

REGISTRAR OF COMPANIES

St Michael's Fellowship

Report and Financial Statements

Year ended 31 March 2020

Company Registration Number 02914273

(England and Wales)

Charity Number: 1035820

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Reference and administrative details of the company and its advisors

Trustees	Stephen Hair (Chair) Philippa Owen (Vice Chair) William Anderson (Hon Treasurer) Richard Barron Annie Brough Alison Dixon Corina Forman Mary Gibson Loucia Kyprianou Juline Sinclair Oretha Wofford Valerie Wass OBE
Chief Executive	Sue Pettigrew OBE
Registered office	136 Streatham High Road London SW16 1BW
Registered number	02914273 (England and Wales)
Charity number	1035820
Auditor	Buzzacott LLP 130 Wood Street London EC2V 6DL

Reference and administrative details of the company and its advisors

Bankers

National Westminster Bank Plc
145 Clapham High Street
Clapham
London
S4 7TH

COIF Charity Funds
80 Cheapside
London
EC2V 6DZ

Virgin Money Plc
Jubilee House, Gosforth
Newcastle on Tyne
NE3 4PL

Solicitors

The Charity Team at Russell-Cooke
2 Putney Hill
London
SW15 6AB

Trustees' report 31 March 2020

The trustees, who are the directors for the purposes of company law, present their statutory report together with the audited financial statements for the year ended 31 March 2020.

The financial statements have been prepared in accordance with the accounting policies set out on pages 32 to 35. They comply with the charitable company's Memorandum and Articles of Association, applicable laws and the requirements of Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102).

OBJECTIVES AND ACTIVITIES

Purposes and aims

The objects of the charity are: "the relief of poverty, sickness and emotional and physical hardship by the provision of accommodation, assistance and support, counselling, training and rehabilitation for children and their parents, whether in accommodation provided by the charity or in the wider community, who are in need of such relief so that they may become responsible and independent parents and members of society".

The principal activity of the charity is offering support to vulnerable families including very young parents both by the provision of residential family centres and in the community.

St Michael's provides accommodation, help and training in residential centres in the boroughs of Lambeth and Wandsworth for families where children are at risk or where there is other emotional, mental or physical hardship. Such support includes an assessment of parenting skills. Each of these projects is in a converted Victorian family house, non-institutional in feel and each is staffed by a professional team.

Through partnership with Sure Start Children's Centres, the National Children's Bureau via LEAP (Lambeth Early Action Partnership) and charitable funding for Securing Change, St Michael's offers outreach work providing some of the same services to families who are living in their own homes, but who, for whatever reason, are in difficulty.

The prime aim of the charity is to give a child the best possible start in life in the circumstances. Allied to this is the aim to help and encourage the members of a family to become fully integrated into the mainstream of society. This is achieved either through the rehabilitation of the family in a residential centre, through community assessments or through preventive work in the community.

We have referred to the guidance contained in the Charity Commission's general guidance on public benefit when reviewing our aims and objectives and in planning future activities and are satisfied that we meet the guidance.

OBJECTIVES AND ACTIVITIES (continued)

Strategic plan and objectives

The charity's 3-year strategic plan for 2017-2020 focused on:

- ◆ Maintaining the quality of our residential assessments; and
- ◆ Widening and embedding our outreach and community services to become 20% of our services.

These will be driven by:

- ◆ Financial stability;
- ◆ Skilled and motivated staff teams; and
- ◆ Policy and governance

The key objectives in the year were:

1. To achieve an Outstanding Ofsted inspection and share and promote best practice;
2. To reduce our reliance on statutory funding;
3. To continue the development of Securing Change, a service for parents who leave assessments with or without their child;
4. To grow our supervised contact service;
5. To maintain our outreach service with a focus on domestic abuse and working with young fathers;
6. To focus on staff recruitment, retention and succession planning;
7. To enhance our data collection and evidencing of outcomes across all aspects of our work; and
8. To enhance our website and communications to make them more accessible to beneficiaries and other stakeholders

The Trustees have reviewed and updated the strategic plan from March 2020 for the next three years. The strategic priorities are unchanged and are to focus on:

- ◆ Maintaining the quality of our residential assessments; and
- ◆ Widening and embedding our outreach and community services.

The core drivers have however been updated, as follows:

- ◆ Financial stability;

OBJECTIVES AND ACTIVITIES (continued)

Strategic plan and objectives (continued)

- ◆ Skilled and motivated staff; and
- ◆ Digitalisation.

In 2020-2021 our key objectives include:

1. Responding to Covid-19 pandemic;
2. Embedding trauma-informed practice and learning difficulties approach into our residential assessments;
3. To reduce our reliance on statutory funding;
4. To maintain our outreach service with a focus on domestic abuse and working with young fathers;
5. To continue the development of Securing Change, a service for parents who leave assessments with or without their child;
6. To focus on staff recruitment, retention and leadership development; and
7. To increase investment in and use of digital technology.

ACHIEVEMENTS AND PERFORMANCE

Impact of Covid-19

The current worldwide effects of the spread of Covid-19 have been wide-ranging with long term damage likely to both the economy of the UK and most countries across the globe. The introduction of the UK lockdown had serious impacts on the way that we work with families, our expenditure and some of our sources of income.

St Michael's adapted swiftly and well to enable work to continue effectively:

- ◆ In our residential units we continued to work with the existing families. Following government guidance and on completion of risk assessments we introduced strict cleaning and social distancing measures, reviewed staff rotas and stopped all visitors. We worked with families to carry out their weekly shopping and exercise within the restrictions. We have been in regular contact with social workers and local authorities throughout the families' placement.
- ◆ We have continued to give the highest priority to safeguarding and health & safety for both families and our staff.

ACHIEVEMENTS AND PERFORMANCE (continued)

Impact of Covid-19 (continued)

- ◆ For most of our families, the placement period has been extended, as courts and local authorities have found it difficult to move families to their next stage. We have also had to restrict the number of families in residence during this period, and have not brought in new families until it is safe to do so. Any new families are currently required to have a negative Covid-19 test and then complete a quarantine period within one of our units prior to beginning their assessment.
- ◆ For our community work we introduced phone, WhatsApp and Zoom for one-to-one work and group sessions. We recognised that domestic violence and safeguarding were more likely to be issues and tailored our work accordingly.
- ◆ We have had to suspend use of our family contact centre, and introduced Zoom in its place. We are typically offering shorter sessions at a reduced fee.
- ◆ We also upgraded our infrastructure to enable all back-office staff to work remotely.
- ◆ Our senior management team have continued to meet regularly via Zoom, with additional support from trustees as required.
- ◆ Fundraising activity has been focused on securing grants and reaching out to supporters, to mitigate against the additional costs and drop in income during this period.

The changes that we have made in our ways of working are expected to have a financial impact:

- ◆ We have incurred extra costs for families within the residential units with the increased focus on frequent cleaning in communal areas and use of suitable personal protection when outside the house. We have also introduced additional personal protection for staff when travelling to and from work and for times of essential closer contact with families. We have made available disposable gloves, masks, aprons, goggles, visors as befits our services. We made the decision that we would not increase the maintenance fee to local authorities for families already in placement.
- ◆ We have restricted the number of families in each residential unit to provide greater protection to staff and existing families and better facilitate social distancing. We are also using one house as a quarantine centre during this period, with only one family present at any time, with a clean break between families to allow for deep cleaning. These restrictions will result in a significant fall in income in 2020-2021.
- ◆ We have reduced the fee for family contact for existing clients following the move to virtual contact. It is unclear when we will be able to reopen the contact centre, and the extent of lost income.
- ◆ We furloughed our two contact centre sessional workers under the government support scheme. No other staff have been furloughed

ACHIEVEMENTS AND PERFORMANCE (continued)

Impact of Covid-19 (continued)

- ◆ We have incurred additional costs in upgrading our infrastructure to enable virtual and remote working, and we have been successful in securing some grant funding towards these costs.
- ◆ We usually raise around £20k of unrestricted core funding through the London marathon which will not be achieved in 2020-2021.
- ◆ Supporter engagement has focused on highlighting our ongoing work with families and we expect to see a slight increase in donations in 2020-2021.
- ◆ Planned fathers' work programmes with local authorities have been deferred and it is unclear when this will commence and the extent of lost income.
- ◆ We currently have a healthy level of reserves and cashflow to mitigate these impacts in the medium term.
- ◆ The longer term financial impact is dependent on the extent of ongoing restrictions and social distancing measures. We may not be able to operate at full capacity within the residential centres for the rest of the year, as our priority continues to be the safety and well-being of both beneficiaries and staff.
- ◆ A forecast for 2020-2021 has been prepared, which assumes a reduced number of family assessments than had been used for regular budgeting purposes. The base-case outturn of this forecast is a loss of £288k.

Review against objectives

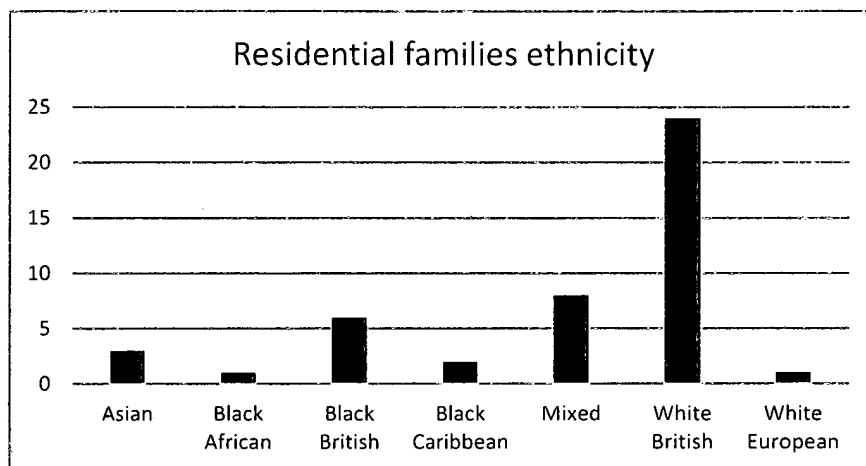
Objective: To achieve an Outstanding Ofsted inspection and share and promote best practice

One of our residential family centres was inspected in May 2019 and achieved 'Good' overall with 'Outstanding' for the effectiveness of leaders and managers. The Inspector commented that 'the extensive training opportunities ensure that the staff are highly skilled and kept updated on the latest developments. An outstanding example is the excellent court preparation training.' A social worker described the final report as 'excellent'. The Inspector noted how 'the voice of the child is emphasised in the recordings, helping parents to develop empathy towards their child's feelings.'

