

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 2019
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 2019

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Child Dynamix

Report of the Trustees **for the year ended 31st March 2019**

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 2019. 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 2019

ACHIEVEMENT AND PERFORMANCE

Who used and benefited from our services:

Community Day Nurseries:

Our day nurseries are 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 350 children across three day nurseries. We provided 36 free stay and play sessions and holiday provision for 45 children up to the age of 11. We have supported 26 families to access the new 30-hour funding. The parent surveys were carried out across all three nurseries during the last quarter of the year with an 100% 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 73% 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 71.5% in 2018 (source Dept. of Education EYFS profile results: 2018) with Kingston upon Hull achieving between 61% and 67.5% (source Dept. of Education percentage achieving at least expected levels across all early learning goals by LA academic year 17/18)

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

Over the course of the year 2018-19 Child Dynamix staff and volunteers have worked with 3156 children and young people and 1225 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 (Shelley Avenue Community Sport Centre) and through outreach projects using both indoor and outdoor spaces at community venues and School sites. We have also delivered parent peer mentoring projects based at the Head Office and from the Boulevard setting. We carried out a number of stakeholder surveys and evaluations to help us understand the impact the charity has had, a parent who accessed one to one support sessions with a volunteer mentor told us, "I was happy the way the sessions worked in a friendly and understanding way. It has made me think more about how I act and what I say and how it makes other people feel and because of that I feel closer to my family."

Volunteering at Child Dynamix

Child Dynamix is the proud holder of the Investor in Volunteering standard which was successfully renewed in April 2018. We have over 70 volunteers registered with the charity and had the support of the equivalent of 77 hours volunteering time a week, a total of 4017 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 programmes.

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 2019

FINANCIAL REVIEW

Reserves policy

Child Dynamix reserves following our twelfth year of operations stand at £540,099

The Trustees of Child Dynamix aim to secure a cash 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 on strengthening its core offer to deliver family services in some of the most deprived communities in the country. 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 continue to increase 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+) and focusing on increasing the number of children accessing our nursery provision.

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

This year we became a registered training organisation with ABC Licensing Scheme and we will be delivering Parent Peer Mentor training with plans to expand this across Play, Sport and Youth.

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 2006.

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.

Child Dynamix

Report of the Trustees for the year ended 31st March 2019

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 five meetings during 2018-2019 including the annual general meeting in September.

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 (January 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 (January 2018)

Members:

- Miss H Schofield appointed as the Chair
- Miss J Boyd
- Mr R Clarke
- Mr G Coyle
- Mr B Bradley

Fundraising working party

Members:

- Mr R Clarke
- Mr P Duffield
- Mr K Sturdy

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

- Mrs C Bishop - Director of Child Dynamix Trading Ltd - Resigned 27 November 2018
- Mrs P Perera - Director of Child Dynamix Trading Ltd
- Mr B Bradley - Director of Child Dynamix Trading Limited

The Health and Safety internal audit of each of the charity's premises took place in December 2018 overseen by the CEO and Trustee with responsibility for Health and Safety. A review of the Health and Safety policy took place in September 2018 and the charity's business continuity plans were also reviewed.

Induction and training of new trustees

The charity 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 meetings 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 2019

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 J Stafford	CEO/ Company Secretary -Resigned 31st July 2018 CEO/Company Secretary - Interim July-November 2018, formally appointed 1st
Mrs C East	December 2018
Mrs L van der Westhuizen	Head of HR and Finance
Mrs N Clark	Head of Childcare

Risk management

Child Dynamix has a risk register; the register considers financial, reputational 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
Ms P M Perera
Miss J Boyd
Mrs C M Bishop
R M A Clarke
P D Duffield
H Schofield
K Sturdy
G E Coyle

Chair	
Trustee	
Trustee	
Vice Chair	- resigned 27/11/18
Trustee	
Finance Trustee	
Trustee	
Trustee	
Trustee	

Company Secretary

Mrs C M East

Auditors

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

Child Dynamix

Report of the Trustees
for the year ended 31st March 2019

REFERENCE AND ADMINISTRATIVE DETAILS

Bankers

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

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 3rd October 2019 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 2019 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 2019 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; 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, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

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

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the 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. 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

