

Support and friendship
for families

Home-Start UK

Home-Start UK

Annual report and financial statements
For the year ended 31st March 2018

Home-Start UK
The Crescent
King Street
Leicester
LE1 6RX

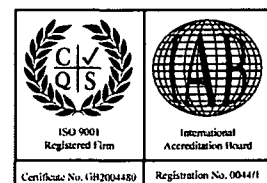
t. 0116 464 5490
e. info@home-start.org.uk
w. www.home-start.org.uk



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



INVESTORS
IN PEOPLE



Contents

For the year ended 31 March 2018

| | |
|--|----|
| Introduction from the Chair and Chief Executive | 1 |
| Trustees' annual report | 2 |
| Reference and administrative information | 7 |
| Independent auditor's report | 17 |
| Statement of financial activities (incorporating an income and expenditure account) | 21 |
| Balance sheet | 22 |
| Statement of cash flows | 23 |
| Notes to the financial statements | 24 |

Introduction from the Chair and Chief Executive

It has been a year of significant developments at Home-Start UK.

The charity delivered another strong financial performance, backing up the financial achievements of the previous year which had reversed a trend of deficit funding.

We are very grateful for the support that has been given to Home-Start by our many funders, including Dunelm whose support this year has been magnificent.

We launched our new three-year strategy in April 2017, setting out an ambition to support the development of a modern and effective network of Home-Start charities.

This report sets out the standout achievements from the year. They include:-

- The launch of a major new project, funded by the Big Lottery Fund, to support consolidation and mergers across the Home-Start network
- Over £1 million of new funding for local Home-Starts, brokered from a range of funding bodies, including Four Acre Trust and the Department for Education
- The first international volunteer-led pilot of the LENA® Home early speech and language programme
- The launch of the Good Ideas Fund, supported by The Brook Trust, which is enabling Home-Starts to develop and scale new family support programmes
- A new funding partnership with the Red Cross and Co-op which is providing much needed support for isolated young mothers across the UK.

We are delighted that these achievements, coupled with the considerable fundraising efforts and activities of local Home-Starts, have this year led to an overall increase in the number of families and children receiving Home-Start support across the UK.

The year ahead is set to be equally important with a number of new flagship projects coming to fruition, including the launch of the new Home-Start intranet and a major refresh of the Home-Start brand and corporate identity.

We want to thank our staff for making possible the achievements in this report. We are also grateful for the excellent leadership that has been provided by our trustees, many of whom are new to the board, which has helped turn our plans into reality.

Felicity Clarkson CBE
Chair of Trustees

Rob Parkinson
Chief Executive

Our story

Recognising the importance of the early years on family life, Margaret Harrison launched the first Home-Start charity in 1973. At its heart was a simple idea; that parents with time to care and time to spare could offer individual support, friendship and practical help at home, to young families who were going through difficult times. Home-Start Consultancy, the forerunner to Home-Start UK (HSUK), was established in 1981 to encourage the growth and development of Home-Start charities. Over the subsequent three decades, Home-Start became one of the fastest growing social franchises in the UK, providing inspiration for government programmes, including Sure Start, and attracting interest from other countries, keen to replicate the model.

By 2007, the Home-Start federation comprised 350 independent charities. From Orkney to Guernsey and Enniskillen to Great Yarmouth, families were benefitting from the support of highly trained Home-Start volunteers. Such was the level of growth that Home-Start had become – and remains to this day – the leading provider of home-based volunteer support for families in the UK. But like many other charities, the financial crisis of 2008 and its effects had a profound impact on Home-Start. Over the next half a decade, many Home-Starts were forced to close their doors or reduce their levels of support for families as cuts in public spending began to bite. Substantial cuts in its own government funding meant that HSUK also had to scale back its operations, leaving it, as well as local Home-Starts, in a challenging position.

HSUK set about remodelling its finances, realising an operating surplus in 2016-17 before going on to deliver an even stronger financial performance in the year covered by this report. With support from HSUK, local Home-Starts prioritised the development of more sustainable funding models, increasing the proportion of funds coming from non-state/lottery sources from 9% (2013-14) to 39% (2017-18), with minimal changes in overall income. Using external funding, including from the DfE, HSUK has been able to test and scale new volunteer-based family support programmes, including Big Hopes Big Futures®. Home-Starts have also initiated new, funded activities which respond to the emerging needs of families in their communities, for example fathers' involvement projects and peri-natal mental health programmes. Partnership working, for example HSUK's important partnership with Dunelm, has been central to these developments. It has, at a local level, also given rise to an increase in Home-Start mergers and joint service delivery with other local and national organisations. Together these developments have, since 2013 and despite a reduction in the number of individual Home-Start charities, enabled Home-Start to deliver a year-on-year increase in the number of families it supports across the UK.

Our strategy

Following an independent review and a series of *Big Conversations* with trustees and senior staff from over 90% of local Home-Starts, HSUK published its current three year strategy in April 2017. It sets out our ambition to grow a modern and effective network of Home-Start charities and focuses 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 introduces 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 Futures®.

This report covers the first year of the strategy, which is available in full from the HSUK website: www.home-start.org.uk. These are our key in-year achievements, linked to the four work programme areas.

In 2017/18 we made the following progress:

Network 2020:

- established a new strategic partnership with the Big Lottery Fund to support a programme of mergers and consolidation across the network, reduce dependency on lottery and state funding and help local Home-Starts get onto a firm financial footing.
- worked with local Home-Starts in Northern Ireland (NI) to form a NI Consortium, to prepare for joint funding bids across NI.
- began merger discussions with eight Home-Starts in Wales following a full options appraisal commissioned by Home-Start UK from the Wales Co-operative Centre.
- published a new safeguarding strategy to ensure that Home-Start UK is firmly placed to enable local Home-Starts to understand and fulfil their safeguarding/child protection responsibilities as front line organisations.

Share IT UK:

- ran a range of training events attended by 450 local Home-Start staff and trustees.
- ran a number of 'Getting Started' induction events attended by 197 local Home-Start staff and trustees.
- established the Margaret Harrison travel bursary fund, with funding available to fund visits between local Home-Starts across the world.
- our Knowledge Transfer Team responded to 480 enquiries every month from local Home-Starts wanting further information on aspects of our services.
- commissioned a new intranet platform that will be launched in 2019 to improve communication and collaboration and provide access to news, information and knowledge right across the network.

- supported over 400 volunteers to become accredited learners with our new training accreditor CERTA.
- our employment and legal helpline service operated by DAS responded to enquiries from 159 Home-Starts on over 300 separate issues.

