

Company no. 1633333
Charity no. 284912

Contact a Family
Report and Financial Statements
31 March 2007

Contact a Family

Legal and administrative details

For the year ended 31 March 2007

Status	The organisation is a charitable company limited by guarantee, incorporated on 5 May 1982 and registered as a charity on 20 June 1982	
Governing document	The company was established under a Memorandum of Association which established the objects and powers of the charitable company and is governed under its Articles of Association. The Memorandum and Articles of Association were incorporated on 5th May 1982 and amended on 6th December 1999 and 22 November 2004.	
Summary of investment powers	<p>The trustees may deposit or invest funds in any manner, but only after obtaining advice from a financial expert and having regard to the suitability of investments and the need for diversification.</p> <p>The management of investments may be delegated to a financial expert, provided transactions and performance are reported to and reviewed by the trustees.</p> <p>The trustees have the power to arrange for investments to be held in the name of a nominee under the control of the trustees or of a financial expert acting under their instructions and to pay any reasonable fee required.</p>	
Company number	1633333	
Charity number	284912	
Registered office and operational address	209-211 City Road London EC1V 1JN	
Honorary officers	Rosey Foster Imelda Redmond Peter Phillips	Chair Vice Chair Treasurer
Principal executive officers	Francine Bates OBE Dean Casswell Paul Soames Jill Harrison Susan Newth-Gibbs	Chief Executive (resigned 30/06/07) Director of Finance & Fundraising and Company Secretary Director of UK Operations Director of External Affairs Director of Human Resources
Bankers	Unity Trust Bank plc, Nine Brindleyplace, 4 Oozells Square, Birmingham B1 2HB	
Solicitors	Russell-Cooke Solicitors, 2 Putney Hill, Putney, London SW15 6AB	
Auditors	Sayer Vincent, Chartered accountants and registered auditors, 8 Angel Gate, City Road, London EC1V 2SJ	

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For the year ended 31 March 2007

The trustees

The trustees, who are also directors under company law, who served during the year and up to the date of this report were as follows:

Dea Birkett	
Dr Kay Caldwell	
Philip Conway	
Lady Susanna Crawford	
Robin Hindle Fisher	
Rosey Foster	(appointed 23/11/06)
Michael Lancaster	(resigned 23/11/06)
Jolanta Lasota	(appointed 23/11/06)
Sheila Messider	(appointed 23/11/06)
Reuben Parkinson	
Peter Phillips	
John Phillipson	(appointed 23/11/06)
Imelda Redmond	
Hugh Speed OBE	(resigned 23/11/06)
Joanne Tanner	
Bradley Theobald	
Caroline Vaughan	(appointed 23/11/06)

Honorary president

Sir Al Aynsley-Green

Patrons

Nick Crean
Georgina David
Henry Hoare
Francesca Martinez
Lady Morris of Kenwood
Nigel Nicholls
Baroness Nicholson of Winterbourne
Roy Noble MBE
Vivienne Parry
Lord and Lady Rix
Kerry Rolfe
Jane Root
Philippa Russell OBE
Dr Richard Smith OBE
Claire Tomalin
Elinor and Dafydd Wigley AM
Professor Lord Winston

Contact a Family

Report of the trustees

For the year ended 31 March 2007

The trustees present their report and the audited financial statements for the year ended 31 March 2007.

Legal and administrative information set out on pages 1 and 2 forms part of this report. The financial statements comply with current statutory requirements, the memorandum and articles of association and the Statement of Recommended Practice - Accounting and Reporting by Charities (issued in March 2005).

Objects of the charity

1. The Memorandum of Association incorporated in 1982 has the objects "to promote the education, welfare and benefit of the disabled, more specifically, but not limited to, caring for children and young people with any form of disability or special need."
2. The corporate strategy for 2005-2010 is available in full on the charity's website <http://www.cafamily.org.uk/strategy.html>. It states the core organisational purpose as:

To support parents and families who care for a disabled child by:

- a) Providing access to good quality advice and information, broad ranging appropriate support and contact with other families which will lead to positive outcomes;
- b) Influencing changes in policy and practice in order to substantially improve the quality of lives of parents and families and their children.

Organisational structure

3. On 1st December 2004 Contact a Family entered into a transfer of charitable undertakings with the Lady Hoare Trust which is a registered charity number 1067492 and a company limited by guarantee number 3482560.
4. Following the merger, a Governance Review commenced and new Standing Orders were adopted by the Trustees. In November 2006, two long-standing Trustees retired including our Chair for the previous seven years, Mike Lancaster. Following an openly advertised recruitment process, five new Trustees were appointed, including a new Chair, Rosey Foster.
5. As well as meeting regularly as a full Board, the Trustees have also established a number of committees and councils, each with their own Terms of Reference and each reporting back to the Board:
 - a) An Executive Committee of five Trustees to take decisions under delegated authority on matters affecting Contact a Family which require a Board level decision, but whose nature means that they require a decision to be taken before the next scheduled Board meeting, and to report back to the Board accordingly.
 - b) A Business Affairs Committee to take delegated responsibility for overseeing all financial and business aspects of Contact a Family so as to ensure short and long term viability, and to report back to the Board accordingly.
 - c) A UK Services and Public Affairs Council to oversee and report back to the Board on Contact a Family's work in England, and those aspects of our services and activities which extend to the whole of the UK.
 - d) National Councils to support Contact a Family's work in Scotland, Wales and Northern Ireland, to extend our networks, expertise and geographic coverage, and to assist with the development of the evidence base and credibility of our work.
 - e) A Remuneration Committee to provide advice to the Board of Trustees and Corporate Management Team (CMT) on all remuneration issues.

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Report of the trustees

For the year ended 31 March 2007

6. Members of the charity guarantee to contribute an amount not exceeding £1 to the assets of the charity in the event of winding up. The total number of such guarantees at 31 March 2007 was 88 (2006 - 88). The Trustees may become members of the charity but this entitles them only to voting rights.
7. Trustees are elected by the Members at the Annual General Meeting for a 3 year term. They can be appointed during the year but must be elected at the subsequent Annual General Meeting. The Standing Orders set out a maximum of 3 consecutive terms for Trustees.
8. The Standing Orders also set out a policy for the recruitment, induction and training of Trustees. Trustees are recruited through an openly advertised process and there is a comprehensive induction programme. After six months, new Trustees meet with the Chair to review the induction and identify any future training needs.

Statement of responsibilities of the trustees

9. The Trustees are required to prepare financial statements for each financial year, which give a true and fair view of the state of affairs of the charitable company and of its incoming resources and application of resources, including the net income or expenditure, for the period. In preparing those financial statements the Trustees are required to:
 - a) select suitable accounting policies and then apply them consistently;
 - b) make judgements and estimates that are reasonable and prudent;
 - c) state whether applicable accounting standards and statements of recommended practice have been followed, subject to any material departures disclosed and explained in the financial statements; and
 - d) prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in operation.
10. The Trustees are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of charity and which enable them to ensure that the financial statements comply with the Companies Act 1985. The Trustees are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

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

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Report of the trustees

For the year ended 31 March 2007

Strategic aims

11. The corporate strategy 2005-2010 has five aims:
 - a) By 2010, Contact a Family will be a leading provider of quality advice, information and support to families of disabled children across the UK;
 - b) By 2010, Contact a Family will have enabled parents' voices to be heard in shaping the policies and services that affect their lives at all levels;
 - c) By 2010 Contact a Family will have contributed to positive changes in legislation, policy and practice across the UK;
 - d) By 2010, Contact a Family will have long term financial security;
 - e) By 2010, Contact a Family will continue to have robust management and will have improved governance and infrastructure.
12. The Strategy includes a number of Key Performance Indicators (KPIs) which the Trustees have introduced to measure progress against the aims.

