



**FAMILIES NEED
FATHERS®**

because both parents matter

“More than ever the commitment of our volunteers and dedicated team of supporters have shown why Families Need Fathers continues to be leading voice in supporting separating families, and the go to charity for those in need of support and advice, our gratitude no matter how strong, would never match your dedication.”

Paul O'Callaghan, Chair of Trustees

ANNUAL REPORT AND UNAUDITED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2023

FAMILIES NEED FATHERS LIMITED

LEGAL AND ADMINISTRATIVE INFORMATION

Current trustees	Paul O'Callaghan (Chair) Greg Cavadino (Treasurer) Emlyn Jones (Vice Chair) Greg Downing John Baker Lee Grice Oleg-Serguei Schkoda Sergio Martinez-Lopez Wayne Martin
Charity number	276899
Company number	01396139
Registered office	Unit Pb.501 The Pill Box Coventry Road London E2 6GG
Independent examiner	Gilbert Holbourn FCA, FCCA, DChA 1 Upper Bridge Street Wye Kent TN25 5AF

FAMILIES NEED FATHERS LIMITED

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FAMILIES NEED FATHERS LIMITED

Introduction from the Chair

FOR THE YEAR ENDED 31 MARCH 2023

For the fiscal year concluding on March 31, 2023, I am delighted to report to our valued members and service users that our charity's recovery is well underway. Notably, our national presence has expanded for the first time in several years, witnessing a rise in the initiation of support groups and a decline in closures. Additionally, the board has unanimously endorsed a multi-year strategy, marking a significant milestone for our organization.

The growth of our support groups is intricately linked to an increase in volunteers and an expanded array of services offered to our members. Our Surviving Separation course has garnered notable success, earning commendation in court proceedings. The enhancements made to our helpline, coupled with an augmented volunteer force, have adeptly managed the surge in calls and the heightened demand for our services.

However, the unfortunate flip side of our growth is reflected in the escalation of family law proceedings. CAFCASS reports a staggering 17.2% increase in the number of children involved in private family law proceedings since 2017/18. In the past fiscal year alone, CAFCASS collaborated with an unprecedented 97,098 children in private law proceedings, representing two-thirds of their caseload.

While the government acknowledges these challenges, attempts to encourage separating couples into mediation have yielded only token results. Early pathway pilots initiated in North Wales and Devon in Spring 2022 have encountered delays, though we remain optimistic about a broader rollout in the upcoming calendar year, beginning 2024. Consultations appear to be congested by an anxiety of action, hindering efforts to address the societal needs associated with family breakdowns in the UK.

In July 2021, Channel 4's Dispatches aired "Torn Apart: Family Courts Uncovered," a program we believe inaccurately portrays the family court system. While it may depict resident parents as flawless and non-resident parents (84% fathers) as the issue, it underscores the dissatisfaction among all parties with the institutional aspects of the family courts.

Parental alienation, a contentious topic since 1994, has again taken center stage this year. The introduction of the Domestic Abuse Bill 2021 was a positive step, addressing alienating behaviors, and we welcome the subsequent publication of Statutory Guidance in July 2022, acknowledging that "Perpetrators can also use contact with children as a form of abuse" (para 103). We anticipate further developments in this area in the coming years.

Looking ahead to 2023/24, our focus will be on the continued turnaround of the charity, fostering a collaborative approach to family justice system reform, and expanding our support services for those navigating the system.

More than ever the commitment of our volunteers and dedicated team of supporters have shown why Families Need Fathers continues to be leading voice in supporting separating families, and the go to charity for those in need of support and advice, our gratitude no matter how strong, would never match your dedication.



Paul O'Callaghan (Chair),
Trustees

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FAMILIES NEED FATHERS LIMITED

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT)

FOR THE YEAR ENDED 31 MARCH 2023

The Trustees present their annual report and financial statements for the year ended 31 March 2023.

The financial statements have been prepared in accordance with the accounting policies set out in note 1 to the financial statements and comply with the charity's memorandum and articles of association, the Companies Act 2006 and "Accounting and Reporting by Charities: Statement of Recommended Practice (SORP) applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019)".

