

Company no. 1633333
Charity no. 284912

Contact a Family
Report and Financial Statements
31 March 2008

Contact a Family

Reference and administrative details

For the year ended 31 March 2008

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, 22 November 2004 and 22 November 2007.	
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	
Charity number (Scotland)	SC039169	
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 Srabani Sen Dean Casswell Paul Soames Jill Harrison Susan Newth-Gibbs	Chief Executive (resigned 30/06/07) Chief Executive (appointed 10/03/08) Director of Finance & Fundraising and Company Secretary (resigned 04/07/08) Director of UK Operations Director of External Affairs (resigned 31/07/08) Director of Human Resources

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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

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	(resigned 20/09/07)
Dr Kay Caldwell	
Philip Conway	
Lady Susanna Crawford	
Robin Hindle Fisher	
Rosey Foster	
Lynne Hill	(appointed 20/09/07)
Jolanta Lasota	
Sheila Messider	
Reuben Parkinson	
Peter Phillips	
John Phillipson	
Imelda Redmond	
Joanne Tanner	
Bradley Theobald	
Caroline Vaughan	

Honorary president

Professor 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
Jane Root
Philippa Russell OBE
Dr Richard Smith CBE
Claire Tomalin
Elinor and Dafydd Wigley AM
Professor Lord Winston

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Report of the trustees

For the year ended 31 March 2008

The Trustees present their report and the audited financial statements for the year ended 31 March 2008.

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.

Structure, governance and management

3. 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 2008 was 88 (31 March 2007: 88).
4. 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.
5. Following the merger, a Governance Review commenced and new Standing Orders were adopted by the Trustees. These Standing Orders were reviewed by the Trustees during the year.
6. With regard to the recruitment of new Trustees, the Standing Orders state that "The Board should ensure that the recruitment process is open to all sections of the community, and should consider open advertising and a range of other recruitment methods to attract a wide range of candidates. Candidates should be interviewed formally, and appointed on merit." Our Board Member Induction, Support and Development policy outlines a process to support new Trustees and ensure they are provided with sufficient information to enable them to fulfil their duties.
7. Trustees are elected by the Members at the Annual General Meeting for a 3 year term. Trustees can be appointed during the year but must be elected at the subsequent Annual General Meeting. The Standing Orders set out a maximum of three consecutive terms for Trustees.

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Report of the trustees

For the year ended 31 March 2008

8. 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.
9. The Trustees approve the overall strategy of the organisation and delegate the operational management, development and administration of the charity to the Chief Executive. During the year, the CMT comprised the Chief Executive, the Director of Finance and Fundraising, the Director of UK Operations, the Director of External Affairs and the Director of Human Resources. The CMT is responsible for the day to day running of the organisation, in line with the agreed strategy, and makes recommendations to the Board of Trustees.
10. As reported last year, our Chief Executive, Francine Bates OBE, left the charity in June 2007. A new Chief Executive, Srabani Sen, was appointed in March 2008.

Statement of responsibilities of the Trustees

11. 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.

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Report of the trustees

For the year ended 31 March 2008

12. 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.
13. 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.

Strategic aims

14. 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.
15. The Strategy includes a number of Key Performance Indicators (KPIs) and associated "traffic light" targets which the Trustees have introduced to measure progress against the aims. Where a KPI has an amber or red traffic light, the Trustees have agreed an Action Plan for moving the KPI to green for next year.

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

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.

16. We have a team of 21 (2006/7: 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 34 (2006/7: 30) Volunteer Parent Reps located throughout the UK. In September, we celebrated ten years of the Volunteer Parent Rep scheme with a reception in the House of Lords.

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For the year ended 31 March 2008

17. In addition to our central office in London, we have three nation offices in Wales, Scotland and Northern Ireland. The nation offices run enquiry, information and support services through their respective staff teams. They also engage in extensive policy work with their respective nation governments. They each have teams of Family Workers and Volunteer Parent Representatives.
18. We have three English regional offices based in the North East, North West and the West Midlands. There are also six local community projects in London based in Ealing, Lewisham, Southall, Southwark, Sutton & Merton and Wandsworth. During the year our office in Lambeth closed temporarily due to a lack of funding from the Local Authority; a much smaller grant has now been secured.
19. 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.
20. During 2007/8 the charity dealt with 23,679 (2006/7: 18,221) individual enquiries from parents and professionals across the UK.
21. Our main website <http://www.cafamily.org.uk> attracted nearly 1.8m visitors during the year (2006/7: 1.7m). It is the most visited charity website on rare disorders in the world.
22. 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 too had nearly 1.8m visitors (2006/7: 880,000) and by the end of the year it had nearly 5,400 registered users (2006/7: 3,400). 724 conversations (2006/7: 412) took place between users during the year.
23. During the year, we distributed 40,000 copies of our parent factsheets (2006/7: 53,000) and 70,000 guides for parents (2006/7: 45,000). New factsheets "*A tax credit guide for self-employed parents*", "*Help with council tax bills*" and "*A guide to claiming Disability Living Allowance for children*" were published.
24. 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 annual publication date was moved from January to April so no income from sales appears in this set of accounts.
25. 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 a wide range of our services. A total of 5,654 responses were received with a combined satisfaction rating of 91% (2006/7: 85%); 85% and above was rated as a green "traffic light" by Trustees.

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- b) *To estimate the numbers and diversity of families reached by all services.* The Trustees estimate that the charity reached 300,000 families with disabled children during the year (2006/7: 275,000); 250,000 and above was rated as a green "traffic light" by Trustees. 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. 12% of those families reached (2006/7: 13%) were from an Ethnic background; 12% and above was rated as a green "traffic light" by Trustees. 11% of families reached were fathers (2006/7: 12%); 10% to 11% was rated as an amber "traffic light" by Trustees.

26. Last year, we reported that our plans for 2007/8 included:

- a) *To launch a three year Children's Centres support project in England.* The Children's centre support project was launched as planned and is now producing a regular bulletin. Dedicated development work has been carried out across England from Hull to Hampshire. A resource pack for centres has been developed and 251 distributed. Additionally a series of practical "how to" guides has been developed for centre staff on including families with disabled children.
- b) *To produce additional country specific publications for Scotland, Wales and Northern Ireland.* Additional country specific publications have been produced including "Direct Payments Scotland", "Preparing for adult life and transition Scotland", "The Bottom Line Wales" and "A checklist for parents in Northern Ireland".