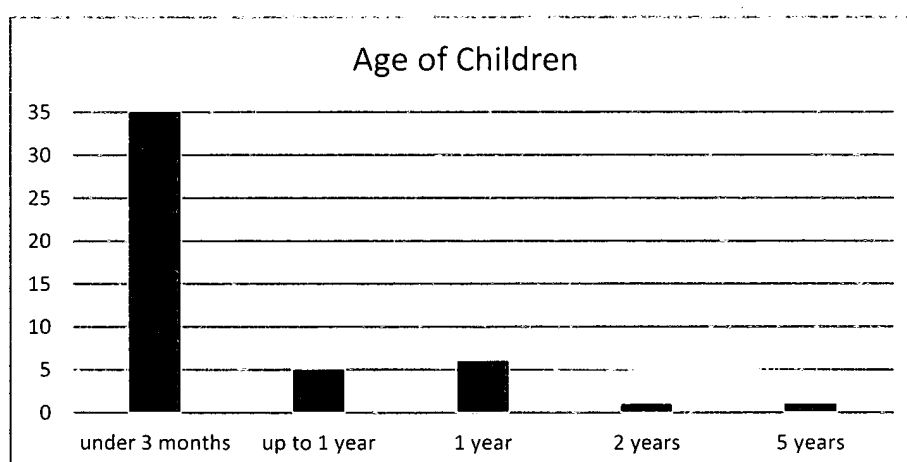
We worked with 45 families residentially (42 families in 2018/19) from across 25 different local authorities. Their ethnic breakdown is 24 (54%) White British, 1 (2%) White European, 8 (18%) Mixed black/white, 6 (13%) Black British, 1 (2%) Black African, 2 (4%) Black Caribbean, 3 (7%) Asian.

ACHIEVEMENTS AND PERFORMANCE (continued)

Review against objectives (continued)



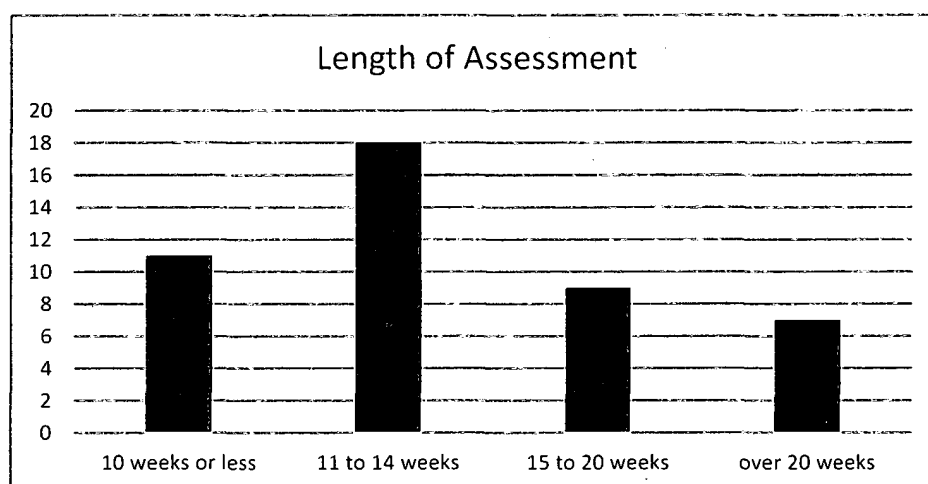
Whilst local authorities may think twice about residential family assessments in this financial climate we do believe they are effective and assist the court in making a decision that secures the best future for the child. Where this involves a young baby the assessment is timely: 35 (73%) of the 48 children worked with in 2019/20 were under 3 months old, and 60% of this group were new born on admission. Where larger sibling groups are referred it is often the case that children have languished in neglectful, abusive families and our residential assessment can highlight the experience of those children and offer a solution; 7 (14%) of the children were 1 year or more on admission, and 4 were part of larger sibling groups. Of these 2 (25%) were between 2 and 5 years.



ACHIEVEMENTS AND PERFORMANCE (continued)

Review against objectives (continued)

It is also the case that we do not prolong assessments where it is clear that the parent is unable to meet the child's needs and it is therefore not in the child's best interests to continue; for 11 families (24%) length of stay was 10 weeks or less. However we do need to acknowledge a trend from local authorities asking us to extend placements until a court hearing has taken place even though this may exceed the 26 week rule. This allows the court to make the decision about the child's future or it enables the local authority to find a suitable alternative placement for the family. As a result of extended placements, 16 families (35% of the total) stayed between 15 and 32 weeks, with 7 of those families staying for over 20 weeks. Another reason for extended placements has been an increase in the number of couples we have worked with this year; 19 families, 42% of the total. For some of these families the couple was unable to meet the child's needs due to additional vulnerabilities such as substance misuse or mental health issues of one parent but following the departure of that parent the remaining parent was able to provide stability and appropriate care with an extension of the placement.

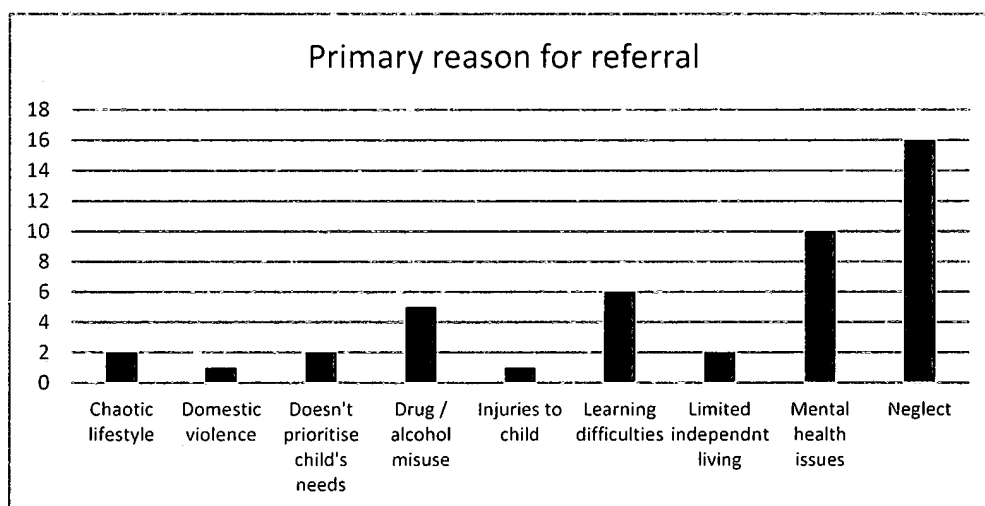


This year 34% of families returned to the community with their children (24% in 2018/19) and a further 5% of children were placed within their extended family. For a further 17% of families the final outcome is not known – this reflects the extended period between placements ending and the final court hearing. This is also indicative of an increase in the number of complex issues many families are facing; perhaps due to funding constraints local authorities are forced to be more selective.

Primary reasons for referral are neglect, mental ill health, learning difficulties, domestic violence and substance misuse, but all families have a number of additional issues such as chaotic lifestyles, a limited support network, non-engagement with services and an inability to prioritise the needs of their children. Typically, families present with 8 or more issues leading to referral.

ACHIEVEMENTS AND PERFORMANCE (continued)

Review against objectives (continued)



This year 18 families (40%) had had 35 children removed from their care, prior to being placed with us, and 6 of them (33%) returned home with their subsequent child. The lack of support for parents following removal of a child is an issue we are endeavouring to address through our Securing Change programme.

Residential parenting assessments remain a complex arena where services, local authorities and the courts are working together to achieve timely solutions although not always within the 26-week rule.

St Michael's remains committed to the development of its staff through regular training opportunities some of which bring staff from different services together encouraging networking and the exchange of good practice.

- ◆ We have continued our mutually beneficial relationship with Middlesex University Centre for Abuse and Trauma; this has included training in the use of the Parenting Role Interview and in Attachment Style Interviews which staff are able to utilise in their direct work with parents.
- ◆ We continue to be part of the Department for Education (DfE) scheme to support newly qualified Social Workers in their first year of practice via the Assessed and Supported Year in Employment (ASYE). We received a quality assurance visit from Skills for Care who manage the ASYE programme. They were impressed by the quality of practice opportunities supported by the experience and proximity of managers achieved through the residential centres. They praised us for being 'a learning organisation' that feels like 'a large family'. This programme is ably supported by two of our managers and the Deputy Director.

ACHIEVEMENTS AND PERFORMANCE (continued)

Review against objectives (continued)

- ◆ We have made a commitment to the training of both permanent and sessional staff in First Aid. Permanent staff undertake the 3 day First Aid at Work qualification and sessional staff the one-day Emergency First Aid qualification both valid for 3 years. Most staff have also undertaken the Mental Health First Aid training, valid for 3 years.
- ◆ There are expectations regarding the topics to be covered in online training in keeping with Ofsted requirements. These are updated regularly and are part of the training for staff in their probationary period: Health and Safety at Work, Infection Prevention and Control, Food Safety and Hygiene, Medication Awareness, Conflict Resolution, Fire Safety, Personal Safety and Lone Working.
- ◆ We encourage staff to take advantage of the training offered through local authority safeguarding such as: Safeguarding Training levels 1, 2 and 3, Parental Learning Disabilities and Safeguarding. We have reviewed and updated our safeguarding policies and added a safeguarding policy statement to our website. The purpose of the policy statement is to protect children, young people and adults at risk who come into contact with or directly receive our services and to provide parents, staff, volunteer and trustees with the overarching principles that guide our approach to safeguarding and child protection.
- ◆ In February we had an away day for all staff with pro bono support from Cranfield, this was to inform our strategic plan for the next three years. There were a series of presentations from the different teams on topics and ways of working they would like to concentrate on in the future. There was enthusiasm to learn from the specialisms of each team and how to incorporate and build on that learning to further enhance our services to families.

Objective: To reduce our reliance on statutory funding

Our small fundraising team equivalent to 1.4 people really punch above their weight, and welcome the addition of an intern for 8 weeks over the summer, which has become an annual event. The Head of Fundraising continues to focus on trust and foundation funding where she has been successful in securing funds to support our work over the next three years, in particular the City Bridge Trust, with a focus on Community Projects and the Segelman Trust to support our community and outreach services.

In the year there have been donations/grants of £125,960 (£94,205 in 2018/19) of which £8,198 is restricted (£24,285 in 2018/19), plus funding for some of our Community project work, as noted above. We are extremely grateful to the smaller trusts who fund us, some as loyal supporters, others in response to our small trusts appeal, and to local churches in particular All Saints, the Immanuel and St Andrews Church and the Parish of Herne Hill. We are particularly grateful to the Co-op Good Causes programme that raised almost £6,000. We also have a number of individual donors whose support is invaluable.

ACHIEVEMENTS AND PERFORMANCE (continued)

Review against objectives (continued)

£31,880 was raised from activities, namely the Marathon, the Prudential Bike Ride and the Channel Swim (£34,925 in 2018/19). 980 individuals sponsored the people taking part in these events. We are extremely grateful to all those who gave up their time to train and take part in these events and congratulate them on their achievements.

A small group of former trustees joined the Head of Fundraising for the development of a Legacy campaign, the pack was launched, following helpful legal advice, in November via our website and was sent out with our impact report.

Our fundraising and marketing officer is successfully raising our profile on social media and endeavouring to engage the local community and businesses in our work. She ran a successful online appeal: #warmwelcome campaign for Christmas to raise gifts and funds for presents for parents and children. £1,234 was raised plus many gifts for families. We reported with great sadness the death of Tessa Baring CBE in May 2019, a former trustee and patron of St Michael's. We received £5,000 from her estate, £3,500 in memoriam donations and £10,000 from the Baring Foundation.