Families Need Fathers is a charitable company limited by guarantee.

The Trustees are legally responsible for the governance and management of FNF. The Board consists of a maximum of 12 trustees.

Governing Document

The Charity is governed by its Memorandum and Articles and these were the objects during the year under review:

Objectives and activities

1. For the relief of parents and their children and other close family members suffering from the consequences of separation by providing advice, assistance and other support and in so doing, helping parents stay in touch with their children after divorce or separation.
2. To further the emotional development of children whose parents have divorced or separated by encouraging shared parenting arrangements.
3. To conduct study and research into problems concerned with children who are deprived of the presence of a parent in their families, and into the problems concerned with establishing good relations between parents living apart from their children, and to publish the useful results of all such study and research in order to encourage appropriate changes in professional and public opinion.
4. To relieve poor parents by helping to obtain and promoting the provision of legal advice, assistance and other legal services which such persons would be unable to obtain by reason of their lack of means.

FNF promotes the sharing of legal advice. We provide support and the benefit of members' extensive experience. However, we are not able to offer legal 'advice' ourselves as we do not employ lawyers.

Structure, Governance and Management

The National Council consists of up to 12 trustees. It meets approximately six times a year to discuss Charity business with decisions being agreed at these meetings. Trustees are elected at the Annual General Meeting but can be co-opted by the National Council when vacancies occur. Appointments last for three years. Officers are elected at the first trustee meeting after the AGM.

Decisions are made by a majority vote, including trustees who attend via electronic means. The Chair or Vice Chair acting as Chair can use a casting vote in the case of tied voting.

FAMILIES NEED FATHERS LIMITED

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED) **FOR THE YEAR ENDED 31 MARCH 2023**

Working parties and Committees

The National Council appoints trustees and/or staff to work on individual committees specific tasks, e.g. finance, governance, publications, fundraising. Finance, Risk and Governance Committee meets at least four times a year, ahead of full meetings of the National Council. Its main responsibility is to advise trustees on their duty to ensure all assets of Families Need Fathers are safeguarded and that funds are spent effectively and efficiently in the course of its activities and in line with the charity's objects. It also reviews the governance of the charity, makes recommendations to manage risks, improve skills and reviews policies.

Membership, staff and volunteers

Families Need Fathers was founded by volunteers and volunteering remains critical to our service delivery, especially in organising local meetings and our national Helpline. Our volunteers make a unique contribution with their peer support and knowledge of the family justice system. We estimate that this year our volunteers continued to contribute over 10,000 hours to our work. We thank our volunteers for their amazing work and continued dedication.

Trustees

The following trustees served office during the year to 31 March 2023:

- Paul O'Callaghan (Chair) (also Company Secretary since 16 September 2020)
- Greg Cavadino (Treasurer)
- Emlyn Jones (Vice Chair)
- Greg Downing
- Ian Findlay (resigned on 31 July 2023)
- John Baker
- Junliang Chew (appointed on 2 March 2023 and resigned on 31 October 2023)
- Lee Grice
- Oleg-Serguei Schkoda
- Sam Morfey (resigned on 31 July 2023)
- Sergio Martinez-Lopez
- Wayne Martin

FAMILIES NEED FATHERS LIMITED

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED) **FOR THE YEAR ENDED 31 MARCH 2023**

Risk management

The charity has a risk management strategy established to protect the charity as far as possible from any risks including financial and reputational.

We have continued to protect FNF's data and IT structures, to ensure that the charity is properly covered by appropriate insurance, and to ensure that we comply with all aspects of revised charity and company legislation. The charity has a risk management strategy established to protect the charity as far as possible from any risks including financial and reputational.

