

REGISTERED COMPANY NUMBER: 05389477 (England and Wales)

REGISTERED CHARITY NUMBER: 1109642 ✓

**Report of the Trustees and**  
**Audited Financial Statements for the Year Ended 31st March 2018**  
**for**  
**Child Dynamix**

cbaSadofskys  
Statutory Auditors  
Princes House  
Wright Street  
Hull  
East Yorkshire  
HU2 8HX

**Child Dynamix**

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**for the year ended 31st March 2018**

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## Child Dynamix

### Report of the Trustees for the year ended 31st March 2018

The trustees who are also directors of the charity for the purposes of the Companies Act 2006, present their report with the financial statements of the charity for the year ended 31st March 2018. The trustees have adopted the provisions of Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2015).

#### **OBJECTIVES AND ACTIVITIES**

##### **Objectives and aims**

The Objects for which the Company is established are to promote social regeneration by providing relief in particular but not exclusively to children, young people and their families who are resident or employed across the Humber Sub-Region who have need because of age, mental or physical disability, poverty or addiction. In particular, but not so as to limit the generality of the foregoing to provide combinations of early years education, play work, youth work, community sports, family support and health advice, learning and employment services.

##### **The vision and beliefs and Key priorities**

**Our vision is:** Communities where children and young people thrive

**Our purpose is:** To create environments and deliver activities which enable children and young people to identify and realise both their aspirations and their potential.

##### **How our activities deliver public benefit**

Our main activities are described below and focus on the objectives for which Child Dynamix was created in 2005 including changes to these objectives in 2014. The services provided to children, young people and their families are for the most part free and all are open and accessible to all. Where there are fees to be charged there are opportunities for those unable to afford these fees to access the service via other funding streams i.e. local authority/social services, two year old funding and early year's education grants in addition to this the charity now receives pupil premium for children in need within its Childcare settings. The trustees considered the Charity Commissions guidance on Public benefit when planning and developing the charities activities at all of its meetings. For specific activities funding is sought in partnership with the young person or group to enable them to achieve their aspirations. The Corporate Social Responsibility policy is embedded across the charity, this explains the way in which the charity supports other small community organisations, and takes a responsible approach to the environment.

## Child Dynamix

### Report of the Trustees for the year ended 31st March 2018

#### **ACHIEVEMENT AND PERFORMANCE**

##### **Who used and benefited from our services:**

##### **Community Day Nurseries:**

Our day nurseries are purpose built modern bright and stimulating learning environments for children 0-5, we have two in East Hull and one in West Hull.

Parents of children aged 0-5 used our Community day nurseries, during this year we registered 549 children across three day nurseries. We provided 30 free stay and play sessions and holiday provision for 45 children up to the age of 11. We have supported 46 families to access the new 30 hour funding from September 2017. The parent surveys were carried out across all three nurseries during the last quarter of the year with an average of 94% of families very satisfied or satisfied with their child's Nursery.

Children across our settings are making good progress with their learning and development. An average of 72% of all children attending our settings are reaching or exceeding in all 17 areas of learning. The national percentage of children achieving at least expected level across all areas of learning at the end of foundation stage was 69% in 2017 (source Dept. of Education EYFS profile results: 2017) with Kingston upon Hull achieving between 58.7% and 65.5% (source Dept. of Education percentage achieving at least expected levels across all early learning goals by LA academic year 16-17)

##### **Community services and activities: (children, young people and families)**

Over the course of the year 2017-18 Child Dynamix staff and volunteers have worked with 4303 children and young people and 1042 adults/carers in communities across Hull. We have worked with beneficiaries through the Children's centre (Little Stars) through the Youth centre (The Hut) through a Sports pavilion (The Shelley Avenue Sports Pavilion) and through outreach projects using both indoor and outdoor spaces at community venues and Schools sites. We carried out a number of stakeholder surveys and evaluations to help us understand the impact the charity has had, parents told us "my daughter and I have met other new parents and have been able to socialise in a safe environment" and "I have felt less isolated since coming to Little Stars and I have accessed volunteering opportunities".

##### **Volunteers**

Child Dynamix is the proud holder of the Investor in Volunteering standard which will be renewed in April 2018. We have had the support of the equivalent of 46 hours volunteering time a week, a total of 2380 hours over the year. Volunteers have taken up opportunities in the Charity shop, working with the charity services in family support, play, youth and sport work and have trained and volunteered as part of our parent peer mentoring programme.

##### **Hull City of Culture 2017:**

Child Dynamix got involved in a number of City of Culture projects, and were able to use the community branding to promote our work throughout the calendar year of 2017. The projects we got involved in including a Kit car build and race project. Our own Community Arts Jam festival celebrating the history of Urban Hip Hop, a local event celebrating an urban myth called 7 Alleys and we supported both staff and young people who volunteered with the City of Culture team at events throughout the year.

#### **FINANCIAL REVIEW**

##### **Investment policy and objectives**

Under the Articles of Association, the charity has the power to invest in any way the trustees wish.

**Child Dynamix**  
**Report of the Trustees**  
**for the year ended 31st March 2018**

**FINANCIAL REVIEW**

**Reserves policy**

Child Dynamix reserves following our twelfth year of operations stand at £178,554.

