3
£70,000 - £80,000	2	2
£120,000 - £130,000	1	1

8. Analysis of staff costs, trustee remuneration and expenses, and the cost of key management personnel (continued).

The key management personnel of the Group are Cheryl Ward (Group Chief Executive), Claire Locker (Group Director of Finance), Louise Wood (Chief Operating Officer), Ben Calverley (Director of Grant Services), Andrew Harper (Director of Partnerships, Public Affairs and Family Outcomes), John Mawson (Group Director of Technology and Digital), Tracy Evans (Group Director of HR and Facilities), Sam Faddy (Group Director of Internal Assurance), Julie Charlton (Group Director of Fundraising and Comms), Philip Henderson (Director of Family Fund Business Services) and Jill Wheeler (Managing Director of Family Fund Business Services – resigned Apr 22). The total remuneration (including pension contributions and employers' national insurance) of the key management personnel for the year totalled £887k (2022: £702k).

Trustees' Remuneration

No trustees received remuneration during the current or prior year. Total travel and subsistence expenses of £5,164 (2022: £3,721) were paid to 14 trustees (2022: 12 trustees). No trustee received payment for professional or other services supplied to the charity (2022: £nil).

9. Tangible assets

Group	Leasehold improve- ments £'000	Furniture and equipment £'000	Computer equipment and software £'000	Total £'000
Cost				
At 1 April 2022	172	17	467	656
Additions	-	-	131	131
Disposals	-	-	(49)	(49)
At 31 March 2023	172	17	549	738
Accumulated depreciation				
At 1 April 2022	88	9	255	352
Charge for the year	10	3	42	55
Disposals	-	-	(49)	(49)
At 31 March 2023	98	12	248	358

Charity	Leasehold improve- ments £'000	Furniture and equipment £'000	Computer equipment and software £'000	Total £'000
Cost				
At 1 April 2022	172	17	360	549
Additions	-	-	131	131
Disposals	-	-	(49)	(49)
At 31 March 2023	172	17	442	631
Accumulated depreciation				
At 1 April 2022	88	9	148	245
Charge for the year	10	3	42	55
Disposals	-	-	(49)	(49)
At 31 March 2023	98	12	141	251

10. Fixed asset investments

Charity	2023 £	2022 £
Cost		
At 1 April and 31 March	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 (company number O6293129), 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.

	2023 £'000	2022 £'000
Turnover	5,871	5,031
Cost of sales	(867)	(644)
Gross profit	5,004	4,387
Administrative expenses	(1,782)	(1,571)
Operating profit	3,222	2,816
Finance income (net) - interest receivable	31	1
Profit before taxation	3,253	2,817
Retained profit for the year	3,253	2,817

The aggregate of the assets and liabilities was:	2023 £'000	2022 £'000
Fixed assets	-	-
Current assets	8,069	7,023
Current liabilities	(6,871)	(6,154)
Net assets	1,198	869

11. Debtors

	Group		Charity	
	2023 £'000	2022 £'000	2023 £'000	2022 £'000
Trade debtors	3,209	3,449	-	-
Amounts owed by subsidiary undertaking	-	-	93	81
Prepayments and accrued income	4,717	3,647	2,042	1,936
	<u>7,926</u>	<u>7,096</u>	<u>2,135</u>	<u>2,017</u>

12. Analysis of cash and cash equivalents

	Group		Charity	
	2023 £'000	2022 £'000	2023 £'000	2022 £'000
Cash in hand	21,124	19,561	18,939	17,698
Notice deposits (more than 3 months)	1,500	1,500	1,500	1,500
Total cash and cash equivalents	<u>22,624</u>	<u>21,061</u>	<u>20,439</u>	<u>19,198</u>