A Risk Register is reviewed at least annually by management and trustees. Risks are prioritised and plans to manage these based on the impact these might have on the charity and the likelihood of their occurrence. No system of internal control is ever able to give absolute assurance against material misstatement or loss. However, the following systems are in place to mitigate major risks:

- An annual strategic plan, approved by trustees.
- Quarterly review of financial targets, variance from budgets and non-financial performance indicators by staff and trustees.
- In-depth review of financial performance by the Finance, Risk and Governance sub-committee.
- Identification, and management of risks, reviewed, prioritised and approved by trustees.

The Trustees have reviewed the major risks that the charity is exposed to and systems and procedures are either in place to manage these risks or are being developed.

How we deliver Public Benefit

As detailed in the objectives and principal activities report our services are available to all and as such the charity has complied with the duty in section 4 of the Charities Act 2006 to have due regard to public benefit guidance published by the Commission.

The loss of legal aid funding for private family starting in April 2013 has driven growth of litigants in person (LIPs). Latest figures suggest that numbers of applications to family courts are increasing and Government plans to encourage mediation have not been effective. The 'professional' McKenzie friend industry remains a significant part of the family justice landscape.

Families Need Fathers continue to be under pressure to provide more and better support to the growing number of LIPs requiring both practical and emotional support.

Over the next few years, we will develop in the following ways to better meet the needs of non-resident parents:

An Inclusive organisation

- We remain supporters of everyone affected by family separation.
- We will increase our reach locally, regionally and nationally both online and through addressing geographic gaps between local meetings.

A Sustainable organisation

- We will seek ways of developing our membership income.
- We will identify and pursue key funding partners for larger projects.
- We will continue to develop our website, technology and systems to improve access to our services and develop better communication with our service users.
- We will retain, develop and support our talented and dedicated volunteers and staff.

FAMILIES NEED FATHERS LIMITED

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED) **FOR THE YEAR ENDED 31 MARCH 2023**

A leading organisation

- We will increasingly measure the impact of our services.
- We will work in partnership with other organisations to reach people and increase our impact.
- We will share our knowledge nationally and internationally. We will use our experience and expertise to help other organisations deliver high quality services for people facing the difficulties of family separation.
- We will promote international best practice in all relevant areas that influence outcomes for children in separated families.

Activities undertaken during the Year

Ministry of Justice/Cafcass

- Involvement in the Ministry of Justice review of the Presumption of Parental Involvement.
- Ministry of Justice consultation response on court fees.
- Response to Minister of Justice, Dominic Raab's call for suggestions for improving family justice.
- Ministry of Justice consultation on Dispute Resolution in England and Wales.
- Cafcass complaints process.
- Working with the Cafcass Learning and Improvements Board.
- Assisting Cafcass with their Family Forum.
- Contributed to discussions with the Family Justice Council.

Parliament

- Contributions to Lord Farmer's consultation to a House of Lords debate on Child Maintenance.
- FNF submitted written and gave oral evidence to the Work and Pensions Committee inquiry into Child Maintenance and Child Poverty.
- Submission to call for evidence by the House of Lords Children and Families Act Committee.

Department of Work and Pensions

- Increased frequency of meetings with the Child Maintenance Service in light of pandemic related operational difficulties for parents.
- Response to DWP's consultation on modernising and improving the CMS service.
- Provided feedback to DWP's consultation on CMS and Domestic Abuse.
- Responded to DWP consultation on Curfews for those with Child Maintenance arrears.

Other

- Responses to Victims' Commissioner survey of experience of domestic abuse.
- Feedback to Home office on Statutory Guidance on Domestic Abuse Act.
- Responses to Domestic Abuse Commissioner's call for evidence.
- Submission to the Public Accounts Committee's call for evidence on CMS.
- Submission to the Archbishops' Commission on Families and Households Call for Evidence. FNF's Central London Branch (CLB) held a successful workshop in May 2022.

We also attended and contributed to many other webinars and discussions related to family justice.

FAMILIES NEED FATHERS LIMITED

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED) **FOR THE YEAR ENDED 31 MARCH 2023**

Review of Financial Position

During the year, FNF received income of £54,615 (2022: £161,056). FNF's expenditure was £103,363 (2022: £125,634). This resulted in a deficit of £48,748 (2022: surplus of £35,422). Membership income was £46,281 (2022: £50,375). Total reserves carried forward are £242,094 of which £204,214 are unrestricted (2022: £290,842 of which £252,832 were unrestricted).