Objective: To continue the development of Securing Change, a service for parents who leave assessments with or without their child

Following the work last year on scoping and setting up the programme with the appointment of two practitioners we experienced difficulties engaging parents; we found that our belief that parents would want to engage with us because of the honest relationships formed during the assessment was misjudged, as a number of parents needed to separate from St Michael's to grieve and reflect, before seeking contact when it felt right for them. We decided to adjust the programme to include all parents leaving St Michael's whether with or without their children. We recognised the vulnerability of parents who needed support to establish a new home, and who often needed an advocate to effectively represent their views.

We have continued to work with research partners Middlesex University Centre for Abuse and Trauma Studies, who have helped us to scope this new service, and have received continued funding support from the Big Lottery, the Tudor Trust, and the Pilgrim Trust.

Objective: To grow our supervised contact service

Income from supervised and supported contact has been maintained at a similar level to last year, and is offered through our two dedicated contact rooms. We were very pleased to be reaccredited this year as a supervised contact centre and have appreciated the contact with the National Association of Child Contact Centres (NACCC). We were grateful for funding support from CAFCASS towards our staffing costs.

We continue to receive excellent feedback from parents who use the service: *'Honestly [the Jigsaw team] have been brilliant, they make you all feel so welcome. At Christmas, they gave the children gifts. It is the personal touches that make the difference everyone is so friendly.'* *"You can tell it's more than a job to them, you can feel the warmth and so can the kids. At other centres, you go in, and they're like, "Yeah, sign-in", and that's it. At St Michael's, it seems like a small family."*

ACHIEVEMENTS AND PERFORMANCE (continued)

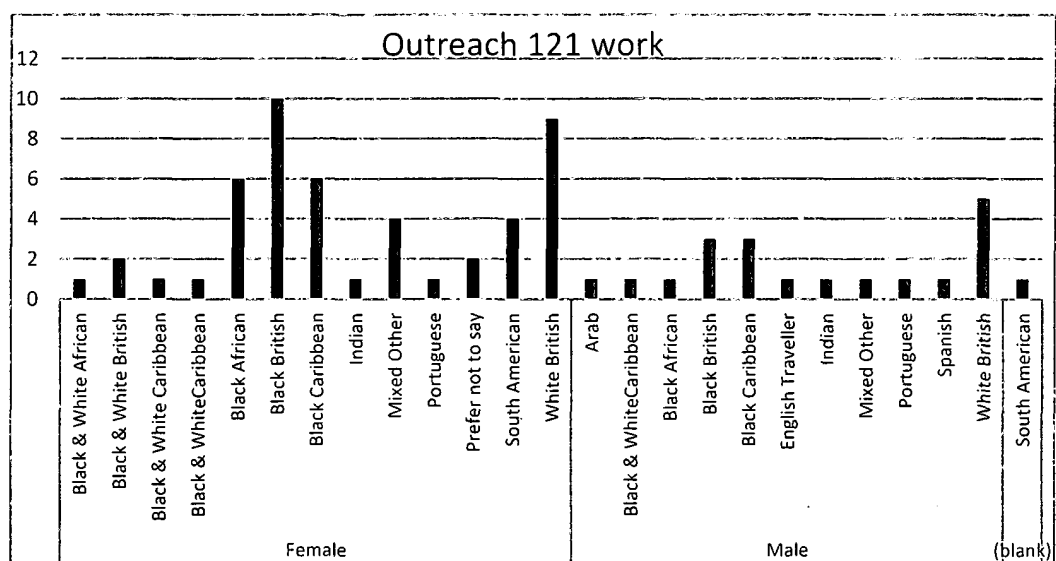
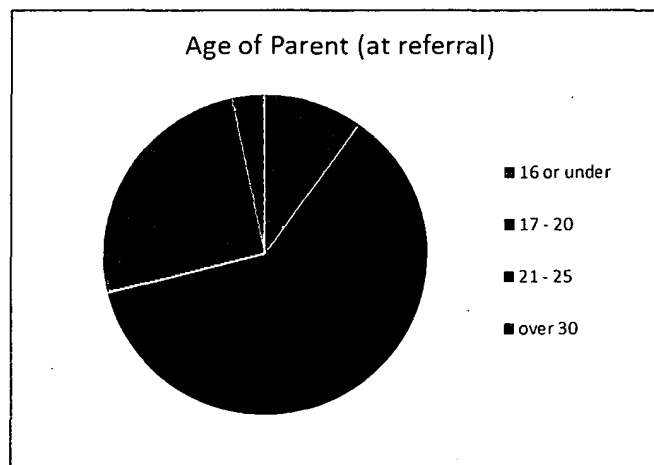
Review against objectives (continued)

We previously established a designated fund enabling us to offer contact at a highly subsidised rate for those parents on benefits, and through this, we provided 20 hours of subsidised contact to families during the year.

Objective: To maintain our outreach service with a focus on domestic abuse and working with young fathers

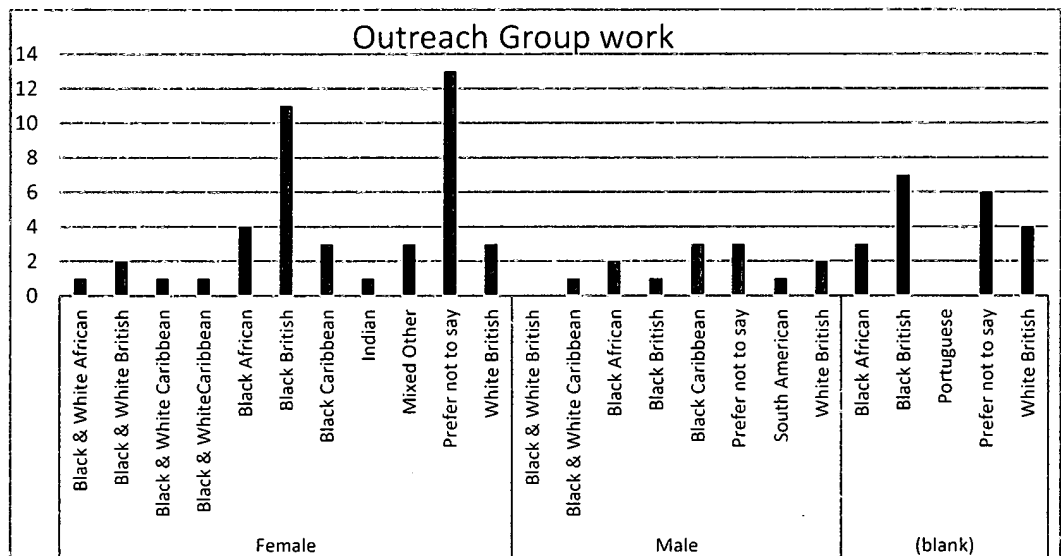
We have continued with our outreach services for pregnant teenagers and young mums and dads up to 25 years. We have supported 78 young mums (104 in 2018/19) and 32 young fathers (32 in 2018-19) of whom 12 were pregnant (47 in 2018/19) and received 38 referrals. The children of one third of families were the subject of Child Protection or Children in Need plans.

For these young parents we offer one-to-one support that includes home visiting, and run themed groups generally based in Children's Centres in the borough of Lambeth.



ACHIEVEMENTS AND PERFORMANCE (continued)

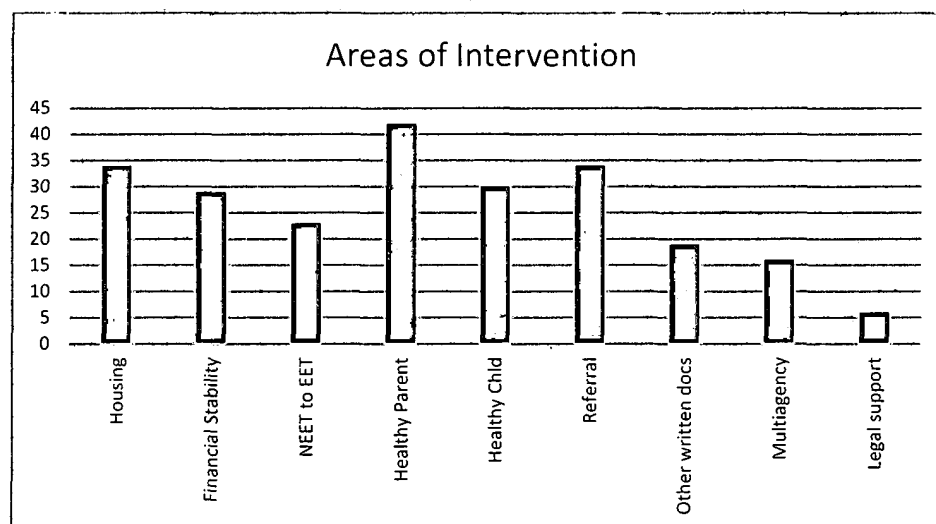
Review against objectives (continued)



The lives of the young parents we work with remain complex with many issues that need addressing: from support with housing and benefits, basic equipment for their home, debt advice, domestic violence, mental health issues, the child being subject to a child protection plan or a child in need plan, to name but a few. There are similar issues for the young fathers with whom we work who are motivated to contribute to their child's upbringing so are keen to work towards employment through apprenticeships, training and CV writing. Young fathers are a marginalised group and the importance of offering a dedicated service to address their needs cannot be underestimated: it is all too easy for some services to see young fathers as the problem rather than the solution. Often the fathers we work with did not have their father in their lives and often lack a male role model. This year our father's worker launched a new group for dads ASSAT, 'a seat at the table.' Its base has become a family friendly space at our head office where the fathers enjoy a meal they have prepared together prior to focussed discussion. One father said to the fathers' practitioner, 'You're really the father I never had. I know I do not seem like I'm appreciative of all that you do for me, but it takes a lot of time and energy and realness to talk to me. I really do respect you as a man and a mentor.'

ACHIEVEMENTS AND PERFORMANCE (continued)

Review against objectives (continued)



Our most successful group takes place at a Children's Centre where our staff prepare a delicious lunch for the parents and children while the parents are engaged in play with their children. After lunch there is a themed workshop covering topics on child development and parenting, Black History, sexual health and much more.

9 of our parents have benefited from the generosity of Housing the Homeless through our Residents' Grants scheme, which has assisted families purchasing essential items for their new accommodation. One father whose school age child had been returned to his care was supported by the Buttle Trust with funding in March 2020 for play therapy, breakfast club and after school activities as well as a holiday.

We were successful in our application for a grant from Sir Walter St John's Educational Charity to enable us to provide some truly memorable summer trips for young families; including to Gambados, Paradise Wildlife Park and Southend with 57 parents and children attending.