10th October 2019

Child Dynamix

Statement of Financial Activities
(Incorporating an Income and Expenditure Account)
for the year ended 31st March 2019

	Notes	Unrestricted funds £	Restricted funds £	2019 Total funds £	2018 Total funds £
INCOME AND ENDOWMENTS FROM					
Donations and legacies	2	8,360	-	8,360	13,902
Charitable activities	4				
Childcare		896,979	-	896,979	805,898
Youth, Sport and Play		579,448	64,193	643,641	298,681
Children and young people's activities		361,313	52,354	413,667	350,147
Core Support		-	-	-	5,620
Other trading activities	3	1,972	6,365	8,337	-
Total		1,848,072	122,912	1,970,984	1,474,248
EXPENDITURE ON					
Charitable activities	5				
Childcare		727,423	-	727,423	675,556
Youth, Sport and Play		322,864	611	323,475	275,296
Children and young people's activities		155,345	79,997	235,342	271,722
Core Support		263,317	-	263,317	258,172
Other		17,578	-	17,578	16,353
Total		1,486,527	80,608	1,567,135	1,497,099
NET INCOME/(EXPENDITURE)		361,545	42,304	403,849	(22,851)
RECONCILIATION OF FUNDS					
Total funds brought forward		178,554	7,796	186,350	209,201
TOTAL FUNDS CARRIED FORWARD		540,099	50,100	590,199	186,350

The notes form part of these financial statements

Child Dynamix

Balance Sheet
At 31st March 2019

	Notes	Unrestricted funds £	Restricted funds £	2019 Total funds £	2018 Total funds £
FIXED ASSETS					
Tangible assets	11	714,390	625	715,015	393,748
Investments	12	10	-	10	10
		<u>714,400</u>	<u>625</u>	<u>715,025</u>	<u>393,758</u>
CURRENT ASSETS					
Debtors	13	42,850	-	42,850	46,449
Cash at bank and in hand		81,115	133,080	214,195	107,955
		<u>123,965</u>	<u>133,080</u>	<u>257,045</u>	<u>154,404</u>
CREDITORS					
Amounts falling due within one year	14	(54,366)	(83,605)	(137,971)	(113,156)
NET CURRENT ASSETS		<u>69,599</u>	<u>49,475</u>	<u>119,074</u>	<u>41,248</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>783,999</u>	<u>50,100</u>	<u>834,099</u>	<u>435,006</u>
CREDITORS					
Amounts falling due after more than one year	15	(243,900)	-	(243,900)	(248,656)
NET ASSETS		<u>540,099</u>	<u>50,100</u>	<u>590,199</u>	<u>186,350</u>
FUNDS	19				
Unrestricted funds				540,099	178,554
Restricted funds				50,100	7,796
TOTAL FUNDS				<u>590,199</u>	<u>186,350</u>

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

The financial statements were approved by the Board of Trustees on 3rd October 2019 and were signed on its behalf by:



B A Bradley -Trustee

Child Dynamix

Cash Flow Statement
for the year ended 31st March 2019

	Notes	2019 £	2018 £
Cash flows from operating activities:			
Cash generated from operations	1	490,012	84,419
Interest paid		(17,578)	(16,353)
Net cash provided by (used in) operating activities		<u>472,434</u>	<u>68,066</u>
Cash flows from investing activities:			
Purchase of tangible fixed assets		(361,725)	(4,748)
Net cash provided by (used in) investing activities		<u>(361,725)</u>	<u>(4,748)</u>
Cash flows from financing activities:			
Loan repayments in year		(4,469)	(5,694)
Net cash provided by (used in) financing activities		<u>(4,469)</u>	<u>(5,694)</u>
Change in cash and cash equivalents in the reporting period		<u>106,240</u>	<u>57,624</u>
Cash and cash equivalents at the beginning of the reporting period		<u>107,955</u>	<u>50,331</u>
Cash and cash equivalents at the end of the reporting period		<u><u>214,195</u></u>	<u><u>107,955</u></u>

The notes form part of these financial statements

Child Dynamix

Notes to the Cash Flow Statement
for the year ended 31st March 2019

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

	2019	2018
	£	£
Net income/(expenditure) for the reporting period (as per the statement of financial activities)	403,849	(22,851)
Adjustments for:		
Depreciation charges	40,458	24,789
Interest paid	17,578	16,353
Decrease/(increase) in debtors	3,599	(6,980)
Increase in creditors	24,528	73,108
	<hr/>	<hr/>
Net cash provided by (used in) operating activities	490,012	84,419
	<hr/>	<hr/>

Notes to the Financial Statements
for the year ended 31st March 2019

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.

