

CHILDREN AND FAMILIES LIMITED

England & Wales · Charity number 1115459

Details

Other names	SHEERNESS CHILDREN AND FAMILIES CENTRE LIMITED, SCFC LTD, SHEERNESS NEIGHBOURHOOD NURSERY SEASHELLS
Status	Registered
Legal form	Charitable company
Company number	04615904
Registered	2006-07-20
Register	View on the Charity Commission register

Contact

Address	Children & Families Ltd Seashells Childrens Centre Rose Street Sheerness ME12 1AW
Phone	01795667070
Email	info@children-families.org
Website	http://www.children-families.org

Activities

Objects: TO ADVANCE THE EDUCATION OF THE PUBLIC IN THE SUBJECT OF CHILDCARE AND PARENTING TO ENSURE THAT CHILDREN CAN:I) BE HEALTHYII) STAY SAFEIII) ENJOY AND ACHIEVEIV) MAKE A POSITIVE CONTRIBUTIONV) ACHIEVE ECONOMIC WELL-BEINGTO DEVELOP THE CAPACITY AND SKILLS OF THE MEMBERS OF THE SOCIALLY AND ECONOMICALLY DISADVANTAGED COMMUNITY OF KENT IN SUCH A WAY THAT THEY ARE BETTER ABLE TO IDENTIFY, AND HELP MEET THEIR NEEDS AND TO PARTICIPATE MORE FULLY IN SOCIETYTO PROMOTE GENERAL CHARITABLE PURPOSES FOR THE BENEFIT OF THE COMMUNITY OF KENT AND THE SURROUNDING AREA, AND TO PROVIDE RELIEF FROM FINANCIAL HARDSHIP AND SOCIAL AND/OR ECONOMIC DISADVANTAGE AND TO ADVANCE THE EDUCATION OF ITS RESIDENTS OF ALL AGES; AND IN PARTICULAR TO PROVIDE OPPORTUNITIES FOR THE AFOREMENTIONED RESIDENTS TO PARTICIPATE FULLY IN THE LIFE OF THEIR COMMUNITY IN WAYS WHICH ADDRESS AND ALLEVIATE SOCIAL AND ECONOMIC DISADVANTAGE.THE RELIEF OF UNEMPLOYMENT FOR THE BENEFIT OF THE PUBLIC IN SUCH WAYS AS MAY BE THOUGHT FIT, INCLUDING ASSISTANCE TO FIND EMPLOYMENT.

Activities: WE PROVIDE CHILD AND FAMILY FOCUSSED SERVICES INCLUDING: CHILDCARE, EARLY EDUCATION, OUT OF SCHOOL HOURS CLUBS, TRAINING, CHILDREN'S CENTRE SERVICES, FAMILY SUPPORT, VOLUNTEERING OPPORTUNITIES, FAMILY FINANCIAL ADVICE AND RELIEF FROM FOOD POVERTY.

Classification

- **How:** Makes Grants To Individuals, Makes Grants To Organisations, Provides Human Resources, Provides Buildings/facilities/open Space, Provides Services, Provides Advocacy/advice/information, Other Charitable Activities
- **What:** General Charitable Purposes, Education/training, The Advancement Of Health Or Saving Of Lives, The Prevention Or Relief Of Poverty, Economic/community Development/employment
- **Who:** Children/young People, Other Charities Or Voluntary Bodies, The General Public/mankind

Geography

- **Area of benefit:** KENT
- Kent

Finances

Period end	Income	Expenditure	Assets	Employees
2025-03-31	£2,934,286	£2,502,557	£3,391,223	76
2024-03-31	£2,808,342	£2,372,304	£2,959,494	74
2023-03-31	£2,465,383	£2,173,314	£2,523,456	77
2022-03-31	£2,219,064	£1,948,126	£2,231,387	81
2021-03-31	£2,514,694	£1,792,493	£1,960,449	67

Trustees

Name	Role	Appointed
Lauren Rabbatts	Chair	2014-02-10
CHRISTINE WHITE		
Colin David Jones		2022-07-19
DAVID JOHN BUCKETT		2013-02-13
Vanessa Nedderman		2024-07-09

CHILDREN AND FAMILIES LIMITED

England & Wales - Charity number 1115459

Accounts

CHILDREN AND FAMILIES LIMITED

(A COMPANY LIMITED BY GUARANTEE)

