



Home-Start UK

Annual report and group financial statements For the year ended 31st March 2021

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



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Introduction from the Chair

It has been a year like no other for families. Wave after wave of lockdowns pushed all families to the limit. If parenting and nurturing children was not hard enough, the global pandemic, social isolation and economic turbulence have magnified the pressure and anxiety of every possible challenge a family might face.

Yet, it is in times of crisis that fundamental human values are revealed. In our communities, so many have risen to the collective challenge – in hospitals, supermarkets, food banks. During the pandemic our Home-Start federation has been working with volunteers, staff and families in communities across the UK, and has demonstrated such humanity, humility and care over this difficult period.

It has been a pleasure to be able to support this in our work at Home-Start UK, the centre of our Home-Start movement. This extraordinary effort is recognised in this Annual Report which demonstrates how much we have achieved with families, communities, funders and decision makers in the past year.

This year, we have remained resolutely focused on core priorities of keeping families connected, supporting the resilience of local Home-Starts, and building for future impact and transformation. Among so many achievements this year the following highlights stand out:-

- Our Emergency Appeal raised over £178,000 to help local Home-Starts stay connected with families – moving services on line and organising door drops of essential items such as data and digital devices, food items and baby supplies for hundreds of families.
- Our network support teams have worked tirelessly through the year to provide a range of training, information and advice sessions and bring together local managers and volunteers for a series of hugely valuable webinars, drop ins and advice surgeries.
- We worked alongside Parent Infant Foundation and Best Beginnings to launch our landmark Babies in Lockdown report which revealed the chronic under resourcing of services for families in babies early years and the worsening forecast due to the pandemic. More recently our 'Home is Where we Start from' report has detailed the devastating impact of lockdown and how it left families feeling isolated, worried about their child's development and concerned about their finances.
- We secured £750k from the DCMS and £150k from the Scottish Government Winter Plan which we redistributed via our network to fund vital services for families affected by loneliness and isolation over the summer and winter periods.
- On our national website and social media channels we published a range of really popular on line activities and information for families to help them stay connected and feel supported during the various lockdowns.
- We worked with DCMS and the Pears Foundation on a £1,116k programme of work to ensure the sustainability of local Home-Starts during the pandemic – work that will continue throughout 2021/22.

Trustees' annual report

For the year ended 31st March 2021

- At Christmas, our Give a Little Love Christmas partnership with John Lewis/Waitrose helped local Home-Start staff and volunteers reach over 13,414 people with a raft of essential emotional and practical support – from regular calls and zoom sessions to door step visits, warm winter coats, toys, books and fun activities for the children. The additional profile from in store displays and TV/social media campaigns has raised enormous interest and support for our work and we were delighted to see an additional 1,300 volunteer enquiries come through over the Christmas period alone.

After five years in the role (and eight years before that at Home-Start Richmond) I will be retiring as chair of trustees in September, and so this is my final annual report. I am very proud of my time with Home-Start UK, and believe a huge amount has been achieved during that time, especially in terms of our own sustainability.

I know Lin Hinnigan, my successor, will continue the important stewardship of our work to meet the needs of families across the UK and very much look forward to shouting encouragement from the side-lines. She will also enjoy, as I have, the support of trustees and staff committed to the goals of helping families recover and move forward from this pandemic. I am sure she will also enjoy, as I have, the warmth of the welcome from local Home-Starts, and the feeling whenever you visit that this is somewhere where families are helped to realise their potential and optimise their children's future.

Felicity Clarkson CBE
Chair of Trustees

Introduction

The board of trustees presents its report and the audited financial statements for the year ended 31 March 2021. Reference and administrative information set out on pages 11-12 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 network.

Our story

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

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

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

Why we do it

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

How we do it

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

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

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

Our strategy

Our work in 2020-21 was dominated by the coronavirus pandemic and need to make sure we got support out to families when they needed it most.

As the pandemic took hold, we saw social distancing and isolation placing enormous strain on families. Those with additional pressures such as poor mental health, financial pressures and living in inadequate housing were hardest hit. During the year, over 9,000 Home-Start volunteers, gave over 323,000 hours of support to families, delivering groceries and essential supplies, providing emotional and social support, running on line sessions and working with a range of community partners to support over 22,000 families and 44,000 children.

Throughout the year Home-Start UK has worked hard to make sure local Home-Starts have stayed connected and continued to offer families the support they've needed. This work has included:

- Our COVID-19 emergency appeal raised over £178,000, to reach families in communities across the UK, with emergency supplies such as baby goods and food and care packages for families in critical need. The appeal helped local Home-Starts to set up and run new online groups and support sessions, and ensured dozens of local Home-Starts had the vital equipment they needed to stay connected and support families. Joint funding from the Scottish Government and STV Children's Appeal of £150,000 helped us get food parcels, electricity vouchers, activity packs and supermarket vouchers out to families across Scotland.
- We have held webinars, published new on line resources and hosted practice sharing sessions for local Home-Start staff and trustees. Sessions have included emergency governance and trustee Covid-19 advice, new on-line volunteer recruitment and training resources, on-line safeguarding training, well-being workshops and training on how to run online meetings and manage remote working.
- As levels of loneliness and anxiety amongst families grew, we secured funding of £750,000 from the Department for Digital, Culture, Media and Sport (DCMS) and a grant of £150,000 from the Scottish Government winter fund to ensure over 2,600 parents most at risk across England and Scotland had access to continued Home-Start support.
- With fundraising events cancelled and many normal fundraising activities suspended, a number of local Home-Starts were facing big financial challenges. A generous package of support of £500,000 from the Pears Foundation with match funding from the DCMS allowed us to stabilise local Home-Starts most at risk. The funding also enabled us to deploy a team of associate fundraisers to build longer-term financial capacity in the network. We were grateful for a grant of £100,000 from The Brook Trust together with a further £100,000 from the Pears Foundation for a similar package of support for Home-Starts in Wales, Northern Ireland and Scotland.
- Our three-year National Lottery Community Fund 'Power Up' project ended this year. The funding had previously provided Home-Starts with income generation, business planning, organisational design, consortia development and merger support. The third and final year included an additional £498,000 Covid-19 emergency grant, enabling us to continue our vital work revitalising the network and powering greater impact for families through the pandemic.

Throughout the year we worked closely with a range of partners and external organisations to raise awareness of the needs of families and build wider support for our work

- Our partnership with John Lewis Partnership (JLP) and FareShare was an enormous opportunity for the two charities to work with one of the nation's most iconic brands on its Give A Little Love campaign (GALL) that tapped into the spirit of generosity in communities at Christmas. JLP featured the campaign and promoted the charity's work on its iconic Christmas TV advert; across its on-line channels, a range of GALL merchandise available in all JL and Waitrose stores and ran a powerful social media campaign that drove customer engagement through stories of GALL in action. There were over 363 million chances to view the advert and visits to our website increased by 52% during the campaign. The campaign raised just under £900,000 for the network and created 1,200 potential new supporters and 1,300 new volunteer enquiries. 2,000 articles in newspapers and online represented an estimated value of £3m.
- At the start of 2021, John Lewis and Waitrose pledged to continue their efforts with a raft of initiatives designed to provide nutrition, warmth and comfort for families over the third lockdown and beyond. A further £300,000 (Give a Little Love 2), was distributed to local Home-Starts to provide fuel tokens, care packages, food parcels, data, technology and online support. We have also worked with JLP to distributed 5,000 items of warm clothing to families during winter and we continue to build this new partnership with a series of new initiatives in 2021.
- In September 2020, Peter Grigg, Home-Start UK CEO chaired a round table meeting with the Duchess of Cambridge and six other charities to emphasise the importance of peer-to-peer support for parents. Afterwards the Duchess of Cambridge visited a local London park and met two mums supported by Home-Start Wandsworth who shared their experiences of how Home Start volunteers helped them overcome the challenges they faced during lockdown. Home-Start UK was featured in the Royal Foundation report into early years, published in November 2020, with a mum supported by Home-Start Richmond, Kingston & Hounslow who explained how isolation and worries about her partner being furloughed during the pandemic created anxiety for her.
- For those who had babies during the COVID-19 pandemic, the ramifications of lockdown have been severe, leaving parents without the usual face-to-face support network of health visitors, family and friends to help them. To capture the experiences of parents giving birth during lockdown, Home-Start, in collaboration with Best Beginnings and the Parent-Infant Foundation, conducted an online survey of over 5,000 parents. The findings, detailed in our report 'Babies in Lockdown', highlight a range of issues parents have faced, including increased mental health concerns, difficult birthing experiences, dads and other co-parents being excluded from the pregnancy journey and digital health appointments leaving some women feeling exposed and humiliated.
- In other collaborations:
 - Our Growth Fund continues to support expansion into new areas and to increase impact with families. We continued governance and funding support for Home-Start Exeter & East Devon to expand into Mid Devon and support for Home-Start Southwark to extend into the London borough of Lewisham.
 - The Army Central Fund supported a small grants scheme for local Home-Starts working with armed forces families. 12 local Home-Starts received grants of up to £5,000 each with their support.

- Dulverton Trust supported our early years' development work across the network.
 - Funding from the Sylvia Adams Charitable Trust has enabled Home-Start UK to develop a network approach to perinatal mental health. New funding from the Rayne Foundation is supporting training on perinatal mental health and new funding from the Charles Gordon Foundation has allowed us to develop this work into Scotland by funding specialism in this work there.
 - 'Connecting from the Start', a project funded by the Kristian Gerhard Jebsen Foundation, aims to ensure trained support for 84 families across six London sites. With training developed by The Oxford Parent-Infant Project (Oxpi), we have trained 14 local Home-Starts to support new parents at risk of developing mental health issues during Covid-19.
 - Funding from Porticus UK, Henry Smith Charity and CAST has helped us build our on-line volunteering platforms and activity and to respond to volunteer enquiries and training needs during the pandemic.
 - A new partnership with The Royal Navy and Royal Marines Charity has not progressed as initially intended but local Home-Starts have instead been providing a central line for naval families as an alternative to face-to-face support.
 - Home-Start are just over halfway through a 5-year project to refresh and re-distribute our school readiness programme, Big Hopes, Big Future[®] supported by a £1m grant from the Masonic Charitable Foundation. Covid-19 meant we had to pause delivery of Big Hopes, Big Future[®] just one week after the first delivery of the refreshed version. Thanks to the flexibility of the Masonic Charitable Foundation and of local Home-Starts, 13 Home-Starts have just completed a year of providing a socially distanced offer of support to families with pre-school children.
 - The University of Newcastle evaluated the Nesta funded LENA early speech and language programme within a family support setting. The research has shown that children are hearing more words and families are making positive changes in their home environment making those early years count.
 - Home-Start UK led a collaboration with a network of 16 parent and baby charities called 'Connected from the Start' to support new and expectant parents during Covid-19. The result was parentpeopleboosts.org – a small gift of self-care and thanks to people supporting parents in communities across the UK that has been downloaded by over 3,000 people to date.
 - ChangeOut conducted a series of 13 in-depth interviews with key stakeholders as part of their support for our work on Equality, Diversity and Inclusion. Their findings will be used to inform Equality, Diversity and Inclusion actions at Home-Start UK.
- At the end of March 2021, the network moved away from Home-Start UK's MESH (Monitoring and Evaluation System Home-Start) to alternative data collection systems. The majority of local Home-Starts have chosen the recommended third-party Charitylog system to monitor and case manage their work and Home-Start UK has brokered a preferential package with supplier Dizions. In addition, Home-Start UK has developed a National Data Requirement (NDR) system to collect consolidated statistics from the network whichever database platform they have chosen.
 - Our Quality Assurance system ensures the quality of support offered to families by local Home-Starts is consistently high. Due to the pandemic, we postponed our standard face-to-face quality

assurance reviews and replaced them with work to support specific areas of including governance, sustainability, matching funding associates and follow up support after annual health checks.