In the year to 31 March 2023, the charity's regular income contracted by £106,441. However, post- year end we were notified of a legacy estimated to be £75,000 that has not yet been received at the time of writing but is recognised in these accounts under SORP accounting regulations. A revised estimate was provided in November 2022 with a downwards revision to £45,000. The reduction in value is shown as a loss this year.

With reserves still high, we are still very well positioned to develop the Charity.

FAMILIES NEED FATHERS LIMITED

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2023

Investment Policy

The charity's funds continue to be held in diversified accounts to reduce any potential impact from the structural risks in the banking sector. Minimum balances were maintained in current accounts whenever this was practical.

Reserves Policy and Funding Sources

The National Council policy is to keep at least six months running costs plus redundancy and exit costs for the charity in reserves and this has been met. These mainly unrestricted funds are available to invest in furthering the charities aims and objectives, such as branch support and member help facilities.

Unrestricted reserves stood at £204,214 (2022: £252,832) for use on general charitable activities and £37,880 (2022: £38,010) are restricted, mainly for use in the branches. However, unless substantial further income is secured the charity anticipates deficit budgets for the next two years as this money is invested in resources with the objective of growing both our reach and potential recurring income.

Statement of Trustees' responsibilities

The Trustees, who are also the directors of Families Need Fathers Limited for the purpose of company law, are responsible for preparing the Trustees' Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company Law requires the Trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charity and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that year.

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 (FRS 102);
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards (FRS 102) have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in operation.

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

The Trustees' report was approved by the Board of Trustees on.....



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Paul O'Callaghan (Chair)
Trustee

FAMILIES NEED FATHERS LIMITED

INDEPENDENT EXAMINER'S REPORT

TO THE TRUSTEES OF FAMILIES NEED FATHERS LIMITED

I report to the Trustees on my examination of the financial statements of Families Need Fathers Limited (the charity) for the year ended 31 March 2023.

Responsibilities and basis of report

As the Trustees of the charity (and also its directors for the purposes of company law) you are responsible for the preparation of the financial statements in accordance with the requirements of the Companies Act 2006 (the 2006 Act).

Having satisfied myself that the financial statements of the charity are not required to be audited under Part 16 of the 2006 Act and are eligible for independent examination, I report in respect of my examination of the charity's financial statements carried out under section 145 of the Charities Act 2011 (the 2011 Act). In carrying out my examination I have followed all the applicable Directions given by the Charity Commission under section 145(5)(b) of the 2011 Act.

Independent examiner's statement

I have completed my examination. I confirm that no matters have come to my attention in connection with the examination giving me cause to believe that in any material respect:

- 1 accounting records were not kept in respect of the charity as required by section 386 of the 2006 Act; or
- 2 the financial statements do not accord with those records; or
- 3 the financial statements do not comply with the accounting requirements of section 396 of the 2006 Act other than any requirement that the accounts give a true and fair view which is not a matter considered as part of an independent examination; or
- 4 the financial statements have not been prepared in accordance with the methods and principles of the Statement of Recommended Practice for accounting and reporting by charities applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102).

I have no concerns and have come across no other matters in connection with the examination to which attention should be drawn in this report in order to enable a proper understanding of the financial statements to be reached.

