

Charity Registration No. 1109642

Company Registration No. 05389477 (England and Wales)

CHILD DYNAMIX

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2021

tc accounts · tax · legal · financial planning

74 Lairgate
Beverley
East Yorkshire
United Kingdom
HU17 8EU

CHILD DYNAMIX

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LEGAL AND ADMINISTRATIVE INFORMATION

Trustees	J Boyd B A Bradley G E Coyle P D Duffield P M Perera K Sturdy	
Senior Management team	C M East L Darnell N Clark A Wheal	CEO/Company Secretary Head of HR and Finance Head of Childcare Children & Family services manager
Charity number	1109642	
Company number	05389477	
Principal address	95 Preston Road Hull East Yorkshire United Kingdom HU9 3QB	
Registered office	95 Preston Road Hull East Yorkshire United Kingdom HU9 3QB	
Auditor	TC Group 74 Lairgate Beverley East Yorkshire United Kingdom HU17 8EU	

CHILD DYNAMIX

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT)

FOR THE YEAR ENDED 31 MARCH 2021

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 2021. 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 2019).

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 that 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 Commission's guidance on Public benefit when planning and developing the charity's 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.

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TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

Achievements and performance

Who used and benefited from our services:

Community Day Nurseries:

We have three day nurseries, two in East Hull (CDCN Preston Road and CDCN Savoy Road) and one in West Hull (CDCN Boulevard). Our day nurseries are engaging and stimulating learning environments for the children who attend. They play a key role in supporting families to access employment and learning opportunities.

2020 saw the beginning of significant challenges brought by Covid19 to our youngest children and their families. Our nurseries played a critical part in supporting key workers to continue to work and support vulnerable children in incredibly challenging times.

Childcare received national focus as the need for quality, flexible childcare was a critical factor in the national and local effort. During April to July 2020 only vulnerable children and children of key workers were entitled to attend nursery settings. Across the three nurseries, 230 key worker families including 236 children were entitled to access their nursery in the first lockdown. 42% used our settings. Our teams worked tirelessly to provide a safe environment and minimise the impact that restrictions had on the children. Members of staff went beyond providing 'typical' childcare to ensure children and their families had the support they needed. Funding from the National Lottery allowed us to transfer two nursery workers into family support roles. This was a critical change to support families to access foodbanks, food parcels and activity packs. When children did not attend, additional 'welfare' checks were made to ensure children and their families remained connected to their nursery and for staff to offer additional help where necessary.

Throughout this period, the nursery teams continued to monitor children's learning and development to ensure we minimised the impact of restrictions upon their outcomes. Analysis in October 2020 demonstrated that many children were not at age related expectations for learning and development. Many had been absent from their nursery for much of the year. With close observation, and implementation of an exciting and appropriate curriculum, alongside more consistent attendance, this is improving.

Across April 2020 – March 2021, there were 366 children on roll, with 14% of those children identified as having an additional need or disability. We supported 31 families to access 30-hour funding enabling them to access childcare to meet their needs.

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

Over the course of the year Child Dynamix staff and volunteers have worked with 1989 children and young people and 880 adults/carers in communities across Hull. We support our beneficiaries through:

- Little Stars Children's centre sits in the Early Help provision within the city of Hull. The team provides family support and a range of services for local families including parenting support, understanding children's behaviour with courses to help with parenting, child safety, infant feeding, budgeting, cooking and providing healthy meals, accessing early education funded nursery places and promotes parents' understanding of early childhood development. In this team we have a member of staff dedicated to supporting expectant mothers and their families until the baby is 18 months. Throughout the pandemic and national restrictions, the team has continued to provide all services to children and their families. They have taken some novel approaches, including online stay and play sessions and garden visits. They adapted their ways of working to ensure continuous support to parents to enable them to make the changes needed to improve outcomes for their children. The team approach of working closely with other professionals was a real strength in tackling the challenges that Covid brought. Their connections with Woodland School to joint-visit local families and conduct welfare checks was a strong local piece of work. The team is now responding to unprecedented numbers of referrals and requests for support as families continue to feel the impact of Covid on their lives.
- Our Parent Mentor service, part of HeadStart Hull, is housed in our Boulevard setting and supports families across the city. With training and support, the service enables parents with children aged 10 – 16 years to support other parents. This has brought many benefits to both the Mentor and parent; support predominantly focusses on the emotional health and well-being of their young person. Over the year this team has worked with a reduced number of volunteers as the volunteer has had to prioritise the needs of their own family, particularly when children were home-schooled. The team has found that in some cases parents have been reluctant to have their case closed, because they feel the long-term pressure of Covid upon their family and, especially, young person. The team has delivered online parenting courses and used virtual and telephone support alongside garden visits to ensure they remain connected to those in need.
- From The Hut Youth Centre we provide a range of services for the community and young people. The building's fantastic facilities include: a teaching kitchen with rise and fall worktops and accessible cooker, IT suite, dance and craft rooms. The facilities are available through sessions delivered by the team or for use by the community. The teams provide a range of services including one to one support, small group work and larger sessions with as many as 40 young people on a Friday night. The team also works in local community spaces, schools and sport fields to offer the widest variety of activities. Again, the team went to great lengths to ensure it could meet varying needs and stay connected to local children and young people. When schools were closed many young people lost contact with trusted adults and the team members recognised that they needed to work differently to stay connected. As restrictions changed, we were able to rely on outdoor activities to engage and help respond to the increasing demand for support, particularly around emotional health and wellbeing.