TRUSTEES' ANNUAL REPORT AND GROUP FINANCIAL STATEMENTS

FOR THE PERIOD FROM THE 1 APRIL 2024 TO THE 31 MARCH 2025

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CHILDREN AND FAMILIES LIMITED 2024/25**REFERENCE AND ADMINISTRATIVE DETAILS****Charity Name**

Children and Families Limited

Charity Number

1115459

Company Number

04615904

Registered Office and Principal Address

Children and Families Limited

Seashells

Rose Street

Sheerness

Kent

ME12 1AW

Trustees/ Directors

C White

CD Jones

DJ Buckett

L Rabbatts

V Nedderman (appointed on 9/7/24)

Company Secretary

J Duncan

Senior Staff Members

J Duncan

JW Payne

I Townsend-Blazier

K Townsend-Blazier

Bankers

National Westminster Bank PLC

National Westminster House

37 Old Dover Road

Canterbury

Kent

CT1 3JB

Auditors

UHY Hacker Young

Chartered Accountants

Thames House

Roman Square

Sittingbourne

ME10 4BJ

CHILDREN AND FAMILIES LIMITED 2024/25

The trustees are pleased to present their annual report together with the consolidated financial statements of the charity and its subsidiaries for the year ending the 31 March 2025 which are also prepared to meet the requirements for a directors' report and accounts for Companies Act purposes.

The financial statements comply with the Charities Act 2011, the Companies Act 2006, the Memorandum and Articles of Association, and Accounting and Reporting by charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102).

OBJECTIVES AND ACTIVITIES

In setting our objectives and planning our activities we have given careful consideration to the Charity Commission's general guidance on public benefit. The trustees confirm that to the best of their ability they have consistently complied with their duty to have due regard to this guidance in exercising their powers and duties.

Our charitable objects are to advance the education of the public in the subject of childcare and parenting to ensure that children can: i) be healthy; ii) stay safe; iii) enjoy and achieve; iv) make a positive contribution; and v) achieve economic well-being. We seek to develop the capacity and skills of the members of the socially and economically disadvantaged community of Kent in such a way that they are better able to identify and help meet their needs and to participate more fully in society. We seek to promote general charitable purposes for the benefit of the community of Kent and the surrounding area and to provide relief from financial hardship and social and/or economic disadvantage and to advance the education of its residents of all ages and in particular to provide opportunities for the aforementioned residents to participate fully in the life of their community in ways which address and alleviate social and economic disadvantage. We also pursue the relief of unemployment for the benefit of the public in such ways as may be thought fit, including assistance to find employment.

In pursuit of our objects we have undertaken a number of activities particularly with disadvantaged communities in Kent for public benefit. This includes the delivery of registered early education and childcare, where we have worked with parents to help them, help their children to develop and thrive. We have also provided children's centre services to children and families, supporting parents of young children to keep them healthy, safe and to help them with their early learning. We have supported the delivery of other services to the community by hosting health visiting, midwifery and other important community services with a family focus. We have delivered parenting programmes such as the Solihull Approach and family support to those in need, including fuel and water advice and family financial support, helping families to manage their finances better and maximise their income to help reduce the impact of child poverty. We have provided volunteering and training opportunities, especially to parents and particularly in support of those wishing to get back into employment. Our Family Food Bank has also provided emergency food boxes to many vulnerable families across the county who have experienced financial hardship in times of crisis. Our Kent Community Pantry service has supported its members with weekly food support in Ashford, Sheerness, Sittingbourne, Folkestone, Medway and Thanet. We have also supported around one hundred and fifty charities and community organisations across Kent with surplus food through FareShare Kent, preventing food waste and helping them to maximise the social impact of surplus food.

CHILDREN AND FAMILIES LIMITED 2024/25**ACHIEVEMENTS AND PERFORMANCE**

Our child and family support services targeting child poverty including the Family Food Bank, the Family Finance Project, You Make the Difference and our Family Hub services helped over 39,000 family members in Kent with food, welfare & money management advice, early education, wellbeing and other family support services. The majority of our support is targeted at those families with the youngest children where child poverty is often most highly concentrated and where we believe we can have the greatest impact on ensuring children are given the best opportunities in life.