27. Our plans for 2008/9 include:

- a) *Undertaking a joint project with the Family Fund to distribute 25,000 transition guides to parents across the UK.*
- b) *To completely redesign our website and to develop a presence on social networking sites such as Facebook and Second Life.*

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

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.

28. In April 2008, we heard that we had been successful in a large tender we had submitted jointly with the company Serco to the Department for Children, Schools and Families. With Serco, we will be forming a new national support body "Together for Disabled Children" and as part of this we will be focusing on parent participation across local authorities and Primary Care Trusts throughout England.

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29. There were two Key Performance Indicators for this aim:

- a) *The numbers of publications with a focus on parent participation distributed.* 4,104 (2006/7: 9,704); 6,999 and below was rated as a red "traffic light" by Trustees. The publications were not actively promoted during the year, pending a total rebrand under the "Together for Disabled Children" joint SERCO partnership. The guides will now be relaunched in 08/09 with the latest thinking on parent participation emerging from Aiming High for Disabled Children. A high increase in demand is anticipated during the coming year.
- b) *The percentage of parents represented on Contact a Family committees and advisory groups.* At 31/03/08, 27% of our Trustees were parents (31/03/07: 33%), 40% of our Nation Committee members (31/03/07: 47%) and 91% of our Project Committee members (31/03/07: 91%). Overall, this gives a total of 70% (31/03/07: 72%); 50% and above was rated as a green "traffic light" by Trustees.

30. Last year, we reported that our plans for 2007/8 included:

- a) *To investigate the creation of a training/consultancy unit within Contact a Family.* A report was produced which laid out the future options for Contact a Family. This is being discussed as part of Contact a Family's new five year strategy (see paragraph 55 below).
- b) *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).* This was successfully achieved with regional networks created, a regular e-mail bulletin distributed and a series of joint workshops held with the Every Disabled Child Matters Campaign.

31. Our plans for 2008/9 include:

- a) *To begin work on the "Together for Disabled Children" partnership which aims to have developed a parents' forum in every area of England by 2011.*
- b) *To encourage parent involvement in the Disabled Children Matters Wales Campaign, For Disabled Children in Scotland Campaign and Children with Disabilities Alliance in Northern Ireland. All of these campaigns will strengthen the voice of parents caring for disabled children.*

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

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.

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Report of the trustees

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32. 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.
33. As reported last year, the “Every Disabled Child Matters” campaign, which we are heavily involved in, helped to raise awareness within government of the needs to families with disabled children. This was vitally important in influencing the government to announce an additional £340m of investment for services to disabled children and their families over the next three years, mainly for short breaks.
34. We have been actively working with HM Revenue & Customs (HMRC) to try to resolve a particular problem with Tax Credits for families with disabled children. From our take up work we discovered that a number of families were not receiving the correct disability and severe disability elements of their Tax Credits. This led HMRC to conduct an investigation into the situation and they estimated that some 20,000 families were being underpaid. We have recently worked with HMRC to devise a solution whereby claims from all these families will be identified during 2008-9 and their entitlements corrected.
35. We are active members of the Standing Commission on Carers – a body established by government to advise and scrutinise the government’s efforts to improve the lives of carers. We are also represented on the government’s Child Health Stakeholder Advisory Group, advising on the development of the government’s new Child Health Strategy.
36. 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.* 100% of respondents (2005/6: 95%) said our input was very or quite useful; 80% and above was rated as a green “traffic light” by Trustees.
 - 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. Of those that replied, 35% (2006/7: 32%) thought that they had seen a change in service as a result of their efforts; 25% to 49% was rated as an amber “traffic light” by Trustees.
 - c) *Number of policy submissions made to Government.* There were 16 during the year (2006/7: 27) mainly due to work pressures caused by the absence of a Chief Executive for much of the year; 19 and below was rated as a red “traffic light” by Trustees. The absence of a CEO meant that there was less time to make policy submissions. The re-organisation of the charity’s structure during the coming year will seek to address issues around how we develop and deliver on policy and with the new CEO, the charity will continue to work at the highest levels with government on various implementation and strategy groups.
 - d) *Numbers of research reports produced and disseminated.* There was 1 during the year (2006/7: 1) on winter fuel costs; 1 was rated as an amber “traffic light” by Trustees.

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For the year ended 31 March 2008

37. Last year, we reported that our plans for 2007/8 included:

- a) *To ensure that each nation has developed a sister campaign to the England-wide "Every Disabled Child Matters" campaign. We were instrumental in establishing the "For Scotland's Disabled Children", "Disabled Children Matters Wales" campaign and contributed to the development of the "Children with Disabilities Alliance" in Northern Ireland.*
- b) *To continue to work with the End Child Poverty campaign to highlight the financial hardship that families with disabled children face. We worked with the campaign to emphasise the increase in child poverty amongst families with disabled children.*

38. Our plans for 2008/9 include:

- a) *Raising awareness of the housing situation of disabled children and their families and working to bring about change in housing policy and practice.*
- b) *Working through the Child Health Stakeholder Advisory Group to ensure that the needs of children with disabilities are fully taken into account in developing the government's new Child Health Strategy.*

Strategic Aim 4: To have long term financial security.

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.

39. Total incoming resources increased to £4,835,481 (2006/7: £4,825,836). Total expenditure increased to £4,945,190 (2006/7: £4,560,847).
40. The resultant operating deficit was £109,709 (2006/7: surplus of £264,989). This was mainly due to unbudgeted costs incurred in closing our office in Lambeth (see paragraph 18 above).
41. The costs of fundraising increased to £572,074 (2006/7: £510,781).
42. As reported in previous years, 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 £315,614 (2006/7: £271,335), financed mainly by a bank loan facility of £250,000. Underlying fundraising costs were therefore a more modest £256,460 (2006/7: £243,383) which represents 5.2% of expenditure (2006/7: 5.4%).
43. Expenditure on Governance decreased to £47,910 (2006/7: £58,887) which represents 1.0% of expenditure as a whole (2006/7: 1.3%).