The Trustees of Child Dynamix aim to secure a reserve of £230,000 which represents 17% of the Charities average turnover (10 years). Close monitoring of the reserves is essential in helping us meet the demands of our strategic plan over the next three to five years. The target reserves amount of £230,000 has been calculated based on continuity planning taking account of the Charities liabilities. This reserve also provides the Charity's cash flow.

First and foremost the Charity needs reserves to provide working capital to support its day to day operations, which is vital when waiting for invoices to be paid. Some contracts can be paid in arrears leaving the Charity to cover general revenue costs for up to two months. Furthermore many new funding streams are issued on a payment by results basis which might split funding by as much as 50% which also then requires the Charity to hold funds to cover the full costs until final payment is made. The Charity Trustees would also consider proposals from the Charities Officers to create seed funding for development of new vital services, and finally the Trustees may be asked to consider extending individuals or team contracts for interim periods of no more than 3 months to bridge gaps where new funding has been secured but a gap is created between funding streams.

The Trustees have provision for the appointment of a Finance Trustee who, within the Articles of Association (reviewed 2014) The Finance Trustee has responsibility for monitoring and reviewing the agreed steps the charity has taken to establish and or maintain the reserves and for any proposals for using reserves. The responsibility, should the Charity face closure, will impact on the whole Trustee group, including the Finance Trustee, who would work with the Chief Executive Officer and senior leadership team.

The level of reserves which have been set by the Trustees (see above) where possible are grown through our Social Enterprise activities, these social businesses have three to five year financial plans. The reserves development and maintenance forms part of the general management accounting the Charity carries out which takes place weekly, monthly and quarterly at differing levels. The Head of Finance and Human Resources creates actual to projected reports on a quarterly basis to the HR and Finance committee and then on to the Board.

**FUTURE PLANS**

Child Dynamix strategy is focused and ambitious, bringing the work of the charity under the single heading of Family. We will be working in a more targeted way to support women and their partners in late pregnancy and during the first weeks and months as parents. We will be increasing the mentors working with parents across Hull on a range of practical parenting support and advice. We will be rolling out our employability work with young people from our newly refurbished youth centre (The Hut+).

We are further strengthening our governance by mapping our framework to the Charity governance code and identifying areas for development.

During the last financial year we have raised £343,000 in capital funding to extend and refurbish our youth centre on the Preston Road Estate in East Hull (The Hut+) this year we will continue our fundraising efforts and start the work which we expect to take sixteen weeks.

This year we will become a CERTA registered training organisation, we will be delivering Parent Peer Mentor training initially with plans to expand the range of training we will be able to deliver.

**STRUCTURE, GOVERNANCE AND MANAGEMENT**

**Governing document**

The Charity is controlled by its governing document, a deed of trust, and constitutes a limited company, limited by guarantee, as defined by the Companies Act 1985.

Child Dynamix is a company limited by guarantee and a registered charity. The company was legally incorporated on 11th March 2005 at Companies House, with a Memorandum and Articles of Association.

Report of the Trustees  
for the year ended 31st March 2018

**STRUCTURE, GOVERNANCE AND MANAGEMENT**

**Recruitment and appointment of new trustees**

The Trustees shall have power at any time to appoint any person to be a Trustee but so that the total number of Trustees shall not exceed the number determined under Article 34. Every Trustee shall retire on the third anniversary of his or her appointment. A Trustee due to retire on the third anniversary of his or her appointment may, with the approval of a majority of the Trustees, stand for re-appointment for a second three year term so that Trustees may, if re-appointed, serve two consecutive three year terms. A Trustee standing for re-appointment for a second three year term will be re-appointed as a Trustee if his or her re-appointment is subsequently approved by a majority of the Trustees. The Trustees may resolve by majority that because of exceptional circumstances a Trustee may hold office for a third three year term. At the end of that third three year term that Trustee shall retire so that no Trustee shall serve more than nine consecutive years. A Trustee who has served nine consecutive years must stand down for a period of at least one year before being re-appointed as a Trustee.

**Organisational structure**

Child Dynamix Trustees held four meetings during 2017-2018 including the annual general meeting in November 2017. In addition to this the Trustees held an away day with the senior leadership team, the event including briefings, updates and a review of the new strategy. The Trustees attended and took part in the Charity's away day in December, the event included all employees of the charity.

Following a review of the committee structure at the annual general meeting November 2017, the Trustees agreed to make some amendments and changes to membership.

These include:

**HR and Finance Committee has become the Finance Committee (Jan 2018)**

- Mr R Clarke stepped down as Finance Trustee
- Mr P Duffield appointed Finance Trustee and Chair of the new committee
- Mr K Sturdy became a member of the Finance Committee

**Planning and Performance Committee has become HR and Scrutiny Committee (Jan 2018)**

- Miss H Schofield appointed as the Chair of the Hr and Scrutiny committee
- Miss J Boyd became a member of the HR and Scrutiny Committee
- Mr R Clarke became a member of the HR and Scrutiny Committee
- Mr G Coyle became a member of the HR and Scrutiny Committee
- Mr B Bradley became a member of the HR and Scrutiny Committee

**Fundraising working party**

- Mr R Clarke member of the Fundraising working party
- Mr P Duffield member of the Fundraising working party
- Mr K Sturdy member of the Fundraising working party

**Child Dynamix Trading Ltd: (wholly owned trading arm of Child Dynamix)**

- Mrs C Bishop - Director of Child Dynamix Trading Ltd
- Mrs P Perera - Director of Child Dynamix Trading Ltd

The Health and Safety internal audit of each of the charity's premises took place in December 2017 overseen by the CEO and Trustee with responsibility for Health and Safety. A review of the Health and Safety policy took place in September 2017 and the charity's business continuity plans were also reviewed.