13. Creditors: amounts falling due within one year

	Group		Charity	
	2023 £'000	2022 £'000	2023 £'000	2022 £'000
Accruals for grants payable	10,719	11,003	10,719	11,003
Trade creditors	4,949	4,449	179	147
Deferred income	145	150	-	-
Other taxation and social security	527	487	102	137
Other creditors	1,553	1,386	115	115
	<u>17,893</u>	<u>17,475</u>	<u>11,115</u>	<u>11,402</u>

Deferred income

	Group		Charity	
	2023 £'000	2022 £'000	2023 £'000	2022 £'000
Brought forward	150	2,337	-	(2,186)
Released in the year	(150)	(2,337)	-	(2,186)
Deferred in the year	145	150	-	-
Carried forward	<u>145</u>	<u>150</u>	<u>-</u>	<u>-</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 2023, but relate to the financial year April 2023 to March 2024.

14. Post-employment benefits

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 around 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 930 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 2023 £'000
Pension liability at 1 April 2022	288	4	292
Deficit contributions paid in the year	(134)	(1)	(135)
Finance cost – unwinding of pension discount	5	-	5
Pension cost – changes to assumptions	(2)	-	(2)
Pension costs – changes to contribution schedule	-	-	-
Pension liability at 31 March 2023	157	3	160

	SVSPS £'000	Growth Plan £'000	Total 2022 £'000
Pension liability at 1 April 2021	909	26	935
Deficit contributions paid in the year	(158)	(7)	(165)
Finance cost – unwinding of pension discount	7	-	7
Pension cost – changes to assumptions	(4)	-	(4)
Pension costs – changes to contribution schedule	(466)	(15)	(481)
Pension liability at 31 March 2022	288	4	292

Deficit contributions – The Scottish Voluntary Pension Scheme

A full actuarial valuation for the scheme was carried out at 30 September 2020. This valuation showed total scheme assets of £153.3 million, liabilities of £159.9 million and a deficit of £6.6 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 2022 to 31 May 2024 are £133,601 plus scheme expenses of £22,662 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 2020. This valuation showed total scheme assets of £799 million, liabilities of £832 million and a deficit of £33 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 2022 to 31 January 2025 are £1,697 plus scheme expenses of £1,897 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 2023 £'000	31 March 2022 £'000
Scottish Voluntary Pension Scheme	157	288
Growth Plan	3	4

Statement of Financial Activities impact

	SVSPS £'000	Growth Plan £'000
As at 31 March 2023		
Finance cost	5	-
Remeasurements – impact of any change in assumptions	(3)	-
Remeasurements – amendments to the contribution schedule	(133)	(1)
As at 31 March 2022		
Finance cost	7	-
Remeasurements – impact of any change in assumptions	(4)	-
Remeasurements – amendments to the contribution schedule	(466)	(15)

Assumptions

	31 March 2023 % per annum	31 March 2022 % per annum
Rate of discount – SVSPS	5.40	2.30
Rate of discount – Growth Plan	5.52	2.35

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 financial year 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 £301,237.34 (2022: £267,290).

Fund contributions due to the scheme as at 31 March 2023 were £0 (2022: £45,518).