Gilbert Holbourn FCA, FCCA, DChA
1 Upper Bridge Street
Wye
Kent TN25 5AF

Dated:

FAMILIES NEED FATHERS LIMITED

STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 MARCH 2023

Current financial year

		Unrestricted funds 2023 £	Restricted funds 2023 £	Total 2023 £	Total 2022 £
	Notes				
Income and endowments from:					
Donations and legacies		49,854	-	49,854	158,890
Charitable activities		-	522	522	2,029
Other trading activities		4,238	-	4,238	117
Interest receivable		1	-	1	20
Total income	2	54,093	522	54,615	161,056
Expenditure on:					
Raising funds	3	2,263	-	2,263	4,143
Charitable activities					
Media Awareness and Policy	4	32,787	-	32,787	40,733
Public support & assistance	4	67,661	652	68,313	80,758
Total charitable expenditure		100,448	652	101,100	121,491
Total expenditure		102,711	652	103,363	125,634
Net (expenditure)/ income for the year/ Net movement in funds		(48,618)	(130)	(48,748)	35,422
Fund balances at 1 April 2022		252,832	38,010	290,842	255,420
Fund balances at 31 March 2023		204,214	37,880	242,094	290,842

The statement of financial activities includes all gains and losses recognised in the year. All income and expenditure derive from continuing activities.

The statement of financial activities also complies with the requirements for an income and expenditure account under the Companies Act 2006.

The notes on pages 13 to 22 form part of these financial statements.

FAMILIES NEED FATHERS LIMITED

STATEMENT OF FINANCIAL ACTIVITIES (CONTINUED) INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 MARCH 2023

Prior financial year ended 31 March 2022

		Unrestricted funds 2022 £	Restricted funds 2022 £	Total 2022 £
	Notes			
Income and endowments from:				
Donations and legacies		158,890	-	158,890
Charitable activities		-	2,029	2,029
Other trading activities		117	-	117
Interest receivable		20	-	20
Total income	2	159,027	2,029	161,056
Expenditure on:				
Raising funds	3	4,143	-	4,143
Charitable activities				
Media Awareness and Policy	4	40,733	-	40,733
Public support & assistance	4	78,264	2,494	80,758
Total charitable expenditure		118,997	2,494	121,491
Total expenditure		123,140	2,494	125,634
Net income/(expenditure) for the year/ Net movement in funds		35,887	(465)	35,422
Fund balances at 1 April 2021		216,945	38,475	255,420
Fund balances at 31 March 2022		252,832	38,010	290,842

The statement of financial activities includes all gains and losses recognised in the year. All income and expenditure derive from continuing activities.

The statement of financial activities also complies with the requirements for an income and expenditure account under the Companies Act 2006.

The notes on pages 13 to 22 form part of these financial statements.

FAMILIES NEED FATHERS LIMITED

BALANCE SHEET

AS AT 31 MARCH 2023

	Notes	2023 £	£	2022 £	£
Fixed assets					
Tangible assets	8		967		1,934
Investments	9		24		24
			<u>991</u>		<u>1,958</u>
Current assets					
Debtors	10	59,353		90,881	
Cash at bank and in hand		185,046		221,301	
		<u>244,399</u>		<u>312,182</u>	
Creditors: amounts falling due within one year	11	(3,296)		(23,298)	
Net current assets			241,103		288,884
Total assets less current liabilities			<u>242,094</u>		<u>290,842</u>
Income funds					
Restricted funds	15		37,880		38,010
Unrestricted funds			204,214		252,832
			<u>242,094</u>		<u>290,842</u>

The company is entitled to the exemption from the audit requirement contained in section 477 of the Companies Act 2006, for the year ended 31 March 2023.

The Trustees acknowledge their responsibilities for ensuring that the charity keeps accounting records which comply with section 386 of the Act and for preparing financial statements which give a true and fair view of the state of affairs of the company as at the end of the financial year and of its incoming resources and application of resources, including its income and expenditure, for the financial year in accordance with the requirements of sections 394 and 395 and which otherwise comply with the requirements of the Companies Act 2006 relating to financial statements, so far as applicable to the company.

The members have not required the company to obtain an audit of its financial statements for the year in question in accordance with section 476.

These financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime.

The notes on pages 13 to 22 form part of these financial statements.

The financial statements were approved by the Trustees on

Paul O'Callaghan

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Paul O'Callaghan (Chair)
Trustee

FAMILIES NEED FATHERS LIMITED

Company registration number 01396139

FAMILIES NEED FATHERS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2023

1 Accounting policies

Charity information

Families Need Fathers Limited is a private company limited by guarantee incorporated in England and Wales. The registered office is Unit Pb.501, The Pill Box, Coventry Road, London, E2 6GG.