Young people

- Youth Commissioned Work - The youth team continues to deliver our commissioned youth provision across East Hull. The team works from The Hut, Eastmount Recreation Centre, Shelley Avenue and parks and open spaces across the area. Our commissioned partners, Maximum Life Youth Project and St. Stephens Neighbourhood Centre support with the delivery in the Greatfield and Ings communities.
- Youth in Nature - Youth in Nature is a partnership project with Probe and Yorkshire Wildlife Trust. The project focusses on the local environment as well as providing young people with new skills, knowledge and experiences. This is a citywide project, however significant investment has been made in a local area, specifically 'The Lozenge', which will be used as an extended delivery space for The Hut team.

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TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

- Green Influencers - The Green Influencers scheme encourages young people aged 10 – 14 years old across Hull to create meaningful connections with their natural environment and implement long-lasting change in their communities. This project is delivered across local schools and youth centres.
- Whats Your Game? - Is a partnership with Sanctuary Housing, the aim of the project is to help communities become more physically active by engaging in enjoyable, easy to access and arranged activities.
- Community Action Projects (CAP) - Funded through Clarion Housing and the # iwill fund, Child Dynamix offers a junior and a senior CAP project. These projects see young people explore issues in their local area and work to make a difference within their community

Awards

- Headstart Hull Mark of Excellence - In April 2020 we received our certificate recognising the work of our HeadStart Hull Parent Peer Mentor service within the broader HeadStart partnership. The HeadStart Hull Mark of Excellence was awarded to the team of staff and volunteers. Catherine Pepper, Community Policy and Practice Officer, Headstart Hull commented:
"It has been a pleasure to meet with you and hear your passion for helping parents and families across Hull, and I have been particularly impressed by how you and your staff and volunteers go the extra mile to meet the needs of some of the most vulnerable families in the city. Meeting with volunteers and service users gave me a real understanding of how the service can and does transform lives."
- Each year our Youth service is independently assessed for the Investors in Children Award. A representative from Investors in Children attends our sessions and talks to children and young people about the opportunities they are able to access and the Voice and Influence they have over the service. The team has been informed that it will receive a special award recognising that it has achieved Investors in Children for 10 consecutive years.

Surveys and feedback

We regularly carry out stakeholder surveys, evaluations and seek feedback to help us understand the impact the charity has had,

"I really, really enjoyed doing the course online. Face to face I would be more withheld and not share my thoughts and ideas. I've been talking about doing this course since my daughter had trouble at school with her anxiety because there wasn't enough time to attend in real life. You have reached out to people who may not have been able to attend" **(Volunteer feedback – Mentor Training March 2021)**

"The techniques from Talking Teens works with my oldest child. I really enjoyed it on Zoom and I felt so much more confident and felt like I attended because it was online. I was in my own home and felt like I contributed more with not going in a room with people I don't know. 'I honestly don't know what I would do without Child Dynamix, Liz has helped me so much and gets the ball rolling with agencies and gets things done. I tell the police and all my friends to refer to this service" **(Volunteer feedback – Mentor Training March 2021)**

Our family support service provide a wide range of help including support to expectant mothers and received this feedback: *"I had a bit of PND about 6 months after giving birth, the support given by [worker] helped me see it through and made me get the correct help I needed. Offered more help and made sure I was better"* **(Parent feedback LSCC October 2020)**

The support has been amazing. The only way I got through the first baby hurdles was with the support I received. No request that I asked for was I made to feel stupid or pointless or silly. Always met with enthusiasm even when I had none myself to give. I always left feeling much better and understood more and a happier, more confident parent. Thank you **(Parent feedback LSCC October 2020)**

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TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

“the updates I receive whilst he is at nursery are fantastic. I feel he is included in all activities and is exposed to new things” (Nursery parent feedback – February 2021)

*“my son is very reserved and doesn't like going with people other than me and his dad and they give him the time and patience to come out of himself and he now loves going to nursery”
(Nursery parent feedback – February 2021)*

Volunteering at Child Dynamix

Child Dynamix is the proud holder of the Investor in Volunteering standard, which was successfully renewed in April 2018. As of March 2021, we have 56 volunteers registered with the charity, representing 44% of our workforce. 70% of our volunteers are mentors, this is the largest number we have ever had within one specific service area. In the 12 months to March 2021, volunteers in the charity gave 881 hours of their time. Whilst this is a drop in time given from the previous year, it is representative of the reduced volunteer hours given due to Covid. In many ways, the data masks the significantly increased hours given by our Trustees, also volunteers. They met and engaged regularly as a group or individually with particular members of staff to navigate the various challenges Covid brought to the charity.

Charity events and fundraising

Unfortunately, Covid halted many of the events and fundraising activities that we would normally have. Restrictions meant many were unable to take part, and staff time was prioritised to critical areas of delivery to ensure we met the needs of our beneficiaries. As restrictions change, especially in the coming financial year, we expect to hold events but they are likely to be different from those in our usual events calendar. The Hull Run For All is postponed until 2022 due to Covid and public realm work taking place in the city centre.