- Sadly, due to local funding issues, we lost Home-Start Canterbury & Coastal in May 2020. Home-Start Bolton closed in June 2020 and Home-Start Derby decided to leave the network in March 2021. A number of local Home-Starts updated their names during the year to better reflect the areas they cover: Home-Start Deeside became Deeside, Alford & Strathdon, Home-Start Colchester became Colchester, Jaywick & Clacton, Home-Start Perth renamed to Perth & Kinross, Home-Start Oldham, Stockport & Tameside became Home-Start HOST and Home-Start Westminster became Westminster, Kensington & Chelsea and Hammersmith & Fulham.
- At the start of the pandemic, we paused work on the new Home-Start Agreement between Home-Start UK and local Home-Starts. We have now restarted this work and built a new central agreement around three main commitments: shared vision and values; quality and impact for families; and Home-Start's reputation and brand. We're currently developing a series of associated schedules which will become part of the Agreement from April 2022 alongside a new single strategic framework for the network.

Our plans for the future

We have shared our ambition with local Home-Starts to develop a single strategic framework for the Home-Start federation that builds a shared vision for families with common purpose and ambition. The Framework will enable coherence, alignment and set of shared priorities that are flexible enough to be adapted at local, regional and national levels in line with the priorities of local Home-Starts. This strategic development process commenced in November 2020 with a strategic stocktake to understand the domains of strategic choice that we should be examining across Home-Start UK and the network. The strategy process has been agreed and during 2021-22, the strategy will be developed and shared with the network and implemented from January 2022. Our work in this area is being supported by Lucent Consulting to facilitate the overarching process and provide strategic consultancy for content development.

Our three main priorities during 2021-22 focus on:-

- Keeping families connected during the pandemic
 - Securing resources to help meet the needs of families
 - Strengthening our ability to provide support to families during lockdown
 - Speaking out about the nature and effects of the pandemic on families and position Home-Start as a valuable part of the community based response effort
- Ensuring the resilience of the Home-Start network
 - Supporting the health and wellbeing of our network and Home-Start UK
 - Helping build sustainability of local Home-Starts and Home-Start UK
 - Building skills and capabilities among staff and volunteers and connections with each other
- Taking opportunities to 'build back better'
 - Considering how we can enhance our volunteer offer
 - Develop new relationships, partnerships with funders, supporters and coalitions
 - Progressing development of our strategic framework with our network
 - Examining areas of 'transformation' including digital, data, diversity and future workspace.

Meanwhile, activities being progressed/completed in 2021-22 will include:

- Continuing to work with the John Lewis Partnership (John Lewis and Waitrose) and our own local network to increase support for families through the new concept of 'Super Charged Communities'. This programme is building on the strengths of central and local assets and local relationships between Partners and local Home-Starts to make what's strong within Home-Start even stronger.
- Building a longer term strategic partnership with the John Lewis Partnership including Home-Start being featured on their Charity Christmas cards in 2021, plus partner engagement opportunities, currently in development.
- Following feedback from our network, over the next 12 months we will continue to develop our 'Volunteer Journey'; a circle of continuous feedback and evaluation of the journey a volunteer takes within Home-Start, to develop better peer support, more diversity, improved training, stronger communication and more flexibility.

Trustees' annual report

For the year ended 31st March 2021

- The continued rollout of Big Hopes, Big Future® in England and Wales. Face-to-face training in July 2021 will be delivered for 28 local Home-Starts on the school readiness programme funded by the Masonic Charitable Foundation.
- Continuing on the successful webinar programme during 2020-21, 244 local Home-Start staff and trustees have attended our programme of support in the first two months of 2021-22 including new webinars on returning to face-to-face work and the importance of self-esteem in the workplace.
- Home-Start UK launched materials for Volunteers' week in June 2021 encouraging all staff and volunteers across the network to get involved in celebrating volunteers during the week. Resources and ideas included a comment wall, twitter parties, volunteer voices day and virtual meet-ups.
- A Strategy and Transformation Group at Home-Start UK has been formed to support alignment and coherence with future strategy and transformation. They will hold accountability for digital transformation, people and culture and strategy development to build common, shared purpose and alignment.
- Continuation on the full review and update of the Home-Start Agreement, developing a central agreement focused on the relationship between Home-Start UK and the network.
- We will continue to source funding opportunities to support the network through grant funding, associate support and crisis funding during, and post, Covid-19.
- Home-Start in Scotland welcomed the announcement from the Deputy First Minister of initial investment into the 'Promise Fund' to support early intervention and prevention work in Scotland.
- Funding received in 2020-21 from the Scottish Children's Lottery will continue our work to support children in Scotland.
- 'Home is Where We Start from' Report, published in June 2021 by Home-Start UK with commissioned work from Critical Research. The main objective was to gather the experiences of parents with at least one child aged 0-5 years from a survey in April 2021. 1,238 responses were received from 125 local Home-Starts. The Report showed that twice as many low income families (under £16k pa) are not optimistic about life after lockdown compared with those earning more (over £30k pa). 57% of parents are concerned about their own wellbeing/mental health in the year ahead with 65% of parents particularly worried about their children's social development.
- Research will continue with ChangeOut through further interviews and group workshops with our work on Equality, Diversity and Inclusion. The trustee board will discuss the findings when the research has been completed.
- Recruitment for a new Chair of Trustees took place in the spring/early summer to ensure a replacement would be in place for our current Chair, Felicity Clarkson CBE, who is retiring in September 2021, alongside up to three additional trustees with experience and knowledge of transformation and change. A successful recruitment means that Lin Hinnigan will take over from Felicity from September.

- Volant Charitable Trust has donated £250,000 for 2021-22 for our Covid-19 reconnection project to help local Home-Starts to support their families to come out of lockdown and start to help families to reconnect with one another and their communities.
- Our work with funding from the Pears Foundation will continue in 2021-22 to support the sustainability of local Home-Starts.
- Under our digital transformation work, we will complete Enterprise Architecture mapping at Home-Start UK to visualise systems, processes and automation and identify areas of improvement.
- Our Home-Start intranet, @Home, has won 'Best Stakeholder' in the global Interact Excellence Awards 2021. This award is in recognition of Peter Grigg's engagement with @Home, including his weekly video updates that help to keep the Home-Start network connected and informed on news from Home-Start UK and the senior leadership team.
- In July 2021, BT announced Home-Start as their new UK Charity Partner. Home-Start and BT will be working together to tackle digital exclusion across the UK, mobilising BT's people, skills and expertise to close the digital divide and connect the whole Home-Start community. The partnership will equip families, volunteers and local Home-Starts with the '3Ds' – Digital Confidence, Data Connectivity and Devices. We're also encouraging BT employees to 'Play Your Part for Home-Start' and get involved in the volunteering and fundraising opportunities that will be another element of this exciting and transformational partnership.
- Studio is one of the largest online value retailers in the UK with over one million customers and thousands of staff. Following a launch in July 2021, the partnership will initially run for one year with a £75,000 minimum fundraising target (employee/employer matched) that will include a Pennies micro donation option for customers at checkout and a possible cause related marketing campaign.
- White Stuff launched their three year partnership with Home-Start in September 2020, donating £50,000 to Home-Start's COVID Emergency Appeal. The second year of the partnership will see their funding support a new Perinatal Infant Mental Health lead role. Later this year a specially designed Christmas T-Shirt will be sold online and in-store with all profits donated to Home-Start UK.
- Rescue Remedy is the UK's number one emotional wellbeing brand. An initial generous donation of £15,000 will fund a series of wellbeing films to support parents and volunteers. We will also be partnering on employee fundraising and engagement opportunities.

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:

Deborah Bennett	(Resigned 22 nd June 2021)
Sheena Bolland	
Felicity Clarkson CBE	Chair (Retired 14 th September 2021)
Anna Corry	
Joanna Dennis FCCA	Treasurer
Barbara Firth	
Karen Graham	
Elizabeth Hill-Smith	
Lin Hinnigan	Chair (Appointed 14 th September 2021)
Anne Shevas	
Philip Sugarman	Vice Chair
Matthew Wigginton	(Resigned 22 nd June 2021)

Key Management Personnel	Peter Grigg	Chief Executive
	Vivien Waterfield	Deputy Chief Executive
	Pete Thomas	Chief Operating Officer
	Beckie Lang	Director of Network Impact (Appointed 1 March 2021)

Bankers National Westminster Bank plc
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Solicitors

Farrer & Co LLP
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Auditor

Sayer Vincent LLP
Chartered Accountants and Statutory Auditor
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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
Lady Christine Eames OBE
Richard Lintern
Marcus Lyon
Lindsay Nicholson OBE
Lloyd Owen
Philip Price
Rosalind Riley
Flynn Sarler

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 185 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 185 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 £34.4 million, which together with Home-Start UK's group income of £7 million gives the total Home-Start network income of £41.4 million.

Home-Start UK owns 100% of the issued equity share capital of Home-Start Consultancy Limited, a company incorporated in England. The subsidiary undertaking commenced trading during the year.

Governance and management

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

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

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

A Finance Sub Committee, with members with specific knowledge and experience in finance and fundraising, meet bi-monthly and report to the board. A National Committee in Scotland meets as

required. During 2021-22 a new Impact Sub Committee will be established to oversee issues of quality, impact and network development.

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

Related parties and Home-Start Worldwide

Home-Start UK provides model operating policies, guidance and procedures for our network of 185 local Home-Starts.

Home-Start Worldwide sustains the development of Home-Starts across the world. In 2020-21 there were Home-Starts operating in 22 countries and five continents.

Home-Start UK owns 100% of the issued equity share capital of Home-Start Consultancy Limited, a company incorporated in England. Related party transactions during the year are shown in Note 19 in the group financial statements. Home-Start Consultancy Limited undertakes commercial activities on behalf of the parent company Home-Start UK.

Financial review

Financial position

The Consolidated Statement of Financial Activities shows net income for the year of £1,842K including a net gain on investments of £71K. Net incoming resources in unrestricted funds amounted to £1,039K and net incoming resources in restricted funds amounted to £803K.