Both nurseries continued to grow the number of children they help educate and develop from 393 to 413 children. We have refurbished our premises to provide additional spaces for 0-2 year olds to help support the government expansion of the working parent childcare entitlement. We also grew our Holiday Activity & Food programmes attendance from 193 to 248 children and young people across the year. These clubs support children entitled to free school meals with 6 weeks of childcare and nutritious food, much of which we're able to source from our FareShare operation. During the year Kent County Council (KCC) announced its intention to move away from a granting to a contracting method of procurement for these services. In March 2025 we learnt that we were among the few successful organisations who tendered, to be included on the Dynamic Purchasing Scheme (DPS) that will be used from summer 2025.

Seashells continued to deliver its open access and targeted family support services throughout the year. We were contracted by KCC as a Family Hub but they failed to provide a contract for the entire year. KCC also launched a consultation in July 2024 to de-commission Seashells and our friends at Millmead as Family Hubs. We were told the only reason KCC had for doing this was to save money against a £108m budget shortfall they were anticipating for next financial year. The consultation documentation contained significant misinformation and failed to take account of the need within our operating areas and our strong performance data. We led a campaign against the proposal but the Cabinet Member for Children Young People & Education decided to end the contract nonetheless, despite very significant opposition from the community and other council members. A lot of energy was spent fighting the proposal and decision but energy was also devoted towards securing alternative funding in an attempt to mitigate the impact of the funding cut. We were successful in securing funding and this has enabled us to keep our team of highly professional and deeply committed family staff.

We have continued our work with Swale Borough Council on the Household Support Fund, to deliver food support and provide pre-paid cards worth £100 across Swale, to help people with their fuel costs during the cost of living crisis. This work delivered £112,000 of financial support directly to those in need.

The Family Food Bank delivered 10,173 food boxes (11,129 boxes in 2024) to families in crisis across Kent and Medway. These food boxes represented 142 tonnes of food, providing 339,100 meals. This was an 8.6% decrease on the previous year.

Our most significant food focussed service FareShare Kent, saw an increase in the surplus food it redistributed to 1,000 tonnes (814 tonnes in 2024). This was largely due to opening up our operation on Saturdays to increase the amount of food we could accept and further progress being made with

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our local food sourcing efforts. The number of charities and community organisations we worked with increased slightly to 155 organisations during the year (142 in 2024).

Kent Community Pantry continued to provide food to vulnerable communities for a very low membership fee and we increased from 4 to 6 pantries by adding a new location in Folkestone.

Our achievements have only been possible thanks to the continuing dedication and commitment of our staff and volunteers, who donated 29,415 hours (34,529 in 2024). We are also indebted to the many food partners, funders, public bodies and individuals who have supported our work over the last year. Our sincere thanks and appreciation goes to them all for helping us to help the children, families and charities we are here to support.

FINANCIAL REVIEW

The Trustees are reporting a 2025 surplus of £431,729 (2024: surplus of £436,038). The financial KPIs that the Trustees monitor include: i) the level of debtors; ii) the level of the general free reserve.

Reserves Policy

The total reserves at the period end were £3,391,223 of which £659,609 were restricted funds leaving £2,731,614 available for the general purposes of the charity.

Of this the charity has designated funds that include a fixed assets fund of £641,811, a building reserve of £270,930, a redundancy fund of £187,273, a family support fund of £330,000 and a food poverty reserve of £886,263. This leaves general free reserves of £415,337.

In the Trustees' view, the charity's reserves should provide it with adequate financial stability and the means for it to meet its charitable objectives for the foreseeable future. The Trustees have therefore decided to maintain funds as follows:

Designated Fixed Assets Reserve Fund (2025: £641,811) – This fund will be set aside to identify the net book value of our fixed assets.

Designated Building Reserve Fund (2025: £270,930) – This fund will be held for essential future expenditure on the charity's property and in particular the Seashells building. The fund will be increased by an amount of not less than £10,000 annually in any year that the group makes an unrestricted surplus.

Designated Redundancy Reserve Fund (2025: £187,273) – This fund will be calculated annually to ensure funds are available to meet any redundancy liabilities in the event of the organisation being wound up.

Designated Family Support Reserve Fund (2025: £330,000) – This fund will be set aside to help ensure the future stability and sustainability of child and family services.

