

Charity Registration No. 1109642

Company Registration No. 05389477 (England and Wales)

CHILD DYNAMIX

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2023

tc accounts · tax · legal · financial planning

72 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 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 72 Lairgate Beverley East Yorkshire United Kingdom HU17 8EU	

CHILD DYNAMIX

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT)

FOR THE YEAR ENDED 31 MARCH 2023

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 2023. 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 purpose

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 years education grants. In addition to this, the charity 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 charity's activities at all 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 and 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 2023

Achievements and performance

Who used and benefited from our services:

Across our services, Covid had some level of impact in the first half of the financial year including staff absences and increased levels of housekeeping and cleaning. Over this period guidance changed with a focus on *living with Covid* with reducing restrictions in place. In the most part our teams had already reverted to pre-Covid service delivery.

Community Day Nurseries:

Child Dynamix has three day nurseries, two in East Hull (CDCN Preston Road and CDCN Savoy Road) and one in West Hull (CDCN Boulevard). We know our day nurseries play a critical role in the learning and development of the youngest children and we aim to offer the finest provision by providing stimulating learning environments for the children who attend. We also know the importance of quality day care to enable families to access employment and learning opportunities. We aim to provide a flexible approach to meet the needs of children and their families.

Our nursery teams regularly monitor and assess children's learning and development to ensure we offer an early intervention and provide the right level of support to all our children and their families. Analysis of those assessments demonstrates increasing concern of children's communication and how this has been impacted by Covid. In response, we have implemented several approaches including Stories for Talking, and increased staff training in communication strategies to help address this issue, in particular to support children whilst waiting for a specialist service.

Recruiting staff during this past 12 months has been a significant challenge that has affected all three settings. We had relied heavily on agency staff to maintain our legal adult to child numbers throughout the year. The recruitment of nursery practitioners is a national crisis and proving to be an ongoing issue for the profession. We are pleased to see the Governments increased focus on early years including broadening the eligibility for free childcare, however, the issues around recruitment, retention and qualifications for practitioners creates concerns as to how the increased demand can be met.

We continue to offer placement opportunities for students from local colleges including the T-Level and transition T-Level Programme in Education and Childcare with Bishop Burton College. We have successfully recruited 3 apprentices who will complete their Early Years Qualification whilst working on the job. We want to continue to develop and encourage more people to enter the profession and it is our intention to offer apprenticeships on a rolling basis. We want to see closer working relationships with all providers in the coming months to support the Early Years Sector.

During this financial year we received grants from the Park Area Team and the Hull and East Riding Charitable Trust. These grants allowed us to make improvements to the inside spaces at two of our nursery sites where our children learn, play and develop.

Across April 2022 – March 2023, there were 443 children on roll across our nurseries. Of those 443 children, 33 were receiving additional support funding, with a further 83 children experiencing some other learning difficulty or development delay. This means 26% of children attending our settings had some kind of special educational need or disability. We supported 50 families to access 30-hour funding, enabling them to increase childcare to meet their needs.

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

FOR THE YEAR ENDED 31 MARCH 2023

Children and Family Services:

Children and Family Services consists of two key and consistent elements; Little Stars Children Centre and our Youth Service based at The Hut Youth Centre. Both of these services are part of Hulls Early Help offer to support Children, Young People and their Families and deliver a range of services and support. We also have various additional projects that enhance this key delivery and over the course of this year has included Bump to Baby and Beyond, Green Influencers and Erasmus Plus.

Little Stars Children Centre sits in the Early Help provision within the East Locality in the city of Hull. The team provides targeted 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, help to access early education funded nursery places and promoting parents understanding of early childhood development. The team provides regular stay and play sessions, creating a language-rich and stimulating environment in which children and their parents/carers can come together. The nature of the service means team members work closely with professionals from other agencies including schools and children's social care, as well as local charities and voluntary organisations. This approach ensures children and families receive the level of support they need to make lasting change and get the help they need quickly. The next 12 months will be exciting for Children Centres across the city as we transform into Family Hubs thanks to Government investment.

Bump to Baby and Beyond enhances the Childrens Centre offer. The project is now in its fifth year, it was originally funded through the Sylvia Adams Charitable Trust and is currently funded by Henry Smith Charitable Trust. The project provides a member of staff dedicated to supporting expectant mothers and their families until the baby is 18 months old. The project aims to work with 20 families per year.

