



# Home-Start UK

**Annual report and financial statements**  
**For the year ended 31<sup>st</sup> March 2019**

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Home-Start UK, a company limited by guarantee, company no. 5382181  
Registered charity England and Wales (1108837) and in Scotland (SC039172)



**INVESTORS  
IN PEOPLE**



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**Introduction from the Chair**

I am pleased to report another successful year of significant progress for Home-Start UK.

The charity delivered a third year of strong financial performance coupled with a planned use of designated funds underwriting key long-term developments, described in this report.

We continue to be very grateful for the support that has been given to Home-Start by our many funders. I should like to mention in particular the retailer Dunelm who, over the last 3 years, have raised a magnificent £880k.

This was the second year of our ambitious strategic plan to support the development of a modern and effective network of Home-Start charities. Standout achievements include:

- The development of a modern new brand designed to demonstrate and promote the value of Home-Start's work with families
- We brokered over £1.5 million of funding or support for local Home-starts from a wide range of funding bodies
- Completing the first year of our major collaboration with the National Lottery Community Fund to support the sustainability of the Home-Start network
- The Power Up project supported the development of Home-Start Cymru as the result of the merger of 7 of the 11 Home-Starts in Wales to be launched in July 2019
- The development of @Home, a new and modern intranet platform for the Home-Start network
- Moving away from our in-house monitoring and evaluation system and brokering a high value partnership with a modern third party case management system.

It is the staff at Home-Start UK who make these achievements possible, and the trustees are grateful for their continued enthusiasm and commitment to helping the network flourish. I am also grateful for the support of my colleagues on the board, many of whom new to the board, have brought their skills and insights to the work of Home-Start UK.

This summer we are sad to be saying farewell to Rob Parkinson after six successful years as our Chief Executive. Since joining Home-Start UK in 2013, Rob has led our federation with the utmost skill through the challenges of a very different and difficult funding environment. Over the last three years Rob has spear-headed the modernisation of the Home-Start network, with vigour and determination, making possible the wonderful achievements detailed in this report, and helping to ensure the future of the Home-Start network.

A new Chief Executive will join us at an exciting stage in our development. In the next year we will build further on our successes as we launch a new strategy, grow the profile of Home-Start's work across the UK, launch a growth fund to establish new Home-Start services and continue to develop flagship programmes like Big Hopes Big Future®.

**Felicity Clarkson CBE**  
**Chair of Trustees**

### **Introduction**

The board of trustees presents its report and the audited financial statements for the year ended 31 March 2019. Reference and administrative information set out on pages 8-9 forms part of the report. The financial statements comply with current statutory requirements, the Memorandum and Articles of Association, the requirements of a directors' report as laid down by company law, and the Statement of Recommended Practice - Accounting and Reporting by Charities: SORP applicable to charities preparing their accounts in accordance with FRS 102.

### **Purpose**

Home-Start was set up in 1973 with its charitable objects as set out with the Charity Commission, for the relief of children or parents in despair and distress and the prevention of emotional, physical and mental abuse of such children. Home-Start believes that children need a happy and secure childhood and that parents play the key role in giving their children a good start in life and helping them achieve their full potential.

### **Vision**

For every parent to have the support they need to give their children the best start in life.

### **Mission**

To provide volunteer-led support, friendship and practical help to families with young children in local communities across the UK and with British Forces in Germany and Cyprus.

### **Our story**

A child's earliest years are irreplaceable. Without a stable, loving and nurturing environment, a very young child will not develop the vital foundations they need.

Home-Start is there for parents when they need us the most, because childhood can't wait.

Our local community network of trained volunteers and expert support helps families with young children through their challenging times.

### **Why we do it**

The earliest years make the biggest impact. Home-Start makes sure those years count so that no child's future is limited.

### **How we do it**

Home-Start offers no judgement, just compassionate, confidential help and support. Starting in the home, our approach is as individual as the people we're helping. Today and every day, in communities up and down the UK, Home-Start volunteers are working alongside families, helping them to change their lives for the better.

From Orkney to Guernsey and Enniskillen to Great Yarmouth, families are benefitting from the support of Home-Start's network of community-based volunteers and expert support. We're tackling some of the big issues facing families today, with more families than ever coming to us because they are struggling with:-

- Mental health and wellbeing
- Loneliness and isolation
- Building supportive, nurturing, loving relationships with their children
- Money worries and financial pressure.

### Our strategy

Following an independent review and a series of *Big Conversations* with trustees and senior staff from over 90% of local Home-Starts, Home-Start UK published its current three year strategy in April 2017. The strategy set out our ambition to grow a modern and effective network of Home-Start charities and focused our activities on three outcomes: (1) a growing, sustainable and effective Home-Start network, (2) a greater range and diversity of volunteer-led services, and (3) greater awareness and support for Home-Start's work.

The strategy introduced the following four work programmes.

1. **Network 2020** will modernise the Home-Start network with shared learning and advice on consortia and mergers and complete a full review of the Home-Start Agreement.
2. **Share IT UK** will facilitate an exchange of ideas around new family support models and the latest in charity thinking and encourage advances in data collection and evaluation.
3. **Home-Spark** will recruit new ambassadors, promote stronger funding relationships, drive greater awareness of Home-Start and refresh the Home-Start brand and corporate identity.
4. **Innovation Lab** will secure funding to test and scale new evidence-based family support programmes, based on local as well as national innovations e.g. Big Hopes Big Future®.

This report covers the second year of the strategy, which is available in full from the Home-Start UK website: [www.home-start.org.uk](http://www.home-start.org.uk).

In 2018/19 we made the following progress:

### Network 2020:

- We completed the first year of the Power Up project. 18% (by turnover) of Home-Starts in England and 89% in Wales have received support with income generation, business planning, organisational design, consortia development and mergers. Projects and discussions are underway with a further 49% of Home-Starts in England, 41% in Scotland and 100% in Northern Ireland as this successful project continues into year two.
- Home-Starts in Northern Ireland (NI) formed a NI Consortium, to prepare for joint funding bids across NI.
- Over the last months, Power Up has been supporting the development of Home-Start Cymru: a merger of seven of the 11 Home-Starts in Wales, due to launch in July 2019.
- We launched and enrolled our first seven candidates on a 2-year course offered by the Anglia Ruskin University in Charity Management for sector leaders.
- Four Home-Starts have extended their operations into neighbouring local authority areas through the development of satellite services. Home-Start Camden has developed a new service in Islington, Banbury and Chipping Norton have extended their service into Bicester, Glasgow North into Lanarkshire, and Barnet, Brent and Harrow into Enfield.

## **Home-Start UK**

### **Trustees' annual report**

**For the year ended 31<sup>st</sup> March 2019**

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#### **Share IT UK:**

- Home-Start UK ran a range of staff and volunteer on line and face to face training events attended by over 700 local Home-Start staff and trustees.
- We responded to 1,500 enquiries every month from local Home-Starts and the public wanting further information on aspects of Home-Start services.
- During the year we developed @Home, to provide all our national and local Home-Start staff and trustees with access to an online Home-Start community and essential resources, including a new brand centre, plus the latest news and information from across the network and sector. Launched in April 2019, by mid-June 2019, over 95% of local Home-Starts (over 2,500 users) were registered and using the platform.
- We started work to move away from our in-house Monitoring and Evaluation System Home-Start (MESH) to a third party replacement for the Home-Start network. Following a detailed consultation and review, many Home-Starts will move over to using Charitylog under a brokered offer negotiated by Home-Start UK.
- Research by Dr Nell Warner from Cardiff University looking into 'The Nature of Home Visiting support and improvement in emotional well-being for Home-Start parents', showed improvement across a substantial number of families as a result of Home-Start support, and is being utilised by Home-Starts to demonstrate the impact of their work.
- We have seen a big increase in local staff and trustees participating in our programme of on-line webinars and trustee forums which have covered a range of topics including fatherhood, early years development, digital skills, governance and developing effective boards.
- Supported 268 volunteers to become accredited learners with our training accreditor CERTA.
- Our employment and legal helpline service operated by DAS responded to enquiries to 223 calls made from 184 local Home-Starts.

#### **Home-SPARK:**

- We completed a full review of the Home-Start brand – the first in ten years – to ensure we have a brand that does justice to the work we do, demonstrates the importance of our cause and delivers a compelling case for funding, influence and support at both national and local levels. The new brand and corporate identity was developed during the year and launched in April 2019. Feedback has been very positive with the majority of local Home-Starts now accessing a new on-line brand centre, designed to make it easier to customise and order local brand materials.
- We are supporting work led by the Children's Society and Church of England to better co-ordinate crisis provision for families, following the localisation of crisis loans and community care grants.
- We are involved in developing the parenting strands of the new Loneliness Strategies being supported by the UK and national governments.
- We invested in our fundraising activity to develop new sources of income, particularly via the development of our corporate partnership and individual giving programmes. Our first digital

fundraising campaign went live in June 2019, following the launch of the new brand and based on the iterative test and refined approach that was recommended by the review.

- The Home-Start UK website, [www.home-start.org.uk](http://www.home-start.org.uk), received 351,608 visits in 2018/19 – an increase of 1.5% on the previous year. Our Twitter and Facebook social media channels reached and engaged over 780,000 people.
- We brokered over £1.5 million of funding or support for local Home-starts from a range of funding bodies including the National Lottery Community Fund, British Red Cross, Brook Trust, Dunelm and NESTA.
- We were delighted to be one of the charities supported at ICAP's 2018 Charity Day, following which we received £100k of funding to develop our work with families affected by domestic violence. We were also grateful to several new and existing Home-Start ambassadors, including Home-Start UK Vice President Alastair Stewart OBE, Kirstie Allsopp, Rosalind Riley, Lloyd Owen, Richard Lintern who generously supported the event, as well as Konnie Huq, who contributed to the success of the day.
- In the final year of an exciting two-year partnership, national homewares retailer Dunelm raised just under £400k for Home-Start's work to support our network across the UK, bringing the total raised during the partnership to £880k.