15. Movements on funds

	At 1 April 2022 £'000	Income £'000	Expenditure (including taxation) £'000	Transfers £'000	At 31 March 2023 £'000
Unrestricted funds:					
General fund	2,748	3,306	(4,546)	1,010	2,518
Unrestricted funds total	2,748	3,306	(4,546)	1,010	2,518
Designated funds:					
Grants processing system	253	-	(38)	(21)	194
Siblings Matter Too	125	-	(10)	-	115
Transform our support	805	-	(615)	1,143	1,333
Secure our future	606	-	(299)	468	775
Make voices heard	232	-	(151)	447	528
Your Opportunity	159	-	(161)	250	248
"We are family" grant scheme	149	-	(477)	700	372
Digital transformation	373	-	(56)	428	745
Website and project budget	-	-	(35)	86	51
Wales Essentials	300	-	(90)	-	210
New working model	95	-	(3)	(4)	88
Designated funds total	3,097	-	(1,935)	3,497	4,659
Restricted funds:					
England	2,094	27,417	(24,017)	(3,238)	2,256
Northern Ireland	50	1,577	(1,271)	(272)	84
Scotland	80	2,969	(2,513)	(458)	78
Wales	31	361	(300)	(60)	32
Take a Break Scotland	-	1,500	(1,350)	(150)	-
Motability	238	5,522	(4,926)	(194)	640
Marian Elizabeth Trust	80	201	(85)	(31)	165
Garfield Weston Foundation	2	100	(75)	(15)	12
Pears Foundation	44	350	(322)	(41)	31
Edward Gostling Foundation	211	-	(139)	(23)	49
Good Things Foundation/ Power Up	16	-	-	(16)	-
Other Trust/Foundation funding	46	15	(24)	(4)	33
Restricted donations	31	78	(36)	-	73
Good Things Foundation/HMRC	-	9	(9)	-	-
Health & Social Care Alliance Scotland	-	5	-	(5)	-
Restricted funds total	2,923	40,104	(35,067)	(4,507)	3,453
Endowment fund:					
The Ted Gostling Fund	1,000	-	-	-	1,000
Endowment funds total	1,000	-	-	-	1,000
Total charity funds	9,768	43,410	(41,548)	-	11,630
Unrestricted funds:					
Family Fund Trading Limited	869	2,978	(2,649)	-	1,198
Total group funds	10,637	46,388	(44,197)	-	12,828

Restricted funding is provided by the UK government and devolved nations to provide financial grant support to families, parents and others with parental responsibilities in the United Kingdom caring for severely disabled children up to the age of 18, living at home.

Funding for the Take a Break Scotland programme promotes carer health and wellbeing by providing grants to parent carers of disabled children and young people up to the age of 20, living in Scotland, to help them access a short break from the day-to-day routine of caring.

Funding from Motability allowed Family Fund to set up the Family Fund Mobility Support grant programme which aims to help families raising a disabled or seriously ill child under three years old to meet their mobility needs through a car leasing package.

The Marian Elizabeth Trust provide grant funding to support families caring for children with multiple complex support needs living in specific locations across Birmingham, Chester, Leicester, Peterborough and surrounding areas.

The Garfield Weston Foundation provide funding into Family Fund's Wales Essentials grant scheme which supports families caring for disabled children up to the age of 18, living in Wales. The Wales Essentials scheme was established following a change of focus for the Welsh Government scheme towards short breaks.

The Pears Foundation provide funding into Family Fund's Your Opportunity grant scheme which supports disabled and seriously ill young adults aged 18 to 24 years old, living at home.

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 strategy, including investment in targeted fundraising activities.

The endowment fund (The Ted Gostling Fund) has arisen from £1 million received from The Edward Gostling Foundation. The funds are to be used for the purpose of providing grants to families living in the United Kingdom who are raising disabled or seriously ill young people within the 18 to 25 year age group. Each year, the charity may apply income and capital from the endowment, limited to 10% of the original capital value and in each subsequent year, £100,000 plus any interest earned on the remaining endowment in the previous year. From 1 April 2033, the charity may use all income and remaining capital for any purpose that furthers the charity's objectives. The balance carried forward represents the capital and investment income thereon which have not been expended.