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
Long leasehold	- over the period of the lease
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

	2019	2018
	£	£
Donations	<u>8,360</u>	<u>13,902</u>

Child Dynamix

Notes to the Financial Statements - continued
for the year ended 31st March 2019

3. OTHER TRADING ACTIVITIES

	2019	2018
	£	£
Fundraising events	<u>8,337</u>	<u>-</u>

4. INCOME FROM CHARITABLE ACTIVITIES

	2019	2018
	£	£
Nursery and Out of School		
Clubs		
Grants	884,835	803,224
Commercial income	7,560	-
Nursery and Out of School	4,584	2,674
Clubs		
Grants		
Commissioning services	-	42,625
Commercial income	447,018	110,462
Nursery and Out of School	152,452	112,311
Clubs	44,171	33,283
Grants		
Commissioning services		
Commercial income		
Nursery and Out of School		
Clubs		
Grants	-	124,909
Commissioning services	54,354	16,572
Commercial income	359,313	200,649
Grants	-	8,017
Commercial income	-	5,600
	-	20
	<u>1,954,287</u>	<u>1,460,346</u>

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

	2019	2018
	£	£
Hull City Council	24,510	59,067
BBC Children in Need	29,683	21,526
Big Lottery	318,928	5,600
Street Games	13,836	10,910
Affinity Sutton	-	8,100
Power to change	7,560	-
Rank Foundation	-	500
Tesco - Bags of Help	-	3,750
London Community Foundation	4,320	-
Henry Smith Charity	25,996	-
The Sylvia Adams Charitable Trust	26,358	-
The Bernard Sunley Charitable Foundation	10,000	-
Other grants	47,741	23,181
	<u>508,932</u>	<u>132,634</u>

Child Dynamix

Notes to the Financial Statements - continued
for the year ended 31st March 2019

5. CHARITABLE ACTIVITIES COSTS

	Direct costs	Support costs (See note 6)	Totals
	£	£	£
Childcare	726,763	660	727,423
Youth, Sport and Play	316,866	6,609	323,475
Children and young people's activities	233,595	1,747	235,342
Core Support	257,245	6,072	263,317
	<u>1,534,469</u>	<u>15,088</u>	<u>1,549,557</u>

6. SUPPORT COSTS

	Governance costs £
Childcare	660
Youth, Sport and Play	6,609
Children and young people's activities	1,747
Core Support	6,072
	<u>15,088</u>

7. NET INCOME/(EXPENDITURE)

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

	2019 £	2018 £
Audit work	3,336	4,632
Payroll	2,160	2,160
Depreciation - owned assets	40,458	24,790
Other operating leases	<u>48,168</u>	<u>49,163</u>

8. TRUSTEES' REMUNERATION AND BENEFITS

There were no trustees' remuneration or other benefits for the year ended 31st March 2019 nor for the year ended 31st March 2018.

Trustees' expenses

There were no trustees' expenses paid for the year ended 31st March 2019 nor for the year ended 31st March 2018.

Child Dynamix

Notes to the Financial Statements - continued
for the year ended 31st March 2019

9. STAFF COSTS

	2019 £	2018 £
Wages and salaries	1,081,687	1,015,135
Social security costs	66,726	64,069
Other pension costs	23,648	23,964
	<u>1,172,061</u>	<u>1,103,168</u>