Our **Youth Service** is commissioned by Hull City Council and is delivered in partnership with Maximum Life Youth Project, and St. Stephens Neighbourhood Centre. The partnership delivers across East Hull using venues in Preston Road, Greatfield, Ings and Longhill Estate. The Child Dynamix Youth team work from **The Hut Youth Centre** where we provide a range of services for the community and young people and continue to utilise the fantastic facilities the building offers following the extension and internal redesign. The teaching kitchen with rise and fall worktops and accessible cooker, IT suite, dance and craft rooms have been used for individual and group session by the team, and by local groups who hire the spaces to deliver their projects. More broadly, the youth team 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 provides a range of activities for young people including music, sport, cooking, arts and crafts, and participates in annual events such as the Humber Night Challenge. The team sourced additional funds to support its delivery from: Clarion Futures, Humberside PCC and Street Games Youth Justice Fund. The team extend their delivery to other community venues including Eastmount Recreation Centre, Shelley Avenue Sports Pavilion and local parks and green spaces.

The **Green Influencer** 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 funded by The Ernest Cook Trust has allowed us to work with and inspire children from youth centres and schools across Hull.

It has been an exciting year that has brought an end to our **Erasmus Plus** project. The project, led by the University of Hull and included groups from Germany, Spain and Norway, supported a group of young people from The Hut to participate in this transnational project. Each group conducted their own Citizen Inquiry and came together in Spain and Germany to share their learning with their peers. The project provided the charity with a lot of learning to drive forward our environmental work and provided significant opportunities, learning and social development for the young people involved.

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

FOR THE YEAR ENDED 31 MARCH 2023

Whats Your Game? Is a partnership with Sanctuary Housing, the aim of the project being to help communities become more physically active by engaging in enjoyable, easy to access and arranged activities. The Whats Your Game? Project came to an end in December 2022, an evaluation took place which will help both Child Dynamix and Sanctuary Housing when applying for similar funding in the future.

Our Parent Mentor service funded through the HeadStart Hull programme came to a close at the end of April 2022. The service based in our Boulevard setting, was a significant piece of our family support offer, as well as a citywide service for children and families within the HeadStart programme. Our Parent Mentor workers oversaw volunteer mentors who supported parents with a range of issues and needs. One of the project's key components was the expectation that Mentors have, or have had, experience of parenting children aged 10 – 16 years. Mentors provided consistent (often weekly) support to other parents. This brought many benefits to both the Mentor and parent; support predominantly focussed on issues impacting the emotional health and well-being of their young person. At one point, Child Dynamix had as many volunteers as employed members of staff largely due to the mentor service. We submitted several funding bids to secure the project's future which were unfortunately unsuccessful. Our intention is to retain volunteering opportunities across the charity and sustain the learning which came from this project.

Annual figures

Over the course of the year Child Dynamix staff and volunteers have worked with **3,280** children and young people and **1,766** adults/carers in communities across Hull. This is a 46% increase in comparison with the previous year with increased demand across all our services, in particular in our youth and family support offer. In comparison with the previous year, we know that our activities especially family trips and sessions, were really popular. We held a number of events in partnership with other local organisations including family fun days and the annual Play Day. We also recognise better data recording and analysis across our systems will have influenced our annual figures. There has been particular focus upon data entry and analysis especially in those systems which we feed into rather than manage ourselves.

Surveys and feedback

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

Surveys and feedback – day nurseries

Our day nurseries conduct an annual Parent Satisfaction Survey to help shape our nursery offer and ensure we continue to meet the needs of our local families.

These are some comments received through the survey from parents:

Child Dynamix Community Nursery Savoy Road:

"My child has grown so much since being here!"

"I have recommended this nursery to several other parents and commented on what an incredible setting it is."

"I couldn't recommend them enough, not just for supporting my child but for supporting me as a parent too".

Nursery parent feedback – Parent Satisfaction Survey – Child Dynamix Community Nursery Savoy Road

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

FOR THE YEAR ENDED 31 MARCH 2023

Child Dynamix Community Nursery Preston Road:

"All members of staff at the Preston Road location are so attentive to my child's needs. I have so much praise for the staff, my child has developed such a bond with all of them!"