**Innovation lab:**

- Following DfE funding which helped us introduce LENA Home early speech and language programme to a family support setting within the UK, we are now working with NESTA to scale the LENA programme more widely. Home-Start Oldham, Stockport and Tameside are delivering the programme with support from Home-Start UK with Greater Manchester Combined Authority as a key project partner. Five other local Home-Starts have been enrolled and a further evaluation by the University of Newcastle will be completed Autumn 2019.
- Funding from the Royal British Legion and Army Central Fund has enabled us to continue to deliver training resources for Home-Start volunteers working with forces families and families being rebased in the UK following the closure of army bases in Germany. We've also established a dedicated telephone line to signpost forces families to local Home-Starts or services in their area.
- In Scotland, we are into the fourth year of a National Lottery Community Fund project through which we have successfully established a Home-Start in Inverclyde as a satellite of Home-Start Renfrewshire. A new 12-month digital project funded by R S MacDonald and SCVO will pilot a new e-learning course with 40 volunteers in partnership with four Home-Starts in Scotland.
- At the start of 2018, we were awarded £217k by the British Red Cross (BRC) and Co-op Community Connectors Grant Scheme to support young new mums experiencing loneliness in up to 15 sites around the UK. Two in three of the mums showed improvements and have been classed as 'not lonely' at the end of support.
- Funding secured in 2017/18 from the Brook Trust to set up the Good Ideas Fund, which we invested in three Home-Starts, helped them develop and scale some of the best new programmes for families. Home-Start Pendle and Ribble Valley has developed a model of group support for families of children with special educational needs. Home-Start Oxford is about to publish a toolkit for Home-Starts

supporting families escaping domestic violence, and Home-Start Glasgow is training other Home-Starts around the country to support early parent-child attachment via Video Interactive Guidance technology.

- A four-year National Lottery Community Fund project supporting working families on the margins of financial hardship in Wales is underway. The project involves co-design of services with families followed by funded delivery support from local Home-Starts.
- Through a series of training and events, we're using funding from Porticus UK to develop the capacity of Home-Starts to support families in critical need but who fall below the threshold of receiving statutory support.

### **Our plans for the future**

2019/20 is the final year of our current three-year Strategic Plan. During the year, in addition to completing a number of key projects in the current plan, we will begin the process of developing and consulting with our network on a new five-year plan for 2020-2025.

Key areas of focus on the new plan will be on ensuring more families can benefit from Home-Start support by building greater awareness and support for our work, increasing local and national funding, improving outcomes and provision for families and investing in our volunteer base. Meanwhile, activities being completed in 2019/20 will include:

- A project investment over 5 years of £1m by the Masonic Charitable Foundation will fund the roll out and development of Big Hopes Big Future® in England and Wales. The first year's funding of £154k is included in our 2018/19 income, as being recognised prior to our financial year-end, although the project will commence in July 2019.
- A full review of the Home-Start Agreement and membership levy in consultation with local Home-Start Boards.
- Support for the launch of Home-Start Cymru, a merger of seven of the 11 Home-Starts in Wales.
- Supporting more of our local leaders to participate in Anglia Ruskin University's Cert HE 2-year course in Charity Management. A second intake is scheduled for September 2019.
- Working with Dr Helen Kara from 'We Research It', who has been commissioned to complete an evaluation of the effects of Power Up on the strengths/capabilities of local Home-Starts. A final evaluative report will be published in early 2021.
- As part of our strategic commitment to develop local confidence in marketing Home-Start's work, we will begin a series of regional workshops, designed to help local Home-Starts make the most of the new brand materials and messaging. We will also work with local Home-Starts to develop a new subsidised website template and set up package.
- Our 2019 national Impact Report, will be published in September 2019, and tell the story of the families we support and celebrate the impact we have made over the last year. We will use these

insights to develop our services and make sure we are making a lasting difference for all the children and families we support.

- We'll run a national media campaign to build wider understanding of the kind of difficulties parents face and encourage more parents to feel able to ask for help without fear of being judged.
- We'll work with local Home-Starts to facilitate their move from our in-house Monitoring and Evaluation System Home-Start (MESH) to a brokered third party replacement. Local Home-Starts will start moving across to the new system from September 2019.

**Reference and administrative information**

<b>Company number</b>	England and Wales: 5382181	
<b>Charity number</b>	England and Wales: 1108837, Scotland: SC039172	
<b>Registered office and operational address</b>	The Crescent, King Street, Leicester, Leicestershire LE1 6RX	
<b>Trustees</b>	Trustees, who are also directors under company law, who served during the year and up to the date of this report were as follows:	
	Deborah Bennett	Appointed 26 June 2019
	Sue Bishop	Retired 12 December 2018
	Sheena Bolland	Appointed 26 June 2019
	Felicity Clarkson CBE	Chair
	Anna Corry	Appointed 28 June 2018
	Joanna Dennis FCCA	Treasurer from 1 September 2019
	John Downie	Appointed 26 September 2018
	Susannah Farnworth	Appointed 28 June 2018
	Barbara Firth	Appointed 26 September 2018
	Karen Foster	
	Karen Graham	
	Elizabeth Hill-Smith	
	Margot Madin FCA	Treasurer retired 1 September 2019
	Anne Shevas	
	Philip Sugarman	Vice chair
	Matthew Wigginton	Appointed 26 September 2018
<b>Key management Personnel</b>	Rob Parkinson	Chief Executive
	Vivien Waterfield	Deputy Chief Executive
	Pete Thomas	Director of Finance and Resources and Company Secretary (appointed Chief Operating Officer 1 August 2019)
	Elizabeth Young	Director of Strategic Development (resigned 14 September 2018)

**Bankers**                      National Westminster Bank plc  
1 Granby Street  
Leicester  
LE1 6EJ

**Solicitors**                      Nelsons Solicitors Limited  
Provincial House  
37 New Walk  
Leicester  
LE1 6TU

**Auditors**                      Sayer Vincent LLP  
Chartered Accountants and Statutory Auditors  
Invicta House  
108-114 Golden Lane  
London  
EC1Y 0TL

**Patron**  
HRH Princess Alexandra, The Hon Lady Ogilvy, KG, GCVO

**Founder**  
Margaret Harrison CBE (1938-2015)

**Honorary President**  
James Sainsbury OBE

**Vice President**  
Alastair Stewart OBE

**Ambassadors**  
Kirstie Allsopp  
Tomás Carruthers  
Lady Christine Eames OBE  
Richard Lintern  
Marcus Lyon  
Lindsay Nicholson OBE  
Lloyd Owen  
Philip Price  
Rosalind Riley

### Activities

Home-Start's beneficiaries are families struggling to cope with the stresses and strains of bringing up children in the face of mental and physical illness, poverty, homelessness, disability and other pressures. Home-Start UK seeks to support these families by providing support to a network of 196 independently run local Home-Starts. As a national federated charity, Home-Start UK provides a range of support for our local Home-Starts. We work closely with the network to support the growth and sustainability of the Home-Start service. We provide information and guidance to enhance the quality of our services and research to improve and influence the development of services for families. We support the smooth running of local Home-Starts, set and measure quality standards and provide training to make sure all our families get the same high standard of service. We also use our website and national presence to connect families and referrers to their local Home-Starts.

### Public benefit

The board of trustees confirms it has complied with the duty in section 17 of the Charities Act 2011 to have due regard to the Charity Commission's guidance on public benefit.

### Organisational structure

Home-Start UK is a charity constituted as a company limited by guarantee in England and Wales, governed by a board of trustees. The Home-Start network consists of Home-Start UK together with 196 local Home-Starts, affiliated to Home-Start UK through a legal agreement. Local Home-Starts are separate charities in their own right and are responsible for their own financial affairs and statements. The total income of local Home-Starts is £32.4 million, which together with Home-Start UK's income of £2.8 million gives the total Home-Start network income of just over £35.2 million.

### Governance and management

Our Board of Trustees, who are also Directors of the Charity for the purposes of the Companies Act, have overall responsibility for setting the strategy of the Charity. Our Chief Executive, working with the Senior Leadership Team is responsible for delivering the Board's vision and strategy and for its day-to-day operations.

When seeking to fill vacancies on the board, the trustees identify the particular skills and expertise needed to cover the work of the board and prioritise these during the recruitment process. In an attempt to increase the diversity of the board's membership we advertise widely for new trustees, and ensure, throughout the recruitment process, that all applicants from a wide variety of backgrounds have an opportunity to succeed.

A panel of trustees interview all prospective trustees to determine that they have the required skills to contribute to the charity's management and development. New appointments are ratified by the full Board of Trustees. Trustees serve for an initial term of three years, and subject to review and the approval of the board, may serve a second period of three years. When trustees are appointed, they are given a formal introduction to the work of the charity and the information they need to fulfil their roles as charity trustees and company directors. They also attend external training events, all staff events and an annual planning day with senior staff.

A Finance Sub Committee and National Committees in Wales, Scotland and Northern Ireland, each of which has members with specific knowledge of their particular areas of work and support the trustees in their role. Each Committee reports to the board, which meets at least quarterly.

The charity provides third party indemnity insurance provision on behalf of the board of trustees.

### **Related parties and Home-Start Worldwide**

The Home-Start network consists of Home-Start UK together with 196 local Home-Starts, affiliated to Home-Start UK through a legal agreement. Local Home-Starts are separate charities in their own right and are responsible for their own financial affairs and statements. HSUK provided model operating policies, guidance and procedures for local Home-Starts.

Home-Start Worldwide sustains the development of Home-Starts across the world. In 2018/19 there were Home-Starts operating in 22 countries and five continents.

Home-Start UK owns 100% of the issued equity share capital of Home-Start Consultancy Limited, a company incorporated in England. The subsidiary undertaking did not trade during the year.

### **Financial review**

#### **Financial position**

The Statement of Financial Activities shows net income for the year of £226K after a net loss on investments. The £107k outgoing unrestricted funds represent £145k of planned expenditure from the designated Strategic Delivery Fund and a surplus on other unrestricted funds of £38k. The net incoming resources in restricted funds of amounted to £333K.