1.1 Accounting convention

The accounts have been prepared in accordance with the charity's memorandum and articles of association, the Companies Act 2006 and "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)" (as amended for accounting periods commencing from 1 January 2019). The charity is a Public Benefit Entity as defined by FRS 102.

The charity has taken advantage of the provisions in the SORP for charities applying FRS 102 not to prepare a Statement of Cash Flows.

The charity had two subsidiaries which remain dormant. Accordingly, no consolidated accounts have been prepared.

The financial statements are prepared in sterling, which is the functional currency of the charity. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared under the historical cost convention. The principal accounting policies adopted are set out below.

1.2 Going concern

At the time of approving the financial statements, the Trustees have a reasonable expectation that the charity has adequate resources to continue in operational existence for the foreseeable future. Thus, the Trustees continue to adopt the going concern basis of accounting in preparing the financial statements.

1.3 Charitable funds

Unrestricted funds are available for use at the discretion of the Trustees in furtherance of their charitable objectives.

Restricted funds are subject to specific conditions by donors as to how they may be used. The purposes and uses of the restricted funds are set out in the notes to the financial statements.

1.4 Incoming resources

Income is recognised when the charity is legally entitled to it after any performance conditions have been met, the amounts can be measured reliably, and it is probable that income will be received.

Cash donations are recognised on receipt. Other donations are recognised once the charity has been notified of the donation, unless performance conditions require deferral of the amount. Income tax recoverable in relation to donations received under Gift Aid or deeds of covenant is recognised at the time of the donation.

Membership subscriptions are in substance donations and are recognised when received.

FAMILIES NEED FATHERS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

1 Accounting policies (Continued)

1.5 Resources expended

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.

Costs of raising funds comprise the costs of collecting donations, including applicable bank charges, operating fundraising and sponsorship events and associated support costs.

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

Costs have been apportioned between the two different activities of the charity where they are separately identifiable. Where costs span more than one charitable activity an estimate is used to apportion the cost incurred.

Those costs incurred in supporting the charitable activities are charged to support costs. Support costs also includes governance costs which are purely those necessary for the charity to meet the administrative requirements of the Charity Commission and other governing documents.

In line with the estimated usage on staff time, support costs have been allocated as to 29% to media awareness & policy and 71% to public support and assistance (2022: 29%/71%).

1.6 Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following basis:

Fixtures and fittings	over 3 years
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The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset and is recognised in the statement of financial activities.

1.7 Fixed asset investments

Fixed asset investments are initially measured at transaction price excluding transaction costs, and are subsequently measured at fair value at each reporting date. Changes in fair value are recognised in net income/ (expenditure) for the year. Transaction costs are expensed as incurred.

A subsidiary is an entity controlled by the charity. Control is the power to govern the financial and operating policies of the entity so as to obtain benefits from its activities.

1.8 Impairment of fixed assets

At each reporting end date, the charity reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any).

1.9 Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

FAMILIES NEED FATHERS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2023

1 Accounting policies (Continued)

1.10 Financial instruments

The charity has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the charity's balance sheet when the charity becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Basic financial assets

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the basic effective interest method. Financial assets classified as receivable within one year are not amortised.

Basic financial liabilities

Basic financial liabilities, including creditors are initially recognised at transaction price. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of operations from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

Derecognition of financial liabilities

Financial liabilities are derecognised when the charity's contractual obligations expire or are discharged or cancelled.