Strategic Aim 1: To be a leading provider of quality advice, information and support to families of disabled children across the UK

13. *The underpinning vision is that all parents and professionals will be fully aware of the services that Contact a Family offers and we become a key port of call.*
14. We have a team of 22 Family Workers across the UK able to visit parents in their own homes. Contact a Family also runs a UK-wide scheme for parent volunteers who act as a contact point for local parents. We now have 26 volunteer Local Area Representatives located throughout the country.
15. In addition to our main office in London, we have three nation offices in Wales, Scotland and Northern Ireland and three English regional offices based in the North East, North West and the West Midlands. There are also seven local community projects in London based in Ealing, Lambeth, Lewisham, Southall, Southwark, Sutton & Merton and Wandsworth.
16. The combination of Family Workers, Local Area Representatives and offices means that we have a presence in every region of the UK. We also have a number of centrally run services that cover the whole of the UK.
17. During 2006/7 the charity dealt with 18,221 (2005/6: 17,942) individual enquiries from parents and professionals across the UK. The majority of these enquiries were from parents and were handled by our freephone helpline service.
18. Our main website <http://www.cafamily.org.uk> attracted nearly 1.7m visitors during the year (2005/6: 1.7m). It is the most visited charity website on rare disorders in the world and one of the top forty UK charity websites in terms of unique visitor numbers.
19. Our complementary website <http://www.makingcontact.org> enables families with disabled children to get in touch with others, across the UK and worldwide, via a confidential e-mail service. During the year it had over 880,000 visits (2005/6: 360,000) and by the end of the year it had over 3,400 registered users (2005/6: 2,000). 412 conversations (2005/6: 386) took place between users during the year. The website has been translated into Arabic, Farsi, Simplified Chinese and Somali.
20. Our two websites won the "Best Use of New Media" award in the UK Charity Awards 2006.

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Report of the trustees

For the year ended 31 March 2007

21. During the year, we distributed 53,000 copies (2005/6: 51,500) of our various factsheets for parents. New factsheets on "*Finding and Paying for Childcare*", "*Tax Credits overpayments - a guide for parents*" and "*Education Maintenance Allowance*" were published.
22. Our Parents and Paediatricians Together Project, run jointly with the Royal College of Paediatrics and Child Health, published a series of practical leaflets for parents "*Feeding and eating*", "*Potty/toilet training*" and "*Sleeping*". Other new publications included "*Different Dads: Fathers' Stories of Parenting Disabled Children*" the first ever book for and about UK fathers of disabled children. It was published by Jessica Kingsley Publishers and has a Foreword by Rt. Hon. David Cameron MP.
23. We continue to publish "*The Contact a Family Directory: Specific Conditions, Rare Disorders and UK Family Support Groups*" in hard copy, on our website and in CD-ROM format. This is a unique resource containing information on hundreds of rare disorders and giving details of associated support groups. The 2007 edition was published in January and contains 16 new condition entries bringing the total to 421.
24. Thanks to funding from the True Colours Trust we were able to roll out a benefit take-up campaign "*Pounds for Parents*". Following a successful launch event over the summer we secured our best ever media coverage with our press releases.
25. We also entered into a pilot project with Citizens Advice Bureau to improve the supply of face to face debt advice to families with disabled children. The pilot is taking place in seven urban areas across England.
26. There were two Key Performance Indicators for this aim:
 - a) *To measure satisfaction levels and impact across all services.* We measured "Very Good" or "Good" satisfaction ratings from snapshot surveys across the following services: London Projects 91%; English Regions 78%; Nations 69%; Helpline 97%; and the Website 85%;
 - b) *To estimate the numbers and diversity of families reached by all services.* The Trustees estimate that the charity reached 275,000 families with disabled children during the year (2005/6: 275,000). A full breakdown of how this was calculated is available from <http://www.cafamily.org.uk/reach.html> . There is still plenty of scope for future growth as government figures estimate there are 770,000 disabled children in the UK. 13% of those families reached (2005/6: 13%) were from an Ethnic background and 12% were fathers (2005/6: 12%).
27. Our plans for 2007/8 include: to launch a three year Children's Centres support project in England; and to produce additional country specific publications for Scotland, Wales and Northern Ireland.

Strategic Aim 2: To have enabled parents' voices to be heard in shaping the policies and services that affect their lives at all levels

28. *The underpinning vision is that Contact a Family will be seen as the UK's centre of expertise on parent participation and be used as a resource by agencies wishing to actively involve parents in service planning.*
29. During the year, we established a programme of workshops and awareness raising events on parent participation throughout the UK.

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Report of the trustees

For the year ended 31 March 2007

30. We facilitated contributions from parents and families to the cross-cutting review of services for disabled children and their families undertaken by HM Treasury and the Department for Education and Skills. Families were enabled to participate both orally, through the three hearings arranged by Contact a Family, and through written submissions via our website. We also ensured that parents had the opportunity to fully engage with the Every Disabled Child Matters campaign (see paras 36 and 37 below).
31. In association with University of York, we have appointed a PhD student to undertake the first ever research at this level into parent participation in the UK.
32. There were two Key Performance Indicators for this aim:
 - a) *The numbers of publications with a focus on parent participation distributed.* 9,704;
 - b) *The percentage and numbers of parents represented on Contact a Family committees and advisory groups.* At 31/03/07 33% of our Trustees were parents (31/03/06: 33%), 47% of our Nation Committee members (31/03/06: 32%) and 91% of our Project Committee members (31/03/06: 89%).
33. Our plans for 2007/8 include: to investigate the creation of a training/consultancy unit within Contact a Family; and to develop a network of parents and professionals across the country who are interested in parent participation (this will be supported by regular regional meetings, an e-bulletin and other events).

Strategic Aim 3: To have contributed to positive changes in legislation, policy and practice across the UK

34. *The underpinning vision is that policy makers, service providers, voluntary sector partners and opinion formers across the UK will regard Contact a Family as a leading authority on the key issues impacting on families with disabled children and families themselves will see measurable improvement as a result.*
35. Contact a Family continues to play a very influential role in developing policy for disabled children throughout the UK. Our staff and parents in Scotland, Wales and Northern Ireland work closely with the respective nation governments raising awareness and lobbying for change. This work continues at a more local level through our English regional offices and our London projects. Despite our fairly small size, we are now widely recognised by local and national governments, and increasingly in the media, as a powerful and effective voice for parents.
36. Working together with the Council of Disabled Children, Mencap and the Special Education Consortium established the Every Disabled Child Matters campaign that aims to get rights and justice for every disabled child: only 1 in 13 families get support from social services; disabled children are 13 times more likely to be excluded from school; and 8 out of 10 families with disabled children say that they are at breaking point.
37. The Every Disabled Child Matters campaign helped to raise awareness within government of the needs to families with disabled children. This was vitally important as it influenced the HM Treasury and Department for Education and Skills cross cutting review of services for disabled children which in turn fed in to the 2007 Comprehensive Spending Review. As a result the government announced an additional £340m of investment for services to disabled children and their families over the next three years, mainly for short breaks.