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44. Contact a Family holds investments to maintain adequate reserves (our Reserves Policy is outlined in point 43a 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.
45. The Trustees are pleased that New Philanthropy Capital, who have a rigorous and independent research team, have once again chosen the charity as one of the 100 or so that it recommends for funding.
46. There were four Key Performance Indicators for this aim:

- a) *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 (General Reserves excluding amounts used to fund fixed assets). To make liquid reserves easier to identify in these accounts a fixed asset reserve has been set up as a designated fund by the Trustees. This represents fixed assets not funded by either restricted funds or the mortgage on our principal office.

The General Reserves figure is therefore equivalent to the unrestricted funds figure of £1,141,377, which represents 13.0 weeks of expenditure (2006/7: 13.7 weeks); 10 weeks and above was rated as a green "traffic light" by Trustees. The Liquid Reserves figure is the General Funds figure of £943,141, which represents 9.9 weeks of expenditure (2006/7: 7.8 weeks); 8 weeks and above was rated as a green "traffic light" by Trustees who aim to have a Liquid Reserves level of between 8 and 12 weeks of total expenditure. Investments made a loss of 17.9% (2006/7: gain of 5.4%); 4.9% and below was rated as a red "traffic light" by Trustees. Although the unrealised loss in investments was largely due to the "credit crunch" and market conditions, the Trustees have decided to review the two investment funds through the Executive Committee over the coming year, and if necessary seek independent advice.

- b) *Percentage and level of unrestricted income.* The income of the charity has more than tripled over the past 9 years but the Trustees are aware that most of that growth has been in the form of Restricted grants. As explained in paragraph 42 above, the Trustees have placed a priority on increasing Unrestricted income which was just 11.5% of total income in 2001/2. During the past year, unrestricted income was £871,167 and made up 18% of total income (2006/7: £975,623 making up 20.2%); 15% and above was rated as a green "traffic light" by Trustees. This fall was due mainly to the rescheduled publication of our Directory (see paragraph 24 above) and the loss of rental income as a result of the expansion of the charity.

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- c) *Balance on Annual and Net assets.* Net Assets decreased by £211,367 (2006/7: increased by £286,606); £0 and below was rated as a red “traffic light” by Trustees. The decrease in net assets was in part due to the fall in value of investments (see a) above), and the budgeted expenditure of historical restricted funds.
- d) *Breakdown of core costs recovered from funders.* 70% of central costs were funded by restricted funds (2006/7: 72%); 50% to 74% was rated as an amber “traffic light” by Trustees.

47. Last year, we reported that our plans for 2007/8 included:

- a) *To increase the recruitment rate for the Door to Door fundraising scheme.* The recruitment rate was increased by 6%.
- b) *To develop our corporate fundraising.* A volunteer fundraiser was recruited and, subject to funding, we hope to expand on that work with a staff member.

48. Our plans for 2008/9 include:

- a) *To further develop our fundraising capacity by employing a dedicated Director of Fundraising.*
- b) *To expand our major donor and corporate fundraising activities and to increase our retention of individual donors.*

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

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.

49. Information about our governance and structure can be found in paragraphs 3 to 9 above.

50. 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; Reputational issues; Staff/Client conflict.

51. During the year, the Trustees took part in the “Boards Count” governance benchmarking survey. Subsequently, they reviewed the “Code of Good Governance” and agreed that they could sign up at the highest level of compliance.

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Report of the trustees

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52. 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 26.1% (2006/7: 24.6%); 25.1% to 35% was rated as an amber "traffic light" by Trustees. Of the 31 employees who left during the year, 3 (2006/7: 3) left due to retirement or ill health and 14 (2006/7: 7) left due to the end of their contract or dismissal. The average length of service of employees who left in the year was 52 months (2006/7: 24 months); 36 months and above was rated as a red "traffic light", although after consideration by the trustees it was decided that the traffic lights should be reviewed with departure of recent recruits being red, rather than long term staff leaving.
- b) *Level of staff sickness.* A total of 629.5 days (2006/7: 320.5) were lost due to absence from an average of 93 (2006/7: 97) FTE staff. Over a 47 week year, this gives 2.9% lost time (2006/7: 1.4%); 2.1% to 3% was rated as an amber "traffic light" by Trustees. This was caused by an unusual level of unavoidable long term absence in one year; the average number of absences per employee has actually fallen dramatically. There were 110 (2006/7: 319) absences of varying length, an average of 0.9 absences per employee (2006/7: 2.8); 4 and below was rated as a green "traffic light" by Trustees.
- c) *Numbers of volunteer days.* 1,423 days of work were put in by volunteers (2006/7: 1,695 days); 1,000 days to 1,499 days was rated as an amber "traffic light" by Trustees. The value to the charity of this work is estimated to be £132,698 (2006/7: £163,000).
- d) *Numbers of formal complaints received.* The total number of formal complaints received during past year was 20 (2006/7: 10); 11 to 20 was rated as an amber "traffic light" by Trustees. Two were about the running of the Parent Carer Council in Southwark and, following lengthy correspondence with the Trustees, are now closed. Two were about problems contacting one of our offices due to staff illness; the issues were dealt with by our helpline instead. One was about the temporary closure of our Lambeth office. The remaining fifteen were about "pushy" recruiters on the Door to Door fundraising scheme. All were investigated by our agents Fundraising Initiatives Ltd. Two were not upheld but the remainder of complainants received apologies. In nine of the cases the recruiters were sent for retraining and in four cases they were dismissed.
- e) *Numbers of written compliments received.* 92 (2006/7: 94) unsolicited written compliments were received; 70 to 99 was rated as an amber "traffic light" by Trustees. 69 were from families; 15 from professional workers and 8 from voluntary organisations.
- f) *Level of Trustee attendance at meetings.* Trustees attendance at Board and sub-committee meetings was 74% (2006/7: 77%); 70% and above was rated as a green "traffic light" by Trustees.