The strong end of year financial position continues to deliver on the commitment by the board to bring operating expenditure back into line with income during 2018/19 and to deliver on planned pieces of work in the latter stages of the strategic plan. Our cash and free reserves levels are again close to targeted levels thanks to the continued partnerships with a number of trusts and foundations, and the final year of a hugely successful partnership with Dunelm. Designated funds have been set aside to underwrite the significant expenditures required for the delivery of the latter stages of the strategic plan which was made possible by the surplus in 2017/18 and profit on the sale of the Home-Start Centre in 2016. We utilised £145k during 2018/19 leaving a balance of £429k. This has allowed us to undertake pieces of work such as an updated brand, new intranet platform, targeted investments in income generation and a PR campaign.

2019/20 will be a much more challenging year, as we balance significant strategic deliverables with a reducing income base, following the end of the 2-year partnership with Dunelm. Trustees have agreed a cautious and achievable budget for the year incorporating both work to complete the 2017-20 strategic plan and preparations for the launch of a new plan in early 2020. Planned use of reserves and the designated strategic delivery fund will support this transition alongside the continued delivery of key priorities linked to our new brand, new intranet platform, the move away from MESH and investments in income generation. A new 5-year strategic plan is being formed, with the trustees agreeing that developing a genuinely sustainable long-term income base will be at the centre of strategic planning over the coming months.

The Balance Sheet as at 31 March 2019 shows an increase in net assets to £2,233K (2017-18: £2,007K), of which £692K (2017-18: £359K) represents restricted funds that must be expended on work specified by the donor. The balance of unrestricted funds of £1,540K (2017-18: £1,647K) is reported net of the liability on the pensions reserve at £267K (2017-18: £329K). The level of the pensions reserve is the net present value of agreed deficit recovery payments until 2025 as required under FRS 102.

#### **Total income in 2018-19**

Total income for the year was £2,790K, an increase of 2% on the previous financial year (2017-18: £2,733K).

Charitable activities in 2017/18 were updated to reflect the new strategic plan. In 2018/19, income of £2,147K (2017-18: £2,123K) directly relates to charitable activities across the four key work streams of the current strategic plan. As detailed in the notes to the accounts, income from charitable activities comes from a mixture of government grants, a membership levy charged to local Home-Starts and support from trusts and foundations. Income of £154K is included in the £2,147K from the Masonic Charitable Foundation. This is a new 5-year grant agreement signed in May 2019 with a commencement date of July 2019 that was confirmed in February 2019. In line with accounting policies and the conditions of the grant agreement, the income for the first year of the project is recognised in 2018/19 and included in debtors. We received 12% of our total income for the year, £338k, from government funding in England, Scotland and Northern Ireland for core and project work in each country. This compares to £673K (25%) of the total income for the year in 2017/18. We reported in 2017/18 that this represented a temporary reversal of the long-term trend following significant reductions in government funding over the previous five years.

As part of the Agreement between local Home-Starts and Home-Start UK, all local Home-Starts pay a membership levy to Home-Start UK. In return, they are entitled to use our intellectual property and in particular the name Home-Start. Home-Start UK offers support and services to local Home-Starts including provision of resources, information and guidance on family support, safeguarding children, volunteer recruitment, quality assurance, training and management. The nature and range of services varies from time to time to meet the needs of the network. In 2018/19, £592K in contributions (2017-18: £630K), was received from local Home-Starts providing 23% (2017-18: 23%) of Home-Start UK's total income. The levy is 2% of 90% of a local Home-Start's income from their previous financial year.

Income from donations in the year totalled £604K (2017-18: £578K) including £375K (2017-18: £344K) from the hugely successful partnership with Dunelm.

#### **Total expenditure in 2018-19**

Total operating expenditure was £2,571K (2017-18: £2,489K). 86% of this expenditure (2017-18: 88%) was applied directly to Home-Start UK's charitable activities. Whilst the total spend over charitable activities is similar to 2017/18, the Innovation Lab costs have decreased from £777K to £525k. This is mainly due to the completion of two Department for Education projects finishing in March 2019. The cost of raising funds in the year represented the remaining 14% (2017-18: 12%) of operating expenditure. Our strategy remains to invest in the development of unrestricted income through both core budgets and the designated strategic delivery fund. This will continue to allow us to meet the challenge of the shifting funding environment in the third sector. In addition to operating expenditure, we recognised a decrease of £9K (2017-18: increase £23K) in the Pensions Trust Growth Plan liability in the year. Total resources expended therefore amounted to £2,562K (2017-18: £2,512K).

One core activity of Home-Start UK is to create and broker funding opportunities for the wider Home-Start network. In this way, local Home-Starts are able to access funding only available nationally allowing local Home-Starts to support more families and develop their services. We target national funding applications to prioritise areas of work that will drive forward delivery of the strategic plan. Our own grant giving enables Home-Start UK to support local Home-Starts in delivering key services and developing them as sustainable organisations, thereby supporting our national strategic aims. Grants to local Home-Starts are secured from a range of other grant making organisations and are subject to a due diligence process. They are only committed once a bespoke grant agreement has been signed by the local board of trustees.

**Land and buildings**

Our main office space is leased premises at the Crescent in Leicester. Our current lease on this office space lasts until August 2021. We have other, smaller rental office spaces in Edinburgh, London (to the end of March 2019) and Northern Ireland.

**Investment policy**

The Memorandum and Articles of Association give the trustees unrestricted powers of investment. The charity's current investment strategy is to deposit the majority of funds in short and medium term interest bearing accounts with UK banks and building societies. They consider the rate of interest received on deposit funds satisfactory in the current economic climate.

We hold reserves principally as cash rather than in property. Trustees have determined that an estimated £850K is required to meet legal obligations and should be invested on a long-term but accessible basis. Following a tendering process in early 2018, we selected CCLA's COIF Charities Investment Fund and have placed investments on a staged basis since the summer of 2018. During 2018/19, £600,000 was deposited in the Fund with an unrealised loss of £3k as at 31<sup>st</sup> March 2019. A final deposit of £250,000 will be made when trustees consider appropriate in the context of prevailing market conditions. As this investment is intended to be held in excess of one year, the investment fund has been classed as a Fixed Asset Investment on the Balance Sheet.

**Our funders**

Home-Start UK enjoys support from a wide range of funders. We take great care to ensure they receive the maximum value for every penny they give. We would like to thank all the organisations and individuals who have funded Home-Start UK during 2018-19 and we look forward to working with them in future years. These include:

Allianz  
Army Central Fund  
Beatrice Laing Trust  
Big Lottery Fund  
British Red Cross  
Brook Trust  
Corra Foundation (Scotland)  
D.C.R Allen Charitable Trust  
DHSS Family Policy Unit (NI)  
Dunelm Group plc  
Edith Murphy Foundation  
Headley Trust  
ICAP  
Investec Wealth & Investment  
Kiddi Caru Day Nurseries  
Masonic Charitable Foundation  
Mulberry Chartered  
Nesta  
Orr Mackintosh Foundation  
Porticus UK  
R S Macdonald Charitable Trust  
Royal British Legion  
SCVO

Softwire  
STV Children's Appeal  
Sylvia Adams Charitable Trust  
The Tedworth Charitable Trust  
Williams Brown Hill Charitable Incorporated Organisation  
York Minster

### **Risk management and internal control**

Home-Start UK operates a risk register reflecting its strategic plan and key operational risks. The strategic plan contains specific projects designed to mitigate all of the risks identified in the risk register.

Since Home-Start works with vulnerable children and families, we consider safeguarding/child protection the greatest area of inherent risk with our work. Home-Start UK has developed a comprehensive framework of consents, controls, policies and reviews to ensure local Home-Starts fulfil their safeguarding/child protection responsibilities and deal with any concerns rapidly and sensitively. Home-Start UK asks local Home-Starts to report data breaches and safeguarding reputational threats against set criteria. During 2019/20, there will be a safeguarding review to consider the criteria for local Home-Starts for reporting 'serious' incidents to the Charity Commission England and Wales/OSCR/Charity Commission NI.

### **Remuneration policy**

Up to March 2019, all staff except the chief executive were on pay scales set by the National Joint Council (NJC) with cost of living rises applied according to those set nationally. From 1<sup>st</sup> April 2019, Home-Start UK has detached from NJC pay scales and established a remuneration sub-committee of the Board to consider and set staff pay. The Board have agreed a health cash provision to be introduced during 2019/20.

We review staff job descriptions annually as part of an annual appraisal process and the senior leadership team consider any proposals for amendments to roles and remuneration.

The board set the chief executive's pay taking into account pay levels in other similar sized charities. The board also considers any proposed changes to roles and remuneration for executive staff on the senior leadership team. Trustees are entitled to claim expenses but do not receive any remuneration for their time.

### **Reserves policy and going concern**

During the year the trustees have reviewed the level of reserves they believe are required to fund the work of Home-Start UK.

Free reserves are held to finance working capital requirements and are defined as unrestricted funds excluding fixed assets and designated funds. The target for free reserves has been set at £1,130k, which equates to 5.3 months of revenue expenditure. This is based on a calculated consideration of the working capital requirements necessary for different aspects of the organisation's expenditure (principally salaries, overheads and project expenditure where payment is often received in arrears). It also includes the lease commitments related to the Head Offices in Leicester, which run until 2021. Free reserves are monitored regularly through the monthly management accounts process.

At 31 March 2019, free reserves were £1,068k (2018: £1,025k). This equates to 4.9 months revenue expenditure (2018: 4.9 months). Levels can vary widely during the year due to the timing of cash flow in particular the membership levy contributions from local Home-Starts, which are received between

September and March. The trustees expect reserves levels to naturally move towards the target as lease commitments unwind over the next two years.

During 2018-19, two designated funds have been in place in order to resource long-term expenditure requirements in identified areas:

- **Fixed Assets Fund** – The fixed asset fund represents all unrestricted funds invested in fixed assets net of any associated liabilities
- **Strategic Delivery Fund** – To support the high level of developmental and investment expenditure required to deliver the latter stages of the 2017-20 Strategic Plan. It is expected that this fund will be fully expended or committed by March 2020.

Subsequent to the review of reserves and to strategic planning work undertaken during the year, the trustees are satisfied that sufficient reserves are held to allow the charity to continue operating as a going concern for the foreseeable future.