Financial review

In comparison to previous years income, taking in to account the impact of Covid 19 on operations, additional funds were sourced to support the central functions of the charity totalling over £140,000. These funds supported core salaries, home working equipment and the costs of adjusting buildings and activities to meet social distancing guidance. The charity saw a loss of income through its childcare provision, events and room hire services and accessed the furlough scheme accordingly as it navigated its way through the financial year and the restrictions imposed. Any surplus made is used to further the charitable activities and or retain services should external causes have a detrimental effect on operations in the future.

Investment policy and objectives

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

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TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

Reserves policy

Child Dynamix reserves following our twelfth year of operations stand at £827,019.

Of this figure £775,346 are unrestricted reserves and £51,673 are restricted reserves. A breakdown of the £51,673 restricted fund balances carried forward is shown in note 18 on page 32.

The Trustees of Child Dynamix aim to secure a minimum cash reserve of £230,000 which represents 17% of the Charity's 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 Charity's 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 Trustees would also consider proposals from the Charity's 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, under the Articles of Association (reviewed 2014) 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 set by the Trustees (see above) where possible, are grown through our Social Enterprise activities, which 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 Finance committee and then on to the Board.

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TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

Future plans

Child Dynamix knows that to enable children and young people to thrive we need to support the whole family unit. Our themes of work: early years and childcare, family support and services for children and young people offer both universal and targeted support. Levels and intensity of support differ depending on the presenting needs, but we recognise the many strengths children, young people and their families have. We see these as a positive starting point to enable people to make long-lasting change with support from our staff and volunteers.

As we enter a new financial year, we will see how many of the restrictions that have dominated 2020 are lifted and further expose the impact they have had on our communities. We are already seeing high levels of referrals coming into our services and recognise our plans must tackle the issues our beneficiaries are presenting. These include emotional and mental health, domestic violence, missed learning opportunities and unemployment. We know through our own analysis that our youngest children are not at age related expectations, which is a key focus for the coming year.

The next financial year sees the end of our successful Youth in Nature project which will be a significant loss to our service delivery. The project has had strong outcomes for young people with poor mental health and would be a key area of support as we emerge from lockdown. We continue to source funding to continue this area of work.

We also see the recommissioning of our Parent Mentor service and are hopeful that this contract can be retained and extended to children from 5 years. This strong citywide project has wide-ranging outcomes for both parents, mentors and young people.

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.

The trustees, who are also the directors for the purpose of company law, who served during the year and up to the date of signature of the financial statements were:

J Boyd

B A Bradley

R M A Clarke

(Resigned 8 December 2020)

G E Coyle

P D Duffield

P M Perera

H Schofield

(Resigned 28 April 2021)

K Sturdy

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TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

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 2020-2021 including the annual general meeting in September. The board has delegated powers of the day-to-day operations to the Senior Management Team made up of the CEO, Head of Finance & HR and the Head of Childcare and Children & Family Services Manager who lead each activity area. These job roles are externally reviewed, evaluated and benchmarked to similar sector positions.

Finance Committee

- Mr P Duffield Finance Trustee and Chair
- Mr K Sturdy Finance Trustee
- Mrs P Perera Finance Trustee

HR and Scrutiny Committee

- Miss H Schofield Chair of the HR and Scrutiny Committee
- Miss J Boyd HR and Scrutiny Committee
- Mr R Clarke HR and Scrutiny Committee - resigned 8th December 2020

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

- Mrs P Perera Director of Child Dynamix Trading Ltd
- Mr B Bradley Director of Child Dynamix Trading Ltd

The Health and Safety internal audit of each of the charity's premises took place in January 2021. In response to COVID19, Health and Safety practice was reviewed throughout the year in response to national and local guidance and restrictions, with significant adaptations to our workspaces and deployment of staff.

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 finance and reserves. All Trustees of the charity complete the volunteer recruitment process, which includes a DBS enhanced check and undertake safeguarding training. 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.

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TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

Risk management

Child Dynamix maintains a risk register; the register considers financial, reputational and operational risks to the charity and is agreed with the Board annually. The charity has systems and controls in place to manage the exposure to its significant risks. 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.

Auditor

The auditor, TC Group, will be proposed for re-appointment at the forthcoming Annual General Meeting.

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

C M East

Company secretary

Dated: 29 September 2021

CHILD DYNAMIX

STATEMENT OF TRUSTEES' RESPONSIBILITIES

FOR THE YEAR ENDED 31 MARCH 2021

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

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

In preparing these financial statements, the Trustees are required to:

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

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

In so far as the Trustees are aware:

- there is no relevant audit information of which the charitable company's auditor is unaware; and
- the Trustees have taken all steps that they ought to have taken as Trustees in order to make themselves aware of any relevant audit information and to establish that the company's auditor is aware of that information.

CHILD DYNAMIX

INDEPENDENT AUDITOR'S REPORT

TO THE TRUSTEES OF CHILD DYNAMIX

Opinion

We have audited the accounts of Child Dynamix for the year ended 31 March 2020 which comprise the statement of financial activity, the balance sheet, the statement of cash flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 March 2020 and the charity's surplus or deficit 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 Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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

- Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the charitable company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.
- Our responsibilities and the responsibilities of the trustees with respect to going concern are described in the relevant sections of this report.

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INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE TRUSTEES OF CHILD DYNAMIX

Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the trustees' report (incorporating the directors' report) for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the trustees' report (incorporating directors' report) has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the trustees' report (incorporating the directors' report).