Nursery parent feedback – Parent Satisfaction Survey – Child Dynamix Community Nursery Preston Road

Parents are also encouraged to make suggestions as to ways we can improve our service and one parent whose child attends our Preston Road nursery suggested children should wear 'indoor' shoes which the nursery have since implemented.

Child Dynamix Community Nursery Boulevard:

Through the parent satisfaction survey, we received these comments from our Boulevard parents:

"All the staff are very caring and supportive."

"My son loves attending."

"Thank you for everything you do!"

"Outstanding nursery and staff members are very helpful."

Nursery parent feedback – Parent Satisfaction Survey – Child Dynamix Community Nursery Boulevard

Surveys and feedback – youth services

Young people provide feedback through annual surveys, at the end of a project or one to one support, and perhaps most regular in conversations as part of the activities they are involved with providing in the moment views and opinions.

"[I'm] happy we have people to talk to and help us improve things like confidence"

"I have learnt to cook and I have 1-1 sessions"

"Thank you for making afternoons fun!"

"Thank you for helping us be one with nature"

Feedback from Young People including those who participated in the Green Influencers work.

Surveys and feedback – family support

There are a number of ways in which our children, parents and their wider family members share their views of services delivered by the Family Support team. This includes comments and feedback given directly to a member of staff, through surveys or evaluations at the end of a programme or course, social media and through activities they have participated in.

"Such a fab group we had for 4 weeks! Really enjoyed cooking as a group, with the kids getting involved.... Thank you Little Stars, super supportive teams."

Comment on Facebook following a Cooking on a Budget course

"All the staff are amazing! Great value for money, the activity bags are amazing and so thoughtful"

Comment on Facebook following a trip organised by the Family Support Team.

"Our little one loved it today – thank you."

Comment from Facebook about the sensory room at Little Stars Children's Centre.

"Staff [are] all friendly and approachable. Well organised and engaging activities, thoroughly enjoyed by all!"

Comment through satisfaction survey

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

FOR THE YEAR ENDED 31 MARCH 2023

Volunteering at Child Dynamix:

Since the end of the Parent Mentor Project, the number of hours volunteers have offered has significantly reduced. We have seen fewer people coming forward to volunteer mirroring issues across the city. However, we have seen areas of volunteering grow over the year including in our Youth Service. We recognise that some people are not ready for a regular volunteering commitment. We have looked to identify more ways to *lend a hand* in the hope of engaging our service users and developing grassroots opportunities into something more regular and formal. We recognise the benefits both for the individual and to Child Dynamix in offering regular volunteering opportunities. This year volunteers offered 300 hours of their time.

Charity events and fundraising:

We entered our first Jane Tomlinson Run for All 10k and Half Marathon in June 2022 following a 2-year break due to Covid. We had 32 participants fundraising and raising awareness of our work on a sunny but cool race-day. The Hull 10K and Half Marathon runners raised £1,046 through their fundraising efforts with a further £1,600 sponsorship and financial support coming from Scribes Digital Print, Rix and Spectrum and the main sponsors Smailes Goldie

In December, we held our annual staff away day aiming to bring our teams together to celebrate our work and have some relaxed time together. We were also able to reignite our staff awards highlighting the hard work and dedication of employees across the workforce. The Chair of Trustees presented awards to individuals and teams who had been nominated by their colleagues.

Investment performance

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

Financial review

Whilst Covid had a reducing impact on Child Dynamix over the financial year, it has been an extremely challenging year with the cost-of-living crisis affecting all our services specifically in terms of utility and food increases.

All nurseries have had recruitment issues over this period resulting in the need to use agency staff, with Boulevard nursery being particularly difficult to recruit to. This means we have had exceptional costs related to agency staff to ensure we met legal requirements for our adult to child ratios. Overall, the nurseries made a surplus, although lower than projected.

We have carefully managed the financial year, with additional unrestricted funds and reduction of other costs leading to a closing balance almost as predicted at the start of the year.

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

FOR THE YEAR ENDED 31 MARCH 2023

Reserves policy

Child Dynamix reserves following our thirteenth year of operations stand at £770,927.

Of this figure £731,404 are unrestricted reserves and £39,523 are restricted reserves. A breakdown of the £39,523 restricted fund balances carried forward is shown in note 19 on page 34.