#### **Fundraising regulator**

Home-Start UK fully supports the self-regulation of fundraising and is committed to providing its supporters with the best possible levels of service.

Home-Start UK is a member of the Institute of Fundraising and registered with the Fundraising Regulator. We have paid particular attention this year to reviewing all our fundraising activity to ensure full compliance with the standards as set out by the Regulator including the implementation of the new Fundraising Preference Service.

Home-Start UK maintains a formal complaints procedure. During the year, we received no complaints about fundraising carried out either by Home-Start UK or any third party on our behalf. On occasions where we have been notified of a donation that was intended for a local Home-Start having been sent to Home-Start UK in error we have forwarded the amount in question to the relevant local Home-Start in line with the donor's wishes.

#### **Protecting our data**

We take the protection of our clients' data extremely seriously. We are particularly alert to potential cyber-attacks and other external threats and to the changing regulatory environment signalled by the introduction of the General Data Protection Regulation (GDPR). We implemented plans to support the introduction of the GDPR in May 2018 and appointed Really Good Data Protection (RGDP) as our external Data Protection Officer.

#### **Equality and diversity policy**

Home-Start UK's goal is to be truly inclusive, benefit from diversity and appreciate everyone for their contribution and welcome and value difference. We treat everyone with respect and offer equal chances to participate.

Home-Start UK has high standards and we will investigate and take action on any reports of practice, which trustees, staff, volunteers or families believe to be unfair or discriminatory. Performance is checked through Home-Start Quality Assurance assessments and reviews.

We do regular surveys to measure our progress and use the results from these to inform future planning and targets. We fully comply with our obligations under the Equality Act 2010.

### Employee information

Home-Start UK is committed to ensuring good communications and consultation with staff on matters of interest to them. We encourage informal consultation via a monthly coffee morning with the chief executive, and we consult staff formally on all matters that affect their interests. In 2017/18, we established a new staff forum to help identify areas for improvement and development. During 2018/19 the staff forum have organised a number of events, including a successful All Staff Day in October, which was based on discussions around our values.

### Statement of responsibilities of the trustees

The trustees (who are also directors of Home-Start UK for the purposes of company law) are responsible for preparing the trustees' annual report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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

- select suitable accounting policies and then apply them consistently
- observe the methods and principles in the Charities SORP
- make judgements and estimates that are reasonable and prudent
- state whether applicable UK Accounting Standards and statements of recommended practice have been followed, subject to any material departures disclosed and explained in the financial statements
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in operation

The trustees are responsible for keeping adequate accounting records that disclose with reasonable accuracy at any time the financial position of the charitable company 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 charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

In so far as the trustees are aware:

- there is no relevant audit information of which the charitable company's auditor is unaware.
- trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

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

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 2019 was 13 (2017-18: 9). The trustees are members of the charity but this entitles them only to voting rights. The trustees have no beneficial interest in the charity.

The trustees' annual report has been prepared in accordance with the provisions applicable to companies subject to the small companies' regime.

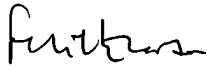
**Home-Start UK**

**Trustees' annual report**

**For the year ended 31<sup>st</sup> March 2019**

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The trustees' annual report was approved by the trustees on 18 September 2019 and signed on their behalf by the chair.



**Felicity Clarkson CBE**  
**Chair of Trustees**

## **Independent Auditors' Report**

**To the members of**

**Home-Start UK**

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### **Opinion**

We have audited the financial statements of Home-Start UK (the 'charitable company') for the year ended 31 March 2019 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 2019 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended
- Have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice
- 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.

### **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.

### **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.

## **Independent Auditors' Report**

**To the members of**

**Home-Start UK**

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We have nothing to report in this regard.

### **Opinions on other matters prescribed by the Companies Act 2006**

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

- The information given in the trustees' annual report, for the financial year for which the financial statements are prepared is consistent with the financial statements
- The trustees' annual report 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' annual 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; or
- 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' annual report and from the requirement to prepare a strategic report.

### **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.

As part of an audit in accordance with ISAs (UK), we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

## **Independent Auditors' Report**

**To the members of**

**Home-Start UK**

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- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the trustees.
- Conclude on the appropriateness of the trustees' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the entity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the entity to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

### **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.

Fleur Holden (Senior statutory auditor)

24 September 2019

for and on behalf of Sayer Vincent LLP, Statutory Auditor

Invicta House, 108-114 Golden Lane, LONDON, EC1Y 0TL

Home-Start UK

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

For the year ended 31 March 2019

	Note	Unrestricted £	Restricted £	2019 Total £	Unrestricted £	Restricted £	2018 Total £
<b>Income from:</b>							
Donations	2	566,745	37,042	603,787	574,497	3,600	578,097
Charitable activities							
Network 2020	3	360,927	530,208	891,135	385,028	406,054	791,082
Share IT UK	3	195,346	78,032	273,378	211,335	78,032	289,367
Home-SPARK	3	72,231	45,072	117,303	80,826	45,072	125,898
Innovation Lab	3	2,695	862,787	865,482	3,569	913,559	917,128
Other trading activities	4	14,703	2,783	17,486	19,165	-	19,165
Investments	5	21,813	-	21,813	8,565	-	8,565
Other income			-	-	3,422	-	3,422
<b>Total income</b>		<b>1,234,460</b>	<b>1,555,924</b>	<b>2,790,384</b>	<b>1,286,407</b>	<b>1,446,317</b>	<b>2,732,724</b>
<b>Expenditure on:</b>							
Raising funds	6	313,520	42,945	356,465	267,932	33,992	301,924
Charitable activities							
Network 2020	6	360,314	513,798	874,112	296,324	507,531	803,855
Share IT UK	6	311,204	213,077	524,281	172,990	225,648	398,638
Home-SPARK	6	257,050	34,504	291,554	140,607	66,435	207,042
Innovation Lab	6	106,114	418,623	524,737	158,678	618,448	777,126
<b>Subtotal of operating expenditure</b>		<b>1,348,202</b>	<b>1,222,947</b>	<b>2,571,149</b>	<b>1,036,531</b>	<b>1,452,054</b>	<b>2,488,585</b>
(Decrease)/Increase in pension liability	22	(9,444)	-	(9,444)	23,130	-	23,130
<b>Total expenditure</b>		<b>1,338,758</b>	<b>1,222,947</b>	<b>2,561,705</b>	<b>1,059,661</b>	<b>1,452,054</b>	<b>2,511,715</b>
<b>Net income/(expenditure) before investment gains/(losses)</b>		<b>(104,298)</b>	<b>332,977</b>	<b>228,679</b>	<b>226,746</b>	<b>(5,737)</b>	<b>221,009</b>
<b>Net gains/(losses) on investments</b>		<b>(2,658)</b>	<b>-</b>	<b>(2,658)</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Net income/(expenditure) before transfers</b>		<b>(106,956)</b>	<b>332,977</b>	<b>226,021</b>	<b>226,746</b>	<b>(5,737)</b>	<b>221,009</b>
<b>Transfers between funds</b>	23	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Net movement in funds</b>	9	<b>(106,956)</b>	<b>332,977</b>	<b>226,021</b>	<b>226,746</b>	<b>(5,737)</b>	<b>221,009</b>
<b>Reconciliation of funds:</b>							
Total funds brought forward		1,647,370	359,427	2,006,797	1,420,624	365,164	1,785,788
<b>Total funds carried forward</b>		<b>1,540,414</b>	<b>692,404</b>	<b>2,232,818</b>	<b>1,647,370</b>	<b>359,427</b>	<b>2,006,797</b>

All of the above results are derived from continuing activities. There were no other recognised gains or losses other than those stated above. Movements in funds are disclosed in Note 24(a to d) to the financial statements.

For the year ended 31 March 2019

	Note	£	2019 £	2018 £
<b>Fixed assets:</b>				
Tangible assets	14		42,714	47,515
Listed investments	15a		597,342	-
Shares in group undertaking	15b		100	100
			<u>640,156</u>	<u>47,615</u>
<b>Current assets:</b>				
Stock	16	25,777	41,096	
Debtors	17	287,321	372,341	
Short notice deposits held for investment		1,009,766	1,127,692	
Cash at bank and in hand		743,430	1,044,295	
		<u>2,066,294</u>	<u>2,585,424</u>	
<b>Liabilities:</b>				
Creditors: amounts falling due within one year	18	(255,999)	(346,390)	
<b>Net current assets</b>			<u>1,810,295</u>	<u>2,239,034</u>
<b>Total assets less current liabilities</b>			<u>2,450,451</u>	<u>2,286,649</u>
Creditors: amounts falling due after one year	20		(217,633)	(279,852)
<b>Total net assets</b>			<u><u>2,232,818</u></u>	<u><u>2,006,797</u></u>
<b>The funds of the charity:</b>	24			
Restricted income funds			692,404	359,427
Unrestricted income funds:				
Designated funds		472,142	622,515	
Pension reserve		(267,241)	(328,588)	
General funds		1,335,513	1,353,443	
Total unrestricted funds			<u>1,540,414</u>	<u>1,647,370</u>
<b>Total charity funds</b>			<u><u>2,232,818</u></u>	<u><u>2,006,797</u></u>

Approved by the trustees on 18 September 2019 and signed on their behalf by



Felicity Clarkson CBE  
Home-Start UK, Chair of Trustees

## Statement of cash flows

For the year ended 31 March 2019

	Note	2019 £	£	2018 £	£
<b>Cash flows from operating activities</b>					
<b>Net cash provided by / (used in) operating activities</b>	25		177,389		301,955
<b>Cash flows from investing activities:</b>					
Interest from investments		21,813		8,565	
Purchase of investments		(600,000)		-	
Purchase of fixed assets		(17,993)		-	
<b>Net cash provided by / (used in) investing activities</b>			(596,180)		8,565
<b>Change in cash and cash equivalents in the year</b>			(418,791)		310,520
Cash and cash equivalents at the beginning of the year			2,171,987		1,861,467
<b>Cash and cash equivalents at the end of the year</b>	26		1,753,196		2,171,987

**1 Accounting policies**

**a) Statutory information**

Home-Start UK is a charitable company limited by guarantee and is incorporated in the England and Wales, and Scotland. The registered office address and principal place of business is The Crescent, King Street, Leicester, LE1 6RX.