**Induction and training of new trustees**

The organisation has a comprehensive induction pack for new Trustees (The Trustee Handbook). This Handbook includes role descriptions, conflict of interest, and code of conduct, the Articles and policies including fundraising, finance and the reserves policy. All Trustees of the charity complete the volunteer recruitment process, which includes a DBS enhanced check. Induction meeting are held with the Chief Executive and/or Chair of the Board prior to the first Board meeting attended. Trustees are encouraged to attend seminars and conferences on Charity law and governance issues, when they are able. Information from these events is provided at subsequent board meetings. Charity updates, including the new Code of Governance, were shared at the away day in July 2017.

## Child Dynamix

### Report of the Trustees for the year ended 31st March 2018

#### **STRUCTURE, GOVERNANCE AND MANAGEMENT**

##### **Key management**

The trustees delegate the day-to-day management of the charity to the Company Secretary, Jane Stafford. Other key management personnel are:-

Mrs L Van Der Westhuizen	Head of HR and Finance
Mrs N Clark	Head of Childcare
Mrs C East	Head of Operations

##### **Risk management**

Child Dynamix has a risk register; the register considers financial, reputation and operational risks to the charity is agreed with the Board annually. The risk register is referred to and updated if required in each Board meeting. In addition to this the charity uses risk analysis at a project and service level. These are updated by the management team and shared with the senior leadership team on a monthly basis.

#### **REFERENCE AND ADMINISTRATIVE DETAILS**

##### **Registered Company number**

05389477 (England and Wales)

##### **Registered Charity number**

1109642

##### **Registered office**

95 Preston Road  
Hull  
East Yorkshire  
HU9 3QB

##### **Trustees**

B A Bradley	Chair
Ms P M Perera	Trustee
Miss J Boyd	Trustee
Mrs C M Bishop	Vice Chair
R M A Clarke	Trustee
P D Duffield	Finance Trustee
H Schofield	Trustee
K Sturdy	Trustee
G E Coyle	Trustee

- appointed 18/12/17

##### **Company Secretary**

Mrs C M East

##### **Auditors**

cbaSadofskys  
Statutory Auditors  
Princes House  
Wright Street  
Hull  
East Yorkshire  
HU2 8HX

##### **Bankers**

The Co-operative Bank  
PO Box 250  
Delf House  
Southway  
Skelmersdale  
WN8 6WT

Report of the Trustees  
for the year ended 31st March 2018

**REFERENCE AND ADMINISTRATIVE DETAILS**

**Solicitors**

Rollits  
Citadel House  
58 High Street  
Hull  
HU1 1QE

**STATEMENT OF TRUSTEES RESPONSIBILITIES**

The trustees (who are also the directors of Child Dynamix for the purposes of company law) are responsible for preparing the Report of the Trustees 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 of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that period. In preparing those financial statements, the trustees are required to

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charity SORP;
- make judgements and estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

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

In so far as the trustees are aware:

- there is no relevant audit information of which the charitable company's auditors are unaware; and
- the 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 auditors are aware of that information.

**AUDITORS**

The auditors, cbaSadofskys, will be proposed for re-appointment at the forthcoming Annual General Meeting.

Approved by order of the board of trustees on 13th September 2018 and signed on its behalf by:



Mrs C M East - Secretary



**Report of the Independent Auditors to the Members of**  
**Child Dynamix**

**Opinion**

We have audited the financial statements of Child Dynamix (the 'charitable company') for the year ended 31st March 2018 which comprise the Statement of Financial Activities, the Balance Sheet, the Cash Flow Statement and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31st March 2018 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

**Basis for opinion**

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

**Conclusions relating to going concern**

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

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

**Other information**

The trustees are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our Report of the Independent Auditors thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

**Opinion on other matters prescribed by the Companies Act 2006**

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

- the information given in the Report of the Trustees for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Report of the Trustees has been prepared in accordance with applicable legal requirements.

**Matters on which we are required to report by exception**

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

**Report of the Independent Auditors to the Members of**  
**Child Dynamix**

**Matters on which we are required to report by exception**

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

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

**Responsibilities of trustees**

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

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

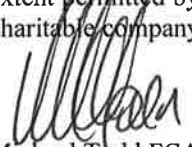
**Our responsibilities for the audit of the financial statements**

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

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our Report of the Independent Auditors.

**Use of our report**

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an auditors' 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.