Home-SPARK:

- published our 2017 Impact Report, showing the difference Home-Start support makes for families, children and the volunteers who give their time to families in their community. Drawing on 12 months of data, the report showed that at the end of their support:
96% of children showed improvements in their mental and physical health
94% of parents said they felt less isolated
94% of parents had improved self-esteem.
- conducted a review of the outcomes from our Big Hopes Big Future® programme, showing children making between 25% and 33% improvements in the early language, behavioural, and daily living skills they'll need in order to do well when they start school.
- published an analysis of the impact of our work on the volunteers showing they experienced improvements in their own self-confidence, health and well-being and that they felt more connected to their local community.
- increased by 150% to 250,000 the number of unique visitors to our new national website.
- contributed to the Jo Cox Commission on Loneliness report, showing how isolation affects families with young children.
- brokered £1 million of funding for local Home-Starts from a range of funding bodies including the Army Central Fund, Brook Trust, Four Acre Trust, Robertson Trust, STV Appeal, Royal British Legion and Department for Education (DfE).
- in the first year of an exciting two year partnership, national homeware retailer Dunelm has already raised a tremendous £344,000 for HSUK's work to support the network around the UK.

Innovation Lab:

- worked with Home-Start Shepway to pilot a new programme Supporting Fathers Involvement (DfE funded), designed to foster positive relationships between couples and encourage father's involvement in the lives of their children.
- set up a Scotland pilot of our Big Hopes Big Future® (BHBF) programme with Home-Starts in Aberdeen, East Lothian and N.E Edinburgh (STV Funded).
- secured DfE funding to introduce the LENA® Home early speech and language programme to a family support setting within the UK, working with Home-Start HOST, Leeds, Southwark and West Dorset to help parents and home visiting volunteers collaborate to improve children's early language development. During the

year we secured NESTA funding to scale the LENA® Home programme more widely in 2018/19.

- worked with the team at Nominet Trust and #techmums and with Home-Starts in Richmond, Essex, Walsall, Hull, Shepway and Portsmouth to broadcast live from Facebook HQ in London and improve the digital awareness and skills of socially isolated young mums. (Nominet Trust funded)
- worked in partnership with Home-Start Kennet, to help develop our Moving In Moving On work for army families across Wiltshire and developed a model for future work with army families being rebased in the UK, (with funding from the Royal British Legion and Army Central Fund).
- in Scotland we worked in partnership with funders R S MacDonald Charitable Trust on the Home-Start Collaborative, a network skills development and knowledge exchange programme. Staff and trustees from every part of the network participated in a range of activities with 30 local Home-Starts attending the Scotland Convention in November 2017.
- secured funding from the Red Cross and Co-op to set up new groups for young mums coping with isolation across 15 sites in 2018/19.
- secured funding from The Brook Trust to set up the Good Ideas Fund that will invest in Home-Starts in Glasgow, Pendle and Ribble Valley and Oxfordshire to help them develop and scale some of the best new programmes for families.

Our plans for the future

During 2018/19, our focus will be a second year of work to deliver the four programmes set out in our 2017-20 Strategic Plan. This will include:

- the delivery of our first phase of Big Lottery funded 'Power Up' work with local Home-Starts, helping them realise their merger and consolidation ambitions in a speedy and effective way. The support we will give them includes: access to bespoke, external consultancy expertise; help to strengthen fundraising, strategic planning and income generation; a new leadership programme, which offers Home-Start trustees and senior staff involved in consolidation and partnership projects access to a wide range of supportive resources.
- conducting 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 uniqueness of our cause and delivers a compelling case for funding, influence and support at both national and local levels.
- launching a new mobile-friendly intranet, with a range of new features to help local Home-Start staff and trustees keep in touch, share and collaborate even more effectively.
- a new series of 'Go To' webinars from sector specialists on all aspects of running a local charity.

- delivering our new national partnership with Red Cross and the Co-op, which will invest £150,000 in Home-Start to help set up 15 new local groups working with teenage mums to overcome isolation.
- scaling up, (with support from the NESTA Early Years Social Action Fund), the LENA® Home programme to additional sites across England.
- completing and evaluating the pilot of our STV funded Big Hopes Big Future® programme in Scotland.
- working with the local Home-Starts being funded by the Brook Trust Good Ideas Fund to help them develop a range of new models for supporting families.
- continuing to develop our Moving In Moving On programme of work with army families – in particular helping those being rebased to build their support networks and access appropriate local services when needed.
- investing in our fundraising activity to develop new sources of income, particularly via the development of our corporate partnership and individual giving programmes. We will also look for opportunities to secure funding that we can pass on in return for local Home-Start delivery of services.
- towards the end of the year, we will be turning our attention to our next strategy and the future development of our services. We will be having conversations across the network to help shape our plans for the years ahead. This includes a review of the Home-Start Agreement to ensure we add value through our national work to local Home-Start services in the areas where we can make the biggest impact.

Reference and administrative information

| | | |
|--|---|---|
| Company number | England and Wales: 5382181 | |
| Charity number | England and Wales: 1108837, Scotland: SC039172 | |
| Registered office and operational address | The Crescent, King Street, Leicester, Leicestershire LE1 6RX | |
| Trustees | Trustees, who are also directors under company law, who served during the year and up to the date of this report were as follows: | |
| | Sue Bishop | |
| | Felicity Clarkson CBE | Chair |
| | Anna Corry | Appointed 28 Jun 2018 |
| | Joanna Dennis | |
| | Susannah Farnworth | Appointed 28 Jun 2018 |
| | Karen Foster | |
| | Karen Graham | Appointed 21 Sep 2017 |
| | Elizabeth Hill-Smith | |
| | Margot Madin FCA | Treasurer |
| | Sanchi Murison | Resigned 26 Jun 2017 |
| | Wendy Rose OBE | Vice chair resigned 21 Sep 2017 |
| | Anne Shevas | |
| | Philip Sugarman | Vice chair appointed 21 Sep 2017 |
| | Maire Young OBE | Resigned 21 Sep 2017 |
| Key management personnel | Rob Parkinson | Chief Executive |
| | Vivien Waterfield | Deputy Chief Executive |
| | Pete Thomas | Director of Finance and Resources and Company Secretary |
| | Elizabeth Young | Director of Strategic Development |
| Bankers | National Westminster Bank plc 92 Queens Road Leicester LE2 1SY | |

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
Marcus Lyon
Lindsay Nicholson OBE
Lloyd Owen
Philip Price
Rosalind Riley
Flynn Sarler

The board of trustees presents its report and the audited financial statements for the year ended 31 March 2018. Reference and administrative information set out on pages 7-8 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.

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 223 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 223 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 £30.8 million, which together with Home-Start UK's income of £2.7 million gives the total Home-Start network income of just over £33.5 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, through a skills audit, 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. 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, 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

The Home-Start network consists of Home-Start UK together with 223 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 2017/18 there were Home-Starts operating in 22 countries and five continents. They are separate charities in their own right and are responsible for their own financial affairs and statements.

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 £221K. This represents net incoming resources in unrestricted funds of £227K and net outgoing resources in restricted funds of £6K.