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.

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 purpose 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.

Auditor's 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 an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Irregularities, including Fraud, are instances of non-compliance with laws and regulations. The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below.

Extent to which the audit was considered capable of detecting irregularities, including fraud

The objectives of our audit, in respect to fraud, are: to identify and assess the risks of material misstatement of the financial statements due to fraud; to obtain sufficient appropriate audit evidence regarding the assessed risks of material misstatement due to fraud, through designing and implementing appropriate responses; and to respond appropriately to fraud or suspected fraud identified during the audit. However, the primary responsibility for the prevention and detection of fraud rests with both those charged with governance of the entity and its management.

Our approach was as follows:

- We identified areas of laws and regulations that could reasonably be expected to have a material effect on the financial statements from our general commercial and sector experience, and through discussion with the directors and other management (as required by auditing standards), and discussed with the directors and other management the policies and procedures regarding compliance with laws and regulations;
- We considered the legal and regulatory frameworks directly applicable to the financial statements reporting framework (FRS 102 and the Companies Act 2006) and the relevant tax compliance regulations in the UK;
- We considered the nature of the industry, the control environment and business performance, including the key drivers for management's remuneration;
- We communicated identified laws and regulations throughout our team and remained alert to any indications of non-compliance throughout the audit;
- We considered the procedures and controls that the company has established to address risks identified, or that otherwise prevent, deter and detect fraud; and how senior management monitors those programmes and controls.

Based on this understanding we designed our audit procedures to identify non-compliance with such laws and regulations. Where the risk was considered to be higher, we performed audit procedures to address each identified fraud risk. These procedures included: testing manual journals; reviewing the financial statement disclosures and testing to supporting documentation; performing analytical procedures; and enquiring of management, and were designed to provide reasonable assurance that the financial statements were free from fraud or error.

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INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE TRUSTEES OF CHILD DYNAMIX

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. For example, the further removed non-compliance with laws and regulations (irregularities) is from the events and transactions reflected in the financial statements, the less likely the inherently limited procedures required by auditing standards would identify it. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation. We are not responsible for preventing non-compliance and cannot be expected to detect non-compliance with all laws and regulations.

A further description of our responsibilities is available on the Financial Reporting Council's website as: <https://www.frc.org.uk/Our-Work/Audit/Audit-and-assurance/Standards-and-guidance/Standards-and-guidance-for-auditors/Auditors-responsibilities-for-audit/Description-of-auditors-responsibilities-for-audit.aspx>. This description forms part of our auditors' report.

Use of our report

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. 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 TC Group

Statutory Auditor
Office: Beverley

5 October 2021

TC Group is eligible for appointment as auditor of the charitable company by virtue of its eligibility for appointment as auditor of a company under of section 1212 of the Companies Act 2006

CHILD DYNAMIX

STATEMENT OF FINANCIAL ACTIVITIES
INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 MARCH 2021

	Notes	Unrestricted funds 2021 £	Restricted funds 2021 £	Total 2021 £	Total 2020 £
Income from:					
Donations and legacies	3	6,325	-	6,325	16,353
<u>Charitable activities</u>					
Childcare	4	935,999	-	935,999	901,773
Youth, Sport and Play	4	448,577	29,951	478,528	463,820
Children and young people's activities	4	211,173	33,300	244,473	323,980
Core support	4	17,765	148,818	166,583	-
Other trading activities	5	1,490	-	1,490	16,585
Total income		1,621,329	212,069	1,833,398	1,722,511
Expenditure on:					
<u>Charitable activities</u>					
Childcare	6	711,503	-	711,503	727,423
Youth, Sport and Play	6	351,584	42,674	394,258	323,475
C&YP activities	6	182,331	35,049	217,380	235,342
Core support	6	172,194	148,387	320,581	280,895
Total charitable expenditure		1,417,612	226,110	1,643,722	1,641,201
Financing costs	11	16,875	-	16,875	17,291
Total resources expended		1,434,487	226,110	1,660,597	1,658,492
Net income/(expenditure) for the year/ Net movement in funds		186,842	(14,041)	172,801	64,019
Fund balances at 1 April 2020		588,504	65,714	654,218	590,199
Fund balances at 31 March 2021		775,346	51,673	827,019	654,218

The statement of financial activities includes all gains and losses recognised in the year.

All income and expenditure derive from continuing activities.

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

CHILD DYNAMIX**BALANCE SHEET****AS AT 31 MARCH 2021**

	Notes	2021 £	£	2020 £	£
Fixed assets					
Tangible assets	12		703,006		725,758
Investments	13		10		10
			<u>703,016</u>		<u>725,768</u>
Current assets					
Debtors	14	26,426		47,000	
Cash at bank and in hand		568,205		206,435	
		<u>594,631</u>		<u>253,435</u>	
Creditors: amounts falling due within one year	16	(237,410)		(86,257)	
Net current assets			<u>357,221</u>		<u>167,178</u>
Total assets less current liabilities			<u>1,060,237</u>		<u>892,946</u>
Creditors: amounts falling due after more than one year	17		(233,218)		(238,728)
Net assets			<u>827,019</u>		<u>654,218</u>
Income funds					
Restricted funds	18		51,673		65,714
Unrestricted funds			775,346		588,504
			<u>827,019</u>		<u>654,218</u>