Michael Todd FCA (Senior Statutory Auditor)  
for and on behalf of cbaSadofskys  
Statutory Auditors  
Princes House  
Wright Street  
Hull  
East Yorkshire  
HU2 8HX

17th October 2018

Child Dynamix

**Statement of Financial Activities**  
**(Incorporating an Income and Expenditure Account)**  
**for the year ended 31st March 2018**

		Unrestricted funds £	Restricted funds £	2018 Total funds £	2017 Total funds £
	Notes				
<b>INCOME AND ENDOWMENTS FROM</b>					
Donations and legacies	2	13,902	-	13,902	4,576
<b>Charitable activities</b>	5				
Childcare		805,898	-	805,898	878,237
Youth, Sport and Play		215,808	82,873	298,681	466,069
Children and young people's activities		216,352	133,795	350,147	270,892
Core Support		5,620	-	5,620	15,262
Other trading activities	3	-	-	-	26,608
Investment income	4	-	-	-	117
<b>Total</b>		<b>1,257,580</b>	<b>216,668</b>	<b>1,474,248</b>	<b>1,661,761</b>
<b>EXPENDITURE ON</b>					
<b>Charitable activities</b>	6				
Childcare		675,556	-	675,556	864,700
Youth, Sport and Play		166,328	108,968	275,296	445,702
Children and young people's activities		173,916	97,806	271,722	222,340
Core Support		258,172	-	258,172	56,312
Other		16,353	-	16,353	14,228
<b>Total</b>		<b>1,290,325</b>	<b>206,774</b>	<b>1,497,099</b>	<b>1,603,282</b>
<b>NET INCOME/(EXPENDITURE)</b>		<b>(32,745)</b>	<b>9,894</b>	<b>(22,851)</b>	<b>58,479</b>
<b>Transfers between funds</b>	19	<b>78,067</b>	<b>(78,067)</b>	<b>-</b>	<b>-</b>
<b>Net movement in funds</b>		<b>45,322</b>	<b>(68,173)</b>	<b>(22,851)</b>	<b>58,479</b>
<b>RECONCILIATION OF FUNDS</b>					
<b>Total funds brought forward</b>		<b>133,232</b>	<b>75,969</b>	<b>209,201</b>	<b>150,722</b>
<b>TOTAL FUNDS CARRIED FORWARD</b>		<b>178,554</b>	<b>7,796</b>	<b>186,350</b>	<b>209,201</b>

The notes form part of these financial statements

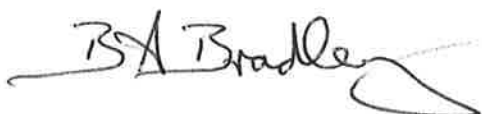
Child Dynamix

Balance Sheet  
At 31st March 2018

	Notes	Unrestricted funds £	Restricted funds £	2018 Total funds £	2017 Total funds £
<b>FIXED ASSETS</b>					
Tangible assets	12	392,567	1,181	393,748	413,790
Investments	13	10	-	10	10
		<u>392,577</u>	<u>1,181</u>	<u>393,758</u>	<u>413,800</u>
<b>CURRENT ASSETS</b>					
Debtors	14	46,449	-	46,449	39,469
Cash at bank and in hand		27,855	80,100	107,955	94,875
		<u>74,304</u>	<u>80,100</u>	<u>154,404</u>	<u>134,344</u>
<b>CREDITORS</b>					
Amounts falling due within one year	15	(39,671)	(73,485)	(113,156)	(84,313)
<b>NET CURRENT ASSETS</b>		<u>34,633</u>	<u>6,615</u>	<u>41,248</u>	<u>50,031</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<u>427,210</u>	<u>7,796</u>	<u>435,006</u>	<u>463,831</u>
<b>CREDITORS</b>					
Amounts falling due after more than one year	16	(248,656)	-	(248,656)	(254,630)
<b>NET ASSETS</b>		<u>178,554</u>	<u>7,796</u>	<u>186,350</u>	<u>209,201</u>
<b>FUNDS</b>	19				
Unrestricted funds				178,554	133,232
Restricted funds				7,796	75,969
<b>TOTAL FUNDS</b>				<u>186,350</u>	<u>209,201</u>

These financial statements have been prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to charitable small companies.

The financial statements were approved by the Board of Trustees on 13th September 2018 and were signed on its behalf by:



B A Bradley -Trustee

The notes form part of these financial statements

Child Dynamix

**Cash Flow Statement  
for the year ended 31st March 2018**

	Notes	2018 £	2017 £
<b>Cash flows from operating activities:</b>			
Cash generated from operations	1	84,419	142,665
Interest paid		(16,353)	(14,676)
<b>Net cash provided by (used in) operating activities</b>		<b>68,066</b>	<b>127,989</b>
<b>Cash flows from investing activities:</b>			
Purchase of tangible fixed assets		(4,748)	(382,048)
Interest received		-	117
<b>Net cash provided by (used in) investing activities</b>		<b>(4,748)</b>	<b>(381,931)</b>
<b>Cash flows from financing activities:</b>			
New loans in year		-	259,950
Loan repayments in year		(5,694)	(6,130)
<b>Net cash provided by (used in) financing activities</b>		<b>(5,694)</b>	<b>253,820</b>
<b>Change in cash and cash equivalents in the reporting period</b>		<b>57,624</b>	<b>(122)</b>
<b>Cash and cash equivalents at the beginning of the reporting period</b>	2	<b>50,331</b>	<b>50,453</b>
<b>Cash and cash equivalents at the end of the reporting period</b>	2	<b>107,955</b>	<b>50,331</b>

The notes form part of these financial statements

Child Dynamix

Notes to the Cash Flow Statement  
for the year ended 31st March 2018

**1. RECONCILIATION OF NET INCOME/(EXPENDITURE) TO NET CASH FLOW FROM OPERATING ACTIVITIES**

	2018 £	2017 £
Net income/(expenditure) for the reporting period (as per the statement of financial activities)	(22,851)	58,479
Adjustments for:		
Depreciation charges	24,789	19,853
Interest received	-	(117)
Interest paid	16,353	14,676
(Increase)/decrease in debtors	(6,980)	31,412
Increase in creditors	73,108	18,362
<b>Net cash provided by (used in) operating activities</b>	<b>84,419</b>	<b>142,665</b>