Designated Food Poverty Reserve Fund (2025: £886,263) – This fund will be set aside using surplus funds generated by FareShare Kent, to help ensure the future sustainability and growth of FareShare Kent and other food related services.

CHILDREN AND FAMILIES LIMITED 2024/25

General Free Reserve Fund (2025: £415,357) – This fund will be held to ensure the future stability and sustainability of operations during any periods of unforeseen difficulty. The Trustees will aim to maintain this fund at 3 to 6 months of annual turnover.

Risk Management

The Board of Directors meets at least four times a year and receives financial, performance, risk and activity reports. Operations are insured and include but are not limited to: Employers Liability, Public Liability, Professional Indemnity, Directors Indemnity, Buildings, Motor Vehicle and Legal Expenses. In addition, we contract for the provision of health and safety and employment law advice. We also undertake a biennial external safeguarding review and continue to reaccredit with Cyber Essentials each year.

The principal risks identified by the Board on the 11th February 2025 included: i) recruitment and retention ii) the lease for one of our properties. We review and record our risks Annually in a Risk Register, assessing their probability, impact and the means by which we can mitigate against them. We also undertake regular risk assessments for our activities.

Plans for Future Periods

We will continue to seek resources to ensure an adequate support service is provided to families in Sheerness in particular but also further afield. We will seek to expand Kent Community Pantry into new locations organically and will seek to increase the food we're able to redistribute through FareShare Kent by procuring an 18T truck.

We will continue to adapt our services and how they're targeted, to ensure that we're able to respond effectively to changing needs.

STRUCTURE, GOVERNANCE AND MANAGEMENT**Governing Document and Constitution**

Children & Families Limited is a not for profit company limited by guarantee that was formed on the 12th December 2002 and was registered as a charity with the Charity Commission on the 20th July 2006. The charity is governed by its Memorandum & Articles of Association and managed by its Board of Directors who are also the Trustees for the purposes of charity law. The Board has overall control of the charity.

Trustee Appointment

One director/trustee retired and one was appointed during the period. Any person legally entitled and willing to act as a Company Director and Trustee may be appointed to the Board and all applications are duly considered and agreed by the Board in the best interests of the charity. The Company Secretary inducts new Trustees into the charity and also informs them of suitable training opportunities that will support them in their role as a Trustee.

CHILDREN AND FAMILIES LIMITED 2024/25**Organisational Structure**

The Board of Directors has four members with equal rights under the Memorandum and Articles of Association. Children & Families Limited is the charitable parent company of three wholly owned subsidiary companies. The subsidiaries are Children & Families Childcare Ltd, Children & Families Children's Centres Ltd and FareShare Kent CIC. As parent of the subsidiaries, Children & Families Limited is a Corporate Director of each and appoints at least two natural persons from its Board to serve as Directors on each. The Company Secretary and Chief Executive Officer of Children & Families Limited also acts in these roles for each of the subsidiaries. The Board of Directors meets quarterly and sets the strategic direction and policy of the charity and group of companies under its control.

Pay Policy for Senior Staff

The board of Trustees aim to pay senior staff a fair salary that is competitive within the charity sector and proportionate to the complexity of each role. The Trustees are responsible in line with our charitable objectives based on the principle staff are paid an appropriate salary to attract and retain people with the leadership, experience, knowledge and skills required to lead the group.

Child Protection

As a children's charity the protection of children is our paramount concern. We have strict and comprehensive safeguarding and child protection policies, procedures and mechanisms in place to protect children from harm. We employ safe recruitment practices and ensure thorough vetting of staff including the use of enhanced DBS disclosures. Staff are trained in child protection awareness and are supported by Designated Safeguarding Leads who ensure the safety of children within services. We audit these measures internally each year and biennially engage external consultants to audit these as well for additional assurance.

STATEMENT OF TRUSTEES RESPONSIBILITIES

The charity trustees (who are also directors of Children and Families Limited for the purposes of company law) are responsible for preparing the trustee's annual 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 the group and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that period. 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;
- state whether applicable UK accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in operation.