The end of year financial position continues to deliver on the commitment by the board to bring operating expenditure back into line with income during 2017/18. Due to excellent fundraising achievements and the superb support this year from Dunelm, our cash and free reserves levels are close to targeted levels. Designated funds have been set aside to underwrite the significant expenditures required for the delivery of the latter stages of the strategic plan. Made possible by the surplus in 2017/18 and profit on the sale of the Home-Start Centre in 2016, we expect the designated Strategic Delivery Fund to be fully committed over the next two years. This will allow us to deliver on pieces of work such as an updated brand and new intranet platform as well as targeted investments in income generation.

The Balance Sheet as at 31 March 2018 shows an increase in net assets to £2,007K (2016-17: £1,786K), of which £359K (2016-17: £365K) represents restricted funds that must be expended on work specified by the donor. The balance of unrestricted funds of £1,647K (2016-17: £1,421K) is reported net of the liability on the pensions reserve at £329K (2016-17: £356K). 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 2017-18

Total income for the year was £2,733K, a decrease of 13% on the previous financial year (2016-17: £3,138K). Reported income for 2016/17 included a profit of £455k on the disposal of the Home-Start Centre in Leicester. Without this one-off factor, the movement of income would have been a 2% increase.

In 2017/18, charitable activities have been updated to reflect the new strategic plan. Income of £2,123K (2016-17: £2,018K) directly relates to charitable activities across the four key work streams of the 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.

We received 25% of our total income for the year, £673K, from government funding in England, Scotland and Northern Ireland for core and project work in each country. This compares to £470K (15%) of the total income for the year in 2016/17 and represents a likely 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 2017/18, £630K in contributions (2016-17: £633K), was received from local Home-Starts providing 23% (2016-17: 20%) 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 £578K (2016-17: £640K) including £344K from the hugely successful partnership with Dunelm. In previous years, donated services have been accounted linked to our annual carol concert supported by Investec. Investec now manage the event fully in house with all funds raised showing under donations. No legacies were received in the year (2016-17: £15K).

Two sub-contracts through Action for Children for delivery of Home-Start services in Northamptonshire and Wales ended in 2016/17. As a result, network 2020 income reduced by 32% to £791K (2016-17: £1,167K).

Total expenditure in 2017-18

Total operating expenditure was £2,489K (2016-17: £2,703K). 88% of this expenditure (2016-17: 88%) was applied directly to Home-Start UK's charitable activities. The cost of raising funds in the year represented the remaining 12% (2016-17: 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 an increase of £23K (2016-17: £25K) in the Pensions Trust Growth Plan liability in the year. Total resources expended therefore amounted to £2,512K (2016-17: £2,728K).

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

Since selling the Home-Start Centre in 2016/17 our main office space has been 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 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 will place investments on a staged basis during the summer of 2018.

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 2017-18 and we look forward to working with them in future years. These include:

Army Central Fund
Beatrice Laing Trust
Bowe Systec
Brook Trust
CAF American Donor Fund
Corra Foundation (Scotland)
D.C.R Allen Charitable Trust
DHSS Family Policy Unit (NI)
Dunelm Group plc
Edith Murphy Foundation
Eveson Charitable Trust
The Froebel Trust
Investec Wealth & Investment
Kiddi Caru Day Nurseries
The Mercer's Charity
Mulberry Chartered
Nominet Trust
The Orr Mackintosh Foundation
Phonics Play
Porticus UK
The R S Macdonald Charitable Trust
Royal British Legion
Softwire
STV Children's Appeal
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. In 2017, we carried out a full review of safeguarding/child protection activities to ensure local Home-Starts continue to fulfil their front line responsibilities.

Remuneration policy

All staff except the chief executive are on pay scales set by the National Joint Council (NJC) with cost of living rises applied according to those set nationally. 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 pay levels taking into account pay levels in other similar sized charities and this post is not linked to the NJC scales. 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 £1,100K, which equates to 5.2 months of revenue expenditure. We base this 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 we often receive payment 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 2018, free reserves were £1,025K (2017: £968k). This equates to 4.9 months revenue expenditure (2017: 3.6 months). Levels can vary widely during the year due to the timing of cash flows, in particular the membership levy contributions from local Home-Starts received between September and March. The trustees expect reserves levels to move naturally towards the target as lease commitments unwind over the next three years.

The Charity holds two designated funds in order to resource long-term expenditure requirements in identified areas:

- Strategic Delivery Fund – supporting the high level of developmental and investment expenditure required to deliver the latter stages of the 2017-20 Strategic Plan. We expect this fund to be fully expended or committed by March 2020.
- Fixed Asset Fund – this represents all unrestricted funds invested in fixed assets net of any associated liabilities.

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 standards set out by the 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 are implementing plans to support the introduction of the GDPR in May 2018 and a dedicated information governance team is leading on implementation.

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.

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

Trustees' annual report

For the year ended 31st March 2018

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 2018 was 9 (2016-17:11). 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.

The trustees' annual report was approved by the trustees on 26 September 2018 and signed on their behalf by the chair.



Felicity Clarkson CBE
Chair of Trustees

Independent Auditors' Report

To the members of

Home-Start UK

Opinion

We have audited the financial statements of Home-Start UK (the 'charitable company') for the year ended 31 March 2018 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 2018 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, the Charities and Trustee Investment (Scotland) Act 2005 and regulation 8 of the Charities Accounts (Scotland) Regulations 2006 (as amended)

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

Independent Auditors' Report

To the members of

Home-Start UK

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

We have nothing to report in this regard.

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 and the Charities Accounts (Scotland) Regulations 2006 (as amended) require 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 company 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.

Independent Auditors' Report

To the members of

Home-Start UK

Auditor's responsibilities for the audit of the financial statements

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

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 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:

- 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 and section 44(1)(c) of the Charities and Trustee Investment (Scotland) Act 2005. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to

Independent Auditors' Report

To the members of

Home-Start UK

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.

Jonathan Orchard (Senior statutory auditor)

17 October 2018

for and on behalf of Sayer Vincent LLP, Statutory Auditor

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

Sayer Vincent LLP is eligible to act as auditor in terms of section 1212 of the Companies Act 2006