**b) Basis of preparation**

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

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

In applying the financial reporting framework, the trustees have made a number of subjective judgments, for example in respect of significant accounting estimates. Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The nature of the estimation means the actual outcomes could differ from those estimates. Any significant estimates and judgments affecting these financial statements are detailed within the relevant accounting policy below.

**c) Public benefit entity**

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

**d) Going concern**

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

Key judgments that the charitable company has made which have a significant effect on the accounts include a calculation of the present value of agreed pension deficit recovery payment.

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

**e) Income**

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

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

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

**f) Donations of gifts, services and facilities**

Donated professional services and donated facilities are recognised as income when the charity has control over the item or received the service, any conditions associated with the donation have been met, the receipt of economic benefit from the use by the charity of the item is probable and that economic benefit can be measured reliably. In accordance with the Charities SORP (FRS 102), volunteer time is not recognised so refer to the trustees' annual report for more information about their contribution.

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

**g) Interest receivable**

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the charity; this is normally upon notification of the interest paid or payable by the bank. Investment income is earned through holding assets for investment purposes. It may include dividends and interest. It is included when the amount can be measured reliably.

**h) Fund accounting**

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

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

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

**1 Accounting policies (continued)****i) Expenditure and irrecoverable VAT**

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

- Costs of raising funds relate to the costs incurred by the charitable company in inducing third parties to make voluntary contributions to it, as well as the cost of any activities with a fundraising purpose.
- Network 2020 relate to the costs to modernise the Home-Start network with shared learning and advice on consortia and mergers and complete a full review of the Home-Start Agreement.
- Share IT UK relate to the costs to facilitate an exchange of ideas around new family support models and the latest in charity thinking and encourage advances in data collection and evaluation.
- Home-Spark relate to the costs to recruit new ambassadors, promote stronger funding relationships, drive greater awareness of Home-Start and refresh the Home-Start brand and corporate identity.
- Innovation Lab relate to the costs to secure funding to test and scale new evidence-based family support programmes, based on local as well as national innovations.

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

**j) Grants payable**

Grants payable are made to third parties in furtherance of the charity's objects. Single or multi-year grants are accounted for when either the recipient has a reasonable expectation that they will receive a grant and the trustees have agreed to pay the grant without condition, or the recipient has a reasonable expectation that they will receive a grant and that any condition attaching to the grant is outside of the control of the charity.

Provisions for grants are made when the intention to make a grant has been communicated to the recipient but there is uncertainty about either the timing of the grant or the amount of grant payable.

**k) Allocation of support costs**

Where directly attributable resources expended are allocated to the particular activity where the cost relates. 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. Similarly where such information about the aims, objectives and projects of the charity is also provided to potential donors, activity costs are apportioned between fundraising and charitable activities on the basis of area of literature occupied by each activity.

• Network 2020	33%
• Share IT UK	29%
• Home-SPARK	9%
• Innovation Lab	12%
• Cost of raising funds	17%

**l) Operating leases**

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

**m) Tangible fixed assets**

Items of equipment are capitalised where the purchase price exceeds £2,500. Depreciation costs are allocated to activities on the basis of the use of the related assets in those activities. Assets are reviewed for impairment if circumstances indicate their carrying value may exceed their net realisable value and value in use.

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:

• Fixtures and fittings	15%
• Computer Equipment	33%

**n) Investments in subsidiaries**

Investments in subsidiaries are at cost.

**o) Fixed asset investments**

Investments are a form of non-basic financial instrument and are initially recognised at their transaction value and subsequently measured at fair value as at the balance sheet date using the closing quoted market price. Any change in fair value will be recognised in the statement of financial activities. Investment gains and losses, whether realised or unrealised, are combined and shown in the heading 'Net gains/(losses) on investments' in the statement of financial activities. The charity does not acquire put options, derivatives or other complex financial instruments.

**1 Accounting policies (continued)****p) Stocks**

Stocks are stated at the lower of cost and net realisable value. In general, cost is determined on a first in first out basis and includes transport and handling costs. Net realisable value is the price at which stocks can be sold in the normal course of business after allowing for the costs of realisation. Provision is made where necessary for obsolete, slow moving and defective stocks. Donated items of stock, held for distribution or resale, are recognised at fair value which is the amount the charity would have been willing to pay for the items on the open market.

**q) 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.

**r) Short term deposits**

Short term deposits includes cash balances that are invested in accounts with a maturity date of between 30 days and 12 months.

**s) Cash at bank and in hand**

Cash at bank and 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.

**t) 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.

**u) Financial instruments**

The charity has both basic and non-basic financial assets and financial liabilities. 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. Non-basic financial instruments are measured at fair value with any gain or loss going to the statement of financial activities. Full details are given in the financial instruments note.

**v) Pensions**

Home-Start UK makes contributions into a defined benefit pension scheme, which is now closed and a number of defined contribution schemes. The defined benefit scheme is a multi-employer scheme and it is not possible in the normal course of events to identify on a consistent and reasonable basis the share of underlying assets and liabilities belonging to individual participating employers. Home-Start UK has recognised its liability for past service deficits for this scheme and these are noted as a liability and in the pension reserve. The assets of the various schemes are held separately from those of Home-Start UK in independently administered funds. Employer contributions are charged in the Statement of Financial Activities as they fall due.

**2 Income from donations**

	Unrestricted £	Restricted £	2019 Total £	Unrestricted £	Restricted £	2018 Total £
Donations	566,745	37,042	603,787	574,497	3,600	578,097
	566,745	37,042	603,787	574,497	3,600	578,097

**Donations**

Income received from charitable trusts, corporate partners, charity challenges and individual givers for our work across the UK. A corporate partnership with Dunelm has generated funds of £375k during 2018-19 (2017-18:£344k).

## For the year ended 31 March 2019

## 3 Income from charitable activities

Funding is allocated to either the most relevant strategic workstream or, where appropriate, proportionally across multiple workstreams.

	Unrestricted	Restricted	2019 Total	Unrestricted	Restricted	2018 Total
	£	£	£	£	£	£
<b>Network 2020</b>						
Membership Levy	355,187	-	355,187	377,890	-	377,890
Corra Foundation (Scotland)	-	78,800	78,800	-	78,800	78,800
DHSS Family Policy Unit (Northern Ireland)	-	28,361	28,361	-	28,361	28,361
Lancashire Gateway Contract	-	-	-	-	64,000	64,000
Support from trusts and foundations	-	423,047	423,047	-	234,893	234,893
Sales of material and publications	5,740	-	5,740	7,138	-	7,138
<b>Sub-total for Network 2020</b>	<b>360,927</b>	<b>530,208</b>	<b>891,135</b>	<b>385,028</b>	<b>406,054</b>	<b>791,082</b>
<b>Share IT UK</b>						
Membership Levy	177,593	-	177,593	188,945	-	188,945
Corra Foundation (Scotland)	-	49,250	49,250	-	49,250	49,250
DHSS Family Policy Unit (Northern Ireland)	-	3,782	3,782	-	3,782	3,782
Support from trusts and foundations	-	25,000	25,000	-	25,000	25,000
Training events	12,276	-	12,276	15,252	-	15,252
Sales of material and publications	5,477	-	5,477	7,138	-	7,138
<b>Sub-total for Share IT UK</b>	<b>195,346</b>	<b>78,032</b>	<b>273,378</b>	<b>211,335</b>	<b>78,032</b>	<b>289,367</b>
<b>Home-SPARK</b>						
Membership Levy	59,198	-	59,198	62,982	-	62,982
Corra Foundation (Scotland)	-	39,400	39,400	-	39,400	39,400
DHSS Family Policy Unit (Northern Ireland)	-	5,672	5,672	-	5,672	5,672
Sales of material and publications	13,033	-	13,033	17,844	-	17,844
<b>Sub-total for Home-SPARK</b>	<b>72,231</b>	<b>45,072</b>	<b>117,303</b>	<b>80,826</b>	<b>45,072</b>	<b>125,898</b>
<b>Innovation Lab</b>						
Corra Foundation (Scotland)	-	29,550	29,550	-	29,550	29,550
Department for Education	-	-	-	-	417,253	417,253
Nesta Early Years Social Action Fund	-	103,646	103,646	-	20,440	20,440
Support from trusts and foundations	-	729,591	729,591	-	446,316	446,316
Sales of material and publications	2,695	-	2,695	3,569	-	3,569
<b>Sub-total for Innovation Lab</b>	<b>2,695</b>	<b>862,787</b>	<b>865,482</b>	<b>3,569</b>	<b>913,559</b>	<b>917,128</b>
<b>Total income from charitable activities</b>	<b>631,199</b>	<b>1,516,099</b>	<b>2,147,298</b>	<b>680,758</b>	<b>1,442,717</b>	<b>2,123,475</b>

**Membership Levy**

The membership levy is received from local Home-Starts who each contribute 2% of 90% of their income from the previous financial year in line with the Home-Start agreement. The levy is not a payment for specific services and the support of an individual local Home-Start does not vary according to the amount that they pay each year.

**Government Grants**

Grants from the Department for Education ended last year for Supporting Fathers Involvement programme (2018: £158,240) and for the Early Years Programme Supporting Disadvantaged Children (2018: £259,013). A grant was received from DHSS Family Policy Unit of £37,815 (2018: £37,815) for our work in Northern Ireland. A grant was received from the Corra Foundation of £197,000 (2018: £197,000) for our work in Scotland. £103,646 (2018: £20,440) was received from Nesta Early Years Social Action Fund for our continued work on LENA.

**Lancashire Gateway Contract**

Up to 31 March 2019, Home-Start UK acted as principal with Lancashire Gateway for the local Home-Starts. Amounts received in previous years matched funding distributed as per Note 7 and Note 8. Home-Start UK often supports local Home-Starts by brokering funding for work in specific areas of the country. In some cases this involves Home-Start UK acting as the main grant holder and then sub-contracting local Home-Starts to deliver work with families. Home-Start UK's role in grants and contracts of this nature helps to secure funding for Home-Start's work. However, while they can be significant in cash terms their net effect to Home-Start UK is very low.