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

The financial statements were approved by the Trustees on 29 September 2021

B A Bradley

Trustee

Company Registration No. 05389477

CHILD DYNAMIX**STATEMENT OF CASH FLOWS****FOR THE YEAR ENDED 31 MARCH 2021**

	Notes	2021 £	£	2020 £	£
Cash flows from operating activities					
Cash generated from operations	23		387,938		51,563
Investing activities					
Purchase of tangible fixed assets		(20,998)		(54,567)	
Net cash used in investing activities			(20,998)		(54,567)
Financing activities					
Repayment of bank loans		(5,170)		(4,756)	
Net cash used in financing activities			(5,170)		(4,756)
Net increase/(decrease) in cash and cash equivalents			361,770		(7,760)
Cash and cash equivalents at beginning of year			206,435		214,195
Cash and cash equivalents at end of year			568,205		206,435

1 Accounting policies

Charity information

Child Dynamix is a private company limited by guarantee incorporated in England and Wales. The registered office is 95 Preston Road, Hull, East Yorkshire, HU9 3QB, United Kingdom.

The Charity is a company limited by guarantee and has no share capital. In the event of the Charity being wound up, the liability in respect of the guarantee is limited to £1 per member of the Charity.

1.1 Accounting convention

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 2019)', 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.

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

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

1.2 Going concern

Shortly before the end of the previous financial year the UK Government's measures to tackle the COVID-19 pandemic were announced, and these are still ongoing.

The nurseries all had to close for a time during the first UK lockdown, and were operating at reduced capacity for a period ending July 2020. The capacity in the nurseries is now back up to levels recorded before the pandemic.

The Coronavirus Job Retention Scheme (CRJS) has assisted with cash flow, and as time progressed fewer and fewer staff were furloughed. No employees have been furloughed since 31st March 2021.

The pandemic has changed all aspects of service delivery which Child Dynamix offers but the charitable company was able to deliver throughout the resulting lockdowns, altering services and revising ways of working. This meant staff could continue to support vulnerable children and young people from home, only coming onsite for specific tasks and conducting home/garden visits when safe to do so.

At the time of approving the financial statements, the charitable company has revised cash flows and budgets and extended these for a longer time period. Assumptions used reflect the impact of COVID-19 and analysis on current circumstances.

Based on their forecasts the trustees have a reasonable expectation that the charitable company has adequate resources to contend with the continuing uncertainties that may arise as a result of the COVID-19 pandemic, and to continue in operational existence for the foreseeable future. Thus the trustees continue to adopt the going concern basis of accounting in preparing the financial statements.

1 Accounting policies

(Continued)

1.3 Charitable funds

Unrestricted funds are available for use at the discretion of the trustees in furtherance of the charitable objectives unless the funds have been designated for other purposes.

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

Endowment funds are subject to specific conditions by donors that the capital must be maintained by the charitable company.

1.4 Incoming resources

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

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

Legacies are recognised on receipt or otherwise if the charitable company has been notified of an impending distribution, the amount is known, and receipt is expected. If the amount is not known, the legacy is treated as a contingent asset.

1.5 Resources expended

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.

1.6 Tangible fixed assets

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

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

Freehold land and buildings	2% on cost
Leasehold land and buildings	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

1 Accounting policies

(Continued)

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is recognised in net income/(expenditure) for the year.

1.7 Fixed asset investments

Fixed asset investments are measured at cost.

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

1.8 Impairment of fixed assets

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

1.9 Cash and cash equivalents

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

1.10 Financial instruments

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

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

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

Basic financial assets

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

1 Accounting policies

(Continued)

Basic financial liabilities

Basic financial liabilities, including creditors and bank loans are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

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

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

Derecognition of financial liabilities

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

1.11 Employee benefits

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

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

1.12 Retirement benefits

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

1.13 Leases

Rentals payable under operating leases, including any lease incentives received, are charged as an expense on a straight line basis over the term of the relevant lease.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

2 Critical accounting estimates and judgements

In the application of the charitable company's accounting policies, the trustees are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

Critical judgements**Useful life of fixed assets**

The charitable company estimates the useful economic lives of fixed assets based in the expected period of use of the asset in operating the charitable company.

Carrying value of freehold property

The charitable company owns one property and this is stated at cost with depreciation being charged based on the useful economic life of the asset. The trustees review the carrying value of the property on an annual basis, in light of the condition of the property and the operating performance of the nursery.

3 Donations and legacies

	Unrestricted funds	Total
	2021	2020
	£	£
Donations and gifts	6,325	16,353
	<u> </u>	<u> </u>

CHILD DYNAMIX

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

4 Charitable activities

	Childcare Youth, Sport and Play		C&YP activities	Core support	Total 2021	Total 2020
	2021	2021	2021	2021		
	£	£	£	£	£	£
Childcare	819,504	-	-	-	819,504	896,569
Commissioning services	-	392,408	205,149	-	597,557	527,898
Grants	-	68,828	33,300	148,818	250,946	243,022
Commercial income	4,584	8,080	-	-	12,664	22,084
Other income	111,911	9,212	6,024	17,765	144,912	-
	<u>935,999</u>	<u>478,528</u>	<u>244,473</u>	<u>166,583</u>	<u>1,825,583</u>	<u>1,689,573</u>
Analysis by fund						
Unrestricted funds	935,999	448,577	211,173	17,765	1,613,514	1,518,024
Restricted funds	-	29,951	33,300	148,818	212,069	171,549
	<u>935,999</u>	<u>478,528</u>	<u>244,473</u>	<u>166,583</u>	<u>1,825,583</u>	<u>1,689,573</u>
For the year ended 31 March 2020						
Unrestricted funds	896,979	579,448	361,313	-		1,518,024
Restricted funds	-	64,193	52,354	-		171,549
	<u>901,773</u>	<u>463,820</u>	<u>323,980</u>	<u>-</u>		<u>1,689,573</u>