1.11 Employee benefits

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the charity is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

1.12 Retirement benefits

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

FAMILIES NEED FATHERS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2023

2 Income and endowments

	Unrestricted funds	Unrestricted funds
	2023	2022
	£	£
Donations and gifts	33,573	33,515
Legacies receivable	(30,000)	75,000
Membership fees	46,281	50,375
	<u>49,854</u>	<u>158,890</u>
Charitable activities	522	2,029
Trading activity income: sale of FNF branded items	4,238	117
Interest receivable	<u>1</u>	<u>20</u>
	<u>54,615</u>	<u>161,056</u>

In the year to 31 March 2023, the charity's regular income contracted by £106,441. However, post- year end we were notified of a legacy estimated to be £75,000 that has not yet been received at the time of writing but is recognised in these accounts under SORP accounting regulations. A revised estimate was provided in November 2022 with a downwards revision to £45,000. The reduction in value is shown as a loss this year.

3 Raising funds

	2023	2022
	£	£
Fundraising and publicity		
Transaction charges in receiving donations, grants and legacies	556	1,321
Staff costs	1,707	2,822
	<u>2,263</u>	<u>4,143</u>

Both current and prior year expenditure was from unrestricted funds. No allocation of general support costs is made to fundraising activities due to the low level of staff time incurred in this area.

FAMILIES NEED FATHERS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2023

4 Charitable activities

	Media Awareness and Policy 2023 £	Public support & assistance 2023 £	Total 2023 £	Media Awareness and Policy 2022 £	Public support & assistance 2022 £	Total 2022 £
Staff costs	16,497	26,737	43,234	24,858	39,928	64,786
Communications	-	-	-	775	1,350	2,125
Staff/volunteer training	-	1,042	1,042	-	533	533
Branch & affiliate meeting expenditure	-	652	652	-	2,494	2,494
Policy research costs	-	-	-	222	-	222
	<u>16,497</u>	<u>28,431</u>	<u>44,928</u>	<u>25,855</u>	<u>44,305</u>	<u>70,160</u>
Share of support costs (see note 5)	13,567	33,216	46,783	13,623	33,377	47,000
Share of governance costs (see note 5)	<u>2,723</u>	<u>6,666</u>	<u>9,389</u>	<u>1,255</u>	<u>3,076</u>	<u>4,331</u>
	<u>32,787</u>	<u>68,313</u>	<u>101,100</u>	<u>40,733</u>	<u>80,758</u>	<u>121,491</u>
Analysis by fund						
Unrestricted funds	32,787	67,661	100,448	40,733	78,264	118,997
Restricted funds	-	652	652	-	2,494	2,494
	<u>32,787</u>	<u>68,313</u>	<u>101,100</u>	<u>40,733</u>	<u>80,758</u>	<u>121,491</u>

FAMILIES NEED FATHERS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2023

5 Support costs

	Support costs	Governance costs	2023	2022
	£	£	£	£
Staff costs	11,946	-	11,946	17,737
Depreciation	967	-	967	967
Bank charges	1,480	-	1,480	94
Computer expenses	4,722	-	4,722	3,706
Office and Trustees insurances	3,897	-	3,897	3,398
Office rent, rates and utilities	15,944	-	15,944	15,418
Printing, postage and stationery	773	-	773	63
Temporary staff costs	-	-	-	2,133
Travel and subsistence	768	-	768	10
Sundry expenses	5,409	-	5,409	1,523
Telephone & fax	877	-	877	1,951
Accounting	-	5,782	5,782	2,400
Legal fees	-	3,607	3,607	1,144
Trustee travel and training	-	-	-	787
	<u>46,783</u>	<u>9,389</u>	<u>56,172</u>	<u>51,331</u>
Analysed between				
Charitable activities	<u>46,783</u>	<u>9,389</u>	<u>56,172</u>	<u>51,331</u>

Governance costs includes payments to the independent examiners of £2,400 (2022- £2,400) for accounts preparation and examination fees. All amounts include VAT.

6 Trustees

One trustee was reimbursed travel, subsistence and accommodation expenses during the year at a cost of £81 (2022- none).

During the year, no trustees received any remuneration or other benefits (2022 - £Nil).