**2. ANALYSIS OF CASH AND CASH EQUIVALENTS**

	2018 £	2017 £
Cash in hand	1,390	1,239
Notice deposits (less than 3 months)	106,565	93,636
Overdrafts included in bank loans and overdrafts falling due within one year	-	(44,544)
<b>Total cash and cash equivalents</b>	<b>107,955</b>	<b>50,331</b>

Notes to the Financial Statements  
for the year ended 31st March 2018

**1. ACCOUNTING POLICIES**

**Basis of preparing the financial statements**

The financial statements of the charitable company, which is a public benefit entity under FRS 102, have been prepared in accordance with the Charities SORP (FRS 102) 'Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2015)', Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and the Companies Act 2006. The financial statements have been prepared under the historical cost convention with the exception of investments which are included at market value.

**Income**

All income is recognised in the Statement of Financial Activities once the charity has entitlement to the funds, it is probable that the income will be received and the amount can be measured reliably.

**Expenditure**

Liabilities are recognised as expenditure as soon as there is a legal or constructive obligation committing the charity to that expenditure, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. Expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all cost related to the category. Where costs cannot be directly attributed to particular headings they have been allocated to activities on a basis consistent with the use of resources.

**Allocation and apportionment of costs**

**Tangible fixed assets**

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life.

Freehold property	- 2% on cost
Fixtures and fittings	- 50% on cost, 25% on cost and 20% on cost
Motor vehicles	- 25% on reducing balance

**Taxation**

The charity is exempt from corporation tax on its charitable activities.

**Fund accounting**

Unrestricted funds can be used in accordance with the charitable objectives at the discretion of the trustees.

Restricted funds can only be used for particular restricted purposes within the objects of the charity. Restrictions arise when specified by the donor or when funds are raised for particular restricted purposes.

Further explanation of the nature and purpose of each fund is included in the notes to the financial statements.

**Hire purchase and leasing commitments**

Rentals paid under operating leases are charged to the Statement of Financial Activities on a straight line basis over the period of the lease.

**Pension costs and other post-retirement benefits**

The charitable company operates a defined contribution pension scheme. Contributions payable to the charitable company's pension scheme are charged to the Statement of Financial Activities in the period to which they relate.

**2. DONATIONS AND LEGACIES**

	2018	2017
	£	£
Donations	<u>13,902</u>	<u>4,576</u>

Notes to the Financial Statements - continued  
for the year ended 31st March 2018

**3. OTHER TRADING ACTIVITIES**

	2018	2017
	£	£
Fundraising events	-	26,608
	<u>          </u>	<u>          </u>

**4. INVESTMENT INCOME**

	2018	2017
	£	£
Deposit account interest	-	117
	<u>          </u>	<u>          </u>

**5. INCOME FROM CHARITABLE ACTIVITIES**

		2018	2017
	Activity	£	£
Nursery and Out of School			
Clubs	Childcare	803,224	465,915
Grants	Childcare	-	412,322
Commercial income	Childcare	2,674	-
Nursery and Out of School			
Clubs	Youth, Sport and Play	42,625	98,934
Grants	Youth, Sport and Play	222,773	350,945
Commercial income	Youth, Sport and Play	33,283	16,190
Nursery and Out of School			
Clubs	Children and young people's activities	124,909	70,243
Grants	Children and young people's activities	217,221	200,649
Commercial income	Children and young people's activities	8,017	-
Nursery and Out of School			
Clubs	Core Support	-	15,262
Grants	Core Support	5,600	-
Commercial income	Core Support	20	-
		<u>          </u>	<u>          </u>
		<b>1,460,346</b>	<b>1,630,460</b>
		<u>          </u>	<u>          </u>

Grants received, included in the above, are as follows:

	2018	2017
	£	£
Hull City Council	372,027	432,207
BBC Children in Need	21,526	17,522
Big Lottery	5,600	5,747
Other	23,181	-
Street Games	10,910	13,500
Sanctuary Housing	-	10,000
Sports England	-	86,438
Affinity Sutton	8,100	11,180
Education Funding	-	305,601
Early Years Pupil Premium	-	1,721
Power to change	-	80,000
Rank Foundation	500	-
Tesco - Bags of Help	3,750	-
	<u>          </u>	<u>          </u>
	<b>445,594</b>	<b>963,916</b>
	<u>          </u>	<u>          </u>



Notes to the Financial Statements - continued  
for the year ended 31st March 2018

**6. CHARITABLE ACTIVITIES COSTS**

	Direct costs	Support costs (See note 7)	Totals
	£	£	£
Childcare	674,896	660	675,556
Youth, Sport and Play	261,001	14,295	275,296
Children and young people's activities	271,722	-	271,722
Core Support	248,591	9,581	258,172
	<u>1,456,210</u>	<u>24,536</u>	<u>1,480,746</u>

**7. SUPPORT COSTS**

	Governance costs £
Childcare	660
Youth, Sport and Play	14,295
Core Support	9,581
	<u>24,536</u>

**8. NET INCOME/(EXPENDITURE)**

Net income/(expenditure) is stated after charging/(crediting):

	2018 £	2017 £
Audit work	4,632	3,960
Payroll	2,160	2,160
Depreciation - owned assets	24,790	19,853
Other operating leases	<u>49,163</u>	<u>52,361</u>

**9. TRUSTEES' REMUNERATION AND BENEFITS**

There were no trustees' remuneration or other benefits for the year ended 31st March 2018 nor for the year ended 31st March 2017.