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 Charity 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 individual 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 2022) 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 has been set by the Trustees (see above) is, where possible, grown through our Social Enterprise activities, which have three-to-five-year financial plans. The reserves development and maintenance form part of the general management accounting the Charity undertakes 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 2023

Future plans

As a social regeneration charity, Child Dynamix recognises the importance of the whole family in relation to the outcomes for children and young people. 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.

We were pleased to see Government focus on early years and education in the 2023 Spring Budget, a recognition at least that reform is needed. However, the proposed changes are made within a current funding arrangement that is known not to meet the financial needs of providers or offer the flexibility required for parents. Since the announcement, there has been criticism of the reforms, particularly the focus upon working parents that excludes those who do not work, and poor financial uplift to providers to accommodate changes. In particular, the change from September 2024 when parents can access 15 hours of provision for babies from 9 months. We and other providers are currently assessing the change to ratio's for 2 year olds which comes into force from September 2023. For us, amending the ratio of practitioners to children has to be assessed against providing quality care and education to achieve the best outcomes for our youngest children.

We are however clear that Child Dynamix has significant knowledge and skill in providing childcare and education and see childcare as an area of growth in the coming period. To do so, we must address the challenges in recruitment and retention and are working closely with Hull Training and Adult Education, alongside other providers to address issues in the early years workforce.

The focus on the First 1001 Days and The Best Start for Life programmes across the city has resulted in a range of services focused on the youngest children in our community. We have already benefited from further funding to increase staffing in the Childrens Centre and look forward to the transition to Family Hub.

Alongside these changes, the city as a whole is looking towards a *trauma informed approach* for services for children and young people. This approach sits alongside the work we have been involved with in improving the voice and influence of children and young people in the services they use. The Laura Lundy model is increasingly used across agencies, and Child Dynamix is at the heart of this work as the CEO is the Chair of the Voice and Influence Partnership.

In the coming financial year we recognise the end of a number of funds which has supported our young people's social action and climate change work. This continues to be a significant focus for Child Dynamix with a number of bids already submitted to sustain this work.

We continue to grapple with the reducing number of grants to apply to and the increasing competition for the remaining opportunities. It is a real challenge to find funds which reflect the work Child Dynamix delivers to meet the needs of our service users and local communities.

Structure, governance and management

Governing document

The Charity is controlled by its governing document, a deed of trust, and constitutes a company limited by guarantee, as defined by the Companies Act 2006.

The company was incorporated on 11th March 2005.

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

FOR THE YEAR ENDED 31 MARCH 2023

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

G E Coyle

P D Duffield

(Resigned 31 May 2023)

P M Perera

K Sturdy

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 be appointed for a term of three years unless agreed otherwise by the Trustees at the time of their appointment. A Trustee due to retire may, with the approval of a majority of the Trustees, stand for re-appointment for a second term so that Trustees may, if re-appointed, serve two consecutive terms. The Trustees may resolve by majority that because of exceptional circumstances a Trustee may hold office for a third term. The Trustees may resolve by majority that because of exceptional circumstances a Trustee may hold office for such further terms that are deemed to be in the Charity's best interests. The Trustees may make such rules pursuant to these Articles as they see fit from time to time with regard to the procedure for the appointment and reappointment of Trustees pursuant to this Article.

Governance Structure

The Trustees held five meetings during 2022 – 2023, including the annual general meeting in September. The board has delegated the day-to-day operations to the Senior Management Team made up of the CEO, the Head of Finance & HR, the Head of Childcare and the Children & Family Services Manager. These job roles are externally reviewed, evaluated and benchmarked to similar sector positions.

During the year, a review of the governance structure resulted in a change to the quarterly committees. A HR and Finance committee is now held prior to full board which all Trustees are invited. A further meeting, namely Planning and Performance is planned quarterly with department managers to which Trustees are invited to attend and replaces the former HR & Scrutiny Committee.

- Child Dynamix Trading Ltd: (wholly owned trading subsidiary)
 - Mrs P Perera Director
 - Mr Bryan Bradley Director

The Health and Safety internal audit of each of the charity's premises took place from March to May 2022. In response to the shift to *living with Covid*, Health and Safety practices were reviewed throughout the year in response to national and local guidance and restrictions.