Home-Start UK

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

For the year ended 31 March 2018

| | Note | Unrestricted £ | Restricted £ | 2018 Total £ | Unrestricted £ | Restricted £ | 2017 Total £ |
|--|------|-------------------|------------------|--------------------|-------------------|------------------|--------------------|
| Income from: | | | | | | | |
| Donations and legacies | 2 | 574,497 | 3,600 | 578,097 | 599,794 | 40,500 | 640,294 |
| Charitable activities | | | | | | | |
| Network 2020 | 3 | 385,028 | 406,054 | 791,082 | 402,254 | 764,413 | 1,166,667 |
| Share IT UK | 3 | 211,335 | 78,032 | 289,367 | 249,090 | 52,815 | 301,905 |
| Home-SPARK | 3 | 80,826 | 45,072 | 125,898 | 86,420 | 44,747 | 131,167 |
| Innovation Lab | 3 | 3,569 | 913,559 | 917,128 | 4,617 | 414,070 | 418,687 |
| Other trading activities | 4 | 19,165 | - | 19,165 | 22,221 | - | 22,221 |
| Investments | 5 | 8,565 | - | 8,565 | 2,267 | - | 2,267 |
| Other income | 6 | 3,422 | - | 3,422 | 454,746 | - | 454,746 |
| Total income | | 1,286,407 | 1,446,317 | 2,732,724 | 1,821,409 | 1,316,545 | 3,137,954 |
| Expenditure on: | | | | | | | |
| Raising funds | 7 | 267,932 | 33,992 | 301,924 | 285,799 | 51,435 | 337,234 |
| Charitable activities | | | | | | | |
| Network 2020 | 7 | 296,324 | 507,531 | 803,855 | 501,574 | 803,997 | 1,305,571 |
| Share IT UK | 7 | 172,990 | 225,648 | 398,638 | 359,571 | 136,312 | 495,883 |
| Home-SPARK | 7 | 140,607 | 66,435 | 207,042 | 217,572 | 33,753 | 251,325 |
| Innovation Lab | 7 | 158,678 | 618,448 | 777,126 | 122,849 | 190,110 | 312,959 |
| Subtotal of operating expenditure | | 1,036,531 | 1,452,054 | 2,488,585 | 1,487,365 | 1,215,607 | 2,702,972 |
| Increase in pension liability | 21 | 23,130 | - | 23,130 | 24,705 | - | 24,705 |
| Total expenditure | | 1,059,661 | 1,452,054 | 2,511,715 | 1,512,070 | 1,215,607 | 2,727,677 |
| Net income/(expenditure) before transfers | | 226,746 | (5,737) | 221,009 | 309,339 | 100,938 | 410,277 |
| Transfers between funds | 23 | - | - | - | - | - | - |
| Net movement in funds | 9 | 226,746 | (5,737) | 221,009 | 309,339 | 100,938 | 410,277 |
| Reconciliation of funds: | | | | | | | |
| Total funds brought forward | | 1,420,624 | 365,164 | 1,785,788 | 1,111,285 | 264,226 | 1,375,511 |
| Total funds carried forward | | 1,647,370 | 359,427 | 2,006,797 | 1,420,624 | 365,164 | 1,785,788 |

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 23(a to d) to the financial statements.

Home-Start UK

Balance Sheet

Company no. 05382181

For the year ended 31 March 2018

| | Note | £ | 2018 £ | 2017 £ |
|--|------|------------------|------------------|------------------|
| Fixed assets: | | | | |
| Tangible assets | 14 | | 47,515 | 87,356 |
| Investments | 15 | | 100 | 100 |
| | | | <u>47,615</u> | <u>87,456</u> |
| Current assets: | | | | |
| Stock | 16 | 41,096 | | 26,820 |
| Debtors | 17 | 372,341 | | 424,475 |
| Short notice deposits held for investment | | 1,127,692 | | 1,123,169 |
| Cash at bank and in hand | | 1,044,295 | | 738,298 |
| | | <u>2,585,424</u> | <u>2,312,762</u> | |
| Liabilities: | | | | |
| Creditors: amounts falling due within one year | 18 | (346,390) | | (305,896) |
| | | | <u>2,239,034</u> | <u>2,006,866</u> |
| Net current assets | | | | |
| | | | <u>2,286,649</u> | <u>2,094,322</u> |
| Total assets less current liabilities | | | | |
| Creditors: amounts falling due after one year | 20 | | (279,852) | (308,534) |
| | | | <u>2,006,797</u> | <u>1,785,788</u> |
| Total net assets | | | | |
| | | | <u>2,006,797</u> | <u>1,785,788</u> |
| The funds of the charity: | 23 | | | |
| Restricted income funds | | | 359,427 | 365,164 |
| Unrestricted income funds: | | | | |
| Designated funds | | 622,515 | | 452,356 |
| Pension reserve | | (328,588) | | (355,851) |
| General funds | | 1,353,443 | | 1,324,119 |
| | | <u>1,647,370</u> | <u>1,420,624</u> | |
| Total unrestricted funds | | | | |
| | | | <u>2,006,797</u> | <u>1,785,788</u> |
| Total charity funds | | | | |
| | | | <u>2,006,797</u> | <u>1,785,788</u> |

Approved by the trustees on 26 September 2018 and signed on their behalf by



Felicity Clarkson CBE
Home-Start UK, Chair of Trustees

Home-Start UK

Statement of cash flows

For the year ended 31 March 2018

| | Note | 2018 £ | £ | 2017 £ | £ |
|--|------|-----------|---|-----------|---|
| Cash flows from operating activities | | | | | |
| Net cash provided by / (used in) operating | 24 | 319,085 | | (138,303) | |
| Cash flows from investing activities: | | | | | |
| Interest from investments | | (8,565) | | (2,267) | |
| Proceeds from the sale of fixed assets | | - | | 1,546,206 | |
| Purchase of fixed assets | | - | | (45,124) | |
| | | | | | |
| Net cash provided by / (used in) investing | | (8,565) | | 1,498,815 | |
| Cash flows from financing activities: | | | | | |
| Repayments of borrowing | | - | | (156,907) | |
| | | | | | |
| Net cash provided by / (used in) financing activities | | - | | (156,907) | |
| | | | | | |
| Change in cash and cash equivalents in the year | | 310,520 | | 1,203,605 | |
| Cash and cash equivalents at the beginning of the year | | 1,861,467 | | 657,862 | |
| Cash and cash equivalents at the end of the year | 25 | 2,171,987 | | 1,861,467 | |

Notes to the financial statements

For the year ended 31 March 2018

1 Accounting policies

a) Statutory information

Home-Start UK is a charitable company limited by guarantee and is incorporated in the United Kingdom. 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.

For legacies, entitlement is taken as the earlier of the date on which either: the charity is aware that probate has been granted, the estate has been finalised and notification has been made by the executor(s) to the charity that a distribution will be made, or when a distribution is received from the estate. Receipt of a legacy, in whole or in part, is only considered probable when the amount can be measured reliably and the charity has been notified of the executor's intention to make a distribution. Where legacies have been notified to the charity, or the charity is aware of the granting of probate, and the criteria for income recognition have not been met, then the legacy is treated as a contingent asset and disclosed if material.

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

Notes to the financial statements

For the year ended 31 March 2018

1 Accounting policies (continued)

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.

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.

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
- Expenditure on charitable activities includes the attributable costs of supporting local Home-Starts, and providing training, information and communication to the network undertaken to further the purposes of the charity and their associated support costs

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.

Notes to the financial statements

For the year ended 31 March 2018

1 Accounting policies (continued)

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 | 29% |
| • Share IT UK | 19% |
| • Home-SPARK | 10% |
| • Innovation Lab | 28% |
| • Cost of raising funds | 14% |

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) 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.

p) 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.

q) Short notice deposits held for investment

Current asset investments includes cash invested on a long-term but accessible basis in fixed interest securities through charity specific common investment funds.

r) 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.

s) 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.