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53. Last year, we reported that our plans for 2007/8 included:

- a) *To draft a comprehensive Human Resources strategy and supporting policies.* Although work on this is now well underway it has not been completed mainly due to the length of time we were without a Chief Executive and the pressure this put on the Corporate Management Team.
- b) *To introduce a Purchase Order Processing system.* This has been successfully introduced across the organisation.

54. Our plans for 2008/9 include:

- a) *To draft a comprehensive Human Resources strategy and supporting policies.*
- b) *To review our accounting software and financial management systems.*

Conclusion

55. We are currently developing a new corporate strategy for the period 2009-2014. The Trustees have already agreed the broad "Direction of Travel" and that is now being fleshed out into a full document. Consequently, this may result in revised KPIs from next year to measure progress.

56. 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.

57. This report only provides a snapshot of the activities undertaken by the charity in 2007/8. 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 2008 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 on 16 September 2008

BY ORDER OF THE BOARD

Rosey Foster
Chairperson
Contact a Family
209-211 City Road
London EC1V 1JN
16 September 2008

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 2008 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 2008 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.

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 2008

	Note	Restricted £	Unrestricted £	2008 Total £	2007 Total £
Incoming resources					
<i>Incoming resources from generated funds</i>					
Voluntary income	2	-	624,156	624,156	667,806
Rental income		-	4,483	4,483	60,506
Investment income		-	54,722	54,722	54,715
<i>Incoming resources from charitable activities</i>					
Community Projects	5	1,480,140	-	1,480,140	1,655,817
Regional & National Development		1,350,139	-	1,350,139	1,040,017
Parent Advice, Information & Support		991,242	75,795	1,067,037	916,438
Parent Participation		142,793	-	142,793	349,537
<i>Other incoming resources</i>	4	-	112,011	112,011	81,000
Total incoming resources		3,964,314	871,167	4,835,481	4,825,836
Resources expended					
<i>Costs of generating funds:</i>					
Fundraising		-	572,075	572,075	510,781
Rent expenses		-	2,949	2,949	3,937
		-	575,024	575,024	514,718
<i>Charitable activities</i>					
Community Projects		1,554,075	44,798	1,598,873	1,558,242
Regional & National Development		1,212,548	-	1,212,548	1,050,968
Parent Advice, Information & Support		1,093,351	161,455	1,254,806	1,042,272
Parent Participation		170,620	-	170,620	335,759
<i>Total charitable expenditure</i>		4,030,594	206,253	4,236,847	3,987,241
Governance costs		-	47,910	47,910	58,888
Other resources expended		85,410	-	85,410	-
Total resources expended	6	4,116,004	829,187	4,945,191	4,560,847
Net (outgoing)/incoming resources	7	(151,690)	41,980	(109,710)	264,989
Unrealised losses on investment assets		-	(101,658)	(101,658)	21,617
Net movement in funds		(151,690)	(59,678)	(211,368)	286,606
Reconciliation of funds					
Funds at the start of the year		1,728,668	1,201,054	2,929,722	2,643,116
Funds at the end of the year		1,576,978	1,141,376	2,718,354	2,929,722

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

As at 31 March 2008

	Note	£	2008 £	2007 £
Fixed assets				
Tangible fixed assets	10		1,673,366	1,652,869
Investments	11		502,155	569,511
			<u>2,175,521</u>	<u>2,222,380</u>
Current assets				
Stock	12	-		4,982
Debtors	13	356,584		372,222
Cash at bank and in hand		586,000		<u>1,147,579</u>
		942,584		1,524,783
Liabilities				
Creditors: amounts falling due within one year	14	357,962		<u>665,741</u>
Net current assets			<u>584,622</u>	<u>859,042</u>
Total assets less current liabilities			2,760,143	3,081,422
Creditors: amounts due after one year	15		<u>41,789</u>	<u>151,700</u>
Net assets			<u>2,718,354</u>	<u>2,929,722</u>
Funds				
Restricted funds	19			
In surplus			1,576,978	1,744,009
In deficit			-	(15,341)
Unrestricted funds				
Designated funds			198,236	518,579
General funds			943,140	682,475
Total funds			<u>2,718,354</u>	<u>2,929,722</u>

Approved by the trustees on 16 September 2008 and signed on their behalf by

Rosey Foster
Chair

Peter Phillips
Treasurer

Contact a Family

Cashflow statement

For the year ended 31 March 2008

	Note	2008 £	2007 £
Net cash flow from operating activities	22	(133,271)	12,094
Capital expenditure & financial investment			
Payments to acquire tangible fixed assets		(61,494)	(8,261)
Payments to acquire investments		(234,302)	(150,000)
		(295,796)	(158,261)
Management of liquid resources			
Disposal of short-term deposits		-	-
Financing			
Mortgage repayments		(132,703)	(39,167)
Fundraising loan		(199,809)	50,778
Decrease in cash		<u>(761,579)</u>	<u>(134,556)</u>

Contact a Family

Notes to the financial statements

For the year ended 31 March 2008

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. Donated services and facilities are recognised as an incoming resource at a reasonable estimated value of the services and facilities which the charity received. 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 the 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 appropriate 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 apportioned to each activity by headcount or time spent.

Governance costs include the management of the charity'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 2008

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 primarily those 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. Funds have also been restricted that have been locally fundraised, or fundraised for a specific geographical area.
- 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	2008 Total	2007 Total
	£	£	£	£
Donations	-	436,156	436,156	332,773
Legacies	-	53,222	53,222	67,911
Charitable trusts	-	110,725	110,725	222,963
Companies	-	1,637	1,637	1,853
Special events	-	20,746	20,746	40,065
Other	-	1,670	1,670	2,241
Total	-	624,156	624,156	667,806