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 shared at subsequent board meetings.

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

FOR THE YEAR ENDED 31 MARCH 2023

Risk management

Child Dynamix holds 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: 13 September 2023

CHILD DYNAMIX

STATEMENT OF TRUSTEES' RESPONSIBILITIES

FOR THE YEAR ENDED 31 MARCH 2023

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 financial statements of Child Dynamix (the 'charitable company') for the year ended 31 March 2023 which comprise the statement of financial activities, the balance sheet, the statement of cash flows and the 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 Financial Reporting Standard 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 2023 and of its incoming resources and application of resources, 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

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.

CHILD DYNAMIX

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE TRUSTEES OF CHILD DYNAMIX

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

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If 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.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters in relation to which the Charities (Accounts and Reports) Regulations 2008 require us to report to you if, in our opinion:

- the information given in the financial statements is inconsistent in any material respect with the trustees' report; or
- sufficient accounting records have not been kept; or
- the financial statements are not in agreement with the accounting records; 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.

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE TRUSTEES OF CHILD DYNAMIX

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.

CHILD DYNAMIX

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

25 September 2023

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 2023

	Notes	Unrestricted funds 2023 £	Restricted funds 2023 £	Total 2023 £	Total 2022 £
Income and endowments from:					
Donations and legacies	3	4,426	-	4,426	1,394
<u>Charitable activities</u>					
Childcare	4	1,075,493	-	1,075,493	1,021,513
Youth, Sport and Play	4	263,169	72,178	335,347	515,467
Children & Young People activities	4	225,953	23,563	249,516	249,829
Core support	4	-	-	-	6,672
Other trading activities	5	432	-	432	-
Other income	6	5,000	-	5,000	-
Total income		1,574,473	95,741	1,670,214	1,794,875
<u>Expenditure on:</u>					
<u>Charitable activities</u>					
Childcare	7	884,019	-	884,019	818,084
Youth, Sport and Play	7	230,663	58,169	288,832	402,215
C & Y P activities	7	237,517	51,470	288,987	227,782
Core support	7	296,766	-	296,766	281,819
Total charitable expenditure		1,648,965	109,639	1,758,604	1,729,900
Other	12	14,302	-	14,302	18,375
Total resources expended		1,663,267	109,639	1,772,906	1,748,275

CHILD DYNAMIX

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

FOR THE YEAR ENDED 31 MARCH 2023

Net (outgoing)/incoming resources before transfers	(88,794)	(13,898)	(102,692)	46,600
Gross transfers between funds	(2,239)	2,239	-	-
Net (expenditure)/income for the year/ Net movement in funds	(91,033)	(11,659)	(102,692)	46,600
Fund balances at 1 April 2022	822,437	51,182	873,619	827,019
Fund balances at 31 March 2023	<u>731,404</u>	<u>39,523</u>	<u>770,927</u>	<u>873,619</u>

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 2023**

		2023		2022	
	Notes	£	£	£	£
Fixed assets					
Tangible assets	13		633,973		668,870
Investments	14		10		10
			<hr/>		<hr/>
			633,983		668,880
Current assets					
Debtors	15	23,153		23,097	
Cash at bank and in hand		387,759		499,502	
		<hr/>		<hr/>	
		410,912		522,599	
Creditors: amounts falling due within one year	17	(52,961)		(90,550)	
		<hr/>		<hr/>	
Net current assets			357,951		432,049
			<hr/>		<hr/>
Total assets less current liabilities			991,934		1,100,929
Creditors: amounts falling due after more than one year					
	18		(221,007)		(227,310)
			<hr/>		<hr/>
Net assets			770,927		873,619
			<hr/> <hr/>		<hr/> <hr/>
Income funds					
Restricted funds	19		39,523		51,182
Unrestricted funds			731,404		822,437
			<hr/>		<hr/>
			770,927		873,619
			<hr/> <hr/>		<hr/> <hr/>

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 13 September 2023

B A Bradley
Trustee

Company Registration No. 05389477

CHILD DYNAMIX**STATEMENT OF CASH FLOWS****FOR THE YEAR ENDED 31 MARCH 2023**

		2023		2022	
	Notes	£	£	£	£
Cash flows from operating activities					
Cash absorbed by operations	24		(105,835)		(63,193)
Net cash used in investing activities					
			-		-
Financing activities					
Repayment of bank loans		(5,908)		(5,510)	
Net cash used in financing activities					
			(5,908)		(5,510)
Net decrease in cash and cash equivalents					
			(111,743)		(68,703)
Cash and cash equivalents at beginning of year					
			499,502		568,205
Cash and cash equivalents at end of year					
			387,759		499,502

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 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

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

1.3 Charitable funds

Unrestricted funds are available for use at the discretion of the trustees in furtherance of 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.