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

	2019	2018
Administration	10	7
Managers	9	10
Other	60	67
	<u>79</u>	<u>84</u>

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

	2019	2018
£60,001 - £70,000	<u>1</u>	<u>1</u>

10. COMPARATIVES FOR THE STATEMENT OF FINANCIAL ACTIVITIES

	Unrestricted funds £	Restricted funds £	Total funds £
INCOME AND ENDOWMENTS FROM			
Donations and legacies	13,902	-	13,902
Charitable activities			
Childcare	805,898	-	805,898
Youth, Sport and Play	215,808	82,873	298,681
Children and young people's activities	216,352	133,795	350,147
Core Support	5,620	-	5,620
	<u>1,257,580</u>	<u>216,668</u>	<u>1,474,248</u>
Total	1,257,580	216,668	1,474,248
 EXPENDITURE ON			
Charitable activities			
Childcare	675,556	-	675,556
Youth, Sport and Play	166,328	108,968	275,296
Children and young people's activities	173,916	97,806	271,722
Core Support	258,172	-	258,172
	<u>16,353</u>	<u>-</u>	<u>16,353</u>
Total	1,290,325	206,774	1,497,099
 NET INCOME/(EXPENDITURE)	(32,745)	9,894	(22,851)
 Transfers between funds	78,067	(78,067)	-

Child Dynamix

Notes to the Financial Statements - continued
for the year ended 31st March 2019

10. COMPARATIVES FOR THE STATEMENT OF FINANCIAL ACTIVITIES - continued	Unrestricted funds £	Restricted funds £	Total funds £
Net movement in funds	45,322	(68,173)	(22,851)
RECONCILIATION OF FUNDS			
Total funds brought forward	133,232	75,969	209,201
TOTAL FUNDS CARRIED FORWARD	178,554	7,796	186,350

11. TANGIBLE FIXED ASSETS

	Freehold property £	Long leasehold £	Fixtures and fittings £	Motor vehicles £	Totals £
COST					
At 1st April 2018	351,480	-	258,857	38,426	648,763
Additions	-	352,616	9,109	-	361,725
At 31st March 2019	351,480	352,616	267,966	38,426	1,010,488
DEPRECIATION					
At 1st April 2018	7,032	-	214,852	33,131	255,015
Charge for year	7,032	15,339	16,763	1,324	40,458
At 31st March 2019	14,064	15,339	231,615	34,455	295,473
NET BOOK VALUE					
At 31st March 2019	337,416	337,277	36,351	3,971	715,015
At 31st March 2018	344,448	-	44,005	5,295	393,748

12. FIXED ASSET INVESTMENTS

	Shares in group undertakings £
MARKET VALUE	
At 1st April 2018 and 31st March 2019	10
NET BOOK VALUE	
At 31st March 2019	10
At 31st March 2018	10

There were no investment assets outside the UK.

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

Child Dynamix

Notes to the Financial Statements - continued
for the year ended 31st March 2019

12. FIXED ASSET INVESTMENTS - continued

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		
Ordinary	100		
		2019	2018
		£	£
Aggregate capital and reserves		(26,430)	(22,963)
(Loss)/profit for the year		(3,467)	1,285

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.

13. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2019	2018
	£	£
Trade debtors	32,015	32,455
Amounts owed by group undertakings	6,237	8,409
Other debtors	1,264	-
Prepayments and accrued income	3,334	5,585
	<u>42,850</u>	<u>46,449</u>

14. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2019	2018
	£	£
Other loans (see note 16)	4,756	4,469
Other creditors	6,330	5,536
Accruals and deferred income	126,885	103,151
	<u>137,971</u>	<u>113,156</u>

15. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	2019	2018
	£	£
Other loans (see note 16)	<u>243,900</u>	<u>248,656</u>

Child Dynamix

Notes to the Financial Statements - continued
for the year ended 31st March 2019

16. LOANS

An analysis of the maturity of loans is given below:

	2019 £	2018 £
Amounts falling due within one year on demand:		
Property mortgage	<u>4,756</u>	<u>4,469</u>
Amounts falling due in more than five years:		
Repayable by instalments:		
Property mortgage	<u>243,900</u>	<u>248,656</u>

17. LEASING AGREEMENTS

Minimum lease payments under non-cancellable operating leases fall due as follows:

	2019 £	2018 £
Within one year	469	5,908
Between one and five years	30,000	30,000
In more than five years	3,000	3,000
	<u>33,469</u>	<u>38,908</u>

18. SECURED DEBTS

The following secured debts are included within creditors:

	2019 £	2018 £
Property mortgage	<u>248,656</u>	<u>253,125</u>

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

Child Dynamix

Notes to the Financial Statements - continued
for the year ended 31st March 2019

19. MOVEMENT IN FUNDS

	At 1/4/18 £	Net movement in funds £	At 31/3/19 £
Unrestricted funds			
General fund	178,554	361,545	540,099
Restricted funds			
Sleep Easy	2,717	-	2,717
Children in Need	1,999	2,334	4,333
Henry Smith Fund	3,080	3,217	6,297
Hut +	-	30,432	30,432
The Sylvia Adams Charitable Trust	-	2,422	2,422
Whats Your game	-	3,899	3,899
	<u>7,796</u>	<u>42,304</u>	<u>50,100</u>
TOTAL FUNDS	<u><u>186,350</u></u>	<u><u>403,849</u></u>	<u><u>590,199</u></u>

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

	Incoming resources £	Resources expended £	Movement in funds £
Unrestricted funds			
General fund	1,848,072	(1,486,527)	361,545
Restricted funds			
Children in Need	29,683	(27,349)	2,334
Henry Smith Fund	25,996	(22,779)	3,217
Hut +	36,365	(5,933)	30,432
The Sylvia Adams Charitable Trust	26,358	(23,936)	2,422
Whats Your game	4,510	(611)	3,899
	<u>122,912</u>	<u>(80,608)</u>	<u>42,304</u>
TOTAL FUNDS	<u><u>1,970,984</u></u>	<u><u>(1,567,135)</u></u>	<u><u>403,849</u></u>

Child Dynamix

Notes to the Financial Statements - continued
for the year ended 31st March 2019

19. MOVEMENT IN FUNDS - continued

Comparatives for movement in funds

	At 1/4/17 £	Net movement in funds £	Transfers between funds £	At 31/3/18 £
Unrestricted Funds				
General fund	133,232	(32,745)	78,067	178,554
Restricted Funds				
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>
TOTAL FUNDS	<u>209,201</u>	<u>(22,851)</u>	<u>-</u>	<u>186,350</u>

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

	Incoming resources £	Resources expended £	Movement in funds £
Unrestricted funds			
General fund	1,257,580	(1,290,325)	(32,745)
Restricted funds			
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>
TOTAL FUNDS	<u>1,474,248</u>	<u>(1,497,099)</u>	<u>(22,851)</u>

Child Dynamix

Notes to the Financial Statements - continued
for the year ended 31st March 2019

19. MOVEMENT IN FUNDS - continued

A current year 12 months and prior year 12 months combined position is as follows:

	At 1/4/17 £	Net movement in funds £	Transfers between funds £	At 31/3/19 £
Unrestricted funds				
General fund	133,232	328,800	78,067	540,099
Restricted funds				
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	(484)	-	4,334
Community Arts Jam	3,461	(2,791)	(670)	-
Henry Smith Fund	18,125	(11,829)	-	6,296
Hut +	-	30,432	-	30,432
The Sylvia Adams Charitable Trust	-	2,422	-	2,422
Whats Your game	-	3,899	-	3,899
	<u>75,969</u>	<u>52,198</u>	<u>(78,067)</u>	<u>50,100</u>
TOTAL FUNDS	<u>209,201</u>	<u>380,998</u>	<u>-</u>	<u>590,199</u>

A current year 12 months and prior year 12 months combined net movement in funds, included in the above are as follows:

	Incoming resources £	Resources expended £	Movement in funds £
Unrestricted funds			
General fund	3,105,652	(2,776,852)	328,800
Restricted funds			
Sports England	47,052	(70,329)	(23,277)
Headstart	123,909	(70,083)	53,826
Children in Need	51,209	(51,693)	(484)
Community Arts Jam	1,000	(3,791)	(2,791)
Henry Smith Fund	34,882	(46,711)	(11,829)
Hut +	50,660	(20,228)	30,432
The Sylvia Adams Charitable Trust	26,358	(23,936)	2,422
Whats Your game	4,510	(611)	3,899
	<u>339,580</u>	<u>(287,382)</u>	<u>52,198</u>
TOTAL FUNDS	<u>3,445,232</u>	<u>(3,064,234)</u>	<u>380,998</u>

Child Dynamix

Notes to the Financial Statements - continued for the year ended 31st March 2019

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.

20. RELATED PARTY DISCLOSURES

There were no related party transactions for the year ended 31st March 2019.