Sadly domestic abuse is a significant feature in the majority of parents referred, whether as victims or perpetrators. Having developed two new programmes last year, we continued the delivery of two parents' groups in the LEAP areas: "Confident Mums" with the focus on healthy relationships and "Safer, Stronger" for mothers who have experienced domestic abuse. Feedback from mothers has all been positive: one parent on moving on from the group said, *'Thank you for all the time and effort and love you have given to me and my children. I'm so grateful that you guys came into my life when you did. I appreciate you and your course so much!'*

ACHIEVEMENTS AND PERFORMANCE (continued)

Review against objectives (continued)

We have successfully delivered the Caring Dads programme to groups of fathers where we have included young dads. In addition, through our accredited trainer, we have delivered training to professionals wishing to become Caring Dads facilitators across three other boroughs and Estonia.

Following funding from Lambeth Public Health we continue to prevent unintentional injuries in children 0-5 by supplying home safety equipment such as safety gates, safety locks for cupboards and windows, non-slip bath mats, water thermometers, smoke alarms, safety pouches for hair straighteners and education to young parents. We have kept abreast of changes in safety advice to ensure the service is meeting the needs of young parents and their children.

Vardens Road, our small supported housing scheme, maintained full occupancy during the year. Optivo has responsibility for the housing management of the scheme, whilst Wandsworth Children and Families Services fund St Michael's to provide the support.

Objective: To focus on staff recruitment, retention and succession planning

We recognise the importance of investing in our staff in order to maintain our capacity and quality of services. Whilst we are able to retain senior staff and are proud of our capacity to grow and develop staff for senior roles, we find that shift work and sleep-ins take their toll on staff resulting in lower rates of retention. We are aware this problem is common to all services across the social welfare sector. We carried out a detailed review and benchmarking of salaries, to ensure they remain competitive, which resulted in all staff receiving one scale point increase, but we recognise that we cannot compete with the salaries offered by local authorities. However, we believe the experience, support and training opportunities previously described make us an attractive option:

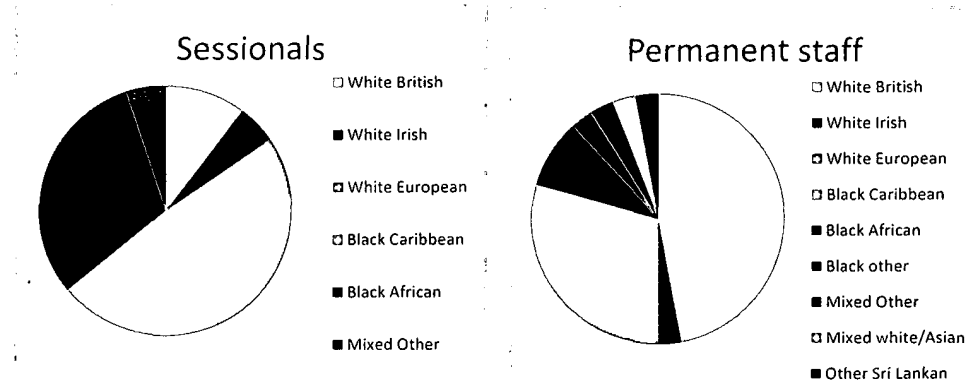
- ◆ we have valued the continued involvement of our team consultant supporting staff in their challenging work and facilitating Action Learning Sets for managers
- ◆ our strategy day to share best practice and consider priorities for coming year
- ◆ annual summer croquet event for all teams which has proved both popular and competitive, plus contribution to a small Christmas celebration
- ◆ we have recently introduced the 'we care' scheme offering online support to staff

We have continued our commitment to sessional staff by offering induction days and observation and recording training, helping them to feel better prepared for their role. Sessional staff also receive supervision after every 80 hours of work. Some permanent staff are recruited from our bank of sessional staff, who describe enjoying the work, wanting to take on more responsibility and realising the potential for their development. Similarly some staff move from permanent to sessional when their circumstances change, such as pursuing a full time course or having a child.

ACHIEVEMENTS AND PERFORMANCE (continued)

Review against objectives (continued)

There has also been a focus on career and succession planning within all areas of the organisation.



We have a broad mix of staff from different ethnic backgrounds, although men are underrepresented at the charity with only 4 in each staff group currently.

Objective: To enhance our data collection and evidencing of outcomes across all aspects of our work

There is a greater commitment to the collection of data across services ably supported by the Accountant and Office Manager, this has included providing more detail on the residential database to understand the background of families referred and the eventual outcomes.

Our Outreach database aims to track interventions and support offered and provide input to Lambeth's own database, with training for staff.

We have introduced a new monitoring system for Securing Change to aid reporting.

Alongside our databases we recognise the power of the stories of families' lives and achievements which demonstrate the impact of our work.

Objective: To enhance our website and communications to make them more accessible to beneficiaries and other stakeholders

Our fundraising and marketing officer is successfully raising our profile on social media and endeavouring to engage the local community and businesses in our work. She ran a successful media campaign over Christmas, as previously highlighted.

She also worked with a group of young parents to understand what social media they preferred and then ensured information about services was channelled appropriately. Through her work we have enjoyed a significant increase in followers to Facebook, Twitter, Instagram and Linked-in.

ACHIEVEMENTS AND PERFORMANCE (continued)

Review against objectives (continued)

We have tried to prepare families for what a residential assessment entails by producing a short film introducing one of our family centres as well as a number of You Tube videos on different elements of the work. A few parents have been filmed talking about their residential stay in St Michael's as another way of introducing a new family to our service.

Young parents have been involved in advertising our group work by describing what it has meant to them.

We have tried to make our website more accessible by incorporating Browse Aloud so that for example the written word can be spoken, font size can be increased, the text can be translated into other languages, and pictures can explain the meaning of a word.

FINANCIAL REVIEW

Results for the year

The overall surplus for the year was £16,617 (overall deficit of £124,471 in 2018/19) following a slight increase in income generated through charitable activities and donations. This surplus will be added to reserves which continue to be strong at 31 March 2020.

The small increase in residential assessment income reflects the uplift in referrals in 2019-20 following a drop off in demand at the end of 2018-19. However, our service was slightly restricted due to the earlier decision to mothball one of the residential centres from August 2019 to enable landlord renovations to take place. We had planned to reopen the centre in early 2020 on completion of the works, however, the restrictions that were imposed by Covid-19 pandemic made this impossible. The unit is currently being utilised as a quarantine centre, with plans to fully reopen when circumstances allow.

Income for our outreach work with young parents was unchanged this year. Our community work has been supported by additional funded projects and the continued development of the supervised contact service. The Securing Change project has continued this year; working with parents after they leave assessments.

Income from donations has shown an increase since last year as we have continued to seek other sources of funding for our work in line with our strategy. Donations include the successful Small Trust Appeal and donations in memoriam, as well as continued fundraising through the London marathon and the support of regular donors.

This year we made a 3% increase in fees charged to Local Authorities in line with inflationary cost increases, and continued with tight financial controls over all areas of expenditure.

Salaries were reviewed during the year to ensure they are in line with National Joint Council scales, with incremental rises for all eligible staff in October 2019. Pension contributions are in line with auto-enrolment, plus a number of eligible staff moving to higher contribution rates.

FINANCIAL REVIEW (continued)

Principal risks and uncertainties

The principal risks faced by St Michael's and the measures put in place to manage these risks are:

1. The Covid-19 pandemic has had a major impact on the ways we work and the services we offer. Specific risk and the mitigation steps are:
 - ◆ Loss of income due to reduced number of families in residential centres: This is mitigated by changes in staff rotas and a reduction in the use of sessional staff whilst maintaining appropriate staff levels for safeguarding and assessments.
 - ◆ Additional costs for health and safety and personal protection for both families and staff: We have made a small increase to fees for new admissions to cover the additional costs incurred.
 - ◆ Impact on staff morale and well-being: All staff continue to receive regular supervision and support from their line manager. We have also introduced a new support package "we care" and a facility for regular virtual catch ups. We are encouraging staff to take a break using annual leave.
 - ◆ Changes in policies and compliance: We are closely monitoring advice given by Government and Ofsted and adapting our ways of working accordingly. We are seeking to utilise support schemes and training wherever possible.
2. St Michael's continues to be largely reliant on income from Local Authorities which continue to face funding constraints. Notwithstanding this, we have seen a steady level of interest in our Residential Assessments, as a result of the charity's continued focus on providing a high quality and effective service, and an acknowledgement of the continuing levels of need. Whilst it is not possible to mitigate this risk entirely, St Michael's provides services to a greater number of Local Authorities and continues to develop additional services to meet the varied demands of supporting families. In addition, fundraising activities have been expanded to reduce the dependency on single sources of income. The reserves policy, in particular the Operational Contingency Fund, has been drawn on in order to address this principal risk.
3. The work of St Michael's is focussed on ensuring the safeguarding of children in their parents' care and the safeguarding of the parents, many of whom are 'adults at risk'. St Michael's mitigates this risk through its operational procedures including careful planning, setting clear expectations of families and staff, close monitoring within the centres, pre-empting risks, training and supervision of staff and monthly inspections. Our residential centres are also inspected by Ofsted.
4. Staff recruitment and retention is a risk because without full teams we are unable to meet our occupancy targets. St Michael's seeks to mitigate this risk through investment in staff capacity. Specific measures include annual salary benchmarking, investment in training and supervision, and career development and succession planning.

FINANCIAL REVIEW (continued)

Principal risks and uncertainties (continued)

St Michael's maintains a detailed risk register and reviews the top risks at every board meeting. Measures have been put in place, to the extent possible, to manage these risks in order to reduce both their likelihood and impact, whether to St Michael's service users or its reputation and financial position. Significant risks are brought to the attention of the Board as they arise.

Investment policy

The trustees' investment policy is to ensure that all reserves are held in a form in which their capital value is secure and remain readily available. For this reason, all reserves over and above the day-to-day working capital are held primarily in instant access deposit in the Charities Official Investment Fund, and a smaller amount continues to be invested in an instant access Virgin Charity Account.

Reserves policy

St Michael's reserves stand at £1,140,200 at 31 March 2020 (2019: £1,123,583) and are in two forms: restricted and unrestricted.

Restricted reserves

Restricted funds will be expended in due course in accordance with their restricted purposes. Restricted funds are £135,594 (2019: £148,476).

Unrestricted reserves

Unrestricted funds are retained to meet a number of needs:

The first need is to cover the operating expenses of the four residential family assessment centres and the community assessment service, at times when demand for both these services may slacken. To meet this need, the trustees aim to retain unrestricted reserves in a Operational Contingency Fund equivalent to approximately one third of the current year's operating expenses of these cost centres. This fund totals £672,174 at March 2020 in line with this policy (2019 – £674,526).

The second need is to fund initiatives to develop the work of St Michael's which cannot be funded by existing revenue streams. During 2019/20 designated expenditure from the Development Fund totalled £73,606 (2019 – £87,893) comprising £56,878 staff investment, £6,608 for subsidised/supported supervised contact work, £6,968 for IT equipment, and £3,152 depreciation charges in respect of assets purchased through this Fund.