1 Accounting policies

(Continued)

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

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 Accounting policies

(Continued)

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.

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.

CHILD DYNAMIX

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

1 Accounting policies

(Continued)

1.12 Retirement benefits

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

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
	2023	2022
	£	£
Donations and gifts	4,426	1,394
	<u> </u>	<u> </u>

CHILD DYNAMIX

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

4 Charitable activities

	Childcare Youth, Sport and Children & Young Play People activities		Core support	Total 2023	Total 2022
	2023	2023	2023		
	£	£	£	£	£
Childcare	1,043,611	-	-	1,043,611	1,015,148
Commissioning services	-	234,711	225,953	460,664	608,854
Grants	-	100,636	23,563	124,199	142,676
Commercial income	31,882	-	-	31,882	25,022
Other income	-	-	-	-	1,781
	<u>1,075,493</u>	<u>335,347</u>	<u>249,516</u>	<u>1,660,356</u>	<u>1,793,481</u>
Analysis by fund					
Unrestricted funds	1,075,493	263,169	225,953	1,564,615	1,701,804
Restricted funds	-	72,178	23,563	95,741	91,677
	<u>1,075,493</u>	<u>335,347</u>	<u>249,516</u>	<u>1,660,356</u>	<u>1,793,481</u>
For the year ended 31 March 2022					
Unrestricted funds	1,021,513	452,970	220,649	6,672	1,701,804
Restricted funds	-	62,497	29,180	-	91,677
	<u>1,021,513</u>	<u>515,467</u>	<u>249,829</u>	<u>6,672</u>	<u>1,793,481</u>

CHILD DYNAMIX

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

4 Charitable activities

(Continued)

Grants Received included in the above are as follows:

Henry Smith	-	29,939	-	-	29,939	-
Erasmus	-	23,572	-	-	23,572	-
Whats your Game	-	18,668	-	-	18,668	34,499
Youth Music	-	3,477	-	-	3,477	-
Youth Dynamix	-	15,491	-	-	15,491	19,410
Euro 22	-	3,006	-	-	3,006	-
Two Ridings	-	1,983	-	-	1,983	-
East Riding Charitable Trust	-	2,500	-	-	2,500	-
Street Games	-	2,000	-	-	2,000	-
Ernest Cook	-	-	23,563	-	23,563	15,938
Other	-	-	-	-	-	72,829
	-	<u>100,636</u>	<u>23,563</u>	-	<u>124,199</u>	<u>142,676</u>

CHILD DYNAMIX

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

5 Other trading activities

	Unrestricted funds	Total
	2023	2022
	£	£
Fundraising events	432	-
	<u> </u>	<u> </u>