Contact a Family

Notes to the financial statements

For the year ended 31 March 2008

3. Government grants

	Restricted £	Unrestricted £	2008 Total £	2007 Total £
Department of Health	119,294	-	119,294	59,925
Department for Children, Schools and Families	696,238	-	696,238	500,000
Home Office	-	-	-	24,980
HM Revenue & Customs	35,000	-	35,000	23,291
Department of Trade & Industry	31,500	-	31,500	21,500
National Assembly for Wales	99,217	-	99,217	82,416
Scottish Executive	91,243	-	91,243	58,430
Northern Ireland Executive	29,604	-	29,604	28,879
Association of London Government	37,890	-	37,890	41,334
London Borough of Lambeth	144,092	-	144,092	291,172
London Borough of Lewisham	218,649	-	218,649	194,085
London Borough of Ealing	145,000	-	145,000	132,375
Wandsworth Corporation	89,410	-	89,410	92,392
Southwark Strategic Services	138,017	-	138,017	165,055
London Borough of Merton	42,218	-	42,218	45,000
London Borough of Sutton	49,100	-	49,100	43,612
Sure Start Programme	59,792	-	59,792	114,129
European Social Fund	69,217	-	69,217	158,277
Children's Centres	204,790	-	204,790	119,809
Parenting Fund	138,419	-	138,419	92,226
Children's Funds	141,474	-	141,474	138,841
Health Improvement Programme	-	-	-	7,914
Luton Borough Council	14,933	-	14,933	-
Cornwall PCT	12,000	-	12,000	-
Cornwall County Council	73,926	-	73,926	-
Other government bodies	13,413	-	13,413	13,650
Total	<u>2,694,436</u>	<u>-</u>	<u>2,694,436</u>	<u>2,449,292</u>

Contact a Family

Notes to the financial statements

For the year ended 31 March 2008

4. Other incoming resources

		2008	2007
		£	£
Release of provisions for repayment of funding	4a	33,690	81,000
Recovery of VAT	4b	55,702	-
Tenant contributions to dilapidations	4c	22,619	-
Total		<u>112,011</u>	<u>81,000</u>

- a. For several years Contact a Family has carried within creditors a provision for a potential repayment of overpaid grants totalling £33,690. 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.
- b. One-off reclaim from HM Revenue & Customs after the Children Society case ruling.
- c. Dilapidation charge in relation to the termination of the exiting tenant's lease.

Contact a Family

Notes to the financial statements

For the year ended 31 March 2008

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

	Community Projects £	Regional Development £	Parent Advice, Information & Support £	Parent Participation £	2008 Total £	2007 Total £
Government grants (note 3)	1,296,125	450,323	823,394	124,591	2,694,433	2,449,292
Big Lottery Fund	58,651	376,997	-	18,177	453,825	724,244
Charitable trusts	74,804	501,273	166,550	25	742,652	560,853
Companies	-	3,325	-	-	3,325	2,950
Special events/other	50,560	18,221	77,093	-	145,874	224,470
Total	<u>1,480,140</u>	<u>1,350,139</u>	<u>1,067,037</u>	<u>142,793</u>	<u>4,040,109</u>	<u>3,961,809</u>

Contact a Family

Notes to the financial statements

For the year ended 31 March 2008

6. Total resources expended

	Direct cost*	Support costs allocated				Total Allocation	Total 2008	Total 2007
		HR	Finance	IT	Management			
Costs of generating funds:								
Fundraising	539,918	4,257	7,470	5,203	15,226	32,156	572,074	510,781
Rent expenses	2,949	-	-	-	-	-	2,949	3,937
Charitable expenditure								
Community Projects	1,430,451	31,674	54,787	38,449	43,512	168,422	1,598,873	1,558,242
Regional & National Development	1,047,992	30,392	53,703	37,234	43,227	164,556	1,212,548	1,050,968
Advice, Information & Support	1,037,694	36,846	64,371	44,930	70,965	217,112	1,254,806	1,042,272
Parent Participation	161,533	1,179	1,687	1,342	4,879	9,087	170,620	335,759
Governance costs	38,564	277	478	343	8,248	9,346	47,910	58,888
**Other resources expended	85,410	-	-	-	-	-	85,410	-
Total direct and apportioned costs	4,344,511	104,625	182,496	127,501	186,057	600,679	4,945,190	4,560,847

* 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 £3,018,849 (see note 8) and depreciation of £40,997 (see note 10).

** Other resources expended relates to surplus funds returned in year or amounts overclaimed, primarily Hackney Sure Start (£18,671), Southwark Local Authority (£20,882) and Manchester Parenting Fund (£18,061).

Contact a Family

Notes to the financial statements

For the year ended 31 March 2008

7. Net (outgoing)/incoming resources for the year

This is stated after charging / crediting:

	2008	2007
	£	£
Interest payable	19,718	21,793
Depreciation	40,997	39,170
Trustees' indemnity insurance	-	-
Trustees' remuneration	-	-
Trustees' reimbursed expenses	541	1,141
Auditors' remuneration:		
▪ audit	10,842	8,250
▪ other services	-	1,435
Operating lease rentals:		
▪ property	62,251	82,727
▪ other	7,524	10,613
	<u>62,251</u>	<u>82,727</u>
	<u>7,524</u>	<u>10,613</u>

Trustees' reimbursed expenses represents the reimbursement of travel and subsistence costs to one (2007: 4) member relating to attendance at meetings of the trustees.

8. Staff costs and numbers

Staff costs were as follows:

	2008	2007
	£	£
Salaries and wages	2,709,777	2,571,706
Social security costs	258,447	251,967
Pension contributions	50,625	52,690
	<u>3,018,849</u>	<u>2,876,363</u>
Total emoluments paid to staff were:	<u>2,709,777</u>	<u>2,571,706</u>

No employees earned between £60,000 and £70,000 during the year (2007: One).