**Support from trusts and foundations**

Grants were received to support our work across the UK with continued support in specific areas across the UK. To support our work in consolidating the network and to develop new evidence-based family support programmes, we received funding from the Big Lottery Fund of £299,088 (2018: £149,544). A new multi-year grant from the Big Lottery Fund in Wales will support our work with families affected by in-work poverty in 11 counties in Wales. Funding received during this financial year was £105,300 (2018: £0).

**4 Income from other trading activities**

	Unrestricted	Restricted	2019 Total £	Unrestricted £	Restricted	2018 Total £
Fundraising events	6,628	2,783	9,411	11,542	-	11,542
Other	8,075	-	8,075	7,623	-	7,623
	<u>14,703</u>	<u>2,783</u>	<u>17,486</u>	<u>19,165</u>	<u>-</u>	<u>19,165</u>

**5 Income from investments**

	2019 Total £	2018 Total £
Bank Interest	9,909	8,565
Interest from fixed asset investments	11,904	-
	<u>21,813</u>	<u>8,565</u>

All income from investments is unrestricted.

Home-Start UK

Notes to the financial statements

For the year ended 31 March 2019

6a Analysis of expenditure (current year)

	Charitable activities					Governance costs £	Central support costs £	2019 Total £	2018 Total £
	Cost of raising funds £	Network 2020 £	Share IT UK £	Home-SPARK £	Innovation Lab £				
Staff costs (Note 10)	153,547	294,906	288,061	102,692	152,407	40,291	82,462	1,114,366	1,143,823
Recruitment	1,281	1,360	1,994	463	2,037	587	-	7,722	8,320
Travel	6,085	62,171	10,974	7,963	14,158	1,662	1,468	104,481	79,471
Office Costs	29,906	27,122	81,106	30,780	14,817	4,097	73,803	261,631	264,177
Internal Meetings	1,462	5,476	1,434	2,093	1,175	2,041	36	13,717	10,913
Grants to local Home-Starts (Note 7)	34,584	81,316	15,000	-	243,137	-	-	374,037	364,427
Technical advice and support (Note 8)	61,833	255,273	20,781	111,180	19,706	472	12,613	481,858	218,093
Training and development	17	32,298	8,144	5,715	25,449	34	7,800	79,457	155,532
Depreciation and loss on disposal	3,477	6,928	6,061	1,897	2,425	569	1,437	22,794	39,841
Fundraising materials/events expenses	13,899	3,192	220	329	-	-	-	17,640	56,132
Audit fees/legal and professional	-	1,410	470	940	1,880	61,128	10,983	76,811	82,882
Evaluation, scaling & dissemination	-	2,102	2,120	34	12,379	-	-	16,635	64,974
	306,091	773,554	436,365	264,086	489,570	110,881	190,602	2,571,149	2,488,585
Central support costs	31,847	63,574	55,582	17,366	22,233	-	(190,602)	-	-
Governance costs	18,527	36,984	32,334	10,102	12,934	(110,881)	-	-	-
<b>Total expenditure 2019</b>	<b>356,465</b>	<b>874,112</b>	<b>524,281</b>	<b>291,554</b>	<b>524,737</b>	<b>-</b>	<b>-</b>	<b>2,571,149</b>	<b>2,488,585</b>
<b>Total expenditure 2018</b>	<b>301,924</b>	<b>803,855</b>	<b>398,638</b>	<b>207,042</b>	<b>777,126</b>	<b>-</b>	<b>-</b>	<b>2,488,585</b>	

Home-Start UK

Notes to the financial statements

For the year ended 31 March 2019

6b Analysis of expenditure (prior year)

	Cost of raising funds £	Charitable activities				Governance costs £	Central support costs £	2018 Total £	2017 Total £
		Network 2020 £	Share IT UK £	Home-SPARK £	Innovation Lab £				
Staff costs (Note 10)	136,792	260,822	248,624	97,284	279,065	42,133	79,103	1,143,823	1,253,338
Recruitment	1,059	2,929	62	95	3,116	1,059	-	8,320	15,418
Travel	7,817	25,592	16,682	6,155	21,646	1,035	544	79,471	69,868
Office Costs	26,565	29,246	38,828	33,200	84,440	6,088	45,810	264,177	295,050
Internal Meetings	810	5,132	1,187	1,223	945	1,614	2	10,913	13,454
Grants to local Home-Starts (Note 7)	-	278,976	1,185	630	83,636	-	-	364,427	541,233
External advice and support (Note 8)	29,196	79,735	3,936	28,367	65,559	681	10,619	218,093	99,860
Training and development	7,085	21,335	29,648	6,908	82,921	924	6,711	155,532	109,897
Depreciation and loss on disposal	5,379	10,439	6,848	3,664	10,154	963	2,394	39,841	36,177
Fundraising materials/events expenses	50,519	5,613	-	-	-	-	-	56,132	90,337
Audit fees/legal and professional	-	12,875	4,920	4,550	11,454	2,620	46,463	82,882	117,260
Evaluation, scaling & dissemination	-	-	-	-	64,974	-	-	64,974	61,080
	265,222	732,694	351,920	182,076	707,910	57,117	191,646	2,488,585	2,702,972
Central support costs	28,275	54,822	35,991	19,234	53,324	-	(191,646)	-	-
Governance costs	8,427	16,339	10,727	5,732	15,892	(57,117)	-	-	-
<b>Total expenditure 2018</b>	<b>301,924</b>	<b>803,855</b>	<b>398,638</b>	<b>207,042</b>	<b>777,126</b>	<b>-</b>	<b>-</b>	<b>2,488,585</b>	<b>2,702,972</b>
<b>Total expenditure 2017</b>	<b>337,234</b>	<b>1,305,571</b>	<b>495,883</b>	<b>251,325</b>	<b>312,959</b>	<b>-</b>	<b>-</b>	<b>2,702,972</b>	

## 7 Analysis of grants to local Home-Starts

	2019 £	2018 £
<b>Grants to institutions</b>		
Funds for local Home-Starts in crisis	17,496	76,064
Home-Start service in Inverclyde	50,693	43,400
Home-Start service in Lancashire	-	64,000
Supporting Father Involvement Programme	-	13,585
Early Years Programme supporting disadvantaged children	-	11,830
Supporting work with service families (see breakdown below)	-	99,804
#MumsConnected project	-	27,741
Tackling loneliness & social isolation (see breakdown below)	133,919	1,800
Big Hopes Big Future® Scotland	-	15,000
Good Ideas Fund (see breakdown below)	78,372	-
LENA Home	22,400	-
Digital mentoring elearning project	15,000	-
Home-Start Working Families Wales	5,500	-
Local Home-Starts in partnership with Dunelm	31,210	-
Other	19,447	11,203
<b>At the end of the year</b>	<b>374,037</b>	<b>364,427</b>

Home-Start UK is instrumental in securing funding to pass on to local Home-Starts. These grants are distributed in line with the criteria of the funder. Applications are formally assessed by a panel. Central support costs are allocated as shown in Note 6.

## Breakdown of material grants included in the above grants to institutions:-

	2019 £	2018 £
<b>Tackling loneliness &amp; social inclusion</b>		
Home-Start Angus	10,202	250
Home-Start Caerphilly Borough	30,000	150
Home-Start Crawley, Horsham & Mid Sussex	9,000	200
Home-Start Croydon	9,949	-
Home-Start Deveron	2,440	-
Home-Start Ealing	6,259	-
Home-Start Glasgow North	10,000	200
Home-Start Kirklees	11,723	200
Home-Start Knowsley	11,785	100
Home-Start Oldham, Stockport & Tameside	6,896	-
Home-Start Pendle & Ribble Valley	-	200
Home-Start Slough	2,925	100
Home-Start Stroud	3,000	-
Home-Start Thanet	-	200
Home-Start Wirral	8,000	-
Home-Start York	11,740	200
	<b>133,919</b>	<b>1,800</b>
<b>Good Ideas Fund</b>		
Home-Start Glasgow North	27,772	-
Home-Start Oxford	25,100	-
Home-Start Pendle & Ribble Valley	25,100	-
Various Home-Start schemes travel bursaries	400	-
	<b>78,372</b>	<b>-</b>
<b>Supporting work with Service families</b>		
Home-Start Kennet	-	28,000
Home-Start Herefordshire	-	9,000
Home-Start South Wiltshire	-	9,000
Home-Start South Yorkshire	-	8,991
Various Home-Start schemes (12 grants each < £5,000)	-	44,813
	<b>-</b>	<b>99,804</b>

**8 Analysis of technical advice and support**

	2019	2018
	£	£
<b>Technical advice and support</b>		
Network development/mergers/consortia	230,268	10,500
Brand design and development	82,654	-
Corporate/individual giving review/campaign development	61,839	10,498
Ambassador recruitment	4,415	-
Intranet development	9,976	-
To support funded projects	41,723	115,482
Other	50,983	81,613
	<b>481,858</b>	<b>218,093</b>

Home-Start UK uses technical advice, support and expertise to assist in strategic development or for funded projects.

**9 Net income/(expenditure)**

This is stated after charging /(crediting):

	2019	2018
	£	£
Depreciation	22,794	39,841
Operating lease rentals:		
Property	62,168	59,443
Other	753	753
Auditors' remuneration (excluding VAT):		
Audit	11,750	11,500
Other services	-	1,080

**10 Analysis of staff costs, trustee remuneration and expenses, and the cost of key management personnel**

Staff costs were as follows:

	2019	2018
	£	£
Salaries and wages	947,665	978,990
Redundancy costs paid and settled	2,000	-
Termination costs paid and settled	3,500	-
Social security costs	88,591	91,850
Employer's contribution to defined contribution pension schemes	72,610	72,983
	<b>1,114,366</b>	<b>1,143,823</b>

The following number of employees received employee benefits (excluding employer pension costs and employer's national insurance) during the year between:

	2019	2018
	No.	No.
£60,000 - £69,999	1	1

The total employee benefits including pension contributions and employer's national insurance of the key management personnel were £239,762 (2018: £271,723).