For 2020-21, and before the pandemic, trustees agreed a budget deficit of £222K. This was based on building on the success of 2019-20 and a strategy to invest in a number of areas critical for impact and future sustainability such as data and digital transformation, fundraising and supporter care. As COVID-19 impacted on our core income streams initial forecasts for £2.6M of income and £2.8M of expenditure were radically changed as the pandemic took hold. By May 2020, disruption to core income streams reduced income forecasts to as low as £1.6M with, after deep expenditure controls, a forecast deficit of nearly £0.5M. We have been profoundly grateful to key funders and all of our supporters for coming to our aid at this time. This has allowed us to grow rather than shrink our support to local Home-Starts during a critical period and to do so with confidence.

Our income in 2020-21 was three times higher than in 2019-20, with an operating surplus of £1.7m. We are carrying forward £1.5M in restricted funds from the John Lewis partnership, statutory and grant funding for our work in 2021-22, alongside a further £300K in designated funds from the John Lewis Partnership. Controlled but agile grant processes have allowed us to target COVID support for tens of thousands of families and improve the local sustainability of dozens of Home-Starts. We have continued to build our capacity at Home-Start UK but done so in a sustainable way through fixed-term contracts, associates support and short-term consultancy.

Moving into 2021-22, as a result of such strong performance, the increasing depth and capacity of our staff team and the growing strength of our brand recognition, we are planning for the future with renewed confidence and optimism. The underlying approach for 2021-22 is to build on growth and maximise our chances of capitalising on a good financial year but to also act with prudence in relation to the underlying committed cost-base for the organisation.

In planning our budgets, we prepared three plausible scenarios for income and expenditure and, in line with board direction, have built the 2021-22 budget on the basis of our central middle 'target' scenario, which we regard as achievable but containing ambitious strength. An expenditure budget of £5.6m will be financed by an income budget of £5.4m (including £1.5m of funds brought forward from 2020-21). In this way, we can continue to push forwards and give ourselves the best chance of success without putting our long-term sustainability at risk.

The Group Balance Sheet as at 31 March 2021 shows an increase in net assets to £3,827K (2019-20: £1,985K), of which £1,498K (2019-20: £695K) represents restricted funds that must be expended on work specified by the donor. The balance of unrestricted funds of £2,329K (2019-20: £1,290K) is reported net of the liability on the pensions reserve at £192K (2019-20: £232K). 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 2020-21

Total income for the group for the year was £7,004K, an incredible 182% increase on the previous financial year (2019-20: £2,483K).

In 2020-21, income of £5,008K (2019-20: £2,215K) directly relates to charitable activities across the four key work streams of the current strategic plan. As detailed in Note 3 in 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. This has been an unprecedented year with the support we have received from old and new supporters to ensure that our local Home-Starts have been supported and sustained to be there for their families during the pandemic. As well as continued support from many of our regular trusts and foundation supporters, a number of new funders supported our work during the pandemic.

We received 3% of our total income for the year, £244K, from government funding in England, Scotland and Northern Ireland for our core work in each country. This compares to £325K (13%) of the total income for the year in 2019-20. In addition, we have received a further £1,060k from government funding in England and Scotland to support our work during the pandemic supporting our families in a variety of ways.

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 2020-21, £593K in contributions (2019-20: £602K), was received from local Home-Starts providing 8% (2019-20: 24%) of Home-Start UK's total income, a huge achievement for local Home-Start during the pandemic. The levy is 2% of 90% of a local Home-Start's income from their previous financial year. During 2020-21, the levy was capped at £10,000 for individual local Home-Starts.

Income from donations in the year totalled £1,850K representing 26% of our total income (2019-20: £218K – 9%). Income is received from corporate partners, charity challenges, individual givers and charitable trusts for our work across the UK. The incredible increase is due to the generosity of old and new individual supporters through our Covid appeal during the first lockdown of the pandemic. A new corporate partnership with the John Lewis Partnership through a Christmas campaign initially and support through the winter to support local Home-Starts to support their families raising £1,200K. We also received £51K

from the government's Coronavirus Job Retention Scheme helping us, in the main, through the initial stages of the pandemic.

Total expenditure in 2020-21

Total operating expenditure was £5,218K (2019-20: £2,717K). 94% of this expenditure (2019-20: 89%) was applied directly to Home-Start UK's charitable activities. The increase in spend in charitable activities is influenced by the funding we receive under each of the four work streams, with the main increase under Network 2020. The main reason for this was a massive £2,949K of onward grant funding to local Home-Starts with £2,202K for crisis pandemic funds for local Home-Starts. Note 7 of the accounts outlines the grants made during the year.

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.

Aside from our grant making during the year, our staff and other costs totalled £2,270K (2019-20: £2,241K). A slight increase in our staff costs to handle our new corporate partnership and support our work during the pandemic was offset by reduced costs of travel and meetings. Investment in early 2021 in staffing levels, and potentially a resumption of face-to-face contact, will see this increase in 2021-22.

The cost of raising funds in the year represented the remaining 6% (2019-20: 11%) of operating expenditure.

In addition to operating expenditure, we recognised an increase of £15K (2019-20: increase £17K) in the Pensions Trust Growth Plan liability in the year. Total resources expended therefore amounted to £5,233K (2019-20: £2,734K).

Land and buildings

Our main office space is leased premises at The Crescent in Leicester. Our current lease on this office space lasts until August 2021.

In March 2020, in advance of the national lockdown, we shifted to remote working for all staff across the UK. While there are some limitations to remote working, this shift has been effective, but as lockdown eases, we are looking to work towards a mix of office and remote working. A review of future office requirements is underway so in the meantime we have extended the lease on our main suite to August 2022, our meeting room/office suite to February 2022 and given notice on the storage/resource suite to end in line with the original leases.

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. During the year, the number of accounts has

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For the year ended 31st March 2021

remained the same as the previous financial year with deposits spread across a number of separate accounts, to reduce the risk not covered by the FSCS scheme.

We hold reserves principally as cash rather than in property. Trustees have determined that an estimated £850K is required to meet legal obligations and should be invested on a long-term but accessible basis. Following a tendering process in early 2018, we selected CCLA's COIF Charities Investment Fund and have placed investments on a staged basis since the summer of 2018. CCLA were chosen as a charity specialist investment manager with strong governance and a clear approach to responsible and ethical investments designed to reflect the nature of the charities they serve. During 2020-21, £200K was added to the Fund. Realised gains of £79K and unrealised losses of £8K during the year resulted in a net gain of £71K as at 31st March 2021. The balance in this Fund is £618K as at 31st March 2021 (2019-20: £347K). Further deposits or withdrawals will be made when trustees consider appropriate in the context of prevailing market conditions. As this investment is intended to be held in excess of one year, the investment fund has been classed as a Fixed Asset Investment on the Balance Sheet.

Our funders

Home-Start UK enjoys support from a wide range of funders. We take great care to ensure they receive the maximum value for every penny they give. We would like to thank all the organisations, corporate partners and individuals who have funded Home-Start UK during 2020-21 and we look forward to working with them in future years. We are grateful for their ongoing support, generosity and passion for Home-Start and the families we support together.

These include:

Amazon
Army Central Fund
Beatrice Laing Foundation
Brook Trust
CAST
Charles Gordon Foundation
Charles Russell Speechlys Foundation
Corra Foundation (Scotland)
Department for Digital, Culture, Media & Sport
DHSS Family Policy Unit (NI)
Don't buy me flowers
Dulverton Trust
George and Grace Hart Trust Fund
George Cadbury Fund
Harvey Charitable Trust
Headley Trust
Henry Smith Charity
InsideOut Living
Investec Wealth & Investment
Jazz Pharmaceutical
John Lewis Partnership
Kidley Limited
Kristian Gerhard Jebsen Foundation
Kiddi Caru Day Nurseries
Liz & Terry Bramall Foundation

Masonic Charitable Foundation
National Lottery Community Fund
Nesta
Pat Newman Memorial Trust
Pears Family Charitable Foundation with DCMS
Porticus UK
Rayne Foundation
Richard Spencer Annual Giving Fund
Scottish Children's Lottery
Scottish Government
Softwire
STV Children's Appeal
Sylvia Adams Charitable Trust
Tedworth Charitable Trust
The Royal Navy and Royal Marine Charity
Vichai Srivaddhanaprabha Foundation Limited
Warburton's
White Stuff Foundation

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 actions designed to mitigate all of the risks identified in the risk register.

Since Home-Start works with vulnerable children and families, we consider safeguarding/child protection the greatest area of inherent risk with our work. Home-Start UK has developed a comprehensive framework of consents, controls, policies and reviews to ensure local Home-Starts fulfil their safeguarding/child protection responsibilities and deal with any concerns rapidly and sensitively. Home-Start UK asks local Home-Starts to report data breaches and safeguarding reputational threats against set criteria. During 2019-21, a safeguarding review was undertaken to consider the criteria for local Home-Starts for reporting 'serious' incidents to the Charity Commission England and Wales/OSCR/Charity Commission NI. A Safeguarding Working Group is now in place who have developed a Safeguarding Action Plan.

As is true for most organisations COVID-19 has profoundly affected our ways of working but both Home-Start UK and the network have adapted extremely well. Services have moved online and processes have been re-shaped. In this context, the key change to risks for the organisation relates to increasing uncertainties around future income. At Home-Start UK this is somewhat mitigated through strong relationships with funders and growing awareness nationally of the needs of isolated families. Network income is more difficult to predict with significant variations occurring locally. Home-Start UK has successfully brokered over £2m for local Home-Starts in grant funding during 2020-21 with further support with a package of webinars on bid writing and the funding of fundraising associates to support local Home-Starts with their funding.

Our risk register is grouped under four key areas; Strategic, Reputational, Operational and Financial. At June 2021, our four main key risks were:-

- Reputational – a safeguarding or child protection issue, or failure of Home-Start UK, results in harm and loss of trust and reputation amongst key stakeholders.

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- Reputational – inability to respond to the sector challenges around diversity and inclusion leaves Home-Start vulnerable to reputational criticism.
- Operational – our staff are unable to deliver our ambitions because of capacity, lack of skills, poor wellbeing, or burnout/disengagement.
- Financial – inability to secure future income in line with plans with funders, supporters and partners.

Remuneration policy

Prior to 1 April 2019, all staff except the chief executive were on pay scales set by the National Joint Council (NJC) with cost of living rises applied according to those set nationally. Home-Start UK has since detached from NJC pay scales and the Finance Committee, on behalf of the board, consider and set staff pay. A non-contractual health care provision was introduced for all staff as an additional benefit.

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 sets the chief executive pay level taking into account pay levels in other similar sized charities. The Board also considers any proposed changes to roles and remuneration for executive staff on the senior leadership team. Trustees are entitled to claim expenses but do not receive any remuneration for their time. Trustee expenses are shown in Note 10 of the group financial statements.

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 £1,760K, which equates to 3.7 months of budgeted revenue expenditure. This is based on a calculated consideration of the working capital requirements necessary for different aspects of the organisation's expenditure (principally salaries, overheads and project expenditure where payment is often received in arrears). It also includes the lease commitments related to the Head Offices in Leicester, which run until 2022. Free reserves are monitored regularly through the monthly management accounts process.