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Report of the trustees

For the year ended 31 March 2007

38. The Trustees were delighted that our Chief Executive, Francine Bates, was awarded an OBE in The Queen's Birthday Honours List 2006 in recognition of her work for families with disabled children. In June 2007, Francine left the charity to take up the role of Special Adviser to Ed Balls MP, the Secretary of State for Children, Schools and Families. Whilst the Trustees were sorry to lose Francine, they realised this was a tremendous opportunity for her to advise on policy at the highest level and thanked her for providing outstanding direction to Contact a Family over the last seven years. In the intervening period, whilst we replace Francine, our experienced senior management team will be working closely with the Chair, Rosey Foster, ensuring Contact a Family continues to reach its aims and objectives.
39. The Trustees believe that the raised political awareness of the needs of families with disabled children gives the charity an extraordinary opportunity to influence future policy and resources for the benefit of disabled children and their families over the next 10 years.
40. There were four Key Performance Indicators for this aim:
- a) *Carry out a survey of opinion formers/policy makers to gauge their view of Contact a Family's effectiveness and credibility.* The survey was completed in November 2005 and 95% of respondents said we were able to deliver what we promised
 - b) *Develop an impact tool which can measure improvement on the ground as a result of policy development.* A questionnaire was sent to local parent support groups to find out their views on the effectiveness of their participation in local policy work and its impact on services. 32% of respondents thought that they had seen a change in service as a result of their efforts.
 - c) *Number of policy submissions made to Government.* There were 27 during the year (2005/6: 38).
 - d) *Numbers of research reports produced and disseminated.* There was 1 during the year (2005/6: 1): "Out of Reach - the problems faced by families with disabled children accessing welfare entitlements".
41. Our plans for 2007/8 include: to ensure that each nation has developed a sister campaign to the Westminster & Whitehall "Every Disabled Child Matters" campaign; and to continue to work with the End Child Poverty campaign to highlight the financial hardship that families with disabled children face.

Strategic Aim 4: To have long term financial security.

42. *The underpinning vision is that Contact a Family will be financially secure and robust in the long-term and will plan and implement a two year revenue and capital spending cycle.*
43. Total incoming resources increased by 11.80% to £4,825,835 (2005/6: £4,316,408). Total expenditure increase by 13.3% to £4,560,846 (2005/6: £4,024,261).
44. The resultant operating surplus was £264,989, of which £135,633 was unrestricted (2005/6: £292,147 of which £70,048 was unrestricted).
45. The costs of generating funds increased by 5.9% to £510,781 (2005/6: £482,404).

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Report of the trustees

For the year ended 31 March 2007

46. As reported last year, the Trustees have recognised that the Charity needs to diversify its funding base and are recruiting individual direct debit donors via a door to door campaign. Although there are high initial costs in this form of fundraising, the Trustees believe the long-term unrestricted returns to be of strategic importance. The costs of the door to door fundraising campaign this year were £271,335 (2005/6: £259,982), financed mainly by a bank loan facility of £250,000. Underlying fundraising costs were therefore a more modest £243,383 (2005/6: £227,143) which represents 5.4% of expenditure (2004/05: 5.6%).
47. Expenditure on Governance of £58,887 (2005/6: £74,420) represents 1.3% of expenditure as a whole (2005/6: 1.8%).
48. Contact a Family holds investments to maintain adequate reserves (our Reserves Policy is outlined in point 49a below). Our Investment Policy states that our investments should thus be mainly aimed at long-term capital growth rather than income generation. We aim to retain sufficient liquid funds to enable the charity to meet its short-term obligations and to respond to any unplanned opportunities and/or crises that arise. We aim to optimise the return on cash or short-term investments with minimum risk to the capital value. The Charity Commission state that Trustees should take a prudent approach, balancing the risks faced by the charity against the potential returns. Trustees should be careful to avoid undue risk to their charity's funds and they recommend three ways to do this: invest in markets where financial services are closely regulated, and compensation schemes are in place; have a suitably diversified investment portfolio; and be particularly wary of making speculative forms of investment.
49. There were four Key Performance Indicators for this aim:
- Level and performance of reserves.* The Trustees have reserves in order to give financial security, to ease the Cashflow and to enable the charity to cope with setbacks or take advantage of opportunities. The Reserves Policy uses two measures, General Reserves (all unrestricted funds) and Liquid Reserves (non designated unrestricted funds). The General Reserves figure is therefore £1,201,054 which represents 13.7 weeks of expenditure (2005/6: 13.5 weeks). The Liquid Reserves figure is the General Funds figure of £682,475, which represents 7.8 weeks of expenditure (2005/6: 7.9 weeks).

The Trustees aim to have a Liquid Reserves level of between 8 and 12 weeks of total expenditure. The reserves are held partly in the COIF Charities Deposit Fund which returned 4.5% in 2006; partly in the COIF Charities Investment Fund which achieved a return of 13.9% during 2006; and partly in the CAF UK Equity Growth Fund which returned 16.2% during 2006.
 - Percentage and level of unrestricted income.* The income of the charity has more than tripled over the past 8 years but the Trustees are aware that most of that growth has been in the form of Restricted grants. As explained in para 46 above, the Trustees have placed a priority on increasing Unrestricted income and have set a target to increase it to 30% by 2009/10. During the past year, unrestricted income from normal activities was £894,623 and made up 18.9% of total income (2005/6: £773,474 making up 17.9%).
 - Balance on Annual and Net assets.* Net Assets increased by 10.8% to £2,929,722 on 31/03/07 (31/03/06: 2,643,166).
 - Breakdown of core costs recovered from funders.* 72% of central costs were funded by restricted funds (2005/6: 48%).

Contact a Family

Report of the trustees

For the year ended 31 March 2007

50. Our plans for 2007/8 include: to increase the recruitment rate for the Door to Door fundraising scheme; and to develop our corporate fundraising.

Strategic Aim 5: To continue to have robust management and improve governance and infrastructure.

51. *The underpinning vision is that Contact a Family will be viewed by trustees, staff, volunteers, parents and external stakeholders as well governed, and well managed.*

52. Information about our governance and structure can be found in paras 3 to 6.

53. The Trustees continue to review the risks faced by the Charity and have maintained a regularly updated Risk Register analysing specific risks and ways of avoiding them or mitigating their effects. The top five risks have been identified as: loss of income; failure to protect children; failure of health & safety procedures; terrorism, pandemic, theft and destruction; and lack of control over the use of the name "Contact a Family".

54. In July 2006, the Charity Commission undertook a Review Visit of the charity. Their subsequent report stated, "The general impression, reinforced at the visit, was of a charity that already had many of the characteristics of an effective charity... Given the good practice already in existence, we would encourage the charity to consider, in time, ways in which to export its expertise and share its good practice with other parts of the sector." Their full report is available via our website: <http://www.cafamily.org.uk/finance.html>. The Trustees are also pleased that New Philanthropy Capital, who have a rigorous and independent research team, has chosen the charity as one of the 100 or so that it recommends for funding.

55. There were six Key Performance Indicators for this aim:

- a) *Level of staff turnover*. The total number of employees who left in the year as a percentage of the average number of employees in the year was 24.6% (2005/6: 21.5%). Of the 28 employees who left during the year, 3 left due to retirement or ill health and 7 left due to the end of their contract or dismissal. The average length of service of employees who left in the year was 24.3 months (2005/6: 19.5 months).
- b) *Level of staff sickness*. A total of 320.5 days were lost due to absence from an average of 93.8 FTE staff. Lost time was therefore 1.3%. There were an average of 2.8 absences per employee.
- c) *Numbers of volunteer days*. 1,695 days of work were put in by volunteers. The value to the charity of this work is estimated to be £163,000.
- d) *Numbers of formal complaints received*. The total number of formal complaints received during past year was 10 (2005/6: 5). Two were about a video "Away with the fairies" that was available through our website (we also received a written compliment about the same film). The remaining eight were about "pushy" recruiters on the Door to Door fundraising scheme. All were investigated by our agents Fundraising Initiatives Ltd and all received apologies. In five of the cases the recruiters were disciplined and sent for retraining.
- e) *Numbers of written compliments received*. 94 unsolicited written compliments were received: 82 from parents, 10 from professionals and 2 from voluntary organisations.
- f) *Level of Trustee attendance at meetings*. Trustees attendance at Board and sub-committee meetings was 77% (2005/6: 71%).