The charity trustees were not paid nor received any other benefits from employment with the charity in the year (2017: £nil). No charity trustee received payment for professional or other services supplied to the charity (2017: £nil).

Trustees' expenses represents the payment or reimbursement of travel and subsistence costs totalling £4,037 (2018: £3,289) incurred by 12 (2018: 9) members relating to attendance at meetings of the trustees.

**11 Staff numbers**

The average number of employees (head count based on number of staff employed) during the year was as follows:

	2019 No.	2018 No.
Raising funds	4.8	4.5
Network 2020	9.6	8.7
Share IT UK	8.4	5.7
Home-SPARK	2.7	3.0
Innovation Lab	3.4	8.5
Central support costs	2.0	2.0
Governance	0.8	0.8
	<b>31.7</b>	<b>33.2</b>

The number of employees calculated on the basis of full-time equivalents at the end of the year was 25 (2018: 28)

**12 Related party transactions**

Our honorary president, James Sainsbury OBE, is also a trustee of The Headley Trust and The Tedworth Charitable Trust. The Headley Trust made a grant of £25,000 (2018:£0) and The Tedworth Charitable Trust made a grant of £20,000 (2018:£20,000) towards core services to support the development of local Home-Starts. There were no outstanding balances due to or from related parties at 31st March 2019. (2018:£0). James Sainsbury OBE receives no benefit from the grants made to the charity.

Home-Start UK received donations totalling £1,230 (2018: £1,230) from 2 trustees (2018: 2 trustees). The trustees receive no benefit from the donations made to the charity.

Felicity Clarkson CBE, chair and trustee of Home-Start UK, is also a trustee of Home-Start Richmond, Kingston & Hounslow, which received £3,000 (2018: £2,540) during the year for their involvement in the #mumsconnected project funded by the Nominet Trust.

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

**13 Taxation**

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

**14 Tangible fixed assets**

	Fixtures and fittings £	Computer equipment £	Total £
<b>Cost</b>			
At the beginning of the year	51,253	115,412	166,665
Additions in year	6,488	11,505	17,993
At the end of the year	57,741	126,917	184,658
<b>Depreciation</b>			
At the beginning of the year	16,670	102,480	119,150
Charge for the year	8,142	14,652	22,794
At the end of the year	24,812	117,132	141,944
<b>Net book value</b>			
At the end of the year	32,929	9,785	42,714
At the beginning of the year	34,583	12,932	47,515

All of the above assets are used for charitable purposes.

15a Listed investments		2019 £	2018 £
Fair value at the start of the year		-	-
Additions at cost		600,000	-
Disposal proceeds		-	-
Net gain/(loss) on change in fair value		(2,658)	-
		<u>597,342</u>	<u>-</u>
Cash held by investment broker pending reinvestment		-	-
Fair value at the end of the year		<u>597,342</u>	<u>-</u>
Investments comprise:			
COIF Charities Investment Fund		597,342	-
		<u>597,342</u>	<u>-</u>
15b Shares in group undertaking		2019 £	2018 £
Cost at 1 April 2018 and 31 March 2019		<u>100</u>	<u>100</u>
Home-Start UK owns 100% of the issued share capital of Home-Start Consultancy Limited. The company was dormant during the current and previous financial years.			
16 Stock		2019 £	2018 £
Material and publications for sale		25,777	41,096
		<u>25,777</u>	<u>41,096</u>
17 Debtors		2019 £	2018 £
Trade debtors		29,160	44,310
Grants and donations		164,927	242,461
Other debtors		7,444	4,244
Loans to local Home-Starts		-	10,069
Prepayments		85,790	71,257
		<u>287,321</u>	<u>372,341</u>
18 Creditors: amounts falling due within one year		2019 £	2018 £
Trade creditors		101,078	185,810
Taxation and social security		22,009	25,064
Other creditors		9,924	13,677
Accruals		71,308	70,169
Pension deficit		49,608	48,736
Deferred income (note 19)		2,072	2,934
		<u>255,999</u>	<u>346,390</u>

**19 Deferred income**

Deferred income comprises funds held on behalf of local Home-Starts for future events.

	2019 £	2018 £
Balance at the beginning of the year	2,934	5,938
Amount released to income in the year	(2,934)	(5,938)
Amount deferred in the year	2,072	2,934
Balance at the end of the year	2,072	2,934

**20 Creditors: amounts falling due after one year**

	2019 £	2018 £
Pension deficit	217,633	279,852
	217,633	279,852

**21 Financial instruments**

	2019 £	2018 £
<b>Financial assets measured at fair value through profit and loss</b>		
Investments	597,342	-
<b>Financial liabilities measured at fair value through profit or loss</b>		
Defined pension scheme liability	(267,241)	(328,588)

**22 Pension scheme**

The Pensions Trust - Growth Plan ("the scheme")

The company participates in the scheme, a multi-employer scheme which provides benefits to some 950 non-associated participating employers. The scheme is a defined benefit scheme in the UK.

It is not possible for the company to obtain sufficient information to enable it to account for the scheme as a defined benefit scheme, therefore it accounts for the scheme as a defined contribution scheme.

The scheme is subject to the funding legislation outlined in the Pensions Act 2004 which came into force on 30 December 2005. This, together with documents issued by the Pensions Regulator and Technical Actuarial Standards issued by the Financial Reporting Council, set out the framework for funding defined benefit occupational pension schemes in the UK.

The scheme is classified as a 'last-man standing arrangement'. Therefore the company is potentially liable for other participating employers' obligations if those employers are unable to meet their share of the scheme deficit following withdrawal from the scheme. Participating employers are legally required to meet their share of the scheme deficit on an annuity purchase basis on withdrawal from the scheme.

A full actuarial valuation for the scheme was carried out at 30 September 2017. This actuarial valuation showed assets of £794.9m, liabilities of £926.4m and a deficit of £131.5m. To eliminate this funding shortfall, the Trustee has asked the participating employers to pay additional contributions of £11,243,000pa of which Home-Start's contribution is £51,904 pa, payable monthly and increasing by 3% each on 1st April.

Note that the scheme's previous valuation was carried out with an effective date of 30 September 2014. This valuations showed assets of £793.4m, liabilities of £969.9m and a deficit of £176.5m.

The recovery plan contributions are allocated to each participating employer in line with their estimated share of the Series 1 and Series 2 scheme liabilities. Where the scheme is in deficit and where Home-Start UK has agreed to a deficit funding arrangement, Home-Start UK recognises a liability for this obligation. The amount recognised is the net present value of the deficit reduction contributions payable under the agreement that relates to the deficit. The amount recognised includes the unwinding of the discount used to calculate the net present value.

Home-Start UK ceased to provide this defined benefit scheme with effect from January 2009, with most of the members switching to the defined contribution scheme. Home-Start UK contributed £52k to the past service deficit of the defined benefit scheme in the year (2018:£50k) and will continue to contribute annually until 2025.

## For the year ended 31 March 2019

## 23a Analysis of net assets between funds (2018/19 - current year)

	General unrestricted £	Designated £	Restricted £	Total funds £
Tangible fixed assets	-	42,714	-	42,714
Investments	597,442	-	-	597,442
Net current assets	688,463	429,428	692,404	1,810,295
Long term liabilities	(217,633)	-	-	(217,633)
<b>Net assets at 31 March 2019</b>	<b>1,068,272</b>	<b>472,142</b>	<b>692,404</b>	<b>2,232,818</b>

## 23b Analysis of net assets between funds (2017/18 - prior year)

	General £	Designated £	Restricted £	Total funds £
Tangible fixed assets	-	47,515	-	47,515
Investments	100	-	-	100
Net current assets	1,304,607	575,000	359,427	2,239,034
Long term liabilities	(279,852)	-	-	(279,852)
<b>Net assets at 31 March 2018</b>	<b>1,024,855</b>	<b>622,515</b>	<b>359,427</b>	<b>2,006,797</b>

## 24a Movements in restricted funds (2018/19 - current year)

	At 1 April 2018	Income	Expenditure	Transfers	At 31 March 2019
	£	£	£	£	£
Anonymous	-	30,000	-	-	30,000
Army Central Fund	13,829	-	(13,829)	-	-
Beatrice Laing Trust	-	15,000	(15,000)	-	-
Big Lottery Fund - consolidation project	122,152	299,088	(297,302)	-	123,938
Big Lottery Fund - investing in communities	6,000	58,551	(58,551)	-	6,000
Big Lottery Fund - Home-Start working families	-	105,300	(17,409)	-	87,891
British Red Cross	-	186,187	(179,616)	-	6,571
Brook Trust - assistance to local Home-Starts	3,471	-	(3,471)	-	-
Brook Trust - good ideas fund	127,000	-	(106,223)	-	20,777
Corra Foundation	-	197,000	(197,000)	-	-
Dean & Chapter of York	-	2,232	(2,232)	-	-
Dunelm	-	31,210	(31,210)	-	-
DHSS & PS Northern Ireland	-	37,815	(37,815)	-	-
Froebel Trust	1,448	(1,448)	-	-	-
George & Grace Hart Charitable Trust	-	1,175	(1,175)	-	-
Hanley Trust	-	250	(250)	-	-
Home-Start Greater Manchester	-	28,936	(17,556)	-	11,380
ICAP	-	100,000	-	-	100,000
Investec Wealth & Investment Ltd	-	3,600	(2,196)	-	1,404
Lloyds Bank	10,000	-	(10,000)	-	-
Margaret Harrison Travel Scholarship	6,466	-	-	-	6,466
Masonic Charitable Foundation	-	154,472	-	-	154,472
Monument Trust	32,735	-	(32,735)	-	-
Nesta LENA	-	103,646	(65,059)	-	38,587
NI Carol Concert	-	2,783	-	-	2,783
Playboard NI	-	7,047	-	-	7,047
Porticus UK	-	60,000	(60,000)	-	-
R S MacDonald Charitable Trust - development in Scotland	23,718	-	(23,718)	-	-
R S MacDonald Charitable Trust - digital technology	-	40,000	(16,915)	-	23,085
Royal British Legion	-	30,830	(14,886)	-	15,944
Schroder Charity Trust	-	4,000	-	-	4,000
SCVO	-	5,000	(2,090)	-	2,910
STV	12,608	-	(12,608)	-	-
Sylvia Adams Charitable Trust	-	49,500	(1,101)	-	48,399
William A Cadbury Charitable Trust	-	750	-	-	750
Williams Brownhill Charitable Incorporated Organisation	-	3,000	(3,000)	-	-
<b>Total restricted funds</b>	<b>359,427</b>	<b>1,555,924</b>	<b>(1,222,947)</b>	<b>-</b>	<b>692,404</b>