At 31 March 2021, free reserves were £1,417K (2020: £1,023K). This equates to 2.9 months revenue expenditure (2020: 4.9 months). The trustees will continue to monitor reserves levels closely during the coming year.

At the end of 2020-21, three designated funds are in place in order to resource long-term expenditure requirements in identified areas:

- **Fixed Assets Fund** – The fixed asset fund represents all unrestricted funds invested in fixed assets net of any associated liabilities
- **Strategic Transformation Fund** – This new fund replaces the previous Strategic Delivery Fund and will support concerted progress against a multi-year transformation programme for the Home-Start network. Trustees decided to allocate £350K of the surplus in 2020-21 to supplement the residual balance of £235K transferred from the Strategic Delivery Fund. In the context of recovery from Covid-19 this new designated fund will ensure that our strategic progress is not undermined by short-term fluctuations in income levels.

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For the year ended 31st March 2021

- **Give a Little Love Fund** – This new fund represents unrestricted funds raised through the Christmas Campaign with the John Lewis Partnership, which will be used to support the network locally.

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. The trustee board considered and concluded there were no material uncertainties for Home-Start UK to continue operating for at least 12 months from the approval of this Annual Report following consideration of budgets, forecasts, cash flow projections, reserves and financing.

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 work within the guidelines and standards as set out by the Charity Commission and the Fundraising Regulator to ensure the protection of the public, including vulnerable people, from unreasonably intrusive or persistent fundraising approaches, and undue pressure to donate.

Home-Start UK maintains a formal complaints procedure. During the year 2020-21, 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.

Our directly employed fundraising team undertakes the majority of our fundraising work. However, because of the specialist nature of some of the work, we do from time to time work with external agencies for creative, digital and marketing support to help us communicate effectively with donors and potential donors. We require these contractors, as a minimum, to operate within the remit of the fundraising regulator TPS framework, the GDPR framework and our own fundraising guidelines and monitor each contract on an ongoing basis to make sure operators comply with these requirements. During 2020-21, there were no reported incidents in which a contractor did not operate to the required standard.

Protecting our data

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

Equality and diversity policy

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

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

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For the year ended 31st March 2021

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.

ChangeOut was brought in to support Home-Start UK's work on Equality, Diversity and Inclusion in late 2020, with the intention of feeding into the new strategy development process in 2021-22. This work was prompted by a renewed societal focus on racial justice, which requires every charity to consider its mission, values and operational delivery; and a desire to inform progress on diversity and inclusion for Home-Start UK and the wider federation as we enter into a strategic development period.

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. With COVID-19, all staff have been working remotely to ensure their safety. Via Zoom, staff are encouraged to participate in a daily catch up, attend a monthly all-staff meeting and regular support is offered through managers with the top priority being welfare. We completed a staff welfare questionnaire in June 2020 to address employee concerns around their future working environment, and, one year on, we are following on with an updated questionnaire exploring staff concerns around returning to an office base/visiting the central office in Leicester.

Personal development and staff wellbeing is part of our appraisal process and during the year a Home-Start Wellbeing Plan has been developed to encourage staff to set aside some time and pause for thought about their own mental health.

Statement of responsibilities of the trustees

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

Company law requires the trustees to prepare financial statements for each financial year, which give a true and fair view of the state of affairs of the charitable company and group and of the incoming resources and application of resources, including the income and expenditure, of the group 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 group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Trustees' annual report

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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 2021 was 11 (2019-20: 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.

Auditor

Sayer Vincent LLP was re-appointed as the charitable company's auditor during the year and has expressed its willingness to continue in that capacity.

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 14 September 2021 and signed on their behalf by the chair.

Felicity Clarkson CBE
Chair of Trustees

Opinion

We have audited the financial statements of Home-Start UK (the 'parent charitable company') and its subsidiary (the 'group') for the year ended 31 March 2021 which comprise the consolidated statement of financial activities, the group and parent charitable company balance sheets, the consolidated statement of cash flows and the notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 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 group's and of the parent charitable company's affairs as at 31 March 2021 and of the group's 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 regulations 6 and 8 of the Charities Accounts (Scotland) Regulation 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 group 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

In auditing the financial statements, we have concluded that the trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on Home-Start UK's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the trustees with respect to going concern are described in the relevant sections of this report.

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 contained within the annual report. Our opinion on the financial statements does not cover the

Independent Auditors' Report

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Home-Start UK

other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

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 course of the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. 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 group and the parent 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 Charities Accounts (Scotland) Regulations 2006 (as amended) requires us to report to you if, in our opinion:

- Adequate accounting records have not been kept by the parent charitable company, or returns adequate for our audit have not been received from branches not visited by us; or
- The parent charitable company 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 directors were not entitled to prepare the financial statements in accordance with the small companies' regime and take advantage of the small companies' exemptions in preparing the trustees' annual report and from the requirement to prepare a strategic report.

Responsibilities of trustees

As explained more fully in the statement of trustees' responsibilities set out in the trustees' annual report, the trustees (who are also the directors of the parent 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.

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In preparing the financial statements, the trustees are responsible for assessing the group's and the parent 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 group or the parent charitable company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

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 the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud are set out below.

Capability of the audit in detecting irregularities

In identifying and assessing risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, our procedures included the following:

- We enquired of management, and the finance committee, which included obtaining and reviewing supporting documentation, concerning the group's policies and procedures relating to:
 - Identifying, evaluating, and complying with laws and regulations and whether they were aware of any instances of non-compliance;
 - Detecting and responding to the risks of fraud and whether they have knowledge of any actual, suspected, or alleged fraud;
 - The internal controls established to mitigate risks related to fraud or non-compliance with laws and regulations.
- We inspected the minutes of meetings of those charged with governance.
- We obtained an understanding of the legal and regulatory framework that the group operates in, focusing on those laws and regulations that had a material effect on the financial statements or that had a fundamental effect on the operations of the group from our professional and sector experience.
- We communicated applicable laws and regulations throughout the audit team and remained alert to any indications of non-compliance throughout the audit.
- We reviewed any reports made to regulators.

Independent Auditors' Report

To the members of

Home-Start UK

- We reviewed the financial statement disclosures and tested these to supporting documentation to assess compliance with applicable laws and regulations.
- We performed analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud.
- In addressing the risk of fraud through management override of controls, we tested the appropriateness of journal entries and other adjustments, assessed whether the judgements made in making accounting estimates are indicative of a potential bias and tested significant transactions that are unusual or those outside the normal course of business.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

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

Use of our report

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

Fleur Holden (Senior statutory auditor)

14 October 2021

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

Consolidated statement of financial activities (incorporating an income and expenditure account)

For the year ended 31 March 2021

	Note	Unrestricted £	Restricted £	2021 Total £	Unrestricted £	Restricted £	2020 Total £
Income from:							
Donations	2	1,533,818	316,322	1,850,140	184,065	33,689	217,754
Charitable activities							
Network 2020	3	359,900	4,015,748	4,375,648	365,590	775,656	1,141,246
Share IT UK	3	178,256	184,727	362,983	191,642	69,698	261,340
Home-SPARK	3	59,345	46,690	106,035	69,836	45,072	114,908
Innovation Lab	3	6	163,200	163,206	2,016	695,978	697,994
Other trading activities	4	117,377	4,750	122,127	18,807	2,257	21,064
Investments	5	23,409	-	23,409	28,632	-	28,632
Total income		2,272,111	4,731,437	7,003,548	860,588	1,622,350	2,482,938
Expenditure on:							
Raising funds	6	142,425	178,466	320,891	270,814	34,589	305,403
Charitable activities							
Network 2020	6	844,665	2,995,415	3,840,080	295,064	709,076	1,004,140
Share IT UK	6	77,195	326,320	403,515	219,577	280,827	500,404
Home-SPARK	6	188,070	224,315	412,385	234,726	122,587	357,313
Innovation Lab	6	37,378	203,934	241,312	76,683	472,842	549,525
Subtotal of operating expenditure		1,289,733	3,928,450	5,218,183	1,096,864	1,619,921	2,716,785
Increase in pension liability	24	14,858	-	14,858	17,326	-	17,326
Total expenditure		1,304,591	3,928,450	5,233,041	1,114,190	1,619,921	2,734,111
Net income/(expenditure) before investment gains		967,520	802,987	1,770,507	(253,602)	2,429	(251,173)
Net gains on investments		71,355	-	71,355	3,756	-	3,756
Net movement in funds	9	1,038,875	802,987	1,841,862	(249,846)	2,429	(247,417)
Reconciliation of funds:							
Total funds brought forward		1,290,486	694,833	1,985,319	1,540,332	692,404	2,232,736
Total funds carried forward		2,329,361	1,497,820	3,827,181	1,290,486	694,833	1,985,319

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 26(a to d) to the financial statements.

Balance sheets

Company no. 05382181

As at 31 March 2021

	Note	The Group 2021 £	2020 £	The Charity 2021 £	2020 £
Fixed assets:					
Tangible assets	14	20,784	32,653	20,784	32,653
Listed investments	15a	618,453	347,098	618,453	347,098
Shares in group undertaking	15b	-	-	100	100
		639,237	379,751	639,337	379,851
Current assets:					
Stock	18	-	2,119	-	2,119
Debtors	19	1,718,303	590,370	1,744,538	590,370
Short notice deposits held for investment		1,407,205	1,005,741	1,407,205	1,005,741
Cash at bank and in hand		955,935	502,959	828,783	502,941
		4,081,443	2,101,189	3,980,526	2,101,171
Liabilities:					
Creditors: amounts falling due within one year	20	(753,817)	(314,937)	(751,767)	(314,937)
Net current assets		3,327,626	1,786,252	3,228,759	1,786,234
Total assets less current liabilities		3,966,863	2,166,003	3,868,096	2,166,085
Creditors: amounts falling due after one year	22	(139,682)	(180,684)	(139,682)	(180,684)
Total net assets		3,827,181	1,985,319	3,728,414	1,985,401
The funds of the charity:					
Restricted income funds	26	1,497,820	694,833	1,497,820	694,833
Unrestricted income funds:					
Designated funds		912,780	268,045	912,780	268,045
Pension reserve		(192,266)	(231,780)	(192,266)	(231,780)
Non-charitable subsidiary funds		98,767	(82)	-	-
General funds		1,510,080	1,254,303	1,510,080	1,254,303
Total unrestricted funds		2,329,361	1,290,486	2,230,594	1,290,568
Total funds		3,827,181	1,985,319	3,728,414	1,985,401

Approved by the trustees on 14th September 2021 and signed on their behalf by

Felicity Clarkson CBE
Home-Start UK, Chair of Trustees

Consolidated Home-Start UK

Consolidated statement of cash flows

For the year ended 31 March 2021

	Note	£	2021 £	£	2020 £
Cash flows from operating activities					
Net cash provided by/(used in) operating activities	27		1,031,031		(525,044)
Cash flows from investing activities:					
Interest from investments		23,409		28,632	
Purchase of investments		(200,000)		-	
Sale of investments		-		254,000	
Purchase of fixed assets		-		(2,102)	
Net cash (used in)/provided by investing activities			(176,591)		280,530
Change in cash and cash equivalents in the year			854,440		(244,514)
Cash and cash equivalents at the beginning of the year			1,508,700		1,753,214
Cash and cash equivalents at the end of the year	28		2,363,140		1,508,700

1 Accounting policies

a) Statutory information

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

b) Basis of preparation

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

These financial statements consolidate the results of the charity and its wholly-owned subsidiary Home-Start Consultancy Limited on a line by line basis. Transactions and balances between the charity and its subsidiary have been eliminated from the consolidated financial statements. Balances between the two entities are disclosed in the notes of the charity's balance sheet. A separate statement of financial activities, or income and expenditure account, for the charity itself is not presented because the charity has taken advantage of the exemptions afforded by section 408 of the Companies Act 2006. The wholly-owned subsidiary became operational on 1st November 2020.