15. Movements on funds (continued)

Prior year movement of funds

	At 1 April 2021 £'000	Income £'000	Expenditure (including taxation) £'000	Transfers £'000	At 31 March 2022 £'000
Unrestricted funds:					
General fund	2,366	2,498	(3,766)	1,650	2,748
Unrestricted funds total	2,366	2,498	(3,766)	1,650	2,748
Designated funds:					
Grants processing system	516	-	(63)	(200)	253
Siblings Matter Too	109	-	(61)	77	125
Transform our support	529	-	(648)	924	805
Secure our future	360	-	(253)	499	606
Make voices heard	184	-	(142)	190	232
Your Opportunity	137	-	(78)	100	159
"We are family" grant scheme	300	-	(451)	300	149
Digital transformation	-	-	-	373	373
Wales Essentials	-	-	-	300	300
New working model	-	-	-	95	95
Designated funds total	2,135	-	(1,696)	2,658	3,097
Restricted funds:					
England	2,084	27,329	(24,132)	(3,187)	2,094
Northern Ireland	28	2,072	(1,751)	(299)	50
Scotland	57	3,474	(2,955)	(496)	80
Wales	29	590	(532)	(56)	31
Take a Break Scotland	-	1,245	(1,128)	(117)	-
Good Things Foundation/HMRC	-	7	(7)	-	-
Marian Elizabeth Trust	76	200	(166)	(30)	80
One Kirklees	-	25	(23)	(1)	1
Edward Gostling Foundation	39	275	(88)	(15)	211
Motability	937	1,500	(2,146)	(53)	238
Good Things Foundation/ Power Up	26	18	(12)	(16)	16
Other Trust/Foundation funding	35	33	(21)	-	47
Pears Foundation	-	250	(169)	(37)	44
Restricted donations	14	18	-	(1)	31
Restricted funds total	3,325	37,036	(33,130)	(4,308)	2,923
Endowment fund:					
The Ted Gostling Fund	-	1,000	-	-	1,000
Endowment funds total	-	1,000	-	-	1,000
Total charity funds	7,826	40,534	(38,592)	-	9,768
Unrestricted funds:					
Family Fund Trading Limited	1	3,083	(2,215)	-	869
Total group funds	7,827	43,617	(40,807)	-	10,637

Restricted funding is provided by the UK government and devolved nations to provide financial grant support to families, parents and others with parental responsibilities in the United Kingdom caring for severely disabled children up to the age of 18, living at home.

Funding for the Take a Break Scotland programme promotes carer health and wellbeing by providing grants to parent carers of disabled children and young people up to the age of 20, living in Scotland, to help them access a short break from the day-to-day routine of caring.

Funding from Motability allowed Family Fund to set up the Family Fund Mobility Support grant programme which aims to help families raising a disabled or seriously ill child under three years old to meet their mobility needs through a car leasing package.

The Marian Elizabeth Trust provide grant funding to support families caring for children with multiple complex support needs living in specific locations across Birmingham, Chester, Leicester, Peterborough and surrounding areas.

The Garfield Weston Foundation provide funding into Family Fund's Wales Essentials grant scheme which supports families caring for disabled children up to the age of 18, living in Wales. The Wales Essentials scheme was established following a change of focus for the Welsh Government scheme towards short breaks.

The Pears Foundation and Edward Gostling Foundation provide funding into Family Fund's Your Opportunity grant scheme which supports disabled and seriously ill young adults aged 18 to 24 years old, living at home.

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.

16. Analysis of assets and liabilities between funds

Group	Unrestricted funds £'000	Designated funds £'000	Restricted funds £'000	Endowment funds £'000	Total £'000
Tangible fixed assets	380	-	-	-	38
Current assets	10,632	4,867	14,051	1,000	30,55
Current liabilities	(7,087)	(208)	(10,598)	-	(17,893)
Lease provision	(49)	-	-	-	(49)
Defined benefit pension scheme liability	(160)	-	-	-	(160)
At 31 March 2023	3,716	4,659	3,453	1,000	12,828

Charity	Unrestricted funds £'000	Designated funds £'000	Restricted funds £'000	Endowment funds £'000	Total £'000
Tangible fixed assets	380	-	-	-	380
Current assets	2,656	4,867	14,051	1,000	22,574
Current liabilities	(309)	(208)	(10,598)	-	(11,115)
Lease provision	(49)	-	-	-	(49)
Defined benefit pension scheme liability	(160)	-	-	-	(160)
At 31 March 2023	2,518	4,659	3,453	1,000	11,630