6 Other income

	Unrestricted funds	Total
	2023	2022
	£	£
Other income	5,000	-
	<u> </u>	<u> </u>

CHILD DYNAMIX

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

7 Charitable activities

	Childcare	Youth, Sport and Play	C & Y P Core support activities		Total 2023	Total 2022
	2023	2023	2023	2023		
	£	£	£	£	£	£
Staff costs	647,644	161,671	194,055	190,997	1,194,367	1,262,965
Depreciation and impairment	2,169	2,369	2,244	28,115	34,897	34,136
Rent of building	65,738	3,000	-	-	68,738	63,647
Rates and water	3,084	962	5,189	-	9,235	6,732
Insurance	233	-	1,506	8,299	10,038	10,510
Light and heat	14,167	11,370	10,788	-	36,325	23,462
Telephone and internet	3,802	1,776	6,503	290	12,371	12,590
Postage and stationery	4,489	2,422	7,108	464	14,483	15,859
Sundries	798	2,343	233	11,807	15,181	9,832
Food	10,477	-	-	-	10,477	12,673
Equipment	-	390	-	-	390	214
Computer expenses	2,160	720	-	20,079	22,959	23,611
Repairs and renewals	10,390	7,534	22,835	5,482	46,241	33,179
Cleaning and refuse	14,999	11,515	28,878	-	55,392	50,981
Training	88,864	-	-	-	88,864	35,672
Courses and conferences	456	960	130	-	1,546	7,331
Other charitable expenditure	13,889	81,800	9,518	11,103	116,310	97,804
	<u>883,359</u>	<u>288,832</u>	<u>288,987</u>	<u>276,636</u>	<u>1,737,814</u>	<u>1,701,198</u>
Share of support costs (see note 8)	660	-	-	12,410	13,070	28,702
Share of governance costs (see note 8)	-	-	-	7,720	7,720	-
	<u>884,019</u>	<u>288,832</u>	<u>288,987</u>	<u>296,766</u>	<u>1,758,604</u>	<u>1,729,900</u>
Analysis by fund						
Unrestricted funds	884,019	230,663	237,517	296,766	1,648,965	1,637,732
Restricted funds	-	58,169	51,470	-	109,639	92,168
	<u>884,019</u>	<u>288,832</u>	<u>288,987</u>	<u>296,766</u>	<u>1,758,604</u>	<u>1,729,900</u>

CHILD DYNAMIX

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

7 Charitable activities **(Continued)****For the year ended 31 March 2022**

Unrestricted funds	818,084	343,033	194,796	281,819	1,637,732
Restricted funds	-	59,182	32,986	-	92,168
	<u>818,084</u>	<u>402,215</u>	<u>227,782</u>	<u>281,819</u>	<u>1,729,900</u>

8 Support costs

	Support costs	Governance costs	2023	2022
	£	£	£	£
Legal and professional fees	12,410	-	12,410	21,706
Management and administration	660	-	660	660
Audit fees	-	7,720	7,720	6,336
	<u>13,070</u>	<u>7,720</u>	<u>20,790</u>	<u>28,702</u>
Analysed between				
Charitable activities	<u>13,070</u>	<u>7,720</u>	<u>20,790</u>	<u>28,702</u>

9 Net movement in funds

2023	2022
£	£

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	7,720	6,336
Depreciation of owned tangible fixed assets	34,897	34,136
	<u>42,617</u>	<u>40,472</u>

10 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 2022 nor for the year ended 31st March 2021.

CHILD DYNAMIX**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)****FOR THE YEAR ENDED 31 MARCH 2023****11 Employees****Number of employees**

The average monthly number of employees during the year was:

	2023	2022
	Number	Number
Administration	10	10
Managers	9	9
Other	42	51
	<u>61</u>	<u>70</u>

Employment costs

	2023	2022
	£	£
Wages and salaries	1,080,279	1,146,196
Social security costs	78,369	77,438
Other pension costs	35,719	39,331
	<u>1,194,367</u>	<u>1,262,965</u>

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

12 Other

	Unrestricted	Total
	funds	
	2023	2022
		£
Financing costs	14,302	18,375
	<u>14,302</u>	<u>18,375</u>

CHILD DYNAMIX

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

13 Tangible fixed assets

	Freehold land and buildings	Leasehold land and buildings	Fixtures and fittings	Motor vehicles	Total
	£	£	£	£	£
Cost					
At 1 April 2022	351,480	394,114	302,029	38,426	1,086,049
At 31 March 2023	351,480	394,114	302,029	38,426	1,086,049
Depreciation and impairment					
At 1 April 2022	35,159	66,298	278,970	36,752	417,179
Depreciation charged in the year	7,032	17,144	10,302	419	34,897
At 31 March 2023	42,191	83,442	289,272	37,171	452,076
Carrying amount					
At 31 March 2023	309,289	310,672	12,757	1,255	633,973
At 31 March 2022	316,321	327,816	23,059	1,674	668,870

CHILD DYNAMIX

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

14 Fixed asset investments

	Other investments
Cost or valuation	
At 1 April 2022 & 31 March 2023	10
	<hr/>
Carrying amount	
At 31 March 2023	10
	<hr/> <hr/>
At 31 March 2022	10
	<hr/> <hr/>

	Notes	2023 £	2022 £
Other investments comprise:			
Investments in subsidiaries	23	10	10
		<hr/> <hr/>	<hr/> <hr/>