**Trustees' expenses**

There were no trustees' expenses paid for the year ended 31st March 2018 nor for the year ended 31st March 2017.

Notes to the Financial Statements - continued  
for the year ended 31st March 2018

**10. STAFF COSTS**

	2018	2017
	£	£
Wages and salaries	1,015,135	1,081,273
Social security costs	64,069	67,923
Other pension costs	23,964	24,914
	<u>1,103,168</u>	<u>1,174,110</u>

The average monthly number of employees during the year was as follows:

	2018	2017
Administration	7	7
Managers	10	10
Other	67	67
	<u>84</u>	<u>84</u>

The number of employees whose employee benefits (excluding employer pension costs) exceeded £60,000 was:

	2018	2017
£60,001 - £70,000	1	-
	<u>1</u>	<u>-</u>

**11. COMPARATIVES FOR THE STATEMENT OF FINANCIAL ACTIVITIES**

	Unrestricted funds £	Restricted funds £	Total funds £
<b>INCOME AND ENDOWMENTS FROM</b>			
Donations and legacies	4,576	-	4,576
<b>Charitable activities</b>			
Childcare	878,237	-	878,237
Youth, Sport and Play	307,942	158,127	466,069
Children and young people's activities	-	270,892	270,892
Core Support	15,262	-	15,262
Other trading activities	22,050	4,558	26,608
Investment income	117	-	117
<b>Total</b>	<u>1,228,184</u>	<u>433,577</u>	<u>1,661,761</u>
<b>EXPENDITURE ON</b>			
<b>Charitable activities</b>			
Childcare	833,520	31,180	864,700
Youth, Sport and Play	307,729	137,973	445,702
Children and young people's activities	-	222,340	222,340
Core Support	56,312	-	56,312
Other	14,228	-	14,228
<b>Total</b>	<u>1,211,789</u>	<u>391,493</u>	<u>1,603,282</u>
<b>NET INCOME/(EXPENDITURE)</b>	<u>16,395</u>	<u>42,084</u>	<u>58,479</u>

Notes to the Financial Statements - continued  
for the year ended 31st March 2018

**11. COMPARATIVES FOR THE STATEMENT OF FINANCIAL ACTIVITIES - continued**

	Unrestricted funds £	Restricted funds £	Total funds £
Transfers between funds	(529)	529	-
Net movement in funds	15,866	42,613	58,479
<b>RECONCILIATION OF FUNDS</b>			
Total funds brought forward	117,366	33,356	150,722
<b>TOTAL FUNDS CARRIED FORWARD</b>	<b>133,232</b>	<b>75,969</b>	<b>209,201</b>

**12. TANGIBLE FIXED ASSETS**

	Freehold property £	Fixtures and fittings £	Motor vehicles £	Totals £
<b>COST</b>				
At 1st April 2017	351,480	254,109	38,426	644,015
Additions	-	4,748	-	4,748
At 31st March 2018	351,480	258,857	38,426	648,763
<b>DEPRECIATION</b>				
At 1st April 2017	-	198,860	31,365	230,225
Charge for year	7,032	15,992	1,766	24,790
At 31st March 2018	7,032	214,852	33,131	255,015
<b>NET BOOK VALUE</b>				
At 31st March 2018	344,448	44,005	5,295	393,748
At 31st March 2017	351,480	55,249	7,061	413,790

**13. FIXED ASSET INVESTMENTS**

	Shares in group undertakings £
<b>MARKET VALUE</b>	
At 1st April 2017 and 31st March 2018	10
<b>NET BOOK VALUE</b>	
At 31st March 2018	10
At 31st March 2017	10

There were no investment assets outside the UK.

Child Dynamix

Notes to the Financial Statements - continued  
for the year ended 31st March 2018

**13. FIXED ASSET INVESTMENTS - continued**

The company's investments at the balance sheet date in the share capital of companies include the following:

**Child Dynamix Trading Limited**

Registered office: 95 Preston Road, Hull, East Yorkshire, HU9 3QB, United Kingdom

Nature of business: Sale of donated goods

Class of share:	% holding	2018 £	2017 £
Ordinary	100		
Aggregate capital and reserves		(22,963)	(24,248)
Profit/(loss) for the year		<u>1,285</u>	<u>(5,946)</u>

The intention is that the subsidiary gift aids its profits to the charity. To date, the subsidiary has suffered losses and has not made any gift aid payments to the charity. The trustees are expecting the subsidiary to show a profit in the future although it is unlikely that there will be any gift aid payments until 2019/20 at the earliest.