Prior year analysis of assets and liabilities between funds

Group	Unrestricted funds £'000	Designated funds £'000	Restricted funds £'000	Endowment funds £'000	Total £'000
Tangible fixed assets	304	-	-	-	304
Current assets	10,101	3,267	13,789	1,000	28,157
Current liabilities	(6,439)	(170)	(10,866)	-	(17,475)
Lease provision	(57)	-	-	-	(57)
Defined benefit pension scheme liability	(292)	-	-	-	(292)
At 31 March 2022	3,617	3,097	2,923	1,000	10,637

Charity	Unrestricted funds £'000	Designated funds £'000	Restricted funds £'000	Endowment funds £'000	Total £'000
Tangible fixed assets	304	-	-	-	304
Current assets	3,159	3,267	13,789	1,000	21,215
Current liabilities	(366)	(170)	(10,866)	-	(11,402)
Lease provision	(57)	-	-	-	(57)
Defined benefit pension scheme liability	(292)	-	-	-	(292)
At 31 March 2022	2,748	3,097	2,923	1,000	9,768

17. Operating leasing commitments

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

Group and Charity	2023 Land and buildings £'000	2022 Land and buildings £'000
- within one year	206	206
- between one and five years	825	825
- more than 5 years	408	615
	1,439	1,646

A lease provision of £49,000 (2022: £57,000) has arisen as a result of rent free periods within the building leases, which are amortised over the lease term.

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.

The only transactions with the company's subsidiary are a management charge of £115,000 (2022: £95,000), head office costs of £10,000 (2022: £7,000), Finance, Development and Engagement costs £3,000 (2022: £0) from Family Fund to Family Fund Trading Limited, and the gift aid distribution from Family Fund Trading Limited of £2.925 million. At the year end, the balance outstanding owed from the subsidiary to the company was £93,000 (2022: £81,000). All transactions between Family Fund and Family Fund Trading Limited are eliminated on consolidation.

There are no other related party transactions.

For key management personnel and trustees' remuneration see Note 8.

19. Reconciliation of net income to net cash flow from operating activities

Group	Unrestricted 2023 £'000	Designated 2023 £'000	Restricted 2023 £'000	Endowment 2023 £'000	Total 2023 £'000
Net income for the reporting period	99	1,562	530	-	2,191
Adjustments for:					
Interest receivable	(107)	-	(134)	-	(241)
Depreciation charges	55	-	-	-	55
(Increase) in debtors	(810)	(10)	(10)	-	(830)
Increase in creditors	648	38	(268)	-	418
Decrease in pension provision	(132)	-	-	-	(132)
Decrease in lease provision	(8)	-	-	-	(8)
Net cash provided by operating activities	(255)	1,590	118	-	1,453

	Unrestricted 2023 £'000	Designated 2023 £'000	Restricted 2023 £'000	Endowment 2023 £'000	Total 2023 £'000
Charity					
Net income for the reporting period	(230)	1,562	530	-	1,862
Adjustments for:					
Interest receivable	(75)	-	(134)	-	(209)
Depreciation charges	55	-	-	-	55
(Increase) in debtors	(98)	(10)	(10)	-	(118)
Increase in creditors	(57)	38	(268)	-	(287)
Decrease in pension provision	(132)	-	-	-	(132)
Decrease in lease provision	(8)	-	-	-	(8)
Net cash provided by operating activities	(545)	1,590	118	-	1,163

Prior year reconciliation of net income to net cash flow from operating activities