CHILD DYNAMIX

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

4 Charitable activities

(Continued)

	Childcare Youth, Sport and Play		C&YP activities	Core support	Total 2021	
	2021	2021	2021	2021		
	£	£	£	£	£	
Grants received included in the above are as follows:						
Hull City Council	-	-	-	-	-	33,158
BBC Children in Need	-	-	-	-	-	24,560
Big Lottery	-	-	-	-	-	24,352
Street Games	-	-	-	-	-	2,000
Power to change	-	-	-	-	-	440
London Community Foundation	-	-	-	-	-	480
Henry Smith Charity	-	-	-	-	-	23,518
The Sylvia Adams Charitable Trust	-	-	33,300	-	33,300	32,505
Reaching Communities	-	8,040	-	-	8,040	-
Julia & Hans	-	44,961	-	-	44,961	-
Power to Change	-	25,000	-	-	25,000	-
National Lottery	-	74,607	-	-	74,607	-
Ernest Cook	-	4,250	-	-	4,250	-
Other grants	-	60,788	-	-	60,788	102,009
	-	68,828	33,300	148,818	250,946	243,022

CHILD DYNAMIX

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

5 Other trading activities

	Unrestricted funds	Total
	2021	2020
	£	£
Fundraising events	1,490	16,585
	<u> </u>	<u> </u>

CHILD DYNAMIX

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

6 Charitable activities

	Children and young people's Core support activities				Total 2021	Total 2020
	Childcare	Youth, Sport and Play	activities	Core support		
	2021	2021	2021	2021		
	£	£	£	£	£	£
Staff costs	598,753	279,475	144,414	212,349	1,234,991	1,269,191
Depreciation and impairment	7,745	2,772	4,700	28,531	43,748	43,824
Rent of building	40,061	3,000	-	-	43,061	49,647
Rates and water	734	1,466	1,567	-	3,767	9,689
Insurance	556	2,003	1,302	7,126	10,987	12,174
Light and heat	8,969	7,868	5,259	-	22,096	23,648
Telephone and internet	3,354	2,587	5,522	1,616	13,079	11,618
Postage and stationery	4,161	1,773	6,006	1,048	12,988	15,864
Sundries	813	2,518	120	8,735	12,186	7,240
Food	7,049	-	-	-	7,049	1,616
Equipment	-	723	-	-	723	226
Computer expenses	2,160	3,227	-	33,990	39,377	17,661
Repairs and renewals	6,107	9,933	19,464	3,358	38,862	44,442
Cleaning and refuse	13,831	12,632	20,881	-	47,344	49,297
Training	2,071	456	315	-	2,842	7,617
Courses and conferences	-	-	-	4,825	4,825	1,038
Consumables	6,323	934	157	3,010	10,424	19,914
Publicity	-	-	-	75	75	5,596
Debts written off	8,156	-	-	-	8,156	9,495
Excursions, trips and activities	-	50,038	4,562	-	54,600	20,934
Motor vehicle expenses	-	3,106	-	970	4,076	7,473
Volunteer expenses	-	2,215	-	-	2,215	6,843
Homeworking costs	-	-	-	8,920	8,920	-
	<u>710,843</u>	<u>386,726</u>	<u>214,269</u>	<u>314,553</u>	<u>1,626,391</u>	<u>1,635,047</u>
Share of support costs (see note 7)	660	7,532	3,111	6,028	17,331	6,154
	<u>711,503</u>	<u>394,258</u>	<u>217,380</u>	<u>320,581</u>	<u>1,643,722</u>	<u>1,641,201</u>

CHILD DYNAMIX

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

6 Charitable activities

(Continued)

Analysis by fund

Unrestricted funds	711,503	351,584	182,331	172,194	1,417,612	1,485,266
Restricted funds	-	42,674	35,049	148,387	226,110	155,935
	<u>711,503</u>	<u>394,258</u>	<u>217,380</u>	<u>320,581</u>	<u>1,643,722</u>	<u>1,641,201</u>

For the year ended 31 March 2020

Unrestricted funds	727,423	322,864	155,345	280,895		1,485,266
Restricted funds	-	611	79,997	-		155,935
	<u>727,423</u>	<u>323,475</u>	<u>235,342</u>	<u>280,895</u>		<u>1,641,201</u>

7 Support costs

	Support costs	Governance costs	2021	2020
	£	£	£	£
Audit fees	-	4,724	4,724	5,090
Legal and professional	-	1,181	1,181	220
Management and administration	-	11,426	11,426	-
	<u>-</u>	<u>17,331</u>	<u>17,331</u>	<u>6,154</u>
Analysed between				
Charitable activities	-	17,331	17,331	6,154
	<u>-</u>	<u>17,331</u>	<u>17,331</u>	<u>6,154</u>

8 Net movement in funds

2021
£

2020
£

Net movement in funds is stated after charging/(crediting)

Fees payable to the company's auditor for the audit of the company's financial statements	4,724	5,090
Depreciation of owned tangible fixed assets	43,748	43,824
Fees payable to the company's auditor for payroll services	2,160	2,160
Other operating leases	46,637	49,647
	<u>97,269</u>	<u>100,721</u>

CHILD DYNAMIX

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

9 Trustees

None of the trustees (or any persons connected with them) received any remuneration or benefits from the charitable company during the year.