Contact a Family

Report of the trustees

For the year ended 31 March 2007

56. Our plans for 2007/8 include: to draft a comprehensive Human Resources strategy and supporting policies; and to introduce a Purchase Order Processing system.

Conclusion

57. The Trustees warmly thank all of our donors, volunteers and advisers for their valuable help during the year. We also thank our staff for the commitment and skills that they bring to all the varied tasks inherent in running Contact a Family on a day to day basis.

58. This report only provides a snapshot of the activities undertaken by the charity in 2006/7. Our Annual Review provides a more graphic and detailed account of our work across the UK over the last year. It will be available at our AGM in November 2007 and is also on our website <http://www.cafamily.org.uk/review.html> .

Auditors

Sayer Vincent were re-appointed as the charitable company's auditors during the year and have expressed their willingness to continue in that capacity.

Approved by the Trustees and signed on their behalf

BY ORDER OF THE BOARD

Dean Casswell

Company Secretary

209-211 City Road

London EC1V 1JN

20 September 2007

Independent auditors' report

To the members of

Contact a Family

We have audited the financial statements of Contact a Family for the year ended 31 March 2007 which comprise the statement of financial activities, balance sheet, cashflow statement and related notes. These financial statements have been prepared in accordance with the accounting policies set out therein.

This report is made solely to the charitable company's members, as a body, in accordance with section 235 of the Companies Act 1985. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and the charitable company's members, as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of the trustees and auditors

The responsibilities of the trustees (who are also the directors of Contact a Family for the purposes of company law) for preparing the annual report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), are set out in the statement of responsibilities of the trustees.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you whether the information given in the annual report of the trustees is consistent with the financial statements. In addition, we report to you if, in our opinion, the charitable company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding the trustees' remuneration and other transactions is not disclosed.

We read the annual report and consider the implications for our report if we become aware of any apparent misstatements within it.

Basis of opinion

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the trustees in the preparation of the financial statements, and of whether the accounting policies are appropriate to the charitable company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

Independent auditors' report

To the members of

Contact a Family

Opinion

In our opinion:

- the financial statements give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice of the charitable company's state of affairs as at 31 March 2007 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended; and
- the financial statements have been properly prepared in accordance with the Companies Act 1985; and
- the information given in the report of the trustees is consistent with the financial statements.

DRAFT

SAYER VINCENT
Chartered accountants & registered auditors
London

Contact a Family

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

For the year ended 31 March 2007

	Note	Restricted £	Unrestricted £	2007 Total £	2006 Total £
Incoming resources					
<i>Incoming resources from generated funds</i>					
Voluntary income	2	-	667,806	667,806	583,772
Rental income		-	60,506	60,506	60,506
Investment income		10,831	43,884	54,715	48,477
<i>Incoming resources from charitable activities</i>					
Community Projects	5	1,655,817	-	1,655,817	1,579,067
Regional & National Development		1,040,017	-	1,040,017	822,775
Parent Advice, Information & Support		794,011	122,427	916,438	844,730
Parent Participation		349,537	-	349,537	377,081
<i>Other incoming resources</i>	4	-	81,000	81,000	-
Total incoming resources		3,850,213	975,623	4,825,835	4,316,408
Resources expended					
<i>Costs of generating funds:</i>					
Fundraising		-	510,781	510,781	482,404
Rent expenses		-	3,937	3,937	4,721
		-	514,718	514,718	487,125
<i>Charitable activities</i>					
Community Projects		1,543,372	14,870	1,558,242	1,371,291
Regional & National Development		982,570	68,398	1,050,968	950,196
Parent Advice, Information & Support		859,156	183,116	1,042,272	772,354
Parent Participation		335,759	-	335,759	368,875
<i>Total charitable expenditure</i>	6	3,720,857	266,384	3,987,241	3,462,716
Governance costs		-	58,887	58,887	74,420
Total resources expended		3,720,857	839,990	4,560,846	4,024,261
Net incoming resources before transfers and other unrecognised gains					
	7	129,356	135,633	264,989	292,147
Unrealised gains on investment assets		-	21,617	21,617	27,368
Net movement in funds		129,356	157,250	286,606	319,515
Reconciliation of funds					
Funds at the start of the year		1,599,312	1,043,804	2,643,116	2,323,601
Funds at the end of the year		1,728,668	1,201,054	2,929,722	2,643,116

All of the above results are derived from continuing activities. There were no other recognised gains or losses other than those stated above. Movements in funds are disclosed in Note 19 to the financial statements.

Contact a Family

Balance sheet

31 March 2007

	Note	£	2007 £	2006 £
Fixed assets				
Tangible fixed assets	10		1,652,869	1,683,776
Investments	11		569,511	397,894
			2,222,380	2,081,670
Current assets				
Stock	12	4,982		3,457
Debtors	13	372,222		306,332
Cash at bank and in hand		1,147,579		1,282,135
		1,524,782		1,591,924
Liabilities				
Creditors: amounts due within one year	14	665,741		843,877
Net current assets			859,042	748,047
Total assets less current liabilities			3,081,422	2,829,717
Creditors: amounts due after one year	15		151,700	186,601
Net assets			2,929,722	2,643,116
Funds				
Restricted funds	19			
In surplus			1,744,009	1,599,312
In deficit			(15,341)	-
Unrestricted funds				
Designated funds			518,579	425,803
General funds			682,475	618,001
Total funds			2,929,722	2,643,116

Approved by the trustees on 20th September 2007 and signed on their behalf by

Rosey Foster
Chair

Peter Phillips
Treasurer

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Cashflow statement

For the year ended 31 March 2007

	Note	2007 £	2006 £
Net cash flow from operating activities	22	12,094	409,234
Capital expenditure & financial investment			
Payments to acquire tangible fixed assets		(8,261)	(25,479)
Payments to acquire investments		<u>(150,000)</u>	<u>(50,000)</u>
		(158,261)	(75,479)
Financing			
Mortgage repayments		(39,167)	(40,899)
Fundraising loan		50,778	(17,848)
		<u> </u>	<u> </u>
Increase in cash		<u>(134,556)</u>	<u>275,008</u>

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Notes to the financial statements

For the year ended 31 March 2007

1. Accounting policies

- a) The financial statements have been prepared under the historical cost convention and in accordance with applicable accounting standards and the Companies Act 1985. They follow the recommendations in the Statement of Recommended Practice, Accounting and Reporting by Charities (revised March 2005).
- b) Voluntary income is received by way of donations and gifts and is included in full in the statement of financial activities when receivable. Intangible income is recognised as an incoming resource where the provider of the service has incurred a financial cost. Volunteer time is not included in the financial statements.

Legacies are included either when received, or when notification has been received from the estate that payment will be made, conditions associated with payment have been met, and the amount receivable can be quantified.

Income from sales of goods or services is amount derived from ordinary activities and is net of VAT.

- c) Grants are recognised in full in the statement of financial activities in the year in which they are receivable and the charity is entitled to the income. Where amounts are received which relate specifically for use in a future period, they are deferred and recognised in the accounting period to which they relate.
- d) Grants for the purchase of fixed assets are credited to restricted incoming resources when receivable. Depreciation of fixed assets purchased with such grants is charged against the restricted fund. Where a fixed asset is donated to the charity for its own use, it is treated in a similar way to a restricted grant.
- e) Resources expended are recognised in the period in which they are incurred. Resources expended include attributable VAT which cannot be recovered.