CHILDREN AND FAMILIES LIMITED 2024/25

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 charity and the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The trustees are responsible for the maintenance and integrity of the corporate and financial information included on the charitable company's website. Legislation in the United Kingdom governing their preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Statement of Disclosure of Information to our Auditors

In so far as the trustees are aware at the time of approving our trustees' annual report:

- there is no relevant information, being information needed by the auditor in connection with preparing their report, of which the group's auditor is unaware, and
- the trustees, having made enquiries of fellow directors and the group's auditor that they ought to have individually taken, have each taken all steps that he/she is obliged to take as a director in order to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

By order of the board of trustees

Auditors

UHY Hacker Young were reappointed as the charity's auditors during the year.

Small Company Exemptions

This report has been prepared in accordance with the special provisions relating to small companies within Part 415A of the Companies Act 2006.

Approved by the Board and signed on its behalf by:



L Rabbatts - Chair

Date: 22nd July 2025

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF CHILDREN AND FAMILIES LIMITED

Opinion

We have audited the financial statements of Children and Families Limited (the 'parent charitable company') and its subsidiaries (the 'group') for the year ended 31 March 2025 which comprise the Group Statement of Financial Activities, the Group and Charity Balance Sheets, Group and Charity Statements of Cash Flows and notes to the financial statements, including 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 group's and parent charitable company's affairs as at 31 March 2025 and of the group's incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the group 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 statement 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 group or parent 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.

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 financial statements. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

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 course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the trustees' report, which includes the Director's Report for the purposes of company law, for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the directors' report, which is included in the trustees' 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 group and the parent charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the trustees' 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 by the parent charitable company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent charitable company's financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the trustees were not entitled to prepare the financial statements in accordance with the small companies' regime and take advantage of the small companies' exemption in preparing the trustees' report and from the requirement to prepare a strategic report.

Responsibilities of trustees

As explained more fully in the statement of trustees' responsibilities set out on page 8 the trustees 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 group's and the parent 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 group or parent 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. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

How the audit was considered capable of detecting irregularities, including fraud:

Our approach to identifying and assessing the risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, was as follows:

- we identified the laws and regulations applicable to the group and parent charitable company through discussions with management, and from our commercial knowledge and experience in the sector;
- we focused on specific laws and regulations which we considered may have a direct material effect on the accounts or the operations of the group and parent charitable company, including the Charities Act 2011 and the Companies Act 2006;
- we assessed the extent of compliance with the laws and regulations identified above through making enquiries of management and inspecting correspondence; and
- identified laws and regulations were communicated within the audit team and the team remained alert to instances of non-compliance throughout the audit.

We assessed the susceptibility of the charitable company's accounts to material misstatement, including obtaining an understanding of how fraud might occur, by:

- making enquiries of management as to where they considered there was susceptibility to fraud, their knowledge of actual, suspected and alleged fraud; and
- considering the internal controls in place to mitigate risks of fraud and non-compliance with laws and regulations.

To address the risk of fraud through management bias and override of controls, we:

- performed analytical procedures to identify any unusual or unexpected relationships;
- tested journal entries to identify unusual transactions;
- assessed whether judgements and assumptions made in determining the accounting estimates set out in the accounting policies were indicative of potential bias; and
- investigated the rationale behind significant or unusual transactions.

In response to the risk of irregularities and non-compliance with laws and regulations, we designed procedures which included, but were not limited to:

- agreeing financial statement disclosures to underlying supporting documentation;
- reading minutes of meetings of those charged with governance; and
- enquiring of management as to actual and potential litigation and claims.

There are inherent limitations in our audit procedures described above. The more removed that laws and regulations are from financial transactions, the less likely it is that we would become aware of non-compliance. Auditing standards also limit the audit procedures required to identify non-compliance with laws and regulations to enquiry of the trustees and other management and the inspection of regulatory and legal correspondence, if any.

Material misstatements that arise due to fraud can be harder to detect than those that arise from error as they may involve deliberate concealment or collusion.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: <http://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

Use of our report

This report is made solely to the parent 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 parent charitable company's members those matters we are required to state to them in an auditor's 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 parent charitable company and the parent charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.