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

	2008	2007
	No.	No.
Community projects	29.4	33.5
Regional support	37.7	25.6
UK advice and information	19.1	23.9
Parent Participation	3.0	5.9
Fundraising	2.8	4.2
Governance	0.6	0.7
	<u>92.6</u>	<u>93.8</u>

Contact a Family

Notes to the financial statements

For the year ended 31 March 2008

9. Taxation

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

10. Tangible fixed assets

	Freehold land and buildings £	Fixtures, fittings and equipment £	Total £
Cost			
At the start of the year	1,680,774	148,014	1,828,788
Additions in year	-	61,494	61,494
At the end of the year	1,680,774	209,508	1,890,282
Depreciation			
At the start of the year	68,138	107,781	175,919
Charge for the year	12,167	28,830	40,997
At the end of the year	80,305	136,611	216,916
Net book value			
At the end of the year	1,600,469	72,897	1,673,366
At the start of the year	<u>1,612,636</u>	<u>40,233</u>	<u>1,652,869</u>

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 (now the Big Lottery 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	2008 £	2007 £
Market value at start of year	200,000	369,511	569,511	397,894
Additions	-	234,302	234,302	150,000
Disposals	(200,000)	-	(200,000)	-
Net gain/(loss) on revaluation	-	(101,658)	(101,658)	21,617
Market value at end of year	<u>-</u>	<u>502,155</u>	<u>502,155</u>	<u>569,511</u>
Historical cost at end of year	<u>-</u>	<u>550,451</u>	<u>550,451</u>	<u>516,149</u>

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

COIF Investment Fund	140,796
CAF UK Equity Growth Fund	361,359
	502,155

Contact a Family

Notes to the financial statements

For the year ended 31 March 2008

12. Stock

	2008	2007
	£	£
Publications	-	4,982

13. Debtors

	2008	2007
	£	£
Other debtors	73,251	112,061
Prepayments and accrued income	283,333	260,161
	<u>356,584</u>	<u>372,222</u>

14. Creditors: amounts due within one year

	2008	2007
	£	£
Taxation and social security	74,371	75,909
Accruals	33,394	64,859
Deferred income (note 18)	37,683	56,409
Other creditors	191,396	224,845
Bank loan (note 16)	21,118	243,719
	<u>357,962</u>	<u>665,741</u>

15. Creditors: amounts due after one year

	2008	2007
	£	£
Bank loan (note 16)	41,789	151,700

16. Bank loans

	2008	2007
	£	£
Less than 1 year	21,118	243,719
1-2 years	17,141	41,580
2-5 years	24,648	110,120
	<u>62,907</u>	<u>395,419</u>

A ten year mortgage from Unity Trust Bank of £750,000 was taken out on 18 June 2001 for the purpose of purchasing the charity's premises at 209-211 City Road. Of this amount, £57,773 is outstanding at 31st March 2008 (2007: £190,722), representing 3.5% of the total purchase price of £1,635,000. 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 £210,266, and a 31 March 2008 balance of £5,133. 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 2008

17. Analysis of net assets between funds

	Restricted funds £	Designated funds £	General funds £	Total funds £
Tangible fixed assets	923,884	62,907	686,575	1,673,366
Investments	-	135,329	366,826	502,155
Net current assets	653,094	-	(68,472)	584,622
Creditors due within one year	-	-	(41,789)	(41,789)
Net assets at the end of the year	<u>1,576,978</u>	<u>198,236</u>	<u>943,140</u>	<u>2,718,354</u>

18. Deferred income

	2008 £	2007 £
Balance brought forward	56,409	253,294
Recognised as income in the current year	(56,409)	(253,294)
Incoming resources received in the current year and deferred to future years	<u>37,683</u>	<u>56,409</u>
Balance carried forward	<u>37,683</u>	<u>56,409</u>
Increase /(decrease) in deferred income	<u>(18,726)</u>	<u>(196,885)</u>

The deferred income at 31 March 2008 is made up of funding from the following:

	2008 £	Total 2007 £
John Ellerman Foundation	-	45,000
Big Lottery Fund – Southall	10,034	9,412
Other	6,847	1,997
Big Lottery Fund – Northern Ireland	7,101	-
Merton (Merton Development)	<u>13,701</u>	-
	<u>37,683</u>	<u>56,409</u>

Contact a Family

Notes to the financial statements

For the year ended 31 March 2008

19. Movements in funds

	At the start of the year £	Incoming resources £	Outgoing resources £	Transfers £	At the end of the year £
Restricted funds:					
Department for Children, Schools and Families					
- UK Information Centre	-	500,000	(500,000)	-	-
- Capital	549	-	(401)	-	148
- Youth Green Paper	105	-	(105)	-	-
- TPU (Growing Up Pack)	3,000	-	(938)	-	2,062
- CYPF	-	196,238	(196,238)	-	-
Department of Health					
- Health Professionals Pack	7,750	-	(6,045)	-	1,705
- Parent Participation Manager (Section 64)	9,305	61,000	(70,305)	-	-
- Parent Participation Manager capital (Section 64)	810	-	(308)	-	502
- Other	-	58,289	(49,587)	-	8,702
HMRC	1,880	35,000	(36,880)	-	-
Department of Trade and Industry					
- DTI Financial Inclusion Fund	-	31,500	(26,137)	-	5,363
National Assembly for Wales					
- Social Care Policy	1,633	37,000	(38,633)	-	-
- Children & Families	13,948	47,810	(61,271)	-	487
- Core	-	14,407	(14,407)	-	-
Scottish Executive					
- Core	-	84,062	(80,519)	-	3,543
- Slippage (capital items)	302	-	(111)	-	191
- Training	-	7,181	(7,181)	-	-
Northern Ireland Executive					
- Core Funding	-	29,604	(29,604)	-	-
Local Authorities					
- Lambeth	36,400	144,092	(180,492)	-	-
- Lewisham	33,984	178,649	(173,676)	-	38,957
- Lewisham (Kaleidoscope)	-	40,000	(4,740)	-	35,260
- Luton	-	14,933	(7,760)	-	7,173
- Northamptonshire	-	3,000	(3,000)	-	-
- Ealing (Ealing Office)	11,683	93,000	(103,459)	-	1,224
- Ealing (Southall Office)	25,089	52,000	(58,251)	-	18,838
- Wandsworth	-	89,410	(89,410)	-	-
- Wandsworth (Autism)	26,667	-	-	-	26,667
- Southwark	34,520	138,017	(135,239)	-	37,298
- Sutton (Sutton Development)	3,711	49,100	(52,811)	-	-
- Merton (Merton Development)	24,362	42,218	(45,308)	-	21,272
- Surrey (volunteer rep)	-	2,040	(1,746)	-	294
- Cornwall (Parenting Fund)	-	22,335	(21,323)	-	1,012
- Cornwall (Scope)	-	51,591	(37,477)	-	14,114
Health Action Zone					
- Southwark Family worker	-	-	-	-	-
- Southwark Capital	1,175	-	(299)	-	876
<i>Subtotal carried forward</i>	<u>236,873</u>	<u>2,022,476</u>	<u>(2,033,661)</u>	<u>-</u>	<u>225,688</u>