The Development Fund stands at £72,790 at March 2020 (2019 – £146,396) comprising:

- ♦ £338 for ongoing support of Vardens Road
- ♦ £2,000 to purchase security equipment for Jigsaw
- ♦ £1,381 to support supervised contact work
- ♦ £12,193 for expenditure on IT equipment, being charged over 3 years
- ♦ £56,878 for staff development and investment

FINANCIAL REVIEW (continued)

Reserves policy (continued)

The third need is for a Working Capital Fund, which the trustees aim to maintain at a level sufficient to support day-to-day expenditure and cash-flow demands. This fund stands at £259,642 at March 2020 (2019 – £154,185).

The reserves policy is reviewed annually by the trustees.

The trustees consider that the current level of reserves will provide sufficient cover to allow the business to continue to operate during the coronavirus pandemic, including sufficient cover for any changes in the operation of the services during this period, as set out in the earlier sections of this report.

GOING CONCERN

As set out in Going Concern section of the Principal Accounting Policies on page 32 of the Financial Statements, the trustees have considered the impact of the pandemic on the charity and have concluded that although there may be some negative consequences, it is appropriate for the charity to continue to prepare its financial statements on the going concern basis.

FUTURE PLANS

The future plans are defined by the strategic plan and key objectives for the year. The immediate priority is responding to the Covid-19 pandemic, with the aim of continuing to provide an effective service for our beneficiaries whilst managing the financial impact on the organisation.

FUNDRAISING

St Michael's Fellowship is committed to its charitable aims, and fundraises in order to improve the lives and futures of families and to secure the best possible future for their children.

At St Michael's, our fundraising promise to the general public and all our supporters is that our fundraising, in all its forms, is legal, open, honest and respectful. We will be honest about how donations are used to fulfil our mission, open about the methods we use to raise funds and who we work with, respectful to the wishes, preferences, personal information and circumstances of the people we interact with and we will take all steps necessary to comply with the law and fundraising practice standards.

We have a robust complaints policy and have not received any complaints in relation to our fundraising activities. We do not use third party fundraisers, commercial participators or their representatives to raise funds for us.

Our fundraising is compliant with the Fundraising Regulator as well as Charity Commission guidance. Our approach has been informed by the Institute of Fundraising's guidance on treating donors fairly and General Data Protection Regulation (GDPR).

We have been assessed as complying with the IASME Governance Standard v4 published April 2016, which includes an assessment of Cyber Essentials and GDPR Requirements.

STRUCTURE, GOVERNANCE AND MANAGEMENT

The organisation is a charitable company limited by guarantee, incorporated on 23 March 1994 and registered as a charity on 31 March 1994. 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.

All trustees give their time voluntarily and receive no benefits from the charity. Any expenses reclaimed from the charity are set out in Note 7 to the accounts.

St Michael's board of trustees is also the board of directors under company law. The board meets formally six times a year. The board of trustees delegates to the Chief Executive the responsibility for managing all the day-to-day affairs of the organisation that fall within the scope of an annually agreed budget and operating plan. The Honorary Treasurer maintains contact with the Chief Executive and the Accountant to review the development and improvement of financial systems and procedures. He does this under authority delegated by the full board of trustees and in accordance with the board's financial procedures manual.

To support the work of the Board there are three sub-committees chaired by trustees and reporting to the Board:

- ◆ The Honorary Treasurer chairs the Finance Committee and oversees budgetary control with the Chief Executive. This committee considers financial matters, proposals and issues of risk before presentation to the Board.
- ◆ The Fundraising Committee advises on fundraising strategy and meets as necessary regularly to review strategy and to support the organisation of events.
- ◆ A Trustee is assigned to each of the residential family assessment centres and the outreach services and these trustees meet as a Services sub-committee twice a year with the Deputy Director to discuss housing issues, monthly inspections and practice matters.

The organisation's occupancy of the houses in which it provides its residential services is governed by management agreements with London and Quadrant Housing Trust and Optivo.

The Board of Trustees has worked to apply the recommended practice of the Charity Governance Code. It has produced and adopted a Governance Manual to provide guidance to Trustees and staff involved in the governance and management of the organisation.

The Trustees believe that the diversity of the service users and staff should be reflected in the makeup of the Board. It recognises that diversity in all its forms leads to a more effective Board. Following an audit of skills, experience and diversity of background of its members to inform trustee recruitment it has successfully recruited to vacant positions increasing diversity.

The Board annually reviews and assesses its own performance and the performance of its sub-committees. The appraisal of the Chair is carried out by the Deputy Chair having gathered the views of other Trustees.

STRUCTURE, GOVERNANCE AND MANAGEMENT (continued)

The Board ensures conflicts of interest and duties are properly addressed and has drawn up a conflicts of interest policy and maintains a register of interests. At the start of each Board meeting all trustees are asked to confirm that they have no conflicts of interest in respect of St Michael's business.

Under company law we are required to identify the people with significant control (PSC) over the company and confirm their information, maintain a record and provide this information to Companies House annually. We, as a Board, have considered this requirement and do not believe that any Board member or member of staff has significant control over the organisation. Our PSC register reflects this position.

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 2020 was 12 (2019 – 12). The trustees are members of the charity but this entitles them only to voting rights. The trustees have no beneficial interest in the charity.

Appointment of trustees

The trustees give their time voluntarily. Trustees have been recruited by advertisement in the main and occasionally by word of mouth, as and when new appointments need to be made in accordance with a matrix of skills and experience that the board has agreed to be required. New trustees are inducted by way of personal briefings as required, an induction pack and the support of a more experienced trustee. All trustees are required to complete 'an introduction to safeguarding' and are given further opportunities for trustee training by attending relevant conferences and seminars. Trustees are appointed to the board by the existing trustees. The trustees are the members of the charitable company.

Remuneration policy for key management personnel

To deliver our charitable aims, St Michael's employs sufficient staff with the necessary skills and qualifications. We are committed to ensuring that we pay our staff a fair and appropriate salary that is within our means. This is so we can attract and retain people with the right skills and therefore have the greatest impact in delivering our objectives. We recognise that our rates of pay are generally less than in the private or public sector but we believe that the training and development we offer compensates along with a shared commitment to our charitable purpose. We utilise the National Joint Council pay scales for all staff and were able to award a modest increase in this year. Any overall change to the rates of pay or to the salaries of senior staff is made by the Board. The pension provisions for all staff regardless of seniority are the same. The remuneration ratio (highest paid versus the median salary) is 2.16:1 (2019 – 2.19:1). We do not pay less than the London Living wage.

Trustees' responsibilities statement

The trustees (who are also directors of St Michael's Fellowship for the purposes of company law) are responsible for preparing the trustees' report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

STRUCTURE, GOVERNANCE AND MANAGEMENT (continued)

Trustees' responsibilities statement (continued)

Company law requires the trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charity and of the income and expenditure of the charity for that period.

In preparing these financial statements, the trustees are required to:

- ◆ Select suitable accounting policies and then apply them consistently;
- ◆ Observe the methods and principles in Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102);
- ◆ Make judgements and estimates that are reasonable and prudent;
- ◆ State whether applicable United Kingdom Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- ◆ Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in operation.

The trustees are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the charity and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Each of the trustees confirms that:

- ◆ So far as the trustee is aware, there is no relevant audit information of which the charity's auditor is unaware; and
- ◆ The trustee has taken all the steps that he/she ought to have taken as a trustee in order to make himself/herself aware of any relevant audit information and to establish that the charity's auditor is aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of s418 of the Companies Act 2006.

The trustees are responsible for the maintenance and integrity of the charity and financial information included on the charity's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Farewell/other comments

Sadly, we reported the death of Tessa Baring CBE, Patron and former Chair of St Michael's, on 25th May 2019. We have so much to thank her for; she was intimately involved in the growth of St Michael's from a single project to a number of services, and with the development of a management structure.

STRUCTURE, GOVERNANCE AND MANAGEMENT (continued)

Farewell/other comments (continued)

Tessa became involved in St Michael's in 1974 and finally retired in 2007. During that time mostly as a trustee and Chair of the Board she negotiated with what was the DfE on the development of 'special projects' which led to the opening of a property in Herne Hill for families. She helped in the negotiations to have residential family assessment centres appropriately registered under the Care Standards Act instead of the Registered Homes Act. She successfully supported us with fundraising and she brought to the charity a wider understanding of the voluntary sector and its role because of the various positions she took on outside St Michael's.

Acknowledgments

We recognise that none of our achievements would have been possible without the hard work, innovation, dedication and commitment of all our staff. We would especially like to thank them, the Chief Executive, the Deputy Director and the Senior Management Team for another successful year in challenging times. The trustees' report has been approved by the trustees on 10 September 2020 and signed on their behalf by:



Stephen Hair
Chair

Independent auditor's report Year to 31 March 2020

Independent auditor's report to the members of St Michael's Fellowship

Opinion

We have audited the financial statements of St Michael's Fellowship (the 'charitable company') for the year ended 31 March 2020 which comprise the statement of financial activities, balance sheet, statement of cash flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- ◆ give a true and fair view of the state of the charitable company's affairs as at 31 March 2020 and of its income and expenditure for the year then ended;
- ◆ have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- ◆ have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

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

Emphasis of matter – effects of Covid-19

We draw attention to the accounting policies on page 32 of the financial statements, in particular the "assessment of going concern" and the trustees' conclusion that there is no material uncertainty related to going concern notwithstanding the ongoing economic and social disruption relating to the pandemic which is likely to impact the charity's operations and reserves. Our opinion is not modified in respect of this matter.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- ◆ the trustees' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- ◆ the trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the charitable company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Independent auditor's report Year to 31 March 2020

Other information

The other information comprises the information included in the trustees' annual report, other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinion on other matters prescribed by the Companies Act 2006

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

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

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the trustees' report.

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

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

Independent auditor's report Year to 31 March 2020

Responsibilities of trustees

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

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

Auditor's responsibilities for the audit of the financial statements

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

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

Use of our report

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

Hugh Swainson (Senior Statutory Auditor)
For and on behalf of Buzzacott LLP, Statutory Auditor
130 Wood Street
London
EC2V 6DL

14 September 2020

Statement of financial activities Year to 31 March 2020
(including income and expenditure account)

	Notes	Restricted fund £	Unrestricted funds £	Total funds 2020 £	Restricted fund £	Unrestricted funds £	Total funds 2019 £
Income from:							
Donations	1	8,198	117,762	125,960	24,285	69,920	94,205
Interest receivable		—	3,093	3,093	—	3,005	3,005
Charitable activities:							
. Residential and community assessment	2a	4,805	1,909,110	1,913,915	4,445	1,829,328	1,833,773
. Community projects	2b	368,886	43,096	411,982	393,108	12,934	406,042
. Residents grants fund	13	2,160	—	2,160	2,457	—	2,457
Total income		384,049	2,073,061	2,457,110	424,295	1,915,187	2,339,482
Expenditure on:							
Raising funds		3,400	86,915	90,315	3,300	66,637	69,937
Charitable activities							
. Residential and community assessment		8,208	1,872,131	1,880,339	8,730	1,843,859	1,852,589
. Community projects		406,266	61,559	467,825	411,051	127,806	538,857
. Residents grants fund	13	2,014	—	2,014	2,570	—	2,570
Total expenditure	3	419,888	2,020,605	2,440,493	425,651	2,038,302	2,463,953
Net (expenditure) income	5	(35,839)	52,456	16,617	(1,356)	(123,115)	(124,471)
Transfers between funds	13	22,957	(22,957)	—	45,189	(45,189)	—
Net movement in funds		(12,882)	29,499	16,617	43,833	(168,304)	(124,471)
Reconciliation of funds							
Fund balances brought forward at 1 April 2019		148,476	975,107	1,123,583	104,643	1,143,411	1,248,054
Fund balances carried forward at 31 March 2020	13	135,594	1,004,606	1,140,200	148,476	975,107	1,123,583

All of the above results are derived from material continuing activities. There were no other recognised gains or losses other than those stated above. Movements in funds are disclosed in note 13 to the financial statements.