Notes to the financial statements

For the year ended 31 March 2018

1 Accounting policies (continued)

t) Financial instruments

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

u) 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 and legacies

| | Unrestricted £ | Restricted £ | 2018 Total £ | Restated 2017 total £ |
|------------------|-------------------|-----------------|--------------------|-----------------------------|
| Donations | 574,497 | 3,600 | 578,097 | 587,544 |
| Donated services | - | - | - | 37,750 |
| Legacies | - | - | - | 15,000 |
| | <u>574,497</u> | <u>3,600</u> | <u>578,097</u> | <u>640,294</u> |

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 £344k during 2017-18. (2016-17: £116k).

Donated services

In 2016-17, Investec Wealth & Investment Limited provided donated services for our carol concert in London.

Notes to the financial statements

For the year ended 31 March 2018

3 Income from charitable activities

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

| | Unrestricted £ | Restricted £ | 2018 Total £ | Restated 2017 total £ |
|--|-------------------|------------------|--------------------|-----------------------------|
| Network 2020 | | | | |
| Membership Levy | 377,890 | - | 377,890 | 379,996 |
| Corra Foundation (Scotland) | - | 78,800 | 78,800 | 78,800 |
| DHSS Family Policy Unit (Northern Ireland) | - | 28,361 | 28,361 | 26,737 |
| Lancashire Gateway Contract | - | 64,000 | 64,000 | 64,000 |
| Support from trusts and foundations | - | 234,893 | 234,893 | 299,333 |
| Action for Children | - | - | - | 169,523 |
| Action for Children Wales | - | - | - | 139,043 |
| Sales of material and publications | 7,138 | - | 7,138 | 9,235 |
| Sub-total for Network 2020 | 385,028 | 406,054 | 791,082 | 1,166,667 |
| Share IT UK | | | | |
| Membership Levy | 188,945 | - | 188,945 | 189,998 |
| Corra Foundation (Scotland) | - | 49,250 | 49,250 | 49,250 |
| DHSS Family Policy Unit (Northern Ireland) | - | 3,782 | 3,782 | 3,565 |
| Support from trusts and foundations | - | 25,000 | 25,000 | - |
| Training events | 15,252 | - | 15,252 | 49,857 |
| Sales of material and publications | 7,138 | - | 7,138 | 9,235 |
| Sub-total for Share IT UK | 211,335 | 78,032 | 289,367 | 301,905 |
| Home-SPARK | | | | |
| Membership Levy | 62,982 | - | 62,982 | 63,333 |
| Corra Foundation (Scotland) | - | 39,400 | 39,400 | 39,400 |
| DHSS Family Policy Unit (Northern Ireland) | - | 5,672 | 5,672 | 5,347 |
| Sales of material and publications | 17,844 | - | 17,844 | 23,087 |
| Sub-total for Home-SPARK | 80,826 | 45,072 | 125,898 | 131,167 |
| Innovation Lab | | | | |
| Corra Foundation (Scotland) | - | 29,550 | 29,550 | 29,550 |
| Department for Education | - | 417,253 | 417,253 | 237,796 |
| Nesta Early Years Social Action Fund | - | 20,440 | 20,440 | - |
| Support from trusts and foundations | - | 446,316 | 446,316 | 146,724 |
| Sales of material and publications | 3,569 | - | 3,569 | 4,617 |
| Sub-total for Innovation Lab | 3,569 | 913,559 | 917,128 | 418,687 |
| Total income from charitable activities | 680,758 | 1,442,717 | 2,123,475 | 2,018,426 |

Home-Start UK

Notes to the financial statements

For the year ended 31 March 2018

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 were received from the Department for Education, £158,240 (2017: £92,929) for Supporting Fathers Involvement programme and £259,013 (2017: £144,867) for the Early Years Programme Supporting Disadvantaged Children. A grant was received from DHSS Family Policy Unit of £37,815 (2017: £35,649) for our work in Northern Ireland. A grant was received from the Corra Foundation of £197,000 (2017: £197,000) for our work in Scotland. £20,440 (2017: £0) was received from Nesta Early Years Social Action Fund for our continued work on LENA.

Lancashire Gateway Contract & Action for Children

Home-Start UK acts as principal with Lancashire Gateway and Action for Children for the local Home-Starts. Amounts received matches 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. Three significant such examples in recent years have been two contracts with Action for Children in Northamptonshire and Wales as well as a longstanding grant from Lancashire County Council. The Action for Children contracts both ended in 2016-17 and the grant from Lancashire County Council is due to end in August 2018. 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. A number of new grants were received to support our work in consolidating the network and to develop new evidence-based family support programmes including £149,544 from the Big Lottery Fund for our consolidation work.

4 Income from other trading activities

| | Unrestricted £ | Restricted £ | 2018 Total £ | 2017 Total £ |
|----------------------|-------------------|-----------------|--------------------|--------------------|
| Income from lettings | 1,423 | - | 1,423 | 2,555 |
| Fundraising events | 11,542 | - | 11,542 | 14,066 |
| Other | 6,200 | - | 6,200 | 5,600 |
| | <u>19,165</u> | <u>-</u> | <u>19,165</u> | <u>22,221</u> |

5 Income from investments

| | Unrestricted £ | Restricted £ | 2018 Total £ | 2017 Total £ |
|---------------|-------------------|-----------------|--------------------|--------------------|
| Bank Interest | 8,565 | - | 8,565 | 2,267 |
| | <u>8,565</u> | <u>-</u> | <u>8,565</u> | <u>2,267</u> |

6 Other income

| | Unrestricted £ | Restricted £ | 2018 Total £ | 2017 Total £ |
|---|-------------------|-----------------|--------------------|--------------------|
| Profit on sale of the Home-Start Centre | - | - | - | 454,746 |
| Other | 3,422 | - | 3,422 | - |
| | <u>3,422</u> | <u>-</u> | <u>3,422</u> | <u>454,746</u> |

Home-Start UK

Notes to the financial statements

For the year ended 31 March 2018

7 Analysis of expenditure

| | Cost of raising funds £ | Charitable activities | | | | Pension scheme liability £ | Governance costs £ | Central support costs £ | 2018 Total £ | Restated 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 |
| Increase in Pension Liability (Note 10) | - | - | - | - | - | 23,130 | - | - | 23,130 | 24,705 |
| 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 schemes (Note 8) | - | 278,976 | 1,185 | 630 | 83,636 | - | - | - | 364,427 | 541,233 |
| Consultancy | 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 | 23,130 | 57,117 | 191,646 | 2,511,715 | 2,727,677 |
| 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) | - | - | - |
| Total expenditure 2018 | 301,924 | 803,855 | 398,638 | 207,042 | 777,126 | 23,130 | - | - | 2,511,715 | 2,727,677 |
| Total expenditure 2017 | 337,234 | 1,305,571 | 495,883 | 251,325 | 312,959 | 24,705 | - | - | 2,727,677 | |