Resources expended are allocated to the particular activity where the cost relates directly to that activity. The cost of overall direction and administration of each activity, comprising the salary and overhead costs of the central function, is included under each activity in the proportion on which time is spent. Where this cannot directly be measured, costs are allocated according to staff time.

Governance costs include the management of the charitable company's assets, organisational management and compliance with constitutional and statutory requirements.

Grants payable to individuals and groups are recognised when the decision to make the payment has been made.

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

Computer equipment	3 years
Fixtures fittings and equipment	4 to 12 years
Freehold buildings	80 years

Items of equipment are capitalised where the purchase price exceeds £250. Depreciation costs are allocated to activities on the basis of the use of the related assets in those activities. Assets are reviewed for impairment if circumstances indicate their carrying value may exceed their net realisable value and value in use.

Freehold land is not depreciated.

Contact a Family

Notes to the financial statements

For the year ended 31 March 2007

1. Accounting policies (continued)

- g) Investments held as fixed assets are included at mid-market value at the balance sheet date. The gain or loss for each period is taken to the statement of financial activities. Unrealised gains are shown in note 11.
- h) Restricted funds are to be used for specific purposes as laid down by the donor. Expenditure which meets these criteria is charged to the fund together with a fair allocation of management and support costs.
- i) Unrestricted funds are donations and other incoming resources receivable or generated for the objects of the charity.
- j) Designated funds are unrestricted funds earmarked by the trustees for particular purposes.
- k) The costs of generating funds relate to the costs incurred by the charitable company in raising funds for the charitable work.
- l) Rentals payable under operating leases, where substantially all the risks and rewards of ownership remain with the lessor, are charged to the statement of financial activities in the year in which they fall due.
- m) Stocks are stated at the lower of cost and net realisable value. In general, cost is determined on a first in first out basis and includes transport and handling costs. Net realisable value is the price at which stocks can be sold in the normal course of business after allowing for the costs of realisation. Provision is made where necessary for obsolete, slow moving and defective stocks.
- n) The Charity matches employees' pension contributions into a personal pension plan of their choice up to a maximum of 5% of their salaries. There is also a stakeholder scheme whereby the charity provides access for employees to a stakeholder pension plan, with the same arrangement. The costs to the charity are recognised as they are incurred.

2. Voluntary Income

	Restricted	Unrestricted	2007 Total	2006 Total
	£	£	£	£
Donations	-	332,773	332,773	338,140
Legacies	-	67,911	67,911	38,431
Charitable trusts	-	222,963	222,963	126,522
Companies	-	1,853	1,853	5,815
Special events	-	40,065	40,065	58,238
Other	-	2,241	2,241	16,626
Total	-	<u>667,806</u>	<u>667,806</u>	<u>583,772</u>

Contact a Family

Notes to the financial statements

For the year ended 31 March 2007

3. Government grants

	Restricted £	Unrestricted £	2007 Total £	2006 Total £
Department of Health	59,925	-	59,925	77,559
Department for Education & Skills	500,000	-	500,000	570,871
Home Office	24,980	-	24,980	25,000
Inland Revenue	23,291	-	23,291	43,004
Department of Trade & Industry	21,500	-	21,500	-
National Assembly for Wales	82,416	-	82,416	80,163
Scottish Executive	58,430	-	58,430	50,000
Northern Ireland Executive	28,879	-	28,879	28,011
Association of London Government	41,334	-	41,334	41,334
London Borough of Lambeth	291,172	-	291,172	304,688
London Borough of Lewisham	194,085	-	194,085	140,908
London Borough of Ealing	132,375	-	132,375	140,939
Wandsworth Corporation	92,392	-	92,392	111,768
Southwark Strategic Services	165,055	-	165,055	140,407
London Borough of Merton	45,000	-	45,000	45,000
London Borough of Sutton	43,612	-	43,612	39,423
Telford & Wrekin	-	-	-	10,000
Rhondda Cynon Taff Council	-	-	-	9,127
Health Action Zone	-	-	-	50,181
Sure Start Programme	114,129	-	114,129	159,344
European Social Fund	158,277	-	158,277	90,955
Children's Centres	119,809	-	119,809	27,650
Parenting Fund	92,226	-	92,226	244,755
Children's Funds	138,841	-	138,841	142,231
Health Improvement Programme	7,914	-	7,914	17,630
Other Government bodies	13,650	-	13,650	9,000
Total	<u>2,449,292</u>	<u>-</u>	<u>2,449,292</u>	<u>2,599,948</u>

4. Other incoming resources

For several years Contact a Family has carried within creditors a provision for a potential repayment of an overpaid grant. During the year confirmation was obtained that this amount is not considered due by the original funder, and consequently the provision has been released to income.

Contact a Family

Notes to the financial statements

For the year ended 31 March 2007

5. Income from activities in furtherance of the charity's objects

	Community Projects £	Regional Development £	Parent Advice, Information & Support £	Parent Participation £	2007 Total £	2006 Total £
Government grants (note 3)	1,473,858	300,073	615,436	59,925	2,449,292	2,599,948
Big Lottery Fund	55,737	383,199	-	285,308	724,244	400,722
Charitable trusts	56,033	322,691	177,825	4,304	560,853	437,059
Companies	100	2,100	750	-	2,950	16,285
Special events/other	70,089	31,954	122,427	-	224,470	125,555
Total	1,655,817	1,040,017	916,438	349,537	3,961,809	3,579,569

Contact a Family

Notes to the financial statements

For the year ended 31 March 2007

6. Total resources expended

	Direct cost*	Support costs allocated				Total Allocation	Total 2007	Total 2006	% 2007	% 2006
		HR	Finance	IT	Management					
Costs of generating funds:										
Fundraising	466,800	1,550	3,327	2,444	36,660	43,981	510,781	482,404	11.2%	
Rent expenses	3,937	-	-	-	-	-	3,937	4,721	0.1%	
Charitable expenditure										
Community Projects	1,464,168	12,458	32,771	17,384	31,461	94,074	1,558,242	1,371,291	34.1%	
Regional & National Development	929,759	14,937	32,268	13,829	60,175	121,209	1,050,968	950,196	23.6%	
Advice, Information & Support	889,835	14,667	36,822	11,990	88,958	152,437	1,042,272	772,354	22.9%	
Parent Participation	301,647	2,129	8,389	2,531	21,063	34,112	335,759	368,875	7.4%	
Governance costs	30,105	25	10,786	10	17,961	28,782	58,887	74,420	1.3%	
Total direct and apportioned costs	4,086,251	45,766	124,363	48,188	256,278	474,595	4,560,846	4,024,261		

* Direct costs are directly attributable to the department. Indirect support costs are directly allocated where possible or apportioned on the basis of headcount or time allocated. Included within total resources expended are staff costs of £2,876,383 (see note 8) and depreciation of £39,170 (see note 10).

Contact a Family

Notes to the financial statements

For the year ended 31 March 2007

7. Net incoming resources for the year

This is stated after charging / crediting:

	2007 £	2006 £
Interest payable	21,793	28,243
Depreciation	39,170	42,902
Trustees' indemnity insurance	Nil	Nil
Trustees' remuneration	Nil	Nil
Trustees' reimbursed expenses	1,141	856
Auditors' remuneration:		
▪ audit	8,250	11,327
▪ other services	1,435	478
Operating lease rentals:		
▪ property	82,727	74,981
▪ other	10,613	10,665
	<u>217,939</u>	<u>249,555</u>

Trustees' reimbursed expenses represents the reimbursement of travel and subsistence costs to 4 (2006: 6) members relating to attendance at meetings of the trustees.