Balance sheet 31 March 2020

	Notes	2020 £	2020 £	2019 £	2019 £
Fixed assets					
Tangible assets	9		<u>18,393</u>		<u>8,598</u>
Current assets					
Debtors	10	308,529		312,263	
Cash at bank and in hand		<u>976,344</u>		<u>919,302</u>	
		<u>1,284,873</u>		<u>1,231,565</u>	
Creditors: amounts falling due within one year	11	<u>163,066</u>		<u>116,580</u>	
Net current assets			<u>1,121,807</u>		<u>1,114,985</u>
Total net assets	12		<u>1,140,200</u>		<u>1,123,583</u>
Funds					
Restricted funds			135,594		148,476
Unrestricted funds					
. Designated funds			744,964		820,922
. Working capital fund			<u>259,642</u>		<u>154,185</u>
Total funds	13		<u>1,140,200</u>		<u>1,123,583</u>

Approved by the trustees of St Michael's Fellowship, Company Registration Number 02914273 (England and Wales), and signed on their behalf by:

Approved by the trustees on 10 September 2020 and signed on their behalf by



Stephen Hair
Chair

Statement of cash flows 31 March 2020

	Notes	2020 £	2019 £
Cash flows from operating activities:			
Net income/(expenditure)/ for the year (as per the financial statements)		16,617	(124,471)
Depreciation charges		9,714	5,002
Interest receivable		(3,093)	(3,005)
Decrease in debtors		3,734	154,767
Increase/(decrease) in creditors		46,486	(42,165)
Net cash provided by (used in) operating activities		73,458	(9,872)
Cash flows from investing activities:			
Interest received		3,093	3,005
Purchase of fixed assets		(19,509)	(2,347)
Net cash (used in) provided by investing activities		(16,416)	658
Change in cash and cash equivalents in the year		57,042	(9,214)
Cash and cash equivalents at the beginning of the year	A	919,302	928,516
Cash and cash equivalents at the end of the year	A	976,344	919,302
A Analysis of cash and cash equivalents			
		2020 £	2019 £
Cash at bank and in hand		553,136	498,796
Notice deposits (less than three months)		423,208	420,506
Total cash and cash equivalents		976,344	919,302

Principal accounting policies 31 March 2020

The principal accounting policies adopted, judgements and key sources of estimation uncertainty in the preparation of the financial statements are laid out below.

Basis of preparation

These financial statements have been prepared for the year to 31 March 2020 with comparative information presented in respect of the year to 31 March 2019.

The financial statements have been prepared under the historical cost convention with items recognised at cost or transaction value unless otherwise stated in the relevant accounting policies below or the notes to these financial statements.

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their financial statements in accordance with the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (Charities SORP FRS 102) issued on 16 July 2014, the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102), the Companies Act 2006 and the Charities Act 2011.

The financial statements are presented in sterling and are rounded to the nearest pound.

Public benefit entity

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

Critical accounting estimates and areas of judgement

Preparation of the financial statements requires the trustees to make significant judgements and estimates.

The items in the financial statements where these judgements and estimates have been made include the estimation of the useful economic life of tangible fixed assets; and the basis on which the support costs are allocated across the various categories of charitable expenditure.

In addition, the full impact of the current global coronavirus pandemic is still unknown. It is therefore not currently possible to evaluate all the potential implications for the charity's activities.

Going concern

The trustees have considered the impact of the coronavirus pandemic on the charity taking into account: Operational actions taken, Strength of liquidity and reserves, Current levels of activity and operating forecasts.

The trustees have concluded that although there may be some negative consequences and continuing uncertainty, it is appropriate for the charity to continue to prepare its accounts on the going concern basis.

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

Statement of cash flows 31 March 2020

	Notes	2020 £	2019 £
Cash flows from operating activities:			
Net income/(expenditure)/ for the year (as per the financial statements)		16,617	(124,471)
Depreciation charges		9,714	5,002
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In addition, the full impact of the current global coronavirus pandemic is still unknown. It is therefore not currently possible to evaluate all the potential implications for the charity's activities.

Going concern

The trustees have considered the impact of the coronavirus pandemic on the charity taking into account: Operational actions taken, Strength of liquidity and reserves, Current levels of activity and operating forecasts.

The trustees have concluded that although there may be some negative consequences and continuing uncertainty, it is appropriate for the charity to continue to prepare its accounts on the going concern basis.

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

Income

Income is recognised in the period in which the charity has entitlement to the income, the amount of income can be measured reliably and it is probable that the income will be received. Income is deferred only when the charity has to fulfil conditions before becoming entitled to it or where the donor or funder has specified that the income is to be expended in a future accounting period.

Donations are received by way of donations and gifts and is usually included in full in the statement of financial activities when received. Donations received in respect of the London Marathon event are deferred until the Marathon has taken place.

Revenue grants are credited to the statement of financial activities when received or receivable whichever is earlier. Grants received that relate to a specific time period are deferred if it is outside the accounting period.

Fee and contract income is credited to the statement of financial activities in the period in which it is receivable and where any performance conditions attached to the income have been met. Any fee income received in advance of the financial period to which it relates is deferred and recognised in line with the period over which the related activity will be undertaken.

Donations of gifts, services and facilities

Donated professional services and donated facilities are recognised as income when the charity has received the service, any conditions associated with the donation have been met, and the economic benefit can be measured reliably. In accordance with the Charities SORP (FRS 102), volunteer time is not recognised. Trustees give their time voluntarily.

On receipt, donated gifts, professional services and donated facilities are recognised on the basis of the value of the gift to the charity which is the amount the charity would have been willing to pay to obtain services or facilities of equivalent economic benefit on the open market; a corresponding amount is then recognised in expenditure in the period of receipt.

Interest receivable

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

Expenditure and irrecoverable VAT

Expenditure is recognised in the period in which they are incurred. Expenditure includes attributable VAT which cannot be recovered.

Expenditure on raising funds relate to the costs incurred by the charitable company in raising funds for the charitable work, as well as the cost of any activities with a fundraising purpose. Specifically, this includes the Bonds payable for the runners in the London Marathon.

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

Expenditure and irrecoverable VAT (continued)

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

Expenditure is allocated to a particular activity where the cost relates directly to that activity.

Support costs for the overall direction and administration of each activity, comprising the salary and overhead cost of the central function, are apportioned on the following basis:

- ◆ Support costs are allocated and reported to community projects on the basis of the funding agreement but internally are budgeted and attributed on a full cost recovery basis.
- ◆ Remaining support costs are apportioned to the residential assessment centres based on the number of rooms available for residents in each house, which is an estimate of the amount attributable to each activity.

Note 4 shows how support costs have been re-allocated to the residential assessment centres and community projects.

Governance costs are the costs associated with the governance arrangements of the charity. These costs are associated with constitutional and statutory requirements and include any costs associated with the strategic management of the charity's activities. Governance costs have been apportioned across residential assessment centres and community projects based on the income ratios of each activity.

Tangible fixed assets

Items of equipment are capitalised where the purchase price exceeds £2,000. 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.

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:

House fixtures and fittings	10 years	(10%)
House equipment	4 years	(25%)
Head office leasehold	10 years	(10%)
Head office equipment – telephone system	10 years	(10%)
Head office equipment – equipment	4 years	(25%)

Debtors

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

Cash at bank and in hand

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

Creditors and provisions

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

Financial instruments

The charity only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value with the exception of bank loans which are subsequently measured at amortised cost using the effective interest method.

Fund accounting

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

Unrestricted funds are maintenance fees, grants, charges, donations and other incoming resources receivable or generated for the objects of the charity.

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

The charity transfers funds from unrestricted funds to restricted funds where there has been higher expenditure in running a project than the funds provided. Transfers of funds also are made from general funds to designated funds in order to reach the specified target balances of the designated funds. No transfers are made out of restricted funds without written authority from the original funder.

Operating leases

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.

Pensions

The charitable company operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the charitable company in an independently administered fund. The pension cost charge represents contributions payable under the scheme by the charitable company to the fund. The charitable company has no liability under the scheme other than for the payment of those contributions.

Notes to the financial statements Year to 31 March 2020

1 Income from donations

	Restricted funds £	Unrestricted funds £	2020 Total funds £
London Marathon	—	20,172	20,172
Ride London	—	6,914	6,914
Channel Swim	—	4,794	4,794
Uxbridge Foundation	—	1,000	1,000
Dyers Company	—	1,000	1,000
Small Trust Appeal	—	15,193	15,193
Elizabeth & Prince Zaiger Trust	—	5,000	5,000
University of Sussex Graduate Internship	3,400	—	3,400
Gibbs Charitable Trust	500	—	500
Sir Walter St John's Educational Charity	1,298	—	1,298
Jet Charitable Trust	—	500	500
29 th May Trust	—	5,000	5,000
Sir Jules Thorn Trust	—	750	750
S G Rabagliati Charity	3,000	—	3,000
Baring Foundation	—	10,000	10,000
Tessa Baring – in memoriam donation	—	8,500	8,500
Gift in kind	—	22,534	22,534
Other donations	—	16,405	16,405
	8,198	117,762	125,960

	Restricted funds £	Unrestricted funds £	2019 Total funds £
London Marathon	—	34,925	34,925
Dyers Company	—	1,000	1,000
CA Redfern Charitable Foundation	—	1,000	1,000
Small Trust Appeal	—	7,100	7,100
Elizabeth & Prince Zaiger Trust	—	5,000	5,000
University of Sussex Graduate Internship	3,300	—	3,300
William Allen Young Trust	—	2,000	2,000
Invesco Cares Foundation	3,000	—	3,000
Howberry Trust	—	1,000	1,000
Esmee Fairbairn Foundation	15,000	—	15,000
Tilehouse Trust	2,000	—	2,000
Sir Walter St John's Educational Charity	985	—	985
The Ardwick Trust	—	200	200
Harapan Trust	—	200	200
Rest Harrow Trust	—	100	100
Jet Charitable Trust	—	500	500
MVM Charitable Trust	—	150	150
Shanly Foundation	—	2,000	2,000
Philip King Charitable Trust	—	500	500
Gift in kind	—	2,092	2,092
Other donations	—	12,153	12,153
	24,285	69,920	94,205

Notes to the financial statements Year to 31 March 2020

2 Income from charitable activities

a. Residential and community assessment

	Restricted funds £	Unrestricted funds £	2020 Total funds £
General fees	—	1,855,100	1,855,100
Parental support	2,805	35,566	38,371
Supporting people	—	12,718	12,718
Charges	—	5,726	5,726
ASYE Department for Education	2,000	—	2,000
	4,805	1,909,110	1,913,915