	Unrestricted 2022 £'000	Designated 2022 £'000	Restricted 2022 £'000	Endowment 2022 £'000	Total 2022 £'000
Group					
Net income for the reporting period	1,250	962	(402)	1,000	2,810
Adjustments for:					
Interest receivable	(11)	-	(7)	-	(18)
Depreciation charges	26	-	-	-	26
(Increase)/decrease in debtors	(559)	(8)	67	(1,000)	(1,500)
Increase/(decrease) in creditors	312	116	(2,746)	-	(2,318)
Decrease in pension provision	(643)	-	-	-	(643)
Decrease in lease provision	(7)	-	-	-	(7)
Net cash provided by/(used in) operating activities	368	1,070	(3,088)	-	(1,650)

	Unrestricted 2022 £'000	Designated 2022 £'000	Restricted 2022 £'000	Endowment 2022 £'000	Total 2022 £'000
Charity					
Net income for the reporting period	382	962	(402)	1,000	1,942
Adjustments for:					
Interest receivable	(10)	-	(7)	-	(17)
Depreciation charges	24	-	-	-	24
(Increase)/decrease in debtors	1,593	(8)	67	(1,000)	652
Increase/(decrease) in creditors	110	116	(2,746)	-	(2,520)
Decrease in pension provision	(643)	-	-	-	(643)
Decrease in lease provision	(7)	-	-	-	(7)
Net cash provided by/(used in) operating activities	1,449	1,070	(3,088)	-	(569)

20. Prior year consolidated statement of financial activities

	Note	Unrestricted funds £'000	Designated funds £'000	Restricted funds £'000	Endowment funds £'000	Total funds 2022 £'000	Total funds 2021 £'000
INCOME FROM:							
Charitable activities							
Funding for grants and services	3	-	-	37,010	1,000	38,010	51,054
Other income		-	-	-	-	-	30
Donations, Gift Aid and fundraising		539	-	19	-	558	428
		539	-	37,029	1,000	38,568	51,512
Other trading activities							
Trading income	10	5,031	-	-	-	5,031	3,864
Investments							
Interest receivable		11	-	7	-	18	29
TOTAL INCOME		5,581	-	37,036	1,000	43,617	55,405
EXPENDITURE ON:							
Cost of delivering grants and services to families	4	(2,165)	(955)	-	-	(3,120)	(3,030)
Grants and services to families	5	(124)	(489)	(35,882)	-	(36,495)	(48,895)
Less discounts receivable	5	-	29	2,752	-	2,781	3,191
Support costs	6	(1,579)	(51)	-	-	(1,630)	(2,206)
		(3,868)	(1,466)	(33,130)	-	(38,464)	(50,940)
Raising funds							
Trading costs		(2,113)	-	-	-	(2,113)	(1,843)
Fundraising costs		-	(230)	-	-	(230)	(184)
TOTAL EXPENDITURE		(5,981)	(1,696)	(33,130)	-	(40,807)	(52,967)
Net (expense)/income before tax							
		(400)	(1,696)	3,906	1,000	2,810	2,438
Taxation		-	-	-	-	-	-
Net (expense)/income for the year							
		(400)	(1,696)	3,906	1,000	2,810	2,438
Transfer between funds	15	1,650	2,658	(4,308)	-	-	-
Net movement in funds		1,250	962	(402)	1,000	2,810	2,438
Reconciliation of funds:							
Total funds brought forward		2,367	2,135	3,325	-	7,827	5,389
Net movement in funds for the year		1,250	962	(402)	1,000	2,810	2,438
Total funds carried forward	15	3,617	3,097	2,923	1,000	10,637	7,827