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Notes to the financial statements

For the year ended 31 March 2008

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>	236,873	2,022,476	(2,033,661)	-	225,688
EU Equal Project					
- ACE Policy Officer	1,066	28,373	(29,439)	-	-
- ACE Lewisham	788	40,844	(40,530)	-	1,102
- ACE Lewisham capital	470	-	(470)	-	-
Association for London Government					
(London Manager)	-	37,890	(37,890)	-	-
Southwark Children's Centres					
(Family worker)	7,557	-	-	-	7,557
- Southwark Children Centre	26,160	204,790	(199,329)	-	31,621
Sure Start					
- Hackney (Hoxton)	18,071	-	(18,071)	-	-
- Hackney (Hoxton capital)	2,799	-	(316)	-	2,483
- Wandsworth (Tooting)	-	18,656	(18,656)	-	-
- Wandsworth (Battersea)	4,264	21,382	(25,646)	-	-
- Wandsworth (Roehampton)	1,001	19,754	(20,755)	-	-
- Southwark (Aylesbury Plus)	377	-	(377)	-	-
- Southwark (East Peckham)	472	-	(472)	-	-
- Southwark (Brunswick)	1,306	-	(1,306)	-	-
- Southwark (West Bermondsey)	3,369	-	(3,369)	-	-
- Southwark (West Peckham)	740	-	(740)	-	-
- Southwark (Rotherhithe)	3,068	-	(3,068)	-	-
Health Improvement Programme					
- Sutton	4,263	-	-	-	4,263
Disability Partnership					
- Sutton-Through the Maze	7,500	-	(6,995)	-	505
Lewisham Children's Fund					
- Play Inclusion Project	0	100,700	(99,990)	-	710
- Play Inclusion Project capital	1,798	-	(706)	-	1,092
Northern Ireland Children's Fund					
- Information Officer	4,939	40,774	(45,713)	-	-
Birmingham Children's Fund					
- Capital	4	-	-	-	4
Parenting Fund - Round One					
- Manchester	18,016	-	(18,016)	-	-
- Manchester capital	799	-	(590)	-	209
Telford & Wrekin	2,840	-	(2,840)	-	-
Parenting Fund - Round Two					
- Manchester	(7,966)	43,774	(35,244)	-	564
- Birmingham	(7,375)	49,439	(42,064)	-	-
- Cornwall	1,944	45,206	(36,023)	-	11,127
<i>Subtotal carried forward</i>	<u>335,143</u>	<u>2,674,058</u>	<u>(2,722,276)</u>	<u>-</u>	<u>286,925</u>

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Notes to the financial statements

For the year ended 31 March 2008

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>	335,143	2,674,058	(2,722,276)	-	286,925
Cornwall PCT	-	12,000	(4,359)	-	7,641
Other Government funds	6,328	-	(6,328)	-	-
Big Lottery Fund					
- Capital grant (Building purchase)	600,000	-	-	-	600,000
- Parents & Paediatricians Project	29,385	18,177	(47,562)	-	-
- Parents & Paediatricians Capital	19,060	-	(18,960)	-	100
- Wales Development Officer	8,625	-	(8,625)	-	-
- Wales capital element	4,060	-	(192)	-	3,868
Big Lottery Fund					
- Eastern England	6,456	62,214	(56,307)	-	12,363
- North East England office	-	54,330	(54,330)	-	-
- Yorkshire and Humberside office	2,144	65,412	(57,118)	-	10,438
- Southall office	78	58,651	(58,729)	-	-
- Southall capital	1,467	-	(518)	-	949
- South East England	6,437	64,701	(65,056)	-	6,082
- Northern Ireland office	12,344	63,065	(75,409)	-	-
- Scotland Office	9,944	67,276	(67,221)	-	9,999
Lloyds TSB Foundation for England & Wales					
- Yorkshire	3,000	-	-	-	3,000
BBC Children in Need					
- Greater Manchester (activities)	10,036	22,681	(20,619)	-	12,098
- Southall (holiday activities)	572	-	(572)	-	-
- Wandsworth (holiday activities)	608	-	(608)	-	-
Northern Rock Foundation	14,485	34,044	(45,207)	-	3,322
Henry Smith (UK Ops)	-	20,000	(20,000)	-	-
John Ellerman Foundation	-	45,000	(45,000)	-	-
True Colours Trust	38,007	140,000	(123,860)	-	54,147
True Colours Trust (capital)	204	-	(121)	-	83
The Henry Smith Charity in Wales					
- Development Officer	-	20,000	(20,000)	-	-
Bridge House Estates					
- Building Purchase Grant	150,000	-	-	-	150,000
- Paediatric Project (London)	5,217	39,000	(27,053)	-	17,164
Freemason's Grand Charity					
- North England management	9,307	41,666	(35,823)	-	15,150
- Capital	369	-	-	-	369
The Percy Bilton Charity					
- Furniture	375	-	(375)	-	-
<i>Subtotal carried forward</i>	<u>1,273,651</u>	<u>3,502,275</u>	<u>(3,582,228)</u>	-	<u>1,193,698</u>

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Notes to the financial statements