## 24b Movements in restricted funds (2017/18 - prior year)

	At 1 April 2017 £	Income £	Expenditure £	Transfers £	At 31 March 2018 £
ABF The Soldiers' Charity	20,000	-	(20,000)	-	-
Army Central Fund	50,100	-	(50,100)	-	-
Army Central Fund	-	38,000	(24,171)	-	13,829
Beatrice Laing Trust	-	15,000	(15,000)	-	-
Big Lottery Fund - consolidation project	-	149,544	(27,392)	-	122,152
Big Lottery Fund - investing in communities	-	56,224	(50,224)	-	6,000
British Red Cross	-	16,020	(16,020)	-	-
Brook Trust - assistance to local Home-Starts	127,025	-	(123,554)	-	3,471
Brook Trust - good ideas fund	-	127,000	-	-	127,000
Corra Foundation	-	197,000	(197,000)	-	-
Department for Education - LENA	-	259,013	(259,013)	-	-
Department for Education - supporting fathers involvement	-	158,240	(158,240)	-	-
DHSS & PS Northern Ireland	-	37,815	(37,815)	-	-
Freobel Trust	1,577	19,099	(19,228)	-	1,448
George & Grace Hart Charitable Trust	-	875	(875)	-	-
Hanley Trust	-	250	(250)	-	-
Investec Wealth & Investment Ltd	-	3,600	(3,600)	-	-
Lancashire Gateway Contract	-	64,000	(64,000)	-	-
Lloyds Bank	10,000	-	-	-	10,000
Margaret Harrison Travel Scholarship	6,466	-	-	-	6,466
Mercers' Company	-	20,000	(20,000)	-	-
Monument Trust	46,684	-	(13,949)	-	32,735
Nesta LENA	-	20,440	(20,440)	-	-
Nominet Trust	-	99,000	(99,000)	-	-
Porticus UK	-	60,000	(60,000)	-	-
R S MacDonald Charitable Trust	73,319	-	(49,601)	-	23,718
Royal British Legion	-	53,000	(53,000)	-	-
STV	29,993	49,197	(66,582)	-	12,608
Williams Brownhill Charitable Incorporated Organisation	-	3,000	(3,000)	-	-
<b>Total restricted funds</b>	<b>365,164</b>	<b>1,446,317</b>	<b>(1,452,054)</b>	<b>-</b>	<b>359,427</b>

## For the year ended 31 March 2019

## 24c Movement in total funds (2018/19 - current year)

	At 1 April 2018 £	Income and gains £	Expenditure and losses £	Transfers £	At 31 March 2019 £
<b>Unrestricted funds:</b>					
<b>Designated funds:</b>					
Fixed Asset Fund	47,515	-	-	(4,801)	42,714
Strategic Delivery Fund	575,000	-	(145,572)	-	429,428
<b>Total designated funds</b>	<b>622,515</b>	<b>-</b>	<b>(145,572)</b>	<b>(4,801)</b>	<b>472,142</b>
<b>General funds</b>					
General funds	1,353,443	1,234,460	(1,257,191)	4,801	1,335,513
Pension liability	(328,588)	-	61,347	-	(267,241)
<b>Total general funds</b>	<b>1,024,855</b>	<b>1,234,460</b>	<b>(1,195,844)</b>	<b>4,801</b>	<b>1,068,272</b>
<b>Total unrestricted funds</b>	<b>1,647,370</b>	<b>1,234,460</b>	<b>(1,341,416)</b>	<b>-</b>	<b>1,540,414</b>
<b>Total restricted funds</b>	<b>359,427</b>	<b>1,555,924</b>	<b>(1,222,947)</b>	<b>-</b>	<b>692,404</b>
<b>Total funds at 31 March 2019</b>	<b>2,006,797</b>	<b>2,790,384</b>	<b>(2,564,363)</b>	<b>-</b>	<b>2,232,818</b>

## 24d Movement in total funds (2017/18 - prior year)

	At 1 April 2017 £	Income and gains £	Expenditure and losses £	Transfers £	At 31 March 2018 £
<b>Unrestricted funds:</b>					
<b>Designated funds:</b>					
Fixed Asset Fund	87,356	-	-	(39,841)	47,515
Big Hopes Big Future® Scotland	15,000	-	(15,000)	-	-
Strategic Delivery Fund	350,000	-	-	225,000	575,000
<b>Total designated funds</b>	<b>452,356</b>	<b>-</b>	<b>(15,000)</b>	<b>185,159</b>	<b>622,515</b>
<b>General funds</b>					
General funds	1,324,119	1,286,407	(1,071,924)	(185,159)	1,353,443
Pension liability	(355,851)	-	27,263	-	(328,588)
<b>Total general funds</b>	<b>968,268</b>	<b>1,286,407</b>	<b>(1,044,661)</b>	<b>(185,159)</b>	<b>1,024,855</b>
<b>Total unrestricted funds</b>	<b>1,420,624</b>	<b>1,286,407</b>	<b>(1,059,661)</b>	<b>-</b>	<b>1,647,370</b>
<b>Total restricted funds</b>	<b>365,164</b>	<b>1,446,317</b>	<b>(1,452,054)</b>	<b>-</b>	<b>359,427</b>
<b>Total funds at 31 March 2018</b>	<b>1,785,788</b>	<b>2,732,724</b>	<b>(2,511,715)</b>	<b>-</b>	<b>2,006,797</b>

**Purposes of restricted funds**

Anonymous	Towards the Head of Volunteering post
ABF The Soldiers' Charity	Grants for supporting work with service families
Army Central Fund	Grants for supporting work with service families
Army Central Fund	Study into future support for army families
Beatrice Laing Trust	To support schemes to build consortia - 2020 vision
Big Lottery Fund	Consolidation Project
Big Lottery Fund	Investing in communities
Big Lottery Fund	Home-Start Working families
British Red Cross	Tackling loneliness and social isolation
Brook Trust	Grants to local Home-Start facing financial difficulty and Good Ideas fund
Corra Foundation	Scotland Third Sector Early Intervention Fund
Dean & Chapter of York	Donation split with Home-Start York
Department for Education	LENA
Department for Education	Supporting Fathers Involvement Programme
DHSS & PS Northern Ireland	Revenue grant towards our work in Northern Ireland
Dunelm	Matched funding shared with local Home-Starts
Froebel Trust	Develop a new model of family and child support to build regional consortia
George & Grace Hart Charitable Trust	Towards our work in Leicestershire
Hanley Trust	To support our work in Leicestershire
Home-Start Greater Manchester	Towards work in the Greater Manchester area following scheme closure
ICAP	Surviving Domestic Violence
Investec Wealth & Investment Ltd	Sponsorship of carol concerts in Northern Ireland
Lancashire Gateway Contract	To support our work in Lancashire
Lloyds Bank	Financial Inclusion Project
Margaret Harrison Travel Scholarship	Travel bursaries for Home-Starters
Masonic Charitable Foundation	Big Hopes Big Future®
Mercers' Company	Big Hopes Big Future® project in London
Monument Trust	Grant assistance to Home-Start schemes facing financial difficulty
Nesta LENA	LENA home Early Years Social Action Fund
NI Carol Concert	Funding for development of NI Consortia
Playboard NI	Funding for development of NI Consortia
Nominet Trust	#Mumsconnected project
Porticus UK	Programme of work to support families with multiple and complex needs
R S MacDonald Charitable Trust	Development in Scotland and support of families using digital technology
Royal British Legion	Moving In/Moving On
Schroder Charity Trust	Perinatal mental health training/staff costs
SCVO	Digital mentoring elearning project
STV	Big Hopes Big Future® project in Scotland
Sylvia Adams Charitable Trust	Perinatal mental health training/staff costs
William A Cadbury Charitable Trust	Perinatal mental health training/staff costs
Williams Brownhill Charitable Incorporated Organisation	To support our work with schemes in Wales

**Purposes of designated funds**

**Fixed Asset Fund**

The fixed asset fund represents all unrestricted funds invested in fixed assets net of any associated liabilities.

**Strategic Delivery Fund**

To support the delivery for the latter stages of the 2017-20 Strategic Plan.

**Transfers**

Transfers between unrestricted funds and designated funds are agreed by the trustees in line with the delivery of the 2017-20 Strategic Plan.

**25 Reconciliation of net income / (expenditure) to net cash flow from operating activities**

	2019 £	2018 £
<b>Net income / (expenditure) for the reporting period (as per the statement of financial activities)</b>	<b>226,021</b>	<b>221,009</b>
Depreciation charges	22,794	39,841
Interest from investments	(21,813)	(8,565)
Loss/(Profit) on the disposal of investments	2,658	-
Decrease/(Increase) in stocks	15,319	(14,276)
Decrease in debtors	85,020	52,134
(Decrease)/Increase in creditors	(152,610)	11,812
<b>Net cash provided by / (used in) operating activities</b>	<b>177,389</b>	<b>301,955</b>

**26 Analysis of cash and cash equivalents**

	At 1 April 2018 £	Cash flows £	Other changes £	At 31 March 2019 £
Cash at bank and in hand	1,044,295	(300,865)	-	743,430
Short notice deposits held for investment	1,127,692	(117,926)	-	1,009,766
<b>Total cash and cash equivalents</b>	<b>2,171,987</b>	<b>(418,791)</b>	<b>-</b>	<b>1,753,196</b>

**27 Operating lease commitments**

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

	Property		Equipment	
	2019 £	2018 £	2019 £	2018 £
Less than one year	43,550	48,050	753	753
One to five years	59,652	49,572	1,129	1,882
	<b>103,202</b>	<b>97,622</b>	<b>1,882</b>	<b>2,635</b>

**28 Legal status of the charity**

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