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

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

c) Public benefit entity

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

d) Going concern

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

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

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

e) Income

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

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

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

f) Donations of gifts, services and facilities

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

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

g) Interest receivable

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

h) Fund accounting

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

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

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

Notes to the financial statements

For the year ended 31 March 2021

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

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

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

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

j) Grants payable

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

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

k) Allocation of support costs

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

• Network 2020	37%
• Share IT UK	21%
• Home-SPARK	16%
• Innovation Lab	8%
• Cost of raising funds	18%

l) Operating leases

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

m) Tangible fixed assets

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

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

• Fixtures and fittings	15%
• Computer Equipment	33%

n) Investments in subsidiaries

Investments in subsidiaries are at cost.

o) Fixed asset investments

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

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

Stocks are stated at the lower of cost and net realisable value. In general, cost is determined on a first in first out basis and includes transport and handling costs. Net realisable value is the price at which stocks can be sold in the normal course of business after allowing for the costs of realisation. Provision is made where necessary for obsolete, slow moving and defective stocks.

q) Debtors

Trade and other debtors are recognised at the settlement amount due. Prepayments are valued at the amount prepaid.

r) Short term deposits

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

s) Cash at bank and in hand

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

t) Creditors and provisions

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

u) Financial instruments

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

v) Pensions

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

2 Income from donations

	Unrestricted £	Restricted £	2021 Total £	Unrestricted £	Restricted £	2020 Total £
Donations	257,567	68,243	325,810	184,065	33,689	217,754
Covid Appeal	12,500	248,079	260,579	-	-	-
Give a Little Love - Christmas Campaign	898,460	-	898,460	-	-	-
Give a Little Love 2	312,500	-	312,500	-	-	-
Coronavirus Job Retention Scheme	51,291	-	51,291	-	-	-
Legacies	1,500	-	1,500	-	-	-
	<u>1,533,818</u>	<u>316,322</u>	<u>1,850,140</u>	<u>184,065</u>	<u>33,689</u>	<u>217,754</u>

Donations

Income received from charitable trusts, corporate partners, charity challenges and individual givers for our work across the UK. A new corporate partnership with the John Lewis Partnership generated funds of £1.2m through a Christmas Campaign and further support through the winter to support local Home-Starts to support their families (details of grants made are shown in Note 7). During the first lockdown of the pandemic, Home-Start UK ran a Covid Appeal to our current individual supporters, trusts, foundations and corporate contacts raising £260k (details of grants made are shown in Note 7). Home-Start UK received £51k from the government's Coronavirus Job Retention Scheme.

3 Income from charitable activities

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

	Unrestricted £	Restricted £	2021 Total £	Unrestricted £	Restricted £	2020 Total £
Network 2020						
Membership Levy	355,888		355,888	361,204	-	361,204
Corra Foundation (Scotland)	-	78,800	78,800	-	78,800	78,800
DHSS Family Policy Unit (Northern Ireland)	-	35,452	35,452	-	28,361	28,361
Department of Digital, Culture, Media and Sport	-	750,000	750,000	-	-	-
Scottish Government	-	310,250	310,250	-	-	-
Community Fund (various grants)	-	734,624	734,624	-	493,229	493,229
John Lewis Partnership - Supercharged communities	-	200,000	200,000	-	-	-
Support from trusts and foundations	4,000	1,906,622	1,910,622	-	175,266	175,266
Sales of material and publications	12	-	12	4,386	-	4,386
Sub-total for Network 2020	359,900	4,015,748	4,375,648	365,590	775,656	1,141,246
Share IT UK						
Membership Levy	177,944	-	177,944	180,602	-	180,602
Corra Foundation (Scotland)	-	49,250	49,250	-	49,250	49,250
DHSS Family Policy Unit (Northern Ireland)	-	4,727	4,727	-	3,782	3,782
Community Fund	-	124,500	124,500	-	-	-
Support from trusts and foundations	-	6,250	6,250	-	16,666	16,666
Training events	300	-	300	6,920	-	6,920
Sales of material and publications	12	-	12	4,120	-	4,120
Sub-total for Share IT UK	178,256	184,727	362,983	191,642	69,698	261,340
Home-SPARK						
Membership Levy	59,315	-	59,315	60,201	-	60,201
Corra Foundation (Scotland)	-	39,400	39,400	-	39,400	39,400
DHSS Family Policy Unit (Northern Ireland)	-	7,090	7,090	-	5,672	5,672
Support from trusts and foundation	-	200	200	-	-	-
Sales of material and publications	30	-	30	9,635	-	9,635
Sub-total for Home-SPARK	59,345	46,690	106,035	69,836	45,072	114,908
Innovation Lab						
Corra Foundation (Scotland)	-	29,550	29,550	-	29,550	29,550
Nesta Early Years Social Action Fund	-	-	-	-	90,719	90,719
Support from trusts and foundations	-	133,650	133,650	-	575,709	575,709
Sales of material and publications	6	-	6	2,016	-	2,016
Sub-total for Innovation Lab	6	163,200	163,206	2,016	695,978	697,994
Total income from charitable activities	597,507	4,410,365	5,007,872	629,084	1,586,404	2,215,488

3 Income from charitable activities (continued)**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. During 2020-21, the levy was capped at £10,000 for individual local Home-Starts.

Government Grants

A grant was received from DHSS Family Policy Unit of £47,269 (2020: £37,815) for our work in Northern Ireland, an uplift of 25% to support our work during the pandemic. A grant was received from the Corra Foundation of £197,000 (2020: £197,000) for our work in Scotland. The Department for Digital, Culture, Media & Sport supported our work through a £750,000 grant (2020: £nil) to help mothers overcome loneliness during Covid-19. The Scottish Government supported our work during the pandemic totalling £310,250 (2020: £nil) for a winter support fund, enabling outdoor play for vulnerable families and family focus groups.

Support from the Community fund, corporate, trusts and foundations

Grants were received to support our work across the UK with continued support in specific areas across the UK. Continued support included our work in consolidating the network and to develop new evidence-based family support programmes with funding from the Big Lottery Fund of £149,544 (2020: £299,088) and our work in Greater Manchester of £182,500 (2020: £115,000). A number of trusts and foundations continued to support our work started in 2019-20: Dulverton Trust £38,550 (2020: £38,610) for our Early Years Development work, the roll out and development of Big Hopes Big Future® in England and Wales with funding from the Masonic Charitable Foundation of £336,727 (2020: £335,835), the Army Central Fund of £49,200 (2020: £49,200) for our work with army families and a new partnership with The Royal Navy and Royal Marines Charity for work with naval families, where we were awarded £98,000 in 2019-20.

A number of funders supported our work during the pandemic for direct support to local Home-Starts and to support Home-Start UK to continue to provide our support to them. Funders included the Community Fund, £498,000 (2020: £nil), an emergency response core grant for Home-Start UK, the Brook Trust £100,000 for grants to local Home-Starts and to support our leadership and the Scottish Childrens Lottery £25,000 supporting children in Scotland. A joint funding initiative from the Pears Foundation and the Department of Digital, Culture, Media & Sport of £1,116,245 was awarded as a Community Match Challenge grant targeted to support particularly vulnerable local Home-Starts to function during the pandemic and build back stronger.

Funders also supported our development work in perinatal mental health (Sylvia Adams Charitable Trust, Charles Gordon Foundation and Rayne Foundation), building our online volunteer community (Porticus), exploring our digital working (Henry Smith, CAST) and connecting from the start (Nesta and Kristian Gerhard Foundation).

As a result of a successful Christmas Campaign with the John Lewis Partnership, they have donated a further £200,000 in 2020-21, to explore local partnerships and relationships for local Home-Starts and their local stores in 10 locations.

4 Income from other trading activities

	Unrestricted	Restricted	2021 Total £	Unrestricted £	Restricted	2020 Total £
Fundraising events	-	-	-	7,240	2,257	9,497
Non-charitable subsidiary fund	105,960	-	105,960	-	-	-
Other	11,417	4,750	16,167	11,567	-	11,567
	<u>117,377</u>	<u>4,750</u>	<u>122,127</u>	<u>18,807</u>	<u>2,257</u>	<u>21,064</u>

5 Income from investments

	2021 Total £	2020 Total £
Bank Interest	11,176	10,996
Interest from fixed asset investments	12,233	17,636
	<u>23,409</u>	<u>28,632</u>

All income from investments is unrestricted.

Consolidated Home-Start UK

Notes to the financial statements

For the year ended 31 March 2021

6a Analysis of expenditure (current year)

	Charitable activities					Governance costs £	Central support costs £	2021 Total £	2020 Total £
	Cost of raising funds £	Network 2020 £	Share IT UK £	Home-SPARK £	Innovation Lab £				
Staff costs (Note 10)	189,978	427,581	194,990	180,084	112,445	61,767	63,412	1,230,257	1,188,470
Recruitment	24,265	18,185	380	1,149	480	21,560	15,335	81,354	26,595
Travel	-	107	42	40	103	-	1,237	1,529	97,529
Office Costs	23,893	52,876	44,239	37,931	15,790	3,822	71,537	250,088	272,117
Internal Meetings	-	-	-	-	-	-	-	-	14,351
Grants to local Home-Starts (Note 7)	-	2,887,340	23,275	-	38,000	-	-	2,948,615	475,845
Technical advice and support (Note 8)	-	284,648	56,698	122,036	21,501	-	27,555	512,438	445,041
Training and development	387	18,950	9,018	4,168	2,540	660	3,498	39,221	72,108
Depreciation and loss on disposal	2,011	4,020	1,946	1,710	887	325	970	11,869	12,163
Fundraising materials/events expenses	17,252	10,677	-	9,014	-	-	-	36,943	12,503
Audit fees/legal and professional	-	6,542	2,286	2,566	1,719	52,203	20,491	85,807	95,563
Evaluation, scaling & dissemination	-	-	-	-	20,062	-	-	20,062	4,500
	257,786	3,710,926	332,874	358,698	213,527	140,337	204,035	5,218,183	2,716,785
Central support costs	37,389	76,522	41,853	31,809	16,462	-	(204,035)	-	-
Governance costs	25,716	52,632	28,788	21,878	11,323	(140,337)	-	-	-
Total expenditure 2021	320,891	3,840,080	403,515	412,385	241,312	-	-	5,218,183	2,716,785
Total expenditure 2020	305,403	1,004,140	500,404	357,313	549,525	-	-	2,716,785	