For the year ended 31 March 2008

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>	1,273,651	3,502,275	(3,582,228)	-	1,193,698
Constance Green Foundation	-	7,500	-	-	7,500
Keltbray (Southwark office)	7,000	-	(7,000)	-	-
Four Acre Trust (reps)	13,176	40,000	(28,067)	-	25,109
Rausing Charitable Foundation					
- Sussex social work	4,896	-	-	-	4,896
Charles Dunstone Trust	-	69,500	(69,500)	-	-
Childwick Trust	-	5,000	-	-	5,000
Bailey Thomas CT	-	40,000	(39,167)	-	833
Maureen Lillian CT	-	50,000	(30,142)	-	19,858
EDCM Wales	-	6,000	(5,315)	-	685
Social Work Funds					
Scottish Power Energy People Trust	3,280	13,500	(15,601)	-	1,179
Hadley Trust	-	2,500	(2,500)	-	-
Dulverton Trust	-	-	-	-	-
North East	5,608	-	-	-	5,608
North East	13,486	12,402	(6,768)	-	19,120
North West	7,762	7,875	(15,637)	-	-
Eastern	846	255	(59)	-	1,042
East Midlands	6,581	-	(1,754)	-	4,827
West Midlands	9,152	300	(9,452)	-	-
South East	2,000	-	-	-	2,000
South West	3,746	12,440	(16,186)	-	-
Yorkshire	1,725	-	(31)	-	1,694
Scotland	22,514	37,155	(51,706)	-	7,963
Northern Ireland	-	-	-	-	-
Other UK Office Funds	-	15,047	(1,000)	-	14,047
Other Lambeth Funds	26,379	7,378	(33,757)	-	-
Other Lewisham Funds	22,302	25,930	(48,232)	-	-
Other Ealing Funds	12,216	2,900	(9,321)	-	5,795
Other Southall Funds	24,371	15,916	(20,260)	-	20,027
Other Wandsworth Funds	33,971	13,279	(34,962)	-	12,288
Other Southwark Funds	20,882	1,472	(21,703)	-	651
Other Sutton Funds	6,212	2,117	(2,398)	-	5,931
Other South West Funds	-	1,110	(1,110)	-	-
Other West Midlands Funds	25,740	16,325	(11,447)	-	30,618
Other Regional funds	600	-	(11)	-	589
Other Wales Funds	4,272	13,002	(12,451)	-	4,823
Other Northern Ireland Funds	1,225	21,240	(17,514)	-	4,951
Other Scotland Funds	-	1,000	-	-	1,000
Other volunteer rep funds	447	-	(447)	-	-
Other Information Centre Funds	-	2,719	(2,013)	-	706
Other grant funds	4,839	18,177	(18,265)	-	4,751
Other building purchase funds	169,789	-	-	-	169,789
Total restricted funds	1,728,668	3,964,314	(4,116,004)	-	1,576,978

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Notes to the financial statements

For the year ended 31 March 2008

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>1,728,668</u>	<u>3,964,314</u>	<u>(4,116,004)</u>	<u>-</u>	<u>1,576,978</u>
Unrestricted funds:					
<i>Designated funds:</i>					
Legacy reserve	123,160	-	-	12,169	135,329
Fixed asset reserve	<u>395,419</u>	<u>-</u>	<u>-</u>	<u>(332,512)</u>	<u>62,907</u>
<i>Total designated funds</i>	518,579	-	-	(320,343)	198,236
General funds	<u>682,475</u>	<u>871,167</u>	<u>(930,845)</u>	<u>320,343</u>	<u>943,140</u>
Total unrestricted funds	<u>1,201,054</u>	<u>871,167</u>	<u>(930,845)</u>	<u>-</u>	<u>1,141,376</u>
Total funds	<u>2,929,722</u>	<u>4,835,481</u>	<u>(5,046,849)</u>	<u>-</u>	<u>2,718,354</u>

Outgoing resources includes unrealised investment losses

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 £123,160, of which £41,053 was released to general funds in the year. Legacies received in the year total £53,222

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Notes to the financial statements

For the year ended 31 March 2008

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	810	-	(308)	-	502
DfES Capital	549	-	(401)	-	148
ACE Lewisham capital	470	-	(470)	-	-
Dept of Health- Health & Social					
Scottish Exec Slippage (capital)	302	-	(111)	-	191
HAZ Southwark Capital	1,175	-	(299)	-	876
Sure Start Hackney (Hoxton capital)	2,799	-	(316)	-	2,483
Birmingham Children's Fund -capital	4	-	-	-	4
Lewisham Childrens Fund - Play	1,798	-	(706)	-	1,092
Parenting Fund.- Manchester capital	799	-	(590)	-	209
Big Lottery Fund					
- Building purchase	600,000	-	-	-	600,000
- Parents & Paediatricians Capital	19,060	-	(18,960)	-	100
- Wales capital element	4,060	-	(192)	-	3,868
- Southall capital	1,467	-	(518)	-	949
The Percy Bilton Charity	375	-	(375)	-	-
True Colours Trust (capital)	204	-	(121)	-	83
Grand Charity Capital	369	-	-	-	369
Bridge House Estates Building	150,000	-	-	-	150,000
Other building purchase funds	169,789	-	-	-	169,789
	<u>954,030</u>	<u>-</u>	<u>(23,367)</u>	<u>-</u>	<u>930,663</u>

Of funds amounting to £930,663 relating to capital purchases, £6,779 is unspent at 31 March 2008.

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Notes to the financial statements

For the year ended 31 March 2008

20. Grants payable

Grants payable of £18,265 comprised 86 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	
	2008	2007	2008	2007
	£	£	£	£
Less than 1 year	35,481	69,418	8,558	11,043
2 - 5 Years	12,000	5,040	-	740
Over 5 years	63,540	52,650	-	-
	<u>111,021</u>	<u>127,108</u>	<u>8,558</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

	2008	2007
	£	£
Net movement in funds for the year	(211,368)	286,606
Non-operating cashflows eliminated		
Depreciation	40,997	39,170
Investment losses	101,658	(21,617)
(Increase)/Decrease in stocks	4,982	(1,525)
Decrease in debtors	15,638	(65,890)
(Decrease)/Increase in creditors	(85,178)	(224,650)
Net cash flow from operating activities	<u>(133,271)</u>	<u>12,094</u>

b. Analysis of changes in net debt

	At 1 April 2007	Cash flows	At 31 March
			2008
	£	£	£
Cash in hand	1,147,579	(561,579)	586,000
Short term deposits	200,000	(200,000)	-
Total	<u>1,347,579</u>	<u>(761,579)</u>	<u>586,000</u>