8. Staff costs and numbers

Staff costs were as follows:

	2007 £	2006 £
Salaries and wages	2,571,706	2,299,202
Social security costs	251,967	225,525
Pension contributions	52,690	47,132
	<u>2,876,363</u>	<u>2,571,859</u>
Total emoluments paid to staff were:	<u>2,571,706</u>	<u>2,299,202</u>

One employee earned between £60,000 and £70,000 during the year (2006: One).

Pension contributions for this employee were £3,318 (2006: £3129)

The average weekly number of employees (full-time equivalent) during the year was as follows:

	2007 No.	2006 No.
Community projects	33.5	31.8
Regional support	25.6	25.6
UK advice and information	23.9	16.8
Parent Participation	5.9	7.5
Fundraising	4.2	4.7
Governance	0.7	0.9
	<u>93.8</u>	<u>87.3</u>

9. Taxation

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

Contact a Family

Notes to the financial statements

For the year ended 31 March 2007

10. Tangible fixed assets

	Land and buildings £	Fixtures, fittings and £	Total £
Cost			
At the start of the year	1,680,774	139,753	1,820,527
Additions in year	-	8,261	8,261
At the end of the year	1,680,774	148,014	1,828,788
Depreciation			
At the start of the year	55,971	80,778	136,749
Charge for the year	12,167	27,003	39,170
At the end of the year	68,138	107,781	175,919
Net book value			
At the end of the year	1,612,636	40,233	1,652,869
At the start of the year	1,624,803	58,975	1,683,778

On 18 June 2001 the Charity exercised its option to purchase its premises at 209-211 City Road for a price of £1,635,000. This purchase was funded by, amongst others, the Community Fund, and with a bank loan from Unity Trust Bank. Both the Community Fund and Unity Trust Bank hold charges over the property, and the Community Fund reserves the right, at its discretion, to withdraw its grant from the Charity if the building is sold before 18 June 2081.

A further charge over the premises at 209-211 City Road is held by Unity Trust Bank to secure a fundraising loan facility of £250,000.

11. Investments

	Cash deposits	Quoted investments	2007 £	2006 £
Market value at start of year	200,000	197,894	397,894	320,526
Additions	-	150,000	150,000	50,000
Net gain on revaluation	-	21,617	21,617	27,368
Market value at end of year	200,000	369,511	569,511	397,894
Historical cost at end of year	200,000	316,149	516,149	366,149

All investment assets are held in the UK. Material elements of the portfolio are as follows:

COIF Investment Fund	153,334
CAF UK Equity Growth Fund	216,177
COIF Deposit Fund (Long term cash holding)	200,000
	569,511

Contact a Family

Notes to the financial statements

For the year ended 31 March 2007

12. Stock

	2007	2006
	£	£
Publications	<u>4,982</u>	<u>3,457</u>

13. Debtors

	2007	2006
	£	£
Other debtors	260,161	257,856
Prepayments and accrued income	<u>112,061</u>	<u>48,476</u>
	<u>372,222</u>	<u>306,332</u>

14. Creditors: amounts due within one year

	2007	2006
	£	£
Taxation and social security	75,909	74,839
Accruals	64,859	53,100
Deferred income (note 18)	56,409	253,294
Other creditors	224,845	265,439
Bank loan (note 16)	<u>243,719</u>	<u>197,205</u>
	<u>665,741</u>	<u>843,877</u>

15. Creditors: amounts due in after one year

	2006	2005
	£	£
Bank loan (note 16)	<u>151,700</u>	<u>186,601</u>

16. Bank loans

	2007	2006
	£	£
Less than 1 year	243,719	197,205
1-2 years	41,580	45,923
2-5 years	<u>110,120</u>	<u>140,678</u>
	<u>395,419</u>	<u>383,806</u>

A ten year mortgage from Unity Trust Bank was taken out on 18 June 2001 for the purpose of purchasing the Charity's premises at 209-211 City Road. The mortgage is secured by a charge on the property and interest is payable at 1.75% over the bank's base rate. The loan is repayable in monthly instalments and is due to be finally repaid on 18 June 2011.

In August 2004 Unity Trust Bank made available a £250,000 loan facility to fund door to door fundraising. This has been drawn down in stages and is repayable from incoming donations, with a maximum balance during the year of £204,943, and a 31 March 2007 balance of £204,943. Interest is payable at 2% over base rate and the facility is secured with a further charge on the premises at 209-211 City Road. Repayment is due before 28 February 2009.

Contact a Family

Notes to the financial statements

For the year ended 31 March 2007

17. Analysis of net assets between funds

	Restricted funds £	Designated funds £	General funds £	Total funds £
Tangible fixed assets	945,334	395,419	312,116	1,652,869
Investments	-	123,160	446,351	569,511
Net current assets	783,334	-	75,708	859,042
Creditors > 1 year	-	-	(151,700)	(151,700)
Net assets at the end of the year	<u>1,728,668</u>	<u>518,579</u>	<u>682,475</u>	<u>2,929,722</u>

18. Deferred income

	2007 £	2006 £
Balance brought forward	253,294	83,959
Recognised as income in the current year	(253,294)	(83,959)
Incoming resources received in the current year and deferred to future years	<u>56,409</u>	<u>253,294</u>
Balance carried forward	<u>56,409</u>	<u>253,294</u>
Increase /(Decrease) in deferred income	<u>(196,885)</u>	<u>169,335</u>

The deferred income at 31 March 2006 is made up of funding from the following:

	2007 £	Total 2006 £
Department for Education & Skills	-	125,000
John Ellerman Foundation	45,000	45,000
Big Lottery Fund – Southall	9,412	9,118
Other	1,997	8,562
Big Lottery Fund – Yorkshire	-	5,000
Big Lottery Fund – South West	-	7,962
Health Action Zone - Southwark	-	8,333
Wandsworth Borough Council	-	21,277
Rental in Advance	-	15,126
Sutton House Estates - London Paediatric Project	-	7,916
	<u>56,409</u>	<u>253,294</u>

Contact a Family

Notes to the financial statements

For the year ended 31 March 2007

19. Movements in funds

	At the start of the year £	Incoming resources £	Outgoing resources £	Transfers £	At the end of the year £
Restricted funds:					
Home Office - Challenge fund	-	24,980	(24,980)	-	-
Department for Education & Skills					
- UK Information Centre	-	500,000	(500,000)	-	-
- Capital	1,657	-	(1,108)	-	549
- Youth Green Paper	105	-	-	-	105
- TPU (Growing Up Pack)	3,000	-	-	-	3,000
Department of Health					
- Health Professionals Pack	7,615	-	135	-	7,750
- Parent Participation Manager (Section 64)	9,854	59,925	(60,474)	-	9,305
- Parent Participation Manager capital (Section 64)	1,118	-	(308)	-	810
HMRC					
- Tax Credits	-	18,321	(18,321)	-	-
- Debt	4,000	-	(2,120)	-	1,880
- Child Trust Fund	-	4,970	(4,970)	-	-
Department of Trade and Industry					
- DTI Financial Inclusion Fund	-	21,500	(21,500)	-	-
National Assembly for Wales					
- Social Care Policy	413	36,000	(34,780)	-	1,633
- Children & Families	4,846	46,416	(37,314)	-	13,948
Scottish Executive					
- Section 10 (Core)	-	51,250	(51,250)	-	-
- Slippage (capital items)	792	-	(490)	-	302
- Training	-	7,180	(7,180)	-	-
Northern Ireland Executive					
- Core Funding	-	28,879	(28,879)	-	-
Local Authorities					
- Lambeth (office)	50,545	291,172	(305,317)	-	36,400
- Lewisham (office)	4,980	194,085	(165,081)	-	33,984
- Ealing (Ealing Office)	15,527	82,314	(86,158)	-	11,683
- Ealing (Southall Office)	-	50,061	(24,972)	-	25,089
- Wandsworth (office)	3,724	92,392	(96,116)	-	-
- Wandsworth (Autism)	26,667	-	-	-	26,667
- Southwark (office)	24,672	165,055	(155,207)	-	34,520
- Sutton (Sutton Development)	11,392	36,112	(43,793)	-	3,711
- Merton (Merton Development)	18,564	45,000	(39,202)	-	24,362
Health Action Zone					
- Southwark Family worker	1,321	-	(1,321)	-	-
- Southwark Capital	1,895	-	(720)	-	1,175
<i>Subtotal carried forward</i>	<u>192,687</u>	<u>1,755,612</u>	<u>(1,711,426)</u>	<u>-</u>	<u>236,873</u>