15 Debtors

	2023 £	2022 £
Amounts falling due within one year:		
Trade debtors	19,262	21,095
Prepayments and accrued income	3,891	2,002
	<hr/>	<hr/>
	23,153	23,097
	<hr/> <hr/>	<hr/> <hr/>

CHILD DYNAMIX**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)****FOR THE YEAR ENDED 31 MARCH 2023****16 Loans and overdrafts**

	2023	2022
	£	£
Bank loans	227,310	233,218
Payable within one year	6,303	5,908
Payable after one year	221,007	227,310
Amounts included above which fall due after five years:		
Payable by instalments	190,742	199,090

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

17 Creditors: amounts falling due within one year

	Notes	2023	2022
		£	£
Bank loans	16	6,303	5,908
Other creditors		2,832	5,114
Accruals and deferred income		43,826	79,528
		52,961	90,550

18 Creditors: amounts falling due after more than one year

	Notes	2023	2022
		£	£
Bank loans	16	221,007	227,310

CHILD DYNAMIX

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

19 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 2023 £
	Balance at 1 April 2022 £	Incoming resources £	Resources expended £	Transfers £	
Sleep Easy	2,748	-	-	-	2,748
Children in Need	2,978	-	-	-	2,978
Henry Smith Fund	-	29,939	(32,178)	2,239	-
Hut +	33,047	-	(2,190)	-	30,857
Whats Your Game	6,352	18,668	(25,020)	-	-
Postcode Community Trust	696	-	-	-	696
National Lottery Grant	5,361	-	(5,361)	-	-
Ernest Cook	-	47,134	(44,890)	-	2,244
	<u>51,182</u>	<u>95,741</u>	<u>(109,639)</u>	<u>2,239</u>	<u>39,523</u>

Sleep Easy – This is a YMCA led annual fundraising event that 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 in the past and received funding that will support young people facing homelessness.

Children in Need - This was a Play Project working with children over 5. A team of 3 play workers delivered sessions in communities around East Hull. The project promoted the importance of free play and the positive impact it has on Children's health and wellbeing. This project ended November 2019 and it was agreed with CIN in March 2020 to deliver additional sessions with the underspend in 2020/21. Due to the pandemic, these sessions have not taken place yet.

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

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

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.

CHILD DYNAMIX

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

19 Restricted funds

(Continued)

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.

20 Analysis of net assets between funds

	Unrestricted 2023 £	Restricted 2023 £	Total 2023 £	Total 2022 £
Fund balances at 31 March 2023 are represented by:				
Tangible assets	592,115	41,858	633,973	668,870
Investments	10	-	10	10
Current assets/(liabilities)	360,286	(2,335)	357,951	432,049
Long term liabilities	(221,007)	-	(221,007)	(227,310)
	<u>731,404</u>	<u>39,523</u>	<u>770,927</u>	<u>873,619</u>

21 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:

	2023 £	2022 £
Within one year	6,574	36,575
Between two and five years	15,000	18,575
In over five years	27,000	30,000
	<u>48,574</u>	<u>85,150</u>

22 Related party transactions

There were no disclosable related party transactions during the year (2022 - none).

CHILD DYNAMIX**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)****FOR THE YEAR ENDED 31 MARCH 2023****23 Subsidiaries**

Details of the charitable company's subsidiaries at 31 March 2023 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		(24,802)

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.

24 Cash generated from operations	2023	2022
	£	£
(Deficit)/surplus for the year	(102,692)	46,600
Adjustments for:		
Depreciation and impairment of tangible fixed assets	34,897	34,136
Movements in working capital:		
(Increase)/decrease in debtors	(56)	3,329
(Decrease) in creditors	(37,984)	(147,258)
Cash absorbed by operations	(105,835)	(63,193)

CHILD DYNAMIX

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

25 Analysis of changes in net funds

	At 1 April 2022	Cash flows	At 31 March 2023
	£	£	£
Cash at bank and in hand	499,502	(111,743)	387,759
Loans falling due within one year	(5,908)	(395)	(6,303)
Loans falling due after more than one year	(227,310)	6,303	(221,007)
	<u>266,284</u>	<u>(105,835)</u>	<u>160,449</u>