	Restricted funds £	Unrestricted funds £	2019 Total funds £
General fees	—	1,769,438	1,769,438
Parental support	3,445	41,768	45,213
Supporting people	—	12,718	12,718
Charges	—	5,404	5,404
ASYE Department for Education	1,000	—	1,000
	4,445	1,829,328	1,833,773

b. Community projects

	Restricted funds £	Unrestricted funds £	2020 Total funds £
Lambeth Outreach Young Parents	150,000	—	150,000
Lambeth CLIPS	4,537	—	4,537
National Children's Bureau	24,055	—	24,055
City Bridge Trust	34,500	—	34,500
Segelman Trust	30,000	—	30,000
St James' Place Foundation	63,322	—	63,322
Caring Dads Programmes	500	42,833	43,333
Big Lottery Fund	36,972	—	36,972
Tudor Trust	10,000	—	10,000
Pilgrim Trust	15,000	—	15,000
Other	—	263	263
	368,886	43,096	411,982

Notes to the financial statements Year to 31 March 2020

2 Income from charitable activities (continued)

b. Community projects (continued)

	Restricted funds £	Unrestricted funds £	2019 Total funds £
Lambeth Outreach Young Parents	150,000	—	150,000
Lambeth Children's Centres and Early Years	21,418	—	21,418
National Children's Bureau	21,412	—	21,412
BBC Children in Need	9,986	—	9,986
City Bridge Trust	19,500	—	19,500
Caring Dads Programmes	—	12,769	12,769
St James' Place Foundation	62,080	—	62,080
Big Lottery Fund	68,229	—	68,229
KPMG Foundation	12,500	—	12,500
Tudor Trust	10,000	—	10,000
Pilgrim Trust	15,000	—	15,000
Lambeth Summer HAP	1,000	—	1,000
Buttle UK – Chances for Children	1,983	—	1,983
Other	—	165	165
	393,108	12,934	406,042

3 Total expenditure

	Costs of raising funds £	Residential and community assessment £	Community projects £	Residents grants fund £	Governance costs £	Support costs £	2020 Total £
Staff costs (note 6)	22,119	1,378,241	382,818	—	15	250,330	2,033,523
Premises costs	—	22,930	—	—	—	51,979	74,909
Maintenance	—	31,111	422	—	—	2,115	33,648
Insurance	—	—	—	—	—	15,625	15,625
Professional fees	900	9,538	1,000	—	13	1,000	12,451
Housing association charges	—	91,928	—	—	—	—	91,928
Communications and stationery	3,977	45,723	2,598	—	21	26,019	78,338
Publicity	13,364	—	244	—	—	—	13,608
Residents' welfare	—	2,861	26,991	2,014	—	173	32,039
Depreciation	—	3,833	—	—	—	5,881	9,714
Audit and accountancy	—	—	—	—	11,760	—	11,760
Travel	—	3,372	2,161	—	89	140	5,762
Sundry expenses	22,534	3,366	595	—	—	693	27,188
Total expenditure	62,894	1,592,903	416,829	2,014	11,898	353,955	2,440,493
Reallocation of support costs (note 4)	24,859	262,169	46,461	—	20,466	(353,955)	—
Reallocation of governance costs	2,562	25,267	4,535	—	(32,364)	—	—
Total expenditure	90,315	1,880,339	467,825	2,014	—	—	2,440,493

Notes to the financial statements Year to 31 March 2020

3 Total expenditure (continued)

	Costs of raising funds £	Residential and community assessment £	Community projects £	Residents grants fund £	Governance costs £	Support costs £	2019 Total £
Staff costs (note 6)	31,745	1,420,071	396,261	—	10	225,640	2,073,727
Premises costs	—	29,922	—	—	—	50,837	80,759
Maintenance	—	32,822	491	—	—	3,808	37,121
Insurance	—	—	—	—	—	15,212	15,212
Professional fees	—	6,807	—	—	1,213	5,710	13,730
Housing association charges	—	84,002	—	—	—	—	84,002
Communications and stationery	145	40,453	3,726	—	34	24,770	69,128
Publicity	9,137	—	—	—	—	—	9,137
Residents' welfare	—	3,349	46,517	2,570	—	341	52,777
Depreciation	—	737	—	—	—	4,265	5,002
Audit and accountancy	—	—	—	—	11,160	—	11,160
Travel	—	3,994	3,212	—	—	219	7,425
Sundry expenses	2,109	2,089	—	—	105	470	4,773
Total expenditure	43,136	1,624,246	450,207	2,570	12,522	331,272	2,463,953
Reallocation of support costs (note 4)	24,532	203,062	83,788	—	19,890	(331,272)	—
Reallocation of governance costs	2,269	25,281	4,862	—	(32,412)	—	—
Total expenditure	69,937	1,852,589	538,857	2,570	—	—	2,463,953

4 Support costs

	Costs of raising funds £	Residential and community assessment £	Community projects £	Governance £	2020 Total £
Head office staff	12,471	216,559	2,401	18,899	250,330
Premises costs	6,415	21,864	22,871	829	51,979
Maintenance	253	927	902	33	2,115
Insurance	1,928	6,573	6,875	249	15,625
Professional fees	—	1,000	—	—	1,000
Communications and stationery	2,978	12,037	10,619	385	26,019
Residents' welfare	—	173	—	—	173
Depreciation	756	2,474	2,587	64	5,881
Travel	—	140	—	—	140
Sundry expenses	58	422	206	7	693
	24,859	262,169	46,461	20,466	353,955

Notes to the financial statements Year to 31 March 2020

4 Support costs (continued)

	Costs of raising funds £	Residential and community assessment £	Community projects £	Governance £	2019 Total £
Head office staff	12,558	153,648	41,092	18,342	225,640
Premises costs	6,274	21,384	22,368	811	50,837
Maintenance	470	1,602	1,675	61	3,808
Insurance	1,877	6,399	6,693	243	15,212
Professional fees	—	5,710	—	—	5,710
Communications and stationery	2,812	11,566	10,029	363	24,770
Publicity	—	—	—	—	—
Residents' welfare	—	341	—	—	341
Depreciation	526	1,794	1,877	68	4,265
Travel	—	219	—	—	219
Sundry expenses	15	399	54	2	470
	<u>24,532</u>	<u>203,062</u>	<u>83,788</u>	<u>19,890</u>	<u>331,272</u>

5 Net (expenditure) income for the year

	2020 £	2019 £
Depreciation	9,714	5,002
Auditors' remuneration		
. Audit	9,800	9,400
Operating lease rentals		
. Equipment	27,330	22,104
. Property	124,418	124,002

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

Staff costs were as follows:

	2020 £	2019 £
Salaries and wages	1,308,589	1,290,721
Redundancy and termination costs	—	7,759
Social security costs	164,490	165,432
Employers' contribution to defined contribution pension schemes	76,071	68,245
Sessional staff	435,365	467,901
Agency staff	15,066	15,458
Other staff costs	33,942	58,211
	<u>2,033,523</u>	<u>2,073,727</u>

1 employee earned between £70,000-£80,000 (2019: 1 employee between £60,000-£70,000)

The total employee benefits including employer's pension contributions and national insurance of the key management personnel were £182,886 (2019: £178,284).

Notes to the financial statements Year to 31 March 2020

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

The charity trustees were not paid nor received any other benefits from employment with the charity in the year (2019: £nil). No charity trustee received payment for professional or other services supplied to the charity (2019: £nil).

Trustees' expenses represents the payment or reimbursement of travel and subsistence costs totalling £nil (2019: £nil) incurred by members relating to attendance at meetings of the trustees.

The average number of employees, including sessional staff, employed during the year was as follows:

	Headcount (number of staff employed)		Full-time equivalent	
	2020 No.	2019 No.	2020 No.	2019 No.
Social and care workers	83.38	90.47	42.62	45.16
Management	7.70	7.20	5.99	6.14
	91.08	97.67	48.61	51.30

7 Related party transactions

There are no related party transactions to disclose for 2020 (2019: none).

Aggregate donations from related parties were £315 from donations and £800 for marathon/ride donations (2019: £328 donations and £130 marathon donations), all of which arise in the normal course of business.

8 Taxation

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

9 Tangible fixed assets

	Leasehold improvements £	Head office equipment £	House fixtures and fittings £	House equipment £	Total £
Cost					
At the start of the year	94,687	43,788	17,406	31,054	186,935
Additions during the year	—	6,461	5,820	7,228	19,509
At the end of the year	94,687	50,249	23,226	38,282	206,444
Depreciation					
At the start of the year	90,421	43,788	15,548	28,580	178,337
Charge for the year	4,266	1,615	789	3,044	9,714
At the end of the year	94,687	45,403	16,337	31,624	188,051
Net book value					
At the end of the year	—	4,846	6,889	6,658	18,393
At the start of the year	4,266	—	1,858	2,474	8,598

All of the above assets are used for charitable purposes.

Notes to the financial statements Year to 31 March 2020

10 Debtors

	2020 £	2019 £
Trade debtors receivable	270,491	279,340
Other debtors	1,812	1,243
Prepayments	36,226	31,680
	308,529	312,263

11 Creditors: amounts falling due within one year

	2020 £	2019 £
Trade creditors	24,260	22,385
Taxation and social security	46,116	40,160
Deferred income	3,245	5,425
Accruals	43,342	38,386
Other creditors	46,103	10,224
	163,066	116,580

Deferred income relates to the 2019 marathon and the full amount brought forward was released into income in 2020. Deferred income of £3,245 has been deferred at 31 March 2020 in relation to the 2020 marathon.

12 Analysis of net assets between funds

	General unrestricted £	Designated funds £	Restricted funds £	2020 Total funds £
Tangible fixed assets	16,742	—	1,651	18,393
Net current assets	242,900	744,964	133,943	1,121,807
Net assets at 31 March 2020	259,642	744,964	135,594	1,140,200

	General unrestricted £	Designated funds £	Restricted funds £	2019 Total funds £
Tangible fixed assets	2,473	3,156	2,969	8,598
Net current assets	146,003	862,005	106,977	1,114,985
Net assets at 31 March 2019	148,476	865,161	109,946	1,123,583

Restricted Funds: The net book value £1,651 of fixed assets purchased with restricted funds (2019 £2,969) comprises the balance of the Capital Appeal for replacement carpet at one of the residential units which is being depreciated over 10 years. (2019 total comprised Capital Appeal and balance of a grant received from the Trusthouse Charitable Foundation to part-fund the building costs of the Jigsaw mock flat at Head office.)

Designated Funds: The net book value of fixed assets under designated funds is £nil (2019 £3,156 comprises the balance in the Development Fund in respect of building works of the Jigsaw mock flat and office refurbishment.)