**14. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	2018 £	2017 £
Trade debtors	32,455	28,230
Amounts owed by group undertakings	8,409	11,239
Prepayments and accrued income	<u>5,585</u>	<u>-</u>
	<u>46,449</u>	<u>39,469</u>

**15. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	2018 £	2017 £
Bank loans and overdrafts (see note 17)	-	44,544
Other loans (see note 17)	4,469	4,190
Trade creditors	-	14,161
Other creditors	5,536	3,811
Accruals and deferred income	<u>103,151</u>	<u>17,607</u>
	<u>113,156</u>	<u>84,313</u>

**16. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR**

	2018 £	2017 £
Other loans (see note 17)	<u>248,656</u>	<u>254,630</u>

Notes to the Financial Statements - continued  
for the year ended 31st March 2018

**17. LOANS**

An analysis of the maturity of loans is given below:

	2018 £	2017 £
Amounts falling due within one year on demand:		
Bank overdraft	-	44,544
Property mortgage	4,469	4,190
	<u>4,469</u>	<u>48,734</u>

Amounts falling due in more than five years:

Repayable by instalments:		
Property mortgage	248,656	254,630

**18. SECURED DEBTS**

The following secured debts are included within creditors:

	2018 £	2017 £
Property mortgage	253,125	258,820

The loan is secured against the property and is repayable over 25 years at an interest rate of 7%.

**19. MOVEMENT IN FUNDS**

	At 1/4/17 £	Net movement in funds £	Transfers between funds £	At 31/3/18 £
<b>Unrestricted funds</b>				
General fund	133,232	(32,745)	78,067	178,554
<b>Restricted funds</b>				
Childrens Centre Fund	5,004	-	(5,004)	-
Sports England	39,897	(23,277)	(16,620)	-
Headstart	1,934	53,826	(55,760)	-
Viking FM Cash 4 Kids Grant	13	-	(13)	-
Sleep Easy	2,717	-	-	2,717
Children in Need	4,818	(2,818)	-	2,000
Community Arts Jam	3,461	(2,791)	(670)	-
Henry Smith Fund	18,125	(15,046)	-	3,079
	<u>75,969</u>	<u>9,894</u>	<u>(78,067)</u>	<u>7,796</u>
<b>TOTAL FUNDS</b>	<u>209,201</u>	<u>(22,851)</u>	<u>-</u>	<u>186,350</u>

Notes to the Financial Statements - continued  
for the year ended 31st March 2018

**19. MOVEMENT IN FUNDS - continued**

Net movement in funds, included in the above are as follows:

	Incoming resources £	Resources expended £	Movement in funds £
<b>Unrestricted funds</b>			
General fund	1,257,580	(1,290,325)	(32,745)
<b>Restricted funds</b>			
Sports England	47,052	(70,329)	(23,277)
Headstart	123,909	(70,083)	53,826
Children in Need	21,526	(24,344)	(2,818)
Community Arts Jam	1,000	(3,791)	(2,791)
Henry Smith Fund	8,886	(23,932)	(15,046)
Hut +	14,295	(14,295)	-
	<u>216,668</u>	<u>(206,774)</u>	<u>9,894</u>
<b>TOTAL FUNDS</b>	<u><u>1,474,248</u></u>	<u><u>(1,497,099)</u></u>	<u><u>(22,851)</u></u>

**Comparatives for movement in funds**

	At 1/4/16 £	Net movement in funds £	Transfers between funds £	At 31/3/17 £
<b>Unrestricted Funds</b>				
General fund	117,366	16,395	(529)	133,232
<b>Restricted Funds</b>				
Preston Road NDC	651	(1,180)	529	-
Childrens Centre Fund	536	4,468	-	5,004
Sports England	28,022	11,875	-	39,897
Headstart	1,417	517	-	1,934
Viking FM Cash 4 Kids Grant	13	-	-	13
Sleep Easy	2,717	-	-	2,717
Children in Need	-	4,818	-	4,818
Community Arts Jam	-	3,461	-	3,461
Henry Smith Fund	-	18,125	-	18,125
	<u>33,356</u>	<u>42,084</u>	<u>529</u>	<u>75,969</u>
<b>TOTAL FUNDS</b>	<u><u>150,722</u></u>	<u><u>58,479</u></u>	<u><u>-</u></u>	<u><u>209,201</u></u>

Notes to the Financial Statements - continued  
for the year ended 31st March 2018

**19. MOVEMENT IN FUNDS - continued**

Comparative net movement in funds, included in the above are as follows:

	<b>Incoming resources £</b>	<b>Resources expended £</b>	<b>Movement in funds £</b>
<b>Unrestricted funds</b>			
General fund	1,228,184	(1,211,789)	16,395
<b>Restricted funds</b>			
Childrens Centre Fund	205,207	(200,739)	4,468
Sports England	131,397	(119,522)	11,875
Headstart	41,043	(40,526)	517
Children in Need	17,522	(12,704)	4,818
Community Arts Jam	3,461	-	3,461
Henry Smith Fund	29,200	(11,075)	18,125
Hut +	5,747	(5,747)	-
Preston Road NDC	-	(1,180)	(1,180)
	<hr/> 433,577	<hr/> (391,493)	<hr/> 42,084
<b>TOTAL FUNDS</b>	<hr/> <hr/> 1,661,761	<hr/> <hr/> (1,603,282)	<hr/> <hr/> 58,479

Notes to the Financial Statements - continued  
for the year ended 31st March 2018

**19. MOVEMENT IN FUNDS - continued**

General fund - The general reserve to be used in accordance with the charitable objectives and the reserves policy of Child Dynamix.

Children's Centre Fund - This fund comes through a commissioned process with Hull City Council and is paid for through their Sure Start Grant. The Children's centre offers a services to children and families across the Southcoates East and parts of the Holderness Wards, including Health services, Job centre plus services, family support and outreach services, and links with the Janet Genter Community Nursery.