Home-Start UK

Notes to the financial statements

For the year ended 31 March 2018

8 Grant making

| | 2018 £ | 2017 £ |
|--|----------------|----------------|
| Grants to institutions | | |
| Funds for schemes in crisis | 76,064 | 100,942 |
| Home-Start service in Northamptonshire (see breakdown below) | - | 161,500 |
| Home-Start service in Wales (see breakdown below) | - | 134,043 |
| Home-Start service in Inverclyde | 43,400 | 41,660 |
| Home-Start service in Lancashire | 64,000 | 64,000 |
| Supporting Father Involvement Programme | 13,585 | 2,930 |
| Early Years Programme supporting disadvantaged children | 11,830 | 30,400 |
| Supporting work with service families (see breakdown below) | 99,804 | - |
| #MumsConnected project | 27,741 | - |
| Tackling loneliness & social isolation | 1,800 | - |
| Big Hopes Big Future® Scotland | 15,000 | - |
| Other | 11,203 | 5,758 |
| At the end of the year | 364,427 | 541,233 |

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 7.

| | | |
|--|-------------------|-------------------|
| Breakdown of material grants:- | 2018 £ | 2017 £ |
| Home-Start service in Northamptonshire | | |
| Home-Start Daventry & South Northants | - | 42,500 |
| Home-Start Kettering | - | 51,000 |
| Home-Start Northampton | - | 68,000 |
| | - | 161,500 |
| Home-Start service in Wales | | |
| Home-Start Carmarthen Llanelli | - | 117,921 |
| Home-Start Dinefwr | - | 16,122 |
| | - | 134,043 |
| Supporting work with Service families | | |
| 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 | - |
| | 99,804 | - |

9 Net income/(expenditure)

This is stated after charging /(crediting):

| | 2018 £ | 2017 £ |
|---|-----------|-----------|
| Depreciation | 39,841 | 35,274 |
| Profit on disposal of property | - | 454,746 |
| (Loss)/Profit on disposal of fixtures and equipment | - | (902) |
| Interest payable | - | 1,281 |
| Operating lease rentals: | | |
| Property | 59,443 | 64,597 |
| Other | 753 | 1,019 |
| Auditors' remuneration (excluding VAT): | | |
| Audit | 11,500 | 11,200 |
| Other services | 1,080 | - |

Notes to the financial statements

For the year ended 31 March 2018

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

Staff costs were as follows:

| 2018 | 2017 |
|---|-----------|
| £ | £ |
| Salaries and wages | 978,990 |
| Redundancy costs paid and settled | 1,003,582 |
| Termination costs paid and settled | 61,122 |
| Social security costs | 11,023 |
| Employer's contribution to defined contribution pension schemes | 101,326 |
| | 76,285 |
| 1,143,823 | 1,253,338 |
| 23,130 | 24,705 |
| 1,166,953 | 1,278,043 |

Increase in employer's pension deficit liability

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

| 2018 | 2017 |
|------|------|
| No. | No. |
| 1 | 1 |

£60,000 - £69,999

The total employee benefits including pension contributions and employer's national insurance of the key management personnel were £271,723 (2017: £275,716).

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 £3,289 (2017: £3,654) incurred by 9 (2017: 11) 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:

| 2018 | 2017 |
|-----------------------|------|
| No. | No. |
| Raising funds | 4.3 |
| Network 2020 | 12.0 |
| Share IT UK | 7.6 |
| Home-SPARK | 2.9 |
| Innovation Lab | 2.2 |
| Central support costs | 3.2 |
| Governance | 0.7 |
| 33.2 | 32.9 |

The number of employees calculated on the basis of full-time equivalents at the end of the year was 28 (2017: 19)

Home-Start UK

Notes to the financial statements

For the year ended 31 March 2018

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 £0 (2017:£40,000) for extending support for local groups by disseminating innovative practice. The Tedworth Charitable Trust made a grant of £20,000 (2017:£50,000) towards core services to support the development of local schemes. There were no outstanding balances due to or from related parties at 31st March 2018. (2017:£0)

James Sainsbury receives no benefit from the grants made to the charity. On 29th September 2016, James Sainsbury resigned as Chair and was made President of the charity.

Home-Start UK received donations totalling £1,230 (2017: £880) from 2 trustees (2017: 1 trustee). 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 £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 £ |
|------------------------------|----------------------------|-------------------------|------------|
| Cost | | | |
| At the beginning of the year | 51,253 | 115,412 | 166,665 |
| Additions in year | - | - | - |
| Disposals in year | - | - | - |
| At the end of the year | 51,253 | 115,412 | 166,665 |
| Depreciation | | | |
| At the beginning of the year | 8,982 | 70,327 | 79,309 |
| Charge for the year | 7,688 | 32,153 | 39,841 |
| Eliminated on disposal | - | - | - |
| At the end of the year | 16,670 | 102,480 | 119,150 |
| Net book value | | | |
| At the end of the year | 34,583 | 12,932 | 47,515 |
| At the beginning of the year | 42,271 | 45,085 | 87,356 |

All of the above assets are used for charitable purposes.

Sale of the Home-Start Centre in 2016

The principal inclusion in Fixed Assets prior to 2016-17 was the Home-Start Centre in Leicester. The freehold building was purchased in 2009. In March 2016, the Board of Trustees, confirmed a decision to market the Home-Start Centre for sale with a view to moving to more suitable rented premises. In June 2016, the sale of the building was completed with proceeds being receipted of £1.6m. After deducting fees, costs and clearing the outstanding mortgage, this represents a profit on disposal of £455k as shown in Note 6.

15 Investments

Investments comprise:

| | 2018 £ | 2017 £ |
|--|-----------|-----------|
| Unlisted shares in UK registered companies | 100 | 100 |
| | 100 | 100 |

The investment represents 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. The net assets of the company as at 31st March 2018 amounted to £18 (2017 - £18).

The charity has not prepared group financial statements as the results of the subsidiary undertaking are not material for the purpose of presenting a true and fair view of the group results for the year and year end financial position.

Home-Start UK

Notes to the financial statements

For the year ended 31 March 2018

16 Stock

| | 2018 £ | 2017 £ |
|------------------------------------|---------------|---------------|
| Material and publications for sale | 41,096 | 26,820 |
| | <u>41,096</u> | <u>26,820</u> |

17 Debtors

| | 2018 £ | 2017 £ |
|----------------------------|----------------|----------------|
| Trade debtors | 44,310 | 29,360 |
| Grants and donations | 242,461 | 298,067 |
| Other debtors | 4,244 | 2,574 |
| Loans to local Home-Starts | 10,069 | 44,215 |
| Prepayments | 71,257 | 50,259 |
| | <u>372,341</u> | <u>424,475</u> |

All of the charitable company's financial instruments, both assets and liabilities, are measured at amortised cost. The carrying values of these are shown above and also in note 18 below.