Notes to the financial statements Year to 31 March 2020

13 Movement in funds

	At 1 April 2019 £	Income and gains £	Expenditure and losses £	Transfers £	At 31 March 2020 £
Restricted funds:					
Lambeth Outreach Young Parents	—	150,000	(172,957)	22,957	—
Lambeth CLIPS	—	4,537	(4,537)	—	—
Lambeth Public Health	15,414	—	(1,097)	—	14,317
DWP Caring Dads	1,500	—	—	—	1,500
Caring Dads - other	—	500	(500)	—	—
City of London, City Bridge Trust	—	34,500	(34,500)	—	—
National Children's Bureau	1,217	24,055	(25,272)	—	—
CWDC	19,586	—	(5,032)	—	14,554
ASYE Dept. for Education	157	2,000	(1,859)	—	298
Trusthouse Charitable F'n – Jigsaw	1,112	—	(1,112)	—	—
Foyle Foundation	9,057	—	(6)	—	9,051
Residents grants fund	2,601	2,160	(2,014)	—	2,747
Buttle UK – Chances for Children	1,514	—	(1,514)	—	—
Elizabeth & Prince Zaiger Trust – Capital	1,273	—	—	—	1,273
Santander Foundation	592	—	(592)	—	—
Summer Trips Appeal	1,048	—	(195)	—	853
University of Sussex Grad. Internship	—	3,400	(3,400)	—	—
Capital Appeal	324	—	(206)	—	118
The Fence Club – 5-a-day	170	—	(123)	—	47
Sir Walter St John's Educational Charity	—	1,298	(1,298)	—	—
Gibbs Charitable Trust	—	500	(500)	—	—
Big Lottery Fund	10,553	36,972	(44,821)	—	2,704
Securing Change Appeal	633	—	—	—	633
Elizabeth & Prince Zaiger Trust	4,171	—	(650)	—	3,521
Philip King Charitable Trust	19,105	—	(4,872)	—	14,233
Esmee Fairbairn Foundation	22	—	(22)	—	—
Segelman Trust	—	30,000	(30,000)	—	—
S G Rabagliati Charity	—	3,000	(3,000)	—	—
St James' Place Foundation	46,560	63,322	(62,390)	—	47,492
KPMG Foundation	341	—	—	—	341
Tudor Trust	6,210	10,000	(5,846)	—	10,364
Pilgrim Trust	5,316	15,000	(8,768)	—	11,548
CAFCASS	—	2,805	(2,805)	—	—
Total restricted funds	148,476	384,049	(419,888)	22,957	135,594
Unrestricted funds:					
Designated funds:					
Operational contingency fund	674,526	—	(2,352)	—	672,174
Development fund	146,396	—	(73,606)	—	72,790
Total designated funds	820,922	—	(75,958)	—	744,964
Working capital fund	154,185	2,073,061	(1,944,647)	(22,957)	259,642
Total unrestricted funds	975,107	2,073,061	(2,020,605)	(22,957)	1,004,606
Total funds including pension fund	1,123,583	2,457,110	(2,440,493)	—	1,140,200

A transfer has been made from the Working capital fund to the Restricted Lambeth outreach fund, to cover the expenditure incurred in excess of the funding received, during the year.

The narrative to explain the purpose of each fund is given at the foot of the note below.

Notes to the financial statements Year to 31 March 2020

13 Movement in funds (continued)

	At 1 April 2018 £	Income and gains £	Expenditure and losses £	Transfers £	At 31 March 2019 £
Restricted funds:					
Lambeth Outreach Young Parents	—	150,000	(195,189)	45,189	—
Lambeth Summer HAP	—	1,000	(1,000)	—	—
Lambeth Public Health	17,134	—	(1,720)	—	15,414
Lambeth Children's Centres Programme	—	21,418	(21,418)	—	—
DWP Caring Dads	1,500	—	—	—	1,500
City of London, City Bridge Trust	—	19,500	(19,500)	—	—
National Children's Bureau	—	21,412	(20,195)	—	1,217
BBC Children in Need	—	9,986	(9,986)	—	—
CWDC	19,586	—	—	—	19,586
ASYE Dept. for Education	—	1,000	(843)	—	157
Trusthouse Charitable F'n – Jigsaw	2,223	—	(1,111)	—	1,112
Foyle Foundation	9,232	—	(175)	—	9,057
Residents grants fund	2,714	2,457	(2,570)	—	2,601
Buttle UK – Chances for Children	—	1,983	(469)	—	1,514
Elizabeth & Prince Zaiger Trust – Capital	1,273	—	—	—	1,273
Santander Foundation	592	—	—	—	592
Summer Trips Appeal	1,094	—	(46)	—	1,048
University of Sussex Grad. Internship	—	3,300	(3,300)	—	—
Capital Appeal	7,100	—	(6,776)	—	324
The Fence Club – 5-a-day	591	—	(421)	—	170
Sir Walter St John's Educational Charity	—	985	(985)	—	—
Garfield Weston Foundation	10,000	—	(10,000)	—	—
Noel Buxton Trust	1,800	—	(1,800)	—	—
Big Lottery Fund	—	68,229	(57,676)	—	10,553
Securing Change Appeal	633	—	—	—	633
Elizabeth & Prince Zaiger Trust	4,171	—	—	—	4,171
Philip King Charitable Trust	25,000	—	(5,895)	—	19,105
Esmee Fairbairn Foundation	—	15,000	(14,978)	—	22
Tilehouse Trust	—	2,000	(2,000)	—	—
Invesco Cares Foundation	—	3,000	(3,000)	—	—
St James' Place Foundation	—	62,080	(15,520)	—	46,560
KPMG Foundation	—	12,500	(12,159)	—	341
Tudor Trust	—	10,000	(3,790)	—	6,210
Pilgrim Trust	—	15,000	(9,684)	—	5,316
CAFCASS	—	3,445	(3,445)	—	—
Total unrestricted funds	104,643	424,295	(425,651)	45,189	148,476
Unrestricted funds:					
Designated funds:					
Operational contingency fund	694,020	—	—	(19,494)	674,526
Development fund	278,528	—	(87,893)	(44,239)	146,396
Total designated funds	972,548	—	(87,893)	(63,733)	820,922
Working capital fund	170,863	1,913,115	(1,948,337)	18,544	154,185
Total unrestricted funds	1,143,411	1,913,115	(2,036,230)	(45,189)	975,107
Total funds including pension fund	1,248,054	2,337,410	(2,461,881)	—	1,123,583

Notes to the financial statements Year to 31 March 2020

13 Movement in funds (continued)

Purposes of restricted funds

Lambeth Outreach Young Parents

The fund supports delivery of services in the community to young mothers and fathers, up to age of 24 years.

Lambeth CLIPS

Funding to support the delivery of outreach groups in Lambeth.

Lambeth Public Health

To enable St Michael's to support the prevention of unintentional injuries in children aged 0 - 5 by funding the supply of home safety equipment and education.

Lambeth Children's Centres Programme

This fund supports delivery of the DIVA group.

DWP Caring Dads Programme

This fund supports the continued delivery of Caring Dads to young fathers and the development of a film encouraging co-parenting.

Caring Dads – other

Donation to support work with young fathers.

City of London, City Bridge Trust

This fund is to support the delivery of services in the community to young mothers and fathers.

National Children's Bureau

This fund is to support 2 parents' groups in the LEAP areas: "Confident Mums" and "Safer, Stronger."

BBC Children in Need

Funding to support community group programmes for mothers and children.

The Children's Workforce Development Council (CWDC)

Funds to enable St Michael's to support the development of newly qualified social workers within the organisation.

Assessed and Supported Year in Employment (ASYE) Dept. for Education

To support newly qualified social workers in their first year of employment.

Trusthouse Charitable Foundation - Jigsaw

Funding to contribute to the development of the Jigsaw mock flat to support the work of our community assessment and outreach service with families. This expenditure has been capitalised and is being depreciated over future years.

Trusthouse Charitable Foundation - Young Parent

To support young parents during pregnancy and through until their child is one year old.

Notes to the financial statements Year to 31 March 2020

13 Movement in funds (continued)

Purposes of restricted funds (continued)

Foyle Foundation

A grant to support and teach literacy and numeracy across all our services.

Residents grants fund

This fund includes amounts received from various organisations including Housing the Homeless, for specific equipment and other purchases for some of the families as they move to new accommodation. The carried forward funds will be spent in the following year. These funds continue to be segregated in a separate bank account.

Buttle UK - Chances for Children

This grant is to support specific activities for individual vulnerable families.

Elizabeth & Prince Zaiger Trust - Capital

To support the Capital Appeal to replace furniture, carpets, equipment and toys in St Michael's.

Santander Foundation

To fund summer activities for the families with whom we work.

Summer trips Appeal

To fund summer activities for the families with whom we work.

University of Sussex Graduate Internship

Scheme to pay for the employment of a University of Sussex graduate and an undergraduate, to support the fundraising function for 8 weeks.

Capital Appeal

To support the replacement of furniture, carpets, equipment in the Residential Schemes and at Head Office.

The Fence Club - 5-a-day

Funding to purchase the tools and materials to support this programme of parent-child engagement.

Sir Walter St John's Educational Charity

This grant supported the programme of summer outings and activities for young parents and their children.

Gibbs Charitable Trust

To support our work with young fathers.

Garfield Weston Foundation

This fund is to support community work to combat domestic abuse in Lambeth.

Big Lottery Fund

This funding supports the Securing Change project, to develop an intensive service of support for parents who leave St Michael's with or without their child.

Notes to the financial statements Year to 31 March 2020

13 Movement in funds (continued)

Purposes of restricted funds (continued)

Securing Change Appeal

To contribute to the costs of providing an intensive service of one to one and group support for parents who leave St Michael's with or without their child.

Elizabeth & Prince Zaiger Trust

To support the Securing Change project (as above).

Philip King Charitable Trust

This funding also supports the Securing Change project (as above).

Esmee Fairbairn Foundation

A grant to support an innovative project devised by an independent youth worker.

St James Place Foundation

Funding for the post of Outreach Manager, with responsibility for leading a team of skilled practitioners across all areas of Outreach work with young parents.

Segelman Trust

This fund is to support the delivery of community and outreach services for expectant and young parents.

S G Rabagliati Charity

This funding supports the work with young fathers.

KPMG Foundation

Funding to support the evaluation of the Securing Change project (as above).

Tudor Trust

To support the Securing Change project (as above).

Pilgrim Trust

To support the Securing Change project (as above).

CAFCASS

Funding to assist with the provision of supported contact services to children and families.

Purposes of designated funds

Operational contingency fund

This fund has been designated to reflect the trustees' assessment of the risk to which St Michael's is exposed and their policy on reserves, both as set out in their report accompanying these accounts.

Development fund

The development fund was initially set up in 2001 to hold monies designated for expenditure on existing and new work subject to the case-by-case approval of the trustees.

Notes to the financial statements Year to 31 March 2020

14 Operating lease commitments

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

	Equipment		Property	
	2020 £	2019 £	2020 £	2019 £
Less than one year	27,330	27,330	55,517	54,528
One to five years	29,345	56,675	—	—
	56,675	84,005	55,517	54,528

15 Contingent assets or liabilities

At the balance sheet date, the charity has no contingent assets or liabilities (2019: £nil).

16 Legal status of the charity

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