UHY Hacker Yang

Tracey Moore BFP ACA (Senior Statutory Auditor)
For and on behalf of UHY Hacker Young
Chartered Accountants and Statutory Auditors

Thames House
Roman Square
Sittingbourne
Kent. ME10 4BJ

Date: 25 July 2025

GROUP STATEMENT OF FINANCIAL ACTIVITIES (incorporating an Income and Expenditure Account)
FOR THE YEAR ENDED 31 MARCH 2025

	Notes	Unrestricted Funds	Restricted Funds	Total 2025	Total 2024
		£	£	£	£
INCOME					
Donations		201	76,307	76,508	91,354
Income from charitable activities					
Grants receivable	2	138,986	480,480	619,466	769,215
Fees receivable		1,976,680	41,515	2,018,195	1,617,836
Rent and service charges receivable		80,277	-	80,277	88,409
Other income		60,008	281	60,289	171,946
Investment income		79,551	-	79,551	69,582
Total Income		2,335,703	598,583	2,934,286	2,808,342
EXPENDITURE					
Expenditure on charitable activities	4	1,996,737	505,820	2,502,557	2,372,304
Total Expenditure		1,996,737	505,820	2,502,557	2,372,304
Net income for the year		338,966	92,763	431,729	436,038
Gross transfers between funds	16 & 17	29,905	(29,905)	-	-
Net Movement in Funds		368,871	62,858	431,729	436,038
Reconciliation of funds					
Total funds brought forward		2,362,743	596,751	2,959,494	2,523,456
Total funds carried forward		2,731,614	659,609	3,391,223	2,959,494

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

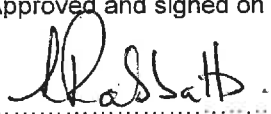
**BALANCE SHEETS
AS AT 31 MARCH 2025**

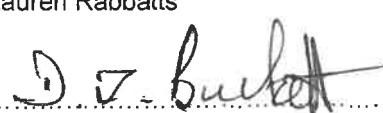
	Notes	Group		Charity	
		31st March 2025 £	31st March 2024 £	31st March 2025 £	31st March 2024 £
Non Current Assets					
Tangible Fixed Assets	10	641,811	490,708	377,016	194,354
Investments	11	-	-	104	104
		<u>641,811</u>	<u>490,708</u>	<u>377,120</u>	<u>194,458</u>
Current Assets					
Debtors	12	115,269	203,137	26,175	62,825
Cash at bank and in hand		<u>2,918,006</u>	<u>2,656,088</u>	<u>2,913,815</u>	<u>2,651,286</u>
		3,033,275	2,859,225	2,939,990	2,714,111
Creditors: Amounts falling due within one year	13	<u>176,225</u>	<u>259,760</u>	<u>377,510</u>	<u>307,295</u>
Net Current Assets		<u>2,857,050</u>	<u>2,599,465</u>	<u>2,562,480</u>	<u>2,406,816</u>
Total assets less current liabilities		<u>3,498,861</u>	<u>3,090,173</u>	<u>2,939,600</u>	<u>2,601,274</u>
Creditors: Amounts falling due after one year	14	33,796	63,836	-	-
Provisions for Liabilities	15	73,842	66,843	-	-
Net Assets		<u><u>3,391,223</u></u>	<u><u>2,959,494</u></u>	<u><u>2,939,600</u></u>	<u><u>2,601,274</u></u>
Represented by:-					
Funds					
Unrestricted	16	2,731,614	2,362,743	2,279,991	2,004,523
Restricted	17	<u>659,609</u>	<u>596,751</u>	<u>659,609</u>	<u>596,751</u>
Total Funds		<u><u>3,391,223</u></u>	<u><u>2,959,494</u></u>	<u><u>2,939,600</u></u>	<u><u>2,601,274</u></u>

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

The notes on pages 17 to 31 form part of these accounts.

Approved and signed on behalf of the Board for issue on 22nd July 2025 by:


.....
Lauren Rabbatts


.....
David Buckett
Company Registration No. 04615904

**STATEMENT OF CASH FLOWS AND CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 MARCH 2025**

	Notes	Group 31st March 2025 £	31st March 2024 £	Charity 31st March 2025 £	31st March 2024 £
Cash used in operating activities	23	387,122	376,010	373,200	350,434
Cash flows from investing activities					
Interest income		79,551	69,582	79,551	69,582
Purchase of tangible fixed assets		(204,755)	(35,098)	(190,222)	(1,355)
Sale proceeds of tangible fixed assets		-	-	-	-
Cash provided by (used in) investing activities		(125,204)	34,484	(110,671)	68,227
Increase (decrease) in cash		261,918	410,494	262,529	418,661
Cash at the beginning of the year 1 April 2024		2,656,088	2,245,594	2,651,286	2,232,625
Cash at the end of the year 31 March 2024		2,918,006	2,656,088	2,913,815	2,651,286
Cash and cash equivalents consist of:					
Cash at bank and in hand		2,918,006	2,656,088	2,913,815	2,651,286

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2025**

1 Accounting Policies**a) General information and basis of preparation**

The address of the registered office is Seashells, Rose Street, Sheerness, Kent ME12 1AW.