Trustees' expenses

There were no trustees' expenses paid for the year ended 31st March 2021 nor for the year ended 31st March 2020.

10 Employees

Number of employees

The average monthly number of employees during the year was:

	2021	2020
	Number	Number
Administration	10	10
Managers	9	9
Other	58	61
	<u>77</u>	<u>80</u>

Employment costs

	2021	2020
	£	£
Wages and salaries	1,128,495	1,169,380
Social security costs	73,925	75,697
Other pension costs	32,571	24,114
	<u>1,234,991</u>	<u>1,269,191</u>

There were no employees whose annual remuneration was £60,000 or more.

Key management personnel salaries

	2021	2020
	£	£
Wages and salaries	158,593	155,763
Social security costs	17,007	16,653
Other pension costs	5,161	4,163
	<u>180,761</u>	<u>176,579</u>

CHILD DYNAMIX

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

11 Financing costs

	Unrestricted funds	Total
	2021	2020
		£
Mortgage interest	16,875	17,291
	<u>16,875</u>	<u>17,291</u>

12 Tangible fixed assets

	Freehold land and buildings	Leasehold land and buildings	Fixtures and fittings	Motor vehicles	Total
	£	£	£	£	£
Cost					
At 1 April 2020	351,480	393,246	281,898	38,426	1,065,050
Additions	-	868	20,131	-	20,999
	<u>351,480</u>	<u>394,114</u>	<u>302,029</u>	<u>38,426</u>	<u>1,086,049</u>
At 31 March 2021	351,480	394,114	302,029	38,426	1,086,049
	<u>351,480</u>	<u>394,114</u>	<u>302,029</u>	<u>38,426</u>	<u>1,086,049</u>
Depreciation and impairment					
At 1 April 2020	21,096	32,010	250,741	35,448	339,295
Depreciation charged in the year	7,032	17,144	18,827	745	43,748
	<u>28,128</u>	<u>49,154</u>	<u>269,568</u>	<u>36,193</u>	<u>383,043</u>
At 31 March 2021	28,128	49,154	269,568	36,193	383,043
	<u>28,128</u>	<u>49,154</u>	<u>269,568</u>	<u>36,193</u>	<u>383,043</u>
Carrying amount					
At 31 March 2021	323,352	344,960	32,461	2,233	703,006
	<u>323,352</u>	<u>344,960</u>	<u>32,461</u>	<u>2,233</u>	<u>703,006</u>
At 31 March 2020	330,384	361,236	31,160	2,978	725,758
	<u>330,384</u>	<u>361,236</u>	<u>31,160</u>	<u>2,978</u>	<u>725,758</u>

CHILD DYNAMIX

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

13 Fixed asset investments

	Other investments
Cost or valuation	
At 1 April 2020 & 31 March 2021	10
	<u> </u>
Carrying amount	
At 31 March 2021	10
	<u> </u>
At 31 March 2020	10
	<u> </u>

	Notes	2021	2020
		£	£
Other investments comprise:			
Investments in subsidiaries	22	10	10
		<u> </u>	<u> </u>

14 Debtors

	2021	2020
	£	£
Amounts falling due within one year:		
Trade debtors	23,283	34,187
Amounts owed by subsidiary undertakings	-	6,237
Prepayments and accrued income	3,143	6,576
	<u> </u>	<u> </u>
	<u>26,426</u>	<u>47,000</u>

CHILD DYNAMIX

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

15 Loans and overdrafts

	2021	2020
	£	£
Bank loans	238,728	243,900
	<u> </u>	<u> </u>
Payable within one year	5,510	5,172
Payable after one year	233,218	238,728
	<u> </u>	<u> </u>
Amounts included above which fall due after five years:		
Payable by instalments	206,900	214,184
	<u> </u>	<u> </u>

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

16 Creditors: amounts falling due within one year

	Notes	2021	2020
		£	£
Bank loans	15	5,510	5,172
Other creditors		4,602	3,665
Accruals and deferred income		227,298	77,420
		<u> </u>	<u> </u>
		237,410	86,257
		<u> </u>	<u> </u>

17 Creditors: amounts falling due after more than one year

	Notes	2021	2020
		£	£
Bank loans	15	233,218	238,728
		<u> </u>	<u> </u>

CHILD DYNAMIX

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

18 Restricted funds

The income funds of the charity include restricted funds comprising the following unexpended balances of donations and grants held on trust for specific purposes:

	Movement in funds			Balance at 31 March 2021 £
	Balance at 1 April 2020 £	Incoming resources £	Resources expended £	
Sleep Easy	2,714	34	-	2,748
Children in Need	2,978	-	-	2,978
Henry Smith Fund	60	-	(16)	44
Hut +	37,389	-	(2,190)	35,199
The Sylvia Adams Charitable Trust	5,988	33,300	(32,843)	6,445
Whats Your Game	4,982	21,877	(26,595)	264
Postcode Community Trust	3,563	-	-	3,563
Reaching Communities	8,040	8,040	(16,080)	-
Julia & Hans	-	44,961	(44,961)	-
Power 2 Change	-	25,000	(25,000)	-
National Lottery Grant	-	74,607	(74,607)	-
Ernest Cook	-	4,250	(3,818)	432
	65,714	212,069	(226,110)	51,673
	65,714	212,069	(226,110)	51,673

Sleep Easy - This 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 deliver 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.