Sport England -The Hull Activators project works with young women from the age of 14 to 25 and women of all ages, encouraging them into sport and active recreation. The Project began in July 2014 and will be completed in June 2017. The team works across three wards, Marfleet and Southcoates East in East Hull and Myton in West Hull. The Activators are building relationships with the participants and enabling them to develop habits and interests around sports, identifying natural leaders from the group and recruiting them as volunteers to help lead and develop the sessions now and in the future. The Activators make links with structured sporting groups in the City ensuring that new interests and habits can be maintained in the future.

HeadStart - is a Big Lottery Strategic investment fund; Hull City Council are one of 12 Authorities to have been awarded a pilot scheme approved in July 2014 the fund is to provide a range of activities and services which are aimed at improving the Resilience and grit of children and young people aged 10-14 across pilot areas of Hull. Child Dynamix are a delivery partner in the pilot stage.

Viking FM Cash for Kids - funding enabled the Children's Centre to purchase sensory equipment for use by local children with disabilities or additional needs. This has enhance sessions within the Centre as well as creating an opportunity for parents to loan toys to use with their children at home.

Sleep Easy - is a YMCA led annual fundraising event; it takes place during the last weekend in January each year when volunteers sleep rough for one night in makeshift dens and raise funds through sponsorship. Child Dynamix has partnered with YMCA Grimsby for the past 5 years and has received funding that supports young people facing homelessness.

Children in Need - This is a play project working with children over 5, the team of three play workers delivery sessions in communities around East Hull. The project promotes the importance of free play and the positive impact it has on children's health and wellbeing.

Community Arts Jam - Child Dynamix was successful in securing funding through the UK City of Culture 2017 creative communities fund to deliver an urban arts event on the Greatfield estate. The event provided insight and opportunity for local residents to learn more about Hip hop culture.

Henry Smith Fund - This Parent Peer Mentor project is focused on working with families with children from 5-10 year's old. We recruit and train parents to be mentor and then match them with families in need to provide one to one support initially over a 6 week period and longer if needed. The aim of the project is to improve confidence and self-esteem and have a positive impact on parenting.

Hut+ - This is funding obtained to extend and refurbish our youth centre on the Preston Road Estate.

**Transfers between funds**

The Headstart and Children's Centre projects, which had been included in restricted funds, were put out to competitive tender and have now become contracts.

The other transfers relate to the recovery of internal charges in relation to administration.

**20. RELATED PARTY DISCLOSURES**

During the year the Charity paid consultancy fees totalling £720 to Future Works (Yorkshire) Ltd CIC, a company in which Mrs C M Bishop, one of the trustees, is a director.



**Detailed Statement of Financial Activities**  
**for the year ended 31st March 2018**

	2018 £	2017 £
<b>INCOME AND ENDOWMENTS</b>		
<b>Donations and legacies</b>		
Donations	13,902	4,576
<b>Other trading activities</b>		
Fundraising events	-	26,608
<b>Investment income</b>		
Deposit account interest	-	117
<b>Charitable activities</b>		
Nursery and Out of School Clubs	970,758	650,354
Grants	445,594	963,916
Commercial income	43,994	16,190
	<b>1,460,346</b>	<b>1,630,460</b>
<b>Total incoming resources</b>	<b>1,474,248</b>	<b>1,661,761</b>
<b>EXPENDITURE</b>		
<b>Charitable activities</b>		
Wages	1,015,135	1,081,273
Social security	64,069	67,923
Pensions	23,964	24,914
Rent of building	49,163	52,361
Rates and water	11,852	8,905
Insurance	12,154	12,263
Light and heat	22,285	27,982
Telephone and internet	11,241	11,722
Postage and stationery	13,629	16,475
Sundries	8,552	14,734
Food	10,010	14,035
Equipment	1,419	7,687
Play bus expenses	7,273	7,575
Computer expenses	32,938	26,366
Repairs and renewals	34,767	19,791
Cleaning and refuse	38,416	39,439
Training	9,009	8,652
Courses and conferences	716	7,826
Consumables	18,998	5,327
Publicity	3,747	4,927
Debts written off	7,872	30,732
Excursions, trips and activities	30,431	56,881
Motor vehicle expenses	1,954	3,349
Volunteer expenses	1,827	1,101
Professional and consultancy fees	-	8,257
Freehold property	7,032	-
Carried forward	<b>1,438,453</b>	<b>1,560,497</b>

This page does not form part of the statutory financial statements

Child Dynamix

Detailed Statement of Financial Activities  
for the year ended 31st March 2018

	2018 £	2017 £
<b>Charitable activities</b>		
Brought forward	1,438,453	1,560,497
Fixtures and fittings	15,991	16,320
Motor vehicles	1,766	3,533
	<u>1,456,210</u>	<u>1,580,350</u>
<b>Other</b>		
Mortgage	16,353	13,568
<b>Support costs</b>		
<b>Governance costs</b>		
Auditors' remuneration	6,792	6,120
Legal fees	17,744	2,100
Bank charges	-	36
Bank interest	-	1,108
	<u>24,536</u>	<u>9,364</u>
<b>Total resources expended</b>	<u>1,497,099</u>	<u>1,603,282</u>
<b>Net (expenditure)/income</b>	<u>(22,851)</u>	<u>58,479</u>

This page does not form part of the statutory financial statements