18 Creditors: amounts falling due within one year

| | 2018 £ | 2017 £ |
|------------------------------|----------------|----------------|
| Trade creditors | 185,810 | 160,471 |
| Taxation and social security | 25,064 | 25,005 |
| Other creditors | 13,677 | 7,396 |
| Accruals | 70,169 | 59,769 |
| Pension deficit | 48,736 | 47,317 |
| Deferred income | 2,934 | 5,938 |
| | <u>346,390</u> | <u>305,896</u> |

19 Deferred income

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

| | 2018 £ | 2017 £ |
|---------------------------------------|--------------|--------------|
| Balance at the beginning of the year | 5,938 | 3,592 |
| Amount released to income in the year | (5,938) | (3,592) |
| Amount deferred in the year | 2,934 | 5,938 |
| | <u>2,934</u> | <u>5,938</u> |
| Balance at the end of the year | 2,934 | 5,938 |

20 Creditors: amounts falling due after one year

| | 2018 £ | 2017 £ |
|-----------------|----------------|----------------|
| Pension deficit | 279,852 | 308,534 |
| | <u>279,852</u> | <u>308,534</u> |

Notes to the financial statements

For the year ended 31 March 2018

21 Pension scheme

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

The company participates in the scheme, a multi-employer scheme which provides benefits to some 1,300 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 2011. This actuarial valuation showed assets of £780m, liabilities of £928m and a deficit of £148m. A full actuarial valuation for the scheme was carried out at 30 September 2014. This valuation showed assets of £793m, liabilities of £970m and a deficit of £177m. To eliminate this funding shortfall, the Trustee has asked the participating employers to pay additional contributions to the scheme.

As a result of the actuarial valuation as at 30 September 2014 the Scheme is in deficit and where Home-Start UK has agreed to a deficit funding arrangement the liability for this obligation is recognised. The amount is the net present value of the deficit recovery contributions payable under the agreement that relates to the deficit.

During the year the recognised present value liability has decreased by £23k. The corresponding charge is listed as a material item on the SOFA and included within creditors. The amount recognised includes the unwinding of the discount used to calculate the net present value.

The latest triennial valuation was undertaken as at 30 September 2017. Preliminary results indicate that repayments will remain at current levels adjusted for inflation but that the repayment period may shorten slightly.

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 £50k to the past service deficit of the defined benefit scheme in the year (2017:£49k) and will continue to contribute annually until 2025.

22a Analysis of net assets between funds (2017/18 - current year)

| | General unrestricted £ | 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) |
| Net assets at 31 March 2018 | 1,024,855 | 622,515 | 359,427 | 2,006,797 |

22b Analysis of net assets between funds (2016/17)

| | General £ | Designated £ | Restricted £ | Total funds £ |
|------------------------------------|----------------|-----------------|-----------------|------------------|
| Tangible fixed assets | - | 87,356 | - | 87,356 |
| Investments | 100 | - | - | 100 |
| Net current assets | 1,276,702 | 365,000 | 365,164 | 2,006,866 |
| Long term liabilities | (308,534) | - | - | (308,534) |
| Net assets at 31 March 2017 | 968,268 | 452,356 | 365,164 | 1,785,788 |

Notes to the financial statements

For the year ended 31 March 2018

23a Movements in restricted funds (2017/18 - current 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 | 127,025 | - | (123,554) | - | 3,471 |
| Brook Trust | - | 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) | - | - |
| Froebel 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 | 73,319 | - | (49,601) | - | 23,718 |
| Royal British Legion | - | 53,000 | (53,000) | - | - |
| STV | 29,993 | 49,197 | (66,582) | - | 12,608 |
| William Brownhill Charitable Incorporated Organisation | - | 3,000 | (3,000) | - | - |
| Total restricted funds | 365,164 | 1,446,317 | (1,452,054) | - | 359,427 |

Home-Start UK

Notes to the financial statements

For the year ended 31 March 2018

23b Movements in restricted funds (2016/17 - prior year)

| | At 1 April 2016 £ | Income £ | Expenditure £ | Transfers £ | At 31 March 2017 £ |
|---|-------------------------|------------------|--------------------|----------------|--------------------------|
| ABF The Soldiers' Charity | - | 20,000 | - | - | 20,000 |
| Action for Children | - | 161,500 | (161,500) | - | - |
| Action for Children in Wales | - | 134,043 | (134,043) | - | - |
| Army Central Fund | 100 | 50,000 | - | - | 50,100 |
| Band Trust | - | 10,000 | (10,000) | - | - |
| Beatrice Laing Trust | - | 15,000 | (15,000) | - | - |
| Big Lottery Fund - investing in communities | - | 51,633 | (51,633) | - | - |
| Brook Trust | 138,966 | 85,000 | (96,941) | - | 127,025 |
| Corra Foundation | - | 197,000 | (197,000) | - | - |
| D J H Bulteel | 2,000 | - | (2,000) | - | - |
| Department for Education - LENA | - | 144,867 | (144,867) | - | - |
| Department for Education - supporting fathers involvement | - | 92,929 | (92,929) | - | - |
| DHSS & PS Northern Ireland | - | 35,649 | (35,649) | - | - |
| Froebel Trust | - | 19,099 | (17,522) | - | 1,577 |
| George & Grace Hart Charitable Trust | - | 1,200 | (1,200) | - | - |
| Helen Jean Cope Charity | - | 1,000 | (1,000) | - | - |
| Individual donations | 120 | - | (120) | - | - |
| Investec Wealth & Investment Ltd | - | 37,750 | (37,750) | - | - |
| 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 | 63,624 | - | (16,940) | - | 46,684 |
| Porticus UK | - | 50,000 | (50,000) | - | - |
| R S MacDonald | - | 75,355 | (2,036) | - | 73,319 |
| Scheme contribution to work on Certa | - | 2,750 | (2,750) | - | - |
| Skipton Temperance Hall | - | 500 | (500) | - | - |
| Social Investment Business Ltd | 39,950 | - | (39,950) | - | - |
| STV | - | 32,270 | (2,277) | - | 29,993 |
| The 29th May 1961 Charitable Trust | 3,000 | 3,000 | (6,000) | - | - |
| The Charles Wolfson Charitable Trust | - | 2,500 | (2,500) | - | - |
| The Jones 1986 Charitable Trust | - | 3,000 | (3,000) | - | - |
| Whitaker Charitable Trust | - | 1,500 | (1,500) | - | - |
| William Brownhill Charitable Incorporated Organisation | - | 5,000 | (5,000) | - | - |
| Total restricted funds | 264,226 | 1,316,545 | (1,215,607) | - | 365,164 |