Contact a Family

Notes to the financial statements

For the year ended 31 March 2007

19. Movements in funds

	At the start of the year	Incoming resources	Outgoing resources	Transfers	At the end of the year
	£	£	£	£	£
Restricted funds (continued):					
<i>Subtotal brought forward</i>	192,687	1,755,612	(1,711,426)	-	236,873
EU Equal Project					
- ACE Policy Officer	-	41,216	(40,150)	-	1,066
- ACE Lewisham	-	117,061	(116,273)	-	788
- ACE Lewisham capital	941	-	(471)	-	470
Association for London Government					
(London Manager)	-	41,334	(41,334)	-	-
Southwark Children's Centres					
(Family worker)	1,508	17,541	(11,492)	-	7,557
- Southwark Children Centre (new)	-	102,268	(76,108)	-	26,160
Sure Start					
- Hackney (Hoxton)	9,296	30,750	(21,975)	-	18,071
- Hackney (Hoxton capital)	3,535	-	(736)	-	2,799
- Ealing (Northolt)	1,664	(3,759)	2,095	-	-
- Wandsworth (Battersea)	6,028	23,776	(25,540)	-	4,264
- Wandsworth (Roehampton)	2,218	14,502	(15,719)	-	1,001
- Southwark (Aylesbury Plus)	363	9,140	(9,126)	-	377
- Southwark (East Peckham)	472	7,250	(7,250)	-	472
- Southwark (Brunswick)	1,306	9,120	(9,120)	-	1,306
- Southwark (West Bermondsey)	2,723	7,816	(7,170)	-	3,369
- Southwark (West Peckham)	740	7,718	(7,718)	-	740
- Southwark (Rotherhithe)	567	7,816	(5,315)	-	3,068
Health Improvement Programme					
- Sutton	3,370	7,916	(7,023)	-	4,263
Disability Partnership					
- Sutton-Through the Maze	-	7,500	-	-	7,500
Lewisham Children's Fund					
- Play Inclusion Project	-	100,718	(100,718)	-	-
- Play Inclusion Project capital	2,480	-	(682)	-	1,798
Northern Ireland Children's Fund					
- Information Officer	3,990	38,123	(37,174)	-	4,939
Birmingham Children's Fund					
- Capital	274	-	(270)	-	4
Parenting Fund - Round One					
- National	52,177	-	(52,177)	-	-
- Manchester	35,417	-	(17,401)	-	18,016
- Manchester capital	1,433	-	(634)	-	799
- Birmingham	15,637	-	(15,637)	-	-
Telford & Wrekin	3,615	-	(775)	-	2,840
Parenting Fund - Round Two					
- Manchester	-	29,938	(37,904)	-	(7,966)
- Birmingham	-	36,010	(43,385)	-	(7,375)
- Cornwall	3,290	26,278	(27,624)	-	1,944
<i>Subtotal carried forward</i>	<u>345,731</u>	<u>2,435,644</u>	<u>(2,446,232)</u>	<u>-</u>	<u>335,143</u>

Contact a Family

Notes to the financial statements

For the year ended 31 March 2007

19. Movements in funds

	At the start of the year £	Incoming resources £	Outgoing resources £	Transfers £	At the end of the year £
Restricted funds (continued):					
<i>Subtotal brought forward</i>	345,731	2,435,644	(2,446,232)	-	335,143
Other Government funds	8,767	2,000	(4,439)	-	6,328
Big Lottery Fund					
- Capital grant (Building purchase)	600,000	-	-	-	600,000
- Parents & Paediatricians Project	13,298	285,308	(269,221)	-	29,385
- Parents & Paediatricians Capital	24,951	-	(5,891)	-	19,060
- Wales Development Officer	6,260	38,599	(36,234)	-	8,625
- Wales capital element	4,402	-	(342)	-	4,060
Big Lottery Fund					
- South West England volunteer	11,077	7,962	(19,039)	-	-
- Eastern England	-	49,409	(42,953)	-	6,456
- North East England office	-	53,739	(53,739)	-	-
- Yorkshire and Humberside office	-	59,978	(57,834)	-	2,144
- Southall office	1,742	55,737	(57,401)	-	78
- Southall capital	1,772	-	(305)	-	1,467
- South East England	-	65,174	(58,737)	-	6,437
- Northern Ireland office	-	53,815	(41,471)	-	12,344
- Scotland Office	-	54,523	(44,579)	-	9,944
Lloyds TSB Foundation for England & Wales					
- Yorkshire	4,000	-	(1,000)	-	3,000
BBC Children in Need					
- Greater Manchester (activities)	1,839	22,189	(13,992)	-	10,036
- Southall (holiday activities)	572	-	-	-	572
- Wandsworth (holiday activities)	1,080	-	(472)	-	608
- Ealing (holiday activities)	7,145	-	(7,145)	-	-
- Northern Rock Foundation	24,084	33,063	(42,662)	-	14,485
- Henry Smith (UK Ops)	-	30,000	(30,000)	-	-
- John Ellerman Foundation	-	45,000	(45,000)	-	-
- True Colours Trust	19,319	135,000	(116,312)	-	38,007
- True Colours Trust (capital)	353	-	(149)	-	204
The Henry Smith Charity in Wales					
- Development Officer	606	20,000	(20,606)	-	-
Bridge House Estates					
- Building Purchase Grant	150,000	-	-	-	150,000
- Paediatric Project (London)	-	32,084	(26,867)	-	5,217
Freemason's Grand Charity					
- North England management	6,712	41,667	(39,072)	-	9,307
- Capital	369	-	-	-	369
The Percy Bilton Charity					
- Furniture	1,125	-	(750)	-	375
<i>Subtotal carried forward</i>	<u>1,235,204</u>	<u>3,520,891</u>	<u>(3,482,444)</u>	<u>-</u>	<u>1,273,651</u>

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Notes to the financial statements