Prior year charity statement of financial activities

Note	Unrestricted funds £'000	Designated funds £'000	Restricted funds £'000	Endowment funds £'000	Total funds 2022 £'000	Total funds 2021 £'000
Income from:						
Charitable activities						
Funding for grants and services	3	-	37,010	1,000	38,010	51,054
Other income		-	-	-	-	30
Donations, Gift Aid and fundraising		2,488	19	-	2,507	2,357
		2,488	37,029	1,000	40,517	53,441
Investments						
Interest receivable		10	7	-	17	27
Total INCOME		2,498	37,036	1,000	40,534	53,468
EXPENDITURE ON:						
Cost of delivering grants and services to families	4	(2,158)	(955)	-	(3,113)	(3,026)
Grants and services to families	5	(124)	(35,882)	-	(36,495)	(48,895)
Less discounts receivable	5	-	2,752	-	2,781	3,191
Support costs	6	(1,484)	(51)	-	(1,535)	(2,116)
		(3,766)	(33,130)	-	(38,362)	(50,846)
Raising funds						
Fundraising costs		-	(230)	-	(230)	(184)
TOTAL EXPENDITURE		(3,766)	(33,130)	-	(38,592)	(51,030)
Net (expense)/income for the year		(1,268)	3,906	1,000	1,942	2,438
Transfer between funds	15	1,650	(4,308)	-	-	-
Net movement in funds		382	(402)	1,000	1,942	2,438
Reconciliation of funds:						
Total funds brought forward		2,366	3,325	-	7,826	5,388
Net movement in funds for the year		382	(402)	1,000	1,942	2,438
Total funds carried forward	15	2,748	2,923	1,000	9,768	7,826

Trustees and officers

Neil Scott - *Chair*

David Braybrook – *Vice Chair*

(retired at end of term on
30 September 2022)

Neil Ashton – *Vice Chair*

Mary Bishop

(resigned on 9 September 2022)

Kate Fleck

Jonathan Evans

Gareth Lambert

Andrew Piper

Modaser Choudhary

Shona Elliott

Marguerite Haye

Emma Pinnock

Paul Bass

(appointed 24 March 2023)

Michal Noe

(appointed 24 March 2023)

Ian Thomas

(appointed 24 March 2023)

Finance, audit and risk committee

Gareth Lambert - *Chair*

Modaser Choudhary

Andrew Piper

Neil Ashton

Michal Noe

People and nominations committee

Jonathan Evans - *Chair*

Neil Scott

Emma Pinnock

Paul Bass

Safeguarding committee

Kate Fleck – *Chair*

Marguerite Haye

Emma Pinnock

Ian Thomas

Family fund trading directors

Heath Thomas – *Chair*

(retired at end of term on
1 December 2022)

Mark Robson – *Chair*

(appointed 21 September 2022)

Philip Henderson

(appointed 9 June 2022)

Cheryl Ward

Claire Locker

Joanna Lund

(retired at end of term on
1 December 2022)

Neil Ashton (resigned 29 June 2022)

Shona Elliott

Ian Thomas (appointed 29 June 2022)

Principal officers

Cheryl Ward – *Group Chief Executive*

Claire Locker – *Group Director of Finance and Company Secretary*

Louise Wood –
Chief Operating Officer

Ben Calverley –
Director of Grant Services

John Mawson – *Group Director of Technology and Digital*

Andrew Harper – *Director of Partnerships, Public Affairs and Family Outcomes*

Tracy Evans – *Group Director of HR & Facilities*

Julie Charlton – *Group Director of Communications and Fundraising*
(appointed 1 August 2022)

Samantha Faddy – *Group Director of Internal Assurance* (appointed 1 July 2022)

Jill Wheeler – *Managing Director, Family Fund Trading* (resigned 30 April 2022)

Philip Henderson – *Director of Family Fund Business Services* (appointed 9 May 2022)

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

RSM UK Audit LLP
Chartered Accountants
Central Square
5th Floor
29 Wellington Street
Leeds
LS1 4DL

Registered office

4 Alpha Court
Monks Cross Drive
Huntington
York
YO32 9WN



Family Fund

Helping disabled children

find us:




Family Fund
4 Alpha Court
Monks Cross Drive
Huntington
York YO32 9WN

talk to us:

Telephone: **01904 550055**
Fax: 01904 652625
Email: **info@familyfund.org.uk**

online: www.familyfund.org.uk

community:

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