Consolidated Home-Start UK

Notes to the financial statements

For the year ended 31 March 2021

6b Analysis of expenditure (prior year)

	Cost of raising funds £	Charitable activities				Governance costs £	Central support costs £	2020 Total £	2019 Total £
		Network 2020 £	Share IT UK £	Home-SPARK £	Innovation Lab £				
Staff costs (Note 10)	168,561	258,461	270,094	146,699	204,488	45,737	94,430	1,188,470	1,114,366
Recruitment	3,396	9,638	3,498	2,277	3,219	4,567	-	26,595	7,722
Travel	7,016	55,847	10,041	6,142	15,242	1,340	1,901	97,529	104,481
Office Costs	27,081	24,682	80,203	52,741	33,476	4,525	49,409	272,117	261,631
Internal Meetings	951	7,429	1,630	1,182	1,177	1,716	266	14,351	13,717
Grants to local Home-Starts (Note 7)	3,482	219,459	15,000	3,750	234,154	-	-	475,845	374,037
Technical advice and support (Note 8)	35,290	277,924	18,083	98,931	5,091	594	9,128	445,041	481,858
Training and development	201	46,395	13,681	4,268	5,651	127	1,785	72,108	79,457
Depreciation and loss on disposal	1,726	3,318	3,060	1,414	1,605	338	702	12,163	22,794
Fundraising materials/events expenses	10,020	2,141	137	205	-	-	-	12,503	17,640
Audit fees/legal and professional	-	2,595	438	640	1,050	62,525	28,315	95,563	76,811
Evaluation, scaling & dissemination	-	4,500	-	-	-	-	-	4,500	16,635
	257,724	912,389	415,865	318,249	505,153	121,469	185,936	2,716,785	2,571,149
Central support costs	28,839	55,496	51,134	23,628	26,839	-	(185,936)	-	-
Governance costs	18,840	36,255	33,405	15,436	17,533	(121,469)	-	-	-
Total expenditure 2020	305,403	1,004,140	500,404	357,313	549,525	-	-	2,716,785	2,571,149
Total expenditure 2019	356,465	874,112	524,281	291,554	524,737	-	-	2,571,149	

Notes to the financial statements

For the year ended 31 March 2021

7 Analysis of grants to local Home-Starts

	2021 £	2020 £
Grants to institutions		
Crisis pandemic funds for local Home-Starts (see breakdown below)	2,201,985	200
Home-Start service in Inverclyde	27,925	46,622
#GrowUpGreat (Home-Start Exeter & East Devon and Home-Start Southwark)	50,000	50,000
Supporting our service across Manchester (see breakdown below)	180,000	112,500
Bumps and beyond (Home-Start East Dorset)	-	8,610
Supporting work with service families (see breakdown below)	45,700	44,975
Upskilling volunteers in domestic violence and abuse	-	29,658
Big Hopes Big Future®	274,875	1,500
Good Ideas Fund (see breakdown below)	-	4,708
Sustainability of local Home-Starts to support families (funded by The Brook Trust)	27,300	-
Connecting from the Start in London (funded by Kristian Gerhard Foundation)	76,000	-
LENA Home	-	48,000
Digital mentoring elearning project	10,000	13,500
Home-Start Working Families Wales (see breakdown below)	-	111,703
Trustee recruitment/Strategic support/Family Focus Groups (funded by the Scottish Government)	19,450	-
Supporting young people in Scotland (funded by the Scottish Children's Lottery)	980	-
Family Support to naval families (funded by the Royal Navy & Royal Marines Charity)	15,100	-
Other	19,300	3,869
At the end of the year	2,948,615	475,845

Home-Start UK is instrumental in securing funding to pass on to local Home-Starts. These grants are distributed in line with the criteria of the funder. Applications are formally assessed by a panel. Central support costs are allocated as shown in Note 6. In total, 823 (2020: 98) grant payments to local Home-Starts were made during 2020-21.

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

	2021 £	2020 £
Crisis pandemic funds for local Home-Starts		
◦ Families Connected Emergency grant fund		
- 192 local Home-Starts received emergency funding to support their families	185,139	200
◦ Connecting with Families at Christmas		
- 139 local Home-Starts were able to provide Christmas activities/gifts to their families	116,702	-
◦ Caring for families during COVID		
- 128 local Home-Starts benefitted through small grants to support their families under the categories of Warm, Smile, Food, Connect and Access	481,249	-
◦ Supporting local Home-Starts to support families with isolation		
- 110 local Home-Starts were able to support their families during the	795,000	-
◦ Supporting local Home-Starts to support families during the pandemic		
- supporting 34 of the most vulnerable local Home-Starts to survive the pandemic	466,245	-
◦ Other		
- 30 local Home-Starts in Scotland were supported with winter funding and outdoor play	157,650	-
	2,201,985	200
Supporting our service across Manchester		
Home-Start Bolton	-	7,500
Home-Start Manchester	45,000	45,000
Home-Start Oldham, Stockport & Tameside	60,000	33,750
Home-Start Rochdale	30,000	15,000
Home-Start Trafford	45,000	11,250
	180,000	112,500
Home-Start Working Families Wales		
12 grants to local Home-Start in Wales	-	111,703
	-	111,703
Good Ideas Fund		
Home-Start Hertfordshire	-	2,958
Home-Start Renfrewshire	-	1,750
	-	4,708
Supporting work with Service families		
Various Home-Start schemes (12 grants each up to £5,000)	45,700	44,975
	45,700	44,975

Notes to the financial statements

For the year ended 31 March 2021

8 Analysis of technical advice and support

	2021 £	2020 £
Technical advice and support		
Network development	163,401	248,760
Brand design, development and launch	-	47,672
Corporate/individual giving review/campaign development	-	34,993
PR and communications	24,407	53,200
Home-Start Agreement	-	27,686
Corporate partnership development	183,163	-
Strategy and policy development	42,519	-
Digital, data and technology development	42,892	9,128
To support funded projects	42,680	10,294
Other	13,376	13,308
	512,438	445,041

Home-Start UK uses technical advice, support and expertise to assist in strategic development as part of externally funded projects and to provide targeted expenditure in key areas such as strategic development, digital development, building corporate partnerships and supporting network development using freelance, interims via agencies and consultancy.

9 Net income/(expenditure)

This is stated after charging /(crediting):

	2021 £	2020 £
Depreciation	11,869	12,163
Operating lease rentals:		
Property	37,726	54,938
Other	768	753
Auditors' remuneration (excluding VAT):		
Audit	15,000	12,000
Other services	1,520	-

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

Staff costs were as follows:

	2021 £	2020 £
Salaries and wages	1,045,542	991,789
Redundancy costs paid and settled	2,674	17,325
Termination costs paid and settled	-	5,000
Social security costs	102,127	96,026
Employer's contribution to defined contribution pension schemes	79,914	78,330
	1,230,257	1,188,470

The redundancy and termination costs were settled and paid at the balance sheet date.

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

	2021 No.	2020 No.
£90,000 - £99,999	1	-
£80,000 - £89,999	1	-
£70,000 - £79,999	1	-
£60,000 - £69,999	-	2

The total employee benefits including pension contributions and employer's national insurance of the key management personnel were £314,738 (2020: £219,569).

The charity trustees were not paid nor received any other benefits from employment with the charity in the year (2020: £nil). No charity trustee received payment for professional or other services supplied to the charity (2020: £nil).

Trustees' expenses represents the payment or reimbursement of travel and subsistence costs totalling £nil (2020: £4,505) incurred by 0 (2020: 11) members relating to attendance at meetings of the trustees.

Notes to the financial statements

For the year ended 31 March 2021

11 Staff numbers

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

	2021 No.	2020 No.
Raising funds	4.9	4.4
Network 2020	10.0	8.4
Share IT UK	5.0	7.7
Home-SPARK	4.2	3.6
Innovation Lab	2.2	4.0
Central support costs	1.4	1.8
Governance	0.8	0.8
	28.5	30.7

The number of employees calculated on the basis of full-time equivalents at the end of the year was 29.0 (2020: 24.8).

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 £20,000 (2020:£25,000) towards our emergency appeal to support local Home-Starts and The Tedworth Charitable Trust made 2 grants totalling £45,000 (2020: £nil), £20,000 towards Covid-19 related work with local Home-Starts and £25,000 towards core services in 2021-22. There were no outstanding balances due to or from related parties at 31st March 2021. (2020: £nil). James Sainsbury OBE receives no benefit from the grants made to the charity.

Home-Start UK received donations totalling £762 (2020: £1,281) from 2 trustees (2020: 2 trustees). The trustees receive no benefit from the donations made to the charity.

Deborah Bennett, trustee of Home-Start UK, is also a trustee of Home-Start South Leicestershire, which received £13,164 (2020:£nil) during the year. The £13,164 comprised grant payments through appeal emergency funding of £657, connecting families grant of £7,666, connecting with families at Christmas of £881 and Give a Little Love grant of £3,960.

Elizabeth Hill-Smith, a trustee of Home-Start UK, is also a volunteer of Home-Start Waverley, which received £21,580 (2020:£nil) during the year. The £21,580 comprised grant payments of £15,000 for supporting loneliness during the pandemic, £1,620 in emergency grant funding, connecting families grant of £1,000 and £3,960 Give a Little Love grant.

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.

The charity's trading subsidiary Home-Start Consultancy Limited distributes under Gift Aid available profits to the parent charity. Its charge to corporation tax in the year was:

	2021 £	2020 £
UK corporation tax at 19%	-	-

Notes to the financial statements

For the year ended 31 March 2021

14 Tangible fixed assets

	Fixtures and fittings £	Computer equipment £	Total £
The group and charity Cost			
At the beginning of the year	57,741	129,019	186,760
Additions in year	-	-	-
At the end of the year	57,741	129,019	186,760
Depreciation			
At the beginning of the year	32,181	121,926	154,107
Charge for the year	7,369	4,500	11,869
At the end of the year	39,550	126,426	165,976
Net book value			
At the end of the year	18,191	2,593	20,784
At the beginning of the year	25,560	7,093	32,653

All of the above assets are used for charitable purposes.

15a Listed investments

	The group 2021 £	2020 £	The charity 2021 £	2020 £
Fair value at the start of the year	347,098	597,342	347,098	597,342
Additions at cost	200,000	-	200,000	-
Disposal proceeds	-	(254,000)	-	(254,000)
Net gain/(loss) on change in fair value	71,355	3,756	71,355	3,756
Fair value at the end of the year	618,453	347,098	618,453	347,098
Investments comprise:				
COIF Charities Investment Fund	618,453	347,098	618,453	347,098
	618,453	347,098	618,453	347,098

15b Shares in group undertaking

	2021 £	2020 £
Cost at 1 April 2020 and 31 March 2021	100	100

Home-Start UK owns 100% of the issued share capital of Home-Start Consultancy Limited. The company was dormant during the previous financial years and became operational during the current year.