For the year ended 31 March 2007

19. Movements in funds (continued)

	At the start of the year £	Incoming resources £	Outgoing resources £	Transfers £	At the end of the year £
Restricted funds (continued):					
<i>Subtotal brought forward</i>	1,235,204	3,520,891	(3,482,444)	-	1,273,651
Merger costs:	-	-	-	-	-
- Golden Bottle Trust	4,285	-	(4,285)	-	-
- Henry Hoare Charitable Trust	-	5,000	(5,000)	-	-
Keltbray (Southwark office)	7,000	-	-	-	7,000
Four Acre Trust (reps)	20,000	20,000	(26,824)	-	13,176
Rausing Charitable Foundation					
- Sussex social work	4,896	-	-	-	4,896
Childwick Trust	5,000	-	(5,000)	-	-
Social Work Funds					
Scottish Power Energy People Trust	-	13,500	(10,220)	-	3,280
Hadley Trust	-	15,000	(15,000)	-	-
Dulverton Trust	-	25,000	(25,000)	-	-
North East	5,608	-	-	-	5,608
North East	-	19,310	(5,824)	-	13,486
North West	-	15,414	(7,652)	-	7,762
Eastern	50	1,000	(204)	-	846
East Midlands	6,331	250	-	-	6,581
West Midlands	-	9,152	-	-	9,152
South East	-	2,000	-	-	2,000
South West	-	26,680	(22,934)	-	3,746
Yorkshire	-	1,750	(25)	-	1,725
Scotland	2,746	25,100	(5,332)	-	22,514
Northern Ireland	-	621	(621)	-	-
Other UK Office Funds	4,418	200	(4,618)	-	-
Other Lambeth Funds	14,858	15,336	(3,815)	-	26,379
Other Lewisham Funds	14,022	23,576	(15,296)	-	22,302
Other Ealing Funds	5,081	11,417	(4,282)	-	12,216
Other Southall Funds	14,177	20,014	(9,820)	-	24,371
Other Wandsworth Funds	23,190	16,637	(5,856)	-	33,971
Other Southwark Funds	27,487	1,866	(8,471)	-	20,882
Other Sutton Funds	1,248	5,437	(473)	-	6,212
Other North West Funds	3,766	-	(3,766)	-	-
Other West Midlands Funds	17,393	11,648	(3,301)	-	25,740
Other Regional funds	600	-	-	-	600
Other Wales Funds	5,853	27,573	(29,154)	-	4,272
Other Northern Ireland Funds	1,000	525	(300)	-	1,225
Other volunteer rep funds	575	6,447	(6,575)	-	447
Other grant funds	4,735	8,869	(8,765)	-	4,839
Other building purchase funds	169,789	-	-	-	169,789
Total restricted funds	1,599,312	3,850,213	(3,720,857)	-	1,728,668

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Notes to the financial statements

For the year ended 31 March 2007

19. Movements in funds (continued)

	At the start of the year £	Incoming resources £	Outgoing resources £	Transfers £	At the end of the year £
Total restricted funds	<u>1,599,312</u>	<u>3,850,213</u>	<u>(3,720,857)</u>	<u>-</u>	<u>1,728,668</u>
Unrestricted funds:					
<i>Designated funds:</i>					
Legacy reserve	82,874	-		40,286	123,160
Fixed asset reserve	<u>342,929</u>			<u>52,490</u>	<u>395,419</u>
<i>Total designated funds</i>	425,803	-	-	92,776	518,579
General funds	<u>618,001</u>	<u>997,240</u>	<u>(839,990)</u>	<u>(92,776)</u>	<u>682,475</u>
Total unrestricted funds	<u>1,043,804</u>	<u>997,240</u>	<u>(839,990)</u>	<u>-</u>	<u>1,201,054</u>
Total funds	<u>2,643,116</u>	<u>4,847,453</u>	<u>(4,560,847)</u>	<u>-</u>	<u>2,929,722</u>

Incoming resources includes unrealised investment gains

Purposes of restricted funds

Purposes of restricted funds are given alongside the names.

Purposes of designated funds

The fixed asset reserve represents funds which are not liquid as they are tied up in the net book value of fixed assets (other than those funded by restricted grants). The transfer from general funds represents the net change in net book value for the year.

The legacy reserve represents legacies received less those released to general funds. The Charity's policy is to transfer all new legacies into a designated legacy reserve and to release them to general funds equally over the subsequent three years, to smooth the effects of a volatile income stream. The opening legacy reserve figure was deemed to be £82,874, of which £27,625 was released to general funds in the year. Legacies received in the year total £67,911.

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Notes to the financial statements

For the year ended 31 March 2007

19. Movements in funds (continued)

Restricted capital funds

Within the restricted funds detailed above are funds representing the net book value of fixed assets funded by restricted grants, as follows:

	At the start of the year £	Incoming resources £	Outgoing resources £	Transfers £	At the end of the year £
Dept of Health - PP Manager capital	1,118	-	(308)	-	810
DfES Capital	1,657	-	(1,108)	-	549
ACE Lewisham capital	941	-	(471)	-	470
Dept of Health- Health & Social					
Scottish Exec Slippage (capital)	792	-	(490)	-	302
HAZ Southwark Capital	1,895	-	(720)	-	1,175
Sure Start Hackney (Hoxton	3,535	-	(736)	-	2,799
Birmingham Children's Fund -	274	-	(270)	-	4
Lewisham Childrens Fund - Play	2,480	-	(682)	-	1,798
Parenting Fund.- Manchester	1,433	-	(634)	-	799
Big Lottery Fund					
- Building purchase	600,000	-	-	-	600,000
- Parents & Paediatricians Capital	24,951	-	(5,891)	-	19,060
- Wales capital element	4,402	-	(342)	-	4,060
- Southall capital	1,772	-	(305)	-	1,467
The Percy Bilton Charity	1,125	-	(750)	-	375
True Colours Trust (capital)	353	-	(149)	-	204
Grand Charity Capital	369	-	-	-	369
Bridge House Estates Building	150,000	-	-	-	150,000
Other building purchase funds	169,789	-	-	-	169,789
	<u>966,886</u>	<u>-</u>	<u>(12,856)</u>	<u>-</u>	<u>954,030</u>

Of funds amounting to £954,031 relating to capital purchases, £8,696 is unspent at 31 March 2007.

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Notes to the financial statements

For the year ended 31 March 2007

20. Grants payable

Grants payable of £8,765 comprised 126 grants given to children, on the recommendation of the family support workers, mainly for adapted equipment, clothes, shoes, hospital travel, holidays and outings.

21. Operating lease commitments

The charity had annual commitments at the year end under operating leases expiring as follows:

	Property		Equipment	
	2007	2006	2007	2006
	£	£	£	£
Less than 1 year	69,418	43,252	11,043	7,742
2 - 5 Years	5,040	28,174	740	4,041
Over 5 years	52,650	5,040	-	-
	<u>127,108</u>	<u>76,466</u>	<u>11,783</u>	<u>11,783</u>

22. Notes to cash flow statement

a. Reconciliation of net movement in funds to net cash flow from operating activities

	2007	2006
	£	£
Net movement in funds for the year	286,606	319,515
Non-operating cashflows eliminated		
Depreciation	39,170	42,902
Investment gains	(21,617)	(27,368)
(Increase)/Decrease in stocks	(1,525)	(882)
(Increase) in debtors	(65,890)	(40,814)
(Decrease)/Increase in creditors	(224,650)	115,881
Net cash flow from operating activities	<u>12,094</u>	<u>409,234</u>

b. Analysis of changes in net debt

	At 1 April 2006	Cash flows	At 31 March
	£	£	£
Cash in hand	1,282,135	(134,556)	1,147,579
Short term deposits	200,000	-	200,000
Total	<u>1,482,135</u>	<u>(134,556)</u>	<u>1,347,579</u>

c. Reconciliation of net cash flow to movement in net funds

	2007	2006
	£	£
Increase in cash in the period	(134,556)	275,008
Cash received from loan financing	(204,943)	(190,231)
Cash paid for loan financing	193,330	248,978
Change in net funds	(146,169)	333,755
Net funds at the start of the year	898,329	564,574
Net funds at the end of the year	752,160	898,329