Notes to the financial statements

For the year ended 31 March 2018

23c Movement in unrestricted funds (2017/18 - current year)

| | At 1 April 2017 £ | Income £ | Expenditure £ | Transfers £ | At 31 March 2018 £ |
|-------------------------------------|-------------------------|------------------|--------------------|------------------|--------------------------|
| Unrestricted funds: | | | | | |
| Designated funds: | | | | | |
| 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 |
| Total designated funds | 452,356 | - | (15,000) | 185,159 | 622,515 |
| General funds | | | | | |
| General funds | 1,324,119 | 1,286,407 | (1,021,531) | (235,552) | 1,353,443 |
| Pension liability | (355,851) | - | (23,130) | 50,393 | (328,588) |
| Total general funds | 968,268 | 1,286,407 | (1,044,661) | (185,159) | 1,024,855 |
| Total unrestricted funds | 1,420,624 | 1,286,407 | (1,059,661) | - | 1,647,370 |
| Total funds at 31 March 2018 | 1,785,788 | 2,732,724 | (2,511,715) | - | 2,006,797 |

23d Movement in unrestricted funds (2016/17 - prior year)

| | At 1 April 2016 £ | Income £ | Expenditure £ | Transfers £ | At 31 March 2017 £ |
|-------------------------------------|-------------------------|------------------|--------------------|------------------|--------------------------|
| Unrestricted funds: | | | | | |
| Designated funds: | | | | | |
| Fixed Asset Fund | 1,012,961 | - | - | (925,605) | 87,356 |
| Big Hopes Big Future® Scotland | - | - | - | 15,000 | 15,000 |
| Strategic Delivery Fund | - | - | - | 350,000 | 350,000 |
| Total designated funds | 1,012,961 | - | - | (560,605) | 452,356 |
| General funds | | | | | |
| General funds | 478,395 | 1,821,409 | (1,487,365) | 511,680 | 1,324,119 |
| Pension liability | (380,071) | - | (24,705) | 48,925 | (355,851) |
| Total general funds | 98,324 | 1,821,409 | (1,512,070) | 560,605 | 968,268 |
| Total unrestricted funds | 1,111,285 | 1,821,409 | (1,512,070) | - | 1,420,624 |
| Total funds at 31 March 2017 | 1,375,511 | 3,137,954 | (2,727,677) | - | 1,785,788 |

Home-Start UK

Notes to the financial statements

For the year ended 31 March 2018

Purposes of restricted funds

ABF The Soldiers' Charity
Action for Children
Action for Children in Wales
Army Central Fund
Army Central Fund
Band Trust
Beatrice Laing Trust
Big Lottery Fund
Big Lottery Fund
British Red Cross
Brook Trust
Brook Trust
Corra Foundation
D J H Bulteel
Department for Education
Department for Education
DHSS & PS Northern Ireland
Froebel Trust

George & Grace Hart Charitable Trust
Hanley Trust
Helen Jean Cope Charity
Home-Start schemes in Northern Ireland
Individual donations
Investec Wealth & Investment Ltd
Lancashire Gateway Contract
Lloyds Bank
Margaret Harrison Travel Scholarship
Mercers' Company
Monument Trust
Nesta LENA
Nominet Trust
Porticus UK
Porticus UK
R S MacDonald
Royal British Legion
Skipton Temperance Hall
Social Investment Business Ltd
STV
The 29th May 1961 Charitable Trust
The Charles Wolfson Charitable Trust
The Jones 1986 Charitable Trust
Whitaker Charitable Trust
William Brownhill Charitable Incorporated Organisation

Grants for supporting work with service families
Support to local Home-Starts for our service in Northamptonshire
Support to local Home-Starts for our service in Carmarthen and Dinefwr
Grants for supporting work with service families
Study into future support for army families
Towards the network support safeguarding lead
To support schemes to build consortia - 2020 vision
Consolidation Project
Investing in communities
Tackling loneliness and social isolation
Grant assistance to Home-Start schemes facing financial difficulty
Good Ideas Fund
Scotland Third Sector Early Intervention Fund
For the production of a Home-Start DVD
LENA
Supporting Fathers Involvement Programme
Revenue grant towards our work in Northern Ireland
Develop a new model of family and child support to build regional consortia
Towards our work in Leicestershire
To support our work in Leicestershire
To support scheme service in Leicestershire
Contribution to work on Certa
Towards Christmas activities for Home-Start schemes
Sponsorship of carol concerts in NI (2017-18) and London (2016-17)
To support our work in Lancashire
Financial Inclusion Project
Travel bursaries for Home-Starters
Big Hopes Big Future® project in London
Grant assistance to Home-Start schemes facing financial difficulty
LENA home Early Years Social Action Fund
#Mumsconnected project
Programme of work to support families with multiple and complex needs
Innovation project through the network services team
Developing Home-Start in Scotland
Moving In/Moving On
To support our scheme service in Yorkshire
Impact Readiness grant
Big Hopes Big Future® project in Scotland
Towards the development of our work in the Coventry area
Big Hopes Big Future® development in Wales
Towards our work in Nottinghamshire
Towards our work in Nottinghamshire
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.

Defined Benefit Pension Liability

This represents the net present value of the defined contributions payable on the pension deficit funding.

Big Hopes Big Future® Scotland

To support the work in Scotland, allocated from an unrestricted grant from The Best Trust, to fund Aberdeen with the Big Hopes Big Future® Scotland project.

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.

Notes to the financial statements

For the year ended 31 March 2018

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

| | 2018 £ | 2017 £ |
|---|-----------|-----------|
| Net income / (expenditure) for the reporting period (as per the statement of financial activities) | 221,009 | 410,277 |
| Depreciation charges | 39,841 | 35,274 |
| Interest from investments | 8,565 | 2,267 |
| (Profit) on the disposal of fixed assets | - | (453,844) |
| (Increase) in stocks | (14,276) | (3,323) |
| (Increase)/decrease in debtors | 52,134 | (86,838) |
| (Decrease)/increase in creditors | 11,812 | (42,116) |
| Net cash provided by / (used in) operating activities | 319,085 | (138,303) |

25 Analysis of cash and cash equivalents

| | At 1 April 2017 £ | Cash flows £ | Other changes £ | At 31 March 2018 £ |
|---|-------------------------|-----------------|-----------------------|--------------------------|
| Cash at bank and in hand | 738,298 | 310,520 | (4,523) | 1,044,295 |
| Short notice deposits held for investment | 1,123,169 | - | 4,523 | 1,127,692 |
| Total cash and cash equivalents | 1,861,467 | 310,520 | - | 2,171,987 |

26 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 | |
|--------------------|-----------|-----------|-----------|-----------|
| | 2018 £ | 2017 £ | 2018 £ | 2017 £ |
| Less than one year | 48,050 | 35,322 | 753 | 753 |
| One to five years | 49,572 | 12,468 | 1,882 | 2,634 |
| Over five years | - | - | - | - |
| | 97,622 | 47,790 | 2,635 | 3,387 |

27 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.