16 Subsidiary undertaking

The charity owns the whole of the issued ordinary share capital of Home-Start Consultancy Limited, a company registered in England. The company number is 02810260. The registered office address is The Crescent, King Street, Leicester, LE1 6RX.

The subsidiary is used for non-primary purpose trading activities. All activities have been consolidated on a line by line basis in the statement of financial activities.

Available profits are distributed under Gift Aid to the parent charity.

The trustees Felicity Clarkson CBE, Joanna Dennis FCCA, Philip Sugarman and Matthew Wigginton, along with Vivien Waterfield Deputy CEO, are also directors of the subsidiary.

A summary of the results of the subsidiary is shown below:

	2021 £	2020 £
Turnover	105,960	-
Cost of sales	-	-
Gross profit	105,960	-
Administrative expenses	(7,111)	-
Profit on ordinary activities before interest and taxation	98,849	-
Profit on ordinary activities before taxation	98,849	-
Taxation on profit on ordinary activities	-	-
Profit for the financial year	98,849	-
Retained earnings		
Total retained earnings brought forward	18	18
Profit for the financial year	98,849	-
Total retained earnings carried forward	98,867	18
The aggregate of the assets, liabilities and reserves was:		
Assets	127,152	18
Liabilities	(28,285)	-
Reserves	98,867	18

Amounts owed to/from the parent undertaking are shown in note 19.

Included within administrative expenses above is a management charge of £2,070 (2020: £nil) from the parent entity.

17 Parent charity

The parent charity's gross income and the results for the year are disclosed as follows:

	2021 £	2020 £
Gross income	6,899,658	2,482,938
Result for the year	1,743,013	(247,417)

Notes to the financial statements

For the year ended 31 March 2021

18 Stock

	The group 2021 £	2020 £	The charity 2021 £	2020 £
Material and publications for sale	-	2,119	-	2,119
	-	2,119	-	2,119

Home-Start UK launched a new brand and corporate identity during 2020. Local Home-Starts can now access a new on-line brand centre, designed to make it easier to customise and order local brand materials, which is reflected in the reduction in stock levels of old materials and publications in 2020 and remaining stock written off in 2020-21.

19 Debtors

	The group 2021 £	2020 £	The charity 2021 £	2020 £
Trade debtors	30,374	13,843	30,374	13,843
Accrued income	1,587,280	510,872	1,587,280	510,872
Other debtors	32,440	9,168	32,440	9,168
Prepayments	68,209	56,487	68,209	56,487
Amounts due from group undertaking	-	-	26,235	-
	1,718,303	590,370	1,744,538	590,370

The accrued income amount of £1,587,280 (2020: £510,872) includes £336,727 (2020: £335,835) from the Masonic Charitable Foundation as part of a five year programme intended to support 3,000 children through our Big Hopes Big Future® school readiness programme and £600,000 (2020: £nil) from a joint initiative from the Pears Foundation and the Department of Digital, Culture, Media and Sport for targeted support to vulnerable local Home-Starts to 'build back stronger' following the pandemic. In addition, of £512,500 (2020: £nil) from the John Lewis Partnership represents the remainder of the Give a Little Love grant funding of £300,000, £12,500 Community Matters and £200,000 towards our work at a local level with supercharged communities.

20 Creditors: amounts falling due within one year

	The group 2021 £	2020 £	The charity 2021 £	2020 £
Trade creditors	125,873	21,692	125,873	21,692
Taxation and social security	58,509	29,048	58,509	29,048
Other creditors	25,189	10,041	25,189	10,041
Accruals	91,162	70,036	89,112	70,036
Grants payable	82,523	6,347	82,523	6,347
Grant commitments	313,409	106,750	313,409	106,750
Pension deficit	52,584	51,096	52,584	51,096
Deferred income (note 19)	4,568	19,927	4,568	19,927
	753,817	314,937	751,767	314,937

The Trade Creditors amount of £208,936 (2020: £28,039) includes £82,043 (2020: £6,347) in onward grants to local Home-Starts. Grants commitments of £313,409 (2020: £106,750) includes onward committed grants to local Home-Starts from the Community Fund Greater Manchester £90,000 (2020: £78,750), the Growth Fund £32,800 (2020: £28,000), Give a Little Love 2 £18,672 (2020: £nil) and the Masonic Charitable Foundation for Big Hopes Big Future® £171,938 (2020: £nil).

21 Deferred income

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

	The group 2021 £	2020 £	The charity 2021 £	2020 £
Balance at the beginning of the year	19,927	2,072	19,927	2,072
Amount released to income in the year	(19,927)	(2,072)	(19,927)	(2,072)
Amount deferred in the year	4,568	19,927	4,568	19,927
Balance at the end of the year	4,568	19,927	4,568	19,927

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For the year ended 31 March 2021

22 Creditors: amounts falling due after one year

	The group 2021	2020	The charity 2021 £	2020 £
Pension deficit	139,682	180,684	139,682	180,684
	139,682	180,684	139,682	180,684

23 Financial instruments

	2021 £	2020 £
Financial assets measured at fair value through profit and loss		
Investments	618,453	347,098
Financial liabilities measured at fair value through profit or loss		
Defined pension scheme liability	(192,266)	(231,780)

24 Pension scheme

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

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

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

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

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

A full actuarial valuation for the scheme was carried out at 30 September 2017. This actuarial valuation showed assets of £794.9m, liabilities of £926.4m and a deficit of £131.5m. To eliminate this funding shortfall, the Trustee has asked the participating employers to pay additional contributions of £11,243,000pa of which Home-Start's contribution was £52,788 pa, payable monthly and increasing by 3% each on 1st April.

A new actuarial valuation for the scheme was carried out at 30 September 2020. The full implications of this new valuation for Home-Start UK's are still to be confirmed. The overall position for the scheme has been published and shows a reduction in the deficit to £33.3m (2020: £131.5m), in part due to a change in the accounting treatment for the running costs of the scheme. Indications are that Home-Start UK's share of deficit repayments will fall by up to two thirds while the newly separated administration costs for the scheme will in future be paid separately and equate to roughly half of this reduction. As the impact of the new valuation remains uncertain and the effect on these financial statements would be immaterial no adjustment has been made to the 2020/21 financial statements.

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

Home-Start UK ceased to provide this defined benefit scheme with effect from January 2009, with most of the members switching to the defined contribution scheme. Home-Start UK contributed £54k to the past service deficit of the defined benefit scheme in the year (2020: £53k) and will continue to contribute annually until 2025 subject to changes in deficit contributions once confirmed.

Notes to the financial statements

For the year ended 31 March 2021

25a Analysis of group net assets between funds (2020/21 - current year)

	General unrestricted £	Designated £	Restricted £	Total funds £
Tangible fixed assets	-	20,784	-	20,784
Investments	618,453	-	-	618,453
Net current assets	937,810	891,996	1,497,820	3,327,626
Long term liabilities	(139,682)	-	-	(139,682)
Net assets at 31 March 2021	1,416,581	912,780	1,497,820	3,827,181

25b Analysis of net assets between funds (2019/20 - prior year)

	General unrestricted £	Designated £	Restricted £	Total funds £
Tangible fixed assets	-	32,653	-	32,653
Investments	347,098	-	-	347,098
Net current assets	856,027	235,392	694,833	1,786,252
Long term liabilities	(180,684)	-	-	(180,684)
Net assets at 31 March 2020	1,022,441	268,045	694,833	1,985,319

Notes to the financial statements

For the year ended 31 March 2021

26a Movements in restricted funds (2020/21 - current year)

	At 1 April 2020 £	Income £	Expenditure £	Transfers £	At 31 March 2021 £
Amazon	-	10,000	(10,000)	-	-
Anonymous	20,000	-	(20,000)	-	-
Army Central Fund	-	49,200	(49,200)	-	-
Beatrice Laing Foundation	-	12,500	(12,500)	-	-
Big Lottery Fund - consolidation project	91,245	149,544	(231,389)	-	9,400
Big Lottery Fund - investing in communities	-	29,080	(29,080)	-	-
Big Lottery Fund - Covid19 emergency response grant	-	498,000	(498,000)	-	-
Big Lottery Fund - Greater Manchester project	1,250	182,500	(182,500)	-	1,250
Brook Trust	-	100,000	(39,873)	-	60,127
CAST	-	10,000	(10,000)	-	-
Charles Gordon Foundation	-	60,000	(2,275)	-	57,725
Corra Foundation	-	197,000	(197,000)	-	-
Department for Digital, Culture, Media & Sport	-	750,000	(750,000)	-	-
DHSS & PS Northern Ireland	-	47,269	(47,269)	-	-
Dulverton Trust	-	38,550	(38,550)	-	-
Garfield Weston	7,000	-	(7,000)	-	-
George & Grace Hart Charitable Trust	-	714	(714)	-	-
Growth Fund	25,000	25,000	(50,000)	-	-
Harvey Charitable Trust	-	1,000	(1,000)	-	-
Headley Trust	-	20,000	(20,000)	-	-
Help Us Keep Families Connected	30,585	92,579	(123,164)	-	-
Henry Smith	-	20,000	(8,189)	-	11,811
Home-Start Bolton	-	4,750	(4,750)	-	-
Home-Start Greater Manchester	7,601	487	(2,912)	-	5,176
John Lewis Partnership - Supercharged communities	-	200,000	(3,450)	-	196,550
Kristian Gerhard Jebsen Foundation	-	100,000	(78,181)	-	21,819
Liz & Terry Bramall Foundation	-	18,000	(18,000)	-	-
Margaret Harrison Travel Scholarship	7,449	42	-	-	7,491
Masonic Charitable Foundation	363,185	336,727	(352,698)	-	347,214
Nesta LENA	20,000	-	(20,000)	-	-
Nesta	-	15,000	(15,000)	-	-
NI development	13,491	-	(3,993)	-	9,498
Pat Newman Memorial Trust	-	2,000	(2,000)	-	-
Pears Family Charitable Foundation with DCMS	-	1,116,245	(516,245)	-	600,000
Porticus UK	-	80,000	(37,783)	-	42,217
Rayne Foundation	-	37,000	(5,143)	-	31,857
R S MacDonald Charitable Trust - digital technology	6,377	6,000	(10,800)	-	1,577
Royal Navy & Royal Marines Charity	97,850	(24,500)	(42,461)	-	30,889
Scottish Children's Lottery	-	25,000	(980)	-	24,020
Scottish Government - Winter Fund	-	150,000	(150,000)	-	-
Scottish Government - Family Focus Groups	-	1,750	(1,750)	-	-
Scottish Government - Outdoor Play	-	8,500	(8,500)	-	-
Scottish Government - Winter Support Fund	-	150,000	(150,000)	-	-
SCVO	1,800	-	(1,800)	-	-
STV	2,000	2,000	(4,000)	-	-
Sylvia Adams Charitable Trust	-	49,500	(35,301)	-	14,199
Tedworth Charitable Trust	-	20,000	(20,000)	-	-
Tedworth Charitable Trust	-	25,000	-	-	25,000
Vichai Srivaddhanaprabha Foundation Limited	-	25,000	(25,000)	-	-
Warburtons	-	40,000	(40,000)	-	-
White Stuff Foundation	-	50,000	(50,000)	-	-
Total restricted funds	694,833	4,731,437	(3,928,450)	-	1,497,820