FAMILIES NEED FATHERS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2023

7 Employees

Number of employees

The average monthly number of employees during the year was:

	2023 Number	2022 Number
Total full or part time employees	3	2

Employment costs

	2023 £	2022 £
Wages and salaries	50,361	78,028
Social security costs	2,974	3,667
Pension costs	1,845	3,650
	55,180	85,345

There were no employees whose annual remuneration was £60,000 or more in the year or the previous year. Social security cost is stated after the deduction of the Employment Allowance.

Key management personnel - One member of staff provided key management services to the charity during the year with a total cost, including employers national insurance and pension contributions of £45,812 (2022-£41,591).

8 Tangible fixed assets

	Fixtures and fittings £
Cost	
At 1 April 2022	16,434
At 31 March 2023	16,434
Depreciation and impairment	
At 1 April 2022	14,500
Depreciation charged in the year	967
At 31 March 2023	15,467
Carrying amount	
At 31 March 2023	967
At 31 March 2022	1,934

FAMILIES NEED FATHERS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2023

9 Fixed asset investments

	2023	2022
	£	£
Other investments comprise:		
Investments in subsidiaries	24	24

Both the subsidiaries are dormant and have never traded. Accordingly, no consolidated accounts are prepared.

10 Debtors

	2023	2022
	£	£
Amounts falling due within one year:		
Gift Aid due	6,492	6,562
Legacy pending	45,000	75,000
Other debtors	6,470	6,351
Prepayments and accrued income	1,391	2,968
	<u>59,353</u>	<u>90,881</u>

11 Creditors: amounts falling due within one year

	2023	2022
	£	£
Other taxation and social security	-	2,168
Trade creditors	896	1,641
Other creditors	-	9,760
Accruals and deferred income	2,400	9,729
	<u>3,296</u>	<u>23,298</u>

12 Defined contribution schemes

The charity operates a defined contribution pension scheme for all qualifying employees. The assets of the scheme are held separately from those of the charity in an independently administered fund.

The charge to profit or loss in respect of defined contribution schemes was £1,936 (2022 - £3,650). £Nil is accrued in respect of current and historic contractual contributions payable on behalf of employees (2022 - £7,329).

13 Operating lease commitments

The office premises are occupied under an occupation agreement with a current passing rent of £1,295 (2022: £1,234) per month. The licence is short-term and is subject to six months' notice. The non-cancellable commitment at 31 March 2023 was £7,770 (2022- £7,404).

FAMILIES NEED FATHERS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2023

14 Analysis of net assets between funds

	General Fund 2023 £	Restricted funds 2023 £	Total 2023 £	General Fund 2022 £	Restricted funds 2022 £	Total 2022 £
Fund balances at 31 March 2023 are represented by:						
Tangible assets	967	-	967	1,934	-	1,934
Investments	24	-	24	24	-	24
Current assets	203,223	37,880	241,103	250,874	38,010	288,884
	<u>204,214</u>	<u>37,880</u>	<u>242,094</u>	<u>252,832</u>	<u>38,010</u>	<u>290,842</u>

15 Restricted funds

	Movement in funds				
	Balance at 1 April 2022 £	Incoming resources £	Resources expended £	Balance at 31 March 2023 £	Balance at 31 March 2022 £
Sir James Rickett	2,500	-	-	2,500	2,500
ST - I Mackay	2,479	-	-	2,479	2,479
Branch Funds	17,692	522	(652)	17,562	17,692
Central London Branch Funds	15,339	-	-	15,339	15,339
	<u>38,010</u>	<u>522</u>	<u>(652)</u>	<u>37,880</u>	<u>38,010</u>

The purpose of each fund is set out below:

Name of Restricted Fund	Purpose of Fund
Sir James Rickett	To fund volunteer training in the North East.
ST- I Mackay	To support the McKenzie Friend Assistance Scheme.
Branch Funds	Funds held and collected by branches for the delivery of branch services.
Central London Branch Funds	Funds held and collected by the Central London branch for the delivery of branch services and national communication Charity services

16 Limited by Guarantee

The charitable company's legal structure is that of a company limited by guarantee. In the event of the company winding up each member is liable to contribute £10 to any deficit (£100 in total).