Henry Smith Fund - This Parent Peer Mentor project is focused on working with families with children from 5-10 years old. We recruit and train parents to be mentors 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.

Sylvia Adams - This is our 'Bump to Baby and Beyond' project that supports families at the very earliest opportunity through engaging with parents in the third trimester of pregnancy. The project offers intensive support to ensure parents are well prepared for their parenting journey.

CHILD DYNAMIX

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

18 Restricted funds

(Continued)

Whats Your Game - We deliver this project as a partner to Sanctuary Housing who secured the funding through Sport England Families Fund. The Community Facilitator works within the Sanctuary Housing area engaging and supporting families and the general community to become more physically active.

Postcode Community Trust - This funding provides community based physical activity classes. Classes include Clubbercise, Parent and Tots Dance and Early Years Gymnastics.

Reaching Communities - This funding allowed us to recruit our 'Events and Facilities Coordinator'. This role will focus on maximizing income generation for The Hut through room hire and fundraising opportunities.

The National Lottery Coronavirus Community Support - This fund allowed us to purchase equipment for long term working from home arrangements, develop our website and online presence, production of online parenting courses, cycles, part fund salaries in response to increase in demand and core posts at risk. It also allowed us to invest in a web based HR software system and IT equipment. This fund enabled us to adapt our ways of working to continue to meet the needs of our service users at the time and in the future.

Power 2 Change - This fund allowed us to adapt our work spaces to meet covid regulations and guidance. Additional resources were purchased for use in our childcare settings and part funded salaries at risk.

Ernest Cook - Ernest Cook has funded our Green Influencers Project for two years, commencing December 2020. The Green Influencers scheme encourages young people aged 10 – 14 years old across Hull to create meaningful connections with their natural environment and implement long-lasting change in their communities. This project is running across the city in local schools and youth centres, the project creates the opportunity to work with and learn from Green Influencers locally and across the country.

Julia and Hans Rausing Trust - This fund part funded core salaries that were at risk due to reduced trading income for a period of 6 months. The funding has been invaluable to the team being able to make the necessary changes to its operations and having a full complement of core staff to support the wider charity services as it has navigated its way through uncertain times.

19 Analysis of net assets between funds

	Unrestricted 2021 £	Restricted 2021 £	Total 2021 £	Total 2020 £
Fund balances at 31 March 2021 are represented by:				
Tangible assets	655,982	47,024	703,006	725,758
Investments	10	-	10	10
Bank balances	508,947	59,258	568,205	204,797
Other current assets/(liabilities)	(150,865)	(54,609)	(205,474)	(32,447)
Long term liabilities	(238,728)	-	(238,728)	(243,900)
	<u>775,346</u>	<u>51,673</u>	<u>827,019</u>	<u>654,218</u>

CHILD DYNAMIX

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

20 Operating lease commitments

At the reporting end date the charitable company had outstanding commitments for future minimum lease payments under non-cancellable operating leases, which fall due as follows:

	2021	2020
	£	£
Within one year	36,575	34,876
Between two and five years	48,575	76,876
In over five years	45,575	48,752
	<u>130,725</u>	<u>160,504</u>

21 Related party transactions

There were no disclosable related party transactions during the year (2020 - none).

22 Subsidiaries

Details of the charitable company's subsidiaries at 31 March 2021 are as follows:

Name of undertaking	Registered office	Nature of business	Class of shares held	% Held	
				Direct	Indirect
Child Dynamix Trading Limited	95 Preston Road, Hull, East Yorkshire, HU9 3QB	Sale of donated goods	Ordinary	100.00	

The aggregate capital and reserves and the result for the year of subsidiaries excluded from consolidation was as follows:

Name of undertaking	Profit/(Loss)	Capital and Reserves
	£	£
Child Dynamix Trading Limited	2,445	(25,944)

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 results of the subsidiary are not consolidated within these financial statements as the subsidiary is dormant and the results are considered to be immaterial.

CHILD DYNAMIX

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

23 Cash generated from operations	2021 £	2020 £
Surplus for the year	172,801	64,019
Adjustments for:		
Depreciation and impairment of tangible fixed assets	43,748	43,824
Movements in working capital:		
Decrease/(increase) in debtors	20,574	(4,150)
Increase/(decrease) in creditors	150,815	(52,130)
Cash generated from operations	<u>387,938</u>	<u>51,563</u>

24 Analysis of changes in net funds/(debt)	At 1 April 2020 £	Cash flows £	At 31 March 2021 £
Cash at bank and in hand	206,435	361,770	568,205
Loans falling due within one year	(5,172)	(338)	(5,510)
Loans falling due after more than one year	(238,728)	5,510	(233,218)
	<u>(37,465)</u>	<u>366,942</u>	<u>329,477</u>