26b Movements in restricted funds (2019/20 - prior year)

	At 1 April 2019 £	Income £	Expenditure £	Transfers £	At 31 March 2020 £
1st International Congress	-	167	(167)	-	-
Allianz	-	690	(690)	-	-
Anonymous	30,000	20,000	(30,000)	-	20,000
Army Central Fund	-	49,200	(49,200)	-	-
Big Lottery Fund - consolidation project	123,938	299,088	(331,781)	-	91,245
Big Lottery Fund - investing in communities	6,000	56,841	(62,841)	-	-
Big Lottery Fund - Home-Start working families	87,891	22,300	(110,191)	-	-
Big Lottery Fund - Greater Manchester project	-	115,000	(113,750)	-	1,250
British Red Cross	6,571	10,197	(16,768)	-	-
Brook Trust - good ideas fund	20,777	-	(20,777)	-	-
Corra Foundation	-	197,000	(197,000)	-	-
David Family Foundation	-	10,000	(10,000)	-	-
DHSS & PS Northern Ireland	-	37,815	(37,815)	-	-
Dulverton Trust	-	38,610	(38,610)	-	-
Elizabeth Frankland Moore and Star Foundation	-	5,000	(5,000)	-	-
Garfield Weston	-	50,000	(43,000)	-	7,000
George & Grace Hart Charitable Trust	-	1,063	(1,063)	-	-
Growth Fund	-	100,000	(75,000)	-	25,000
Help Us Keep Families Connected	-	30,785	(200)	-	30,585
Home-Start Greater Manchester	11,380	-	(3,779)	-	7,601
ICAP	100,000	-	(100,000)	-	-
Liz & Terry Bramall Foundation	-	3,800	(3,800)	-	-
Margaret Harrison Travel Scholarship	6,466	983	-	-	7,449
Masonic Charitable Foundation	154,472	335,835	(127,122)	-	363,185
Nesta LENA	38,587	90,719	(109,306)	-	20,000
NI Development	11,234	2,257	-	-	13,491
Porticus UK	-	40,000	(40,000)	-	-
R S MacDonald Charitable Trust - digital technology	23,085	-	(16,708)	-	6,377
Royal Navy & Royal Marines Charity	-	98,000	(150)	-	97,850
Royal British Legion	15,944	-	(15,944)	-	-
Schroder Charity Trust	4,000	-	(4,000)	-	-
SCVO	2,910	5,000	(6,110)	-	1,800
STV	-	2,000	-	-	2,000
Sylvia Adams Charitable Trust	48,399	-	(48,399)	-	-
William A Cadbury Charitable Trust	750	-	(750)	-	-
Total restricted funds	692,404	1,622,350	(1,619,921)	-	694,833

Notes to the financial statements

For the year ended 31 March 2021

26c Movement in total funds (2020/21 - current year)

	At 1 April 2020 £	Income and gains £	Expenditure and losses £	Transfers £	At 31 March 2021 £
Unrestricted funds:					
Designated funds:					
Fixed Asset Fund	32,653	-	-	(11,869)	20,784
Strategic Delivery Fund	235,392	-	-	(235,392)	-
Strategic Transformation Fund	-	-	-	585,392	585,392
Give a Little Love	-	-	-	306,604	306,604
Total designated funds	268,045	-	-	644,735	912,780
General funds					
General funds	1,254,303	2,239,576	(1,339,064)	(644,735)	1,510,080
Non-charitable subsidiary funds	(82)	105,960	(7,111)	-	98,767
Pension liability	(231,780)	-	39,514	-	(192,266)
Total general funds	1,022,441	2,345,536	(1,306,661)	(644,735)	1,416,581
Total unrestricted funds	1,290,486	2,345,536	(1,306,661)	-	2,329,361
Total restricted funds	694,833	4,731,437	(3,928,450)	-	1,497,820
Total funds at 31 March 2021	1,985,319	7,076,973	(5,235,111)	-	3,827,181

26d Movement in total funds (2019/20 - prior year)

	At 1 April 2019 £	Income and gains £	Expenditure and losses £	Transfers £	At 31 March 2020 £
Unrestricted funds:					
Designated funds:					
Fixed Asset Fund	42,714	-	-	(10,061)	32,653
Strategic Delivery Fund	429,428	-	(194,036)	-	235,392
Total designated funds	472,142	-	(194,036)	(10,061)	268,045
General funds					
General funds	1,335,513	860,588	(951,859)	10,061	1,254,303
Non-charitable subsidiary funds	(82)	-	-	-	(82)
Pension liability	(267,241)	-	35,461	-	(231,780)
Total general funds	1,068,190	860,588	(916,398)	10,061	1,022,441
Total unrestricted funds	1,540,332	860,588	(1,110,434)	-	1,290,486
Total restricted funds	692,404	1,622,350	(1,619,921)	-	694,833
Total funds at 31 March 2020	2,232,736	2,482,938	(2,730,355)	-	1,985,319

Notes to the financial statements

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Purposes of restricted funds

1st International Congress	Donation towards attendance at a conference
Allianz	Donation of travel costs for mentor launch
Amazon	Emergency grant fund
Anonymous	Towards the Head of Volunteering post
Army Central Fund	Grants for supporting work with service families
Beatrice Laing Foundation	Supporting our work during the Covid-19 crisis
Big Lottery Fund	Various grants supporting family focus groups, outdoor play, and winter support
Big Lottery Fund	Investing in communities
Big Lottery Fund	Home-Start Working families
Big Lottery Fund	Greater Manchester Project
Brook Trust	Grants to local Home-Start facing financial difficulty and Good Ideas fund
CAST	Discovery programme to explore network support
Charles Gordon Foundation	Inside Lives Project (perinatal mental health in Scotland)
Corra Foundation	Scotland Third Sector Early Intervention Fund
David Family Foundation	Volunteer Preparation Course update
Department for Digital, Culture, Media & Sport	Loneliness fund - helping mothers overcome loneliness during Covid-19
DHSS & PS Northern Ireland	Revenue grant towards our work in Northern Ireland
Dulverton Trust	Early years development across Home-Start
Elizabeth Frankland Moore and Star Foundation	Volunteer Preparation Course update
Garfield Weston	Delivering the best training to Home-Start volunteers
George & Grace Hart Charitable Trust	Towards our work in Leicestershire
Growth Fund	To support our expansion of Home-Start reach
Harvey Charitable Trust	Towards our work in Scotland
Headley Trust	Emergency appeal to support local schemes
Help Us Keep Families Connected	Emergency Grant Appeal Fund due to coronavirus
Henry Smith Charity	Digital working in the network
Home-Start Bolton	To support the closure of Home-Start Bolton
Home-Start Greater Manchester	Towards work in the Greater Manchester area following scheme closure
ICAP	Surviving Domestic Violence
Kristian Gerhard Jebsen Foundation	Connecting from the Start
Liz & Terry Bramall Foundation	Volunteer Preparation Course update in 2019-20 and Covid-19 appeal for Yorkshire
Margaret Harrison Travel Scholarship	Travel bursaries for Home-Starters
Masonic Charitable Foundation	Big Hopes Big Future®
Nesta	Connected from the Start to develop a collective family support offer for new parents
Nesta LENA	LENA home Early Years Social Action Fund
NI Development	Funding from the NI carol concerts and Playboard NI
Pat Newman Memorial Trust	Supporting our work in perinatal mental health
Pears Family Charitable Foundation and DCMS	Department for Digital, Culture, Media & Sport Community Match Challenge Grant
Porticus UK	Programme of work to support families with multiple and complex needs in 2019-20 and building Home-Starts online volunteer community in 2020-21
R S MacDonald Charitable Trust	Development in Scotland and support of families using digital technology
Rayne Foundation	Mental health work (Inside Lives)
Royal British Legion	Moving In/Moving On
Royal Navy & Royal Marines Charity	Family support to naval families
Schroder Charity Trust	Perinatal mental health training/staff costs
Scottish Children's Lottery	Supporting children in Scotland
Scottish Government	Various grants supporting family focus groups, outdoor play, and winter support funds during the pandemic
SCVO	Digital mentoring elearning project
STV	Big Hopes Big Future® project in Scotland
Sylvia Adams Charitable Trust	Perinatal mental health training/staff costs
Tedworth Charitable Trust	Towards Covid-19 related work with local Home-Starts and core services in 2021-22
Vichai Srivaddhanaprabha Foundation Limited	Crisis fund for local Home-Starts in Leicester and Leicestershire
Warburtons	Family matters emergency grant fund
White Stuff Foundation	Supporting local Home-Starts during the pandemic
William A Cadbury Charitable Trust	Perinatal mental health training/staff costs

Purposes of designated funds

Fixed Asset Fund

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

Strategic Delivery Fund

To support the response and recovery from the impact of COVID-19. The balance on this fund has been transferred to the Strategic Transformation Fund

Strategic Transformation Fund

To support the strategic framework for Home-Start UK and the network of network transformation over the next 3 to 5 years.

Give a Little Love

The Give a Little Love fund represents unrestricted funds from the Christmas Campaign to support the network locally.

Transfers

Transfers between unrestricted funds and designated funds are agreed by the trustees.

Notes to the financial statements

For the year ended 31 March 2021

27 Reconciliation of income to net cash flow from operating activities

	2021 £	2020 £
Net income for the reporting period (as per the statement of financial activities)	1,841,862	(247,417)
Depreciation charges	11,869	12,163
Interest from investments	(23,409)	(28,632)
(Profit)/loss on the disposal of investments	(71,355)	(3,756)
Decrease in stocks	2,119	23,658
(Increase)/Decrease in debtors	(1,127,933)	(303,049)
Increase/(Decrease) in creditors	397,878	21,989
Net cash provided by operating activities	1,031,031	(525,044)

28 Analysis of cash and cash equivalents

	At 1 April 2020 £	Cash flows £	At 31 March 2021 £
Cash at bank and in hand	502,959	452,976	955,935
Short notice deposits held for investment	1,005,741	401,464	1,407,205
Total cash and cash equivalents	1,508,700	854,440	2,363,140

29 Operating lease commitments

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

	Property 2021 £	2020 £	Equipment 2021 £	2020 £
Less than one year	37,445	43,674	450	753
One to five years	10,077	16,383	-	376
	47,522	60,057	450	1,129

30 Legal status of the charity

The charity is a company limited by guarantee and has no share capital.

31 Post balance sheet events

As stated in Note 24, Home-Start UK participates in a defined benefit pension scheme. The information provided in these financial statements refers to the full actuarial valuation for the scheme that was carried out at 30 September 2017. We are awaiting the detailed actuarial valuation at 30 September 2020 alongside a new deficit recovery plan. It is estimated that this could reduce the pension deficit liability by approximately £120k, but this could be offset by a new future liability for pension administration costs. The financial statements have not been adjusted as it was not material to the financial statements. Changes, once confirmed, will be accounted for in 2021-22.