The nature of the charity's operation and principal activities are the advancement of the education of the public in the subject of childcare and parenting.

The financial statements 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), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

Children and Families Limited meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy.

The financial statements are prepared on a going concern basis under the historical cost convention, modified to include certain items at fair value. Having reviewed the loss of the KCC funding which has been replaced by other funding, as disclosed in their report, the trustees can confirm their assumption that the charity is still a going concern and no significant uncertainty exists in this respect.

The financial statements are presented in sterling which is the functional currency of the charity and rounded to the nearest £1.

The significant accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all years presented unless otherwise stated.

b) Volunteers

The charity relies heavily on its volunteers to allow it to carry out the wide variety of work that it does, across its diverse range of services.

The charity benefits greatly from the involvement and enthusiastic support of its volunteers. These include General Volunteers, Corporate Volunteers and our Trustees. In accordance with FRS 102 and the Charities SORP (FRS 102), the economic contribution of volunteers is not included in the financial statements.

c) Income and Debtors

Income is recognised when the charity or its subsidiaries has entitlement to the funds, any performance conditions have been met or are fully in the control of the charity or its subsidiaries, there is a significant certainty that receipt is probable and the amount can be measured reliably. These resources represent fees receivable during the year, in addition to grants receivable from various organisations. Where gifts are received of goods and services these are included as donations received at their estimated market value.

Debtors are recognised at the settlement amount less any discount agreed. Prepayments are valued at the amount prepaid after taking into account any discounts.

d) Tangible Fixed Assets

Tangible fixed assets costing more than £500 are capitalised and included at cost including any incidental expenses of acquisition. Items donated for ongoing use by the charity in carrying out its activities are recognised as tangible fixed assets and the corresponding gain recognised as income from donations within the SOFA.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2025

1 Accounting Policies (continued)

Depreciation is calculated so as to write off the cost of fixed assets over the expected useful economic lives of the assets concerned. The rates used are as follows:-

Leasehold improvements	Over the period of the Lease or 20% on Cost
Office equipment	20% on Cost
Computer equipment	33% on Cost
Craft and gardening equipment	20% on Cost
Motor Vehicles	25% on Cost

The Trustees have elected not to depreciate freehold land and buildings. This decision is based on the judgement that the residual value of these assets is estimated to be higher than their cost. The trustees review the residual values annually to ensure that this judgement remains appropriate.

e) Investments

Investments comprise investments in subsidiaries which are measured at cost less impairment.

f) Expenditure and Creditors

Expenditure is recognised in the period in which they are incurred. Expenditure includes attributable VAT which cannot be recovered as the charity and one of its subsidiaries are not registered for VAT.

Charitable expenditure comprises those costs incurred by the charity in the delivery of its activities and services for its beneficiaries. It includes both costs that can be allocated directly to such activities and these costs of an indirect nature necessary to support them.

Governance costs includes those costs associated with meeting the constitutional and statutory requirements of the charity and include the audit fees and costs linked to the strategic management of the charity.

All costs are allocated between the expenditure categories of the Statement of Financial Activities on a basis designed to reflect the use of the resource.

Creditors and provisions are recognised at their settlement value less any discounts where the charity has a present obligation from a past event that will probably result in the transfer of funds to a third party and the amount can be measured reliably.

g) Fund Accounting

Unrestricted funds are incoming resources receivable or generated from the objects of the charity without further specified purpose and are available in general funds.

Designated funds are unrestricted funds earmarked by the Trustees for a particular purpose.

Restricted funds are to be used for specific purposes as laid down by the donor, expenditure which meets these criteria is charged to the fund, together with a transfer which represents an estimate of support costs and management and administration costs.

h) Operating leases

Lease payments under operating leases, where substantially all of the risks and benefits remain with the lessor, are charged as an expense in the period in which they are incurred.

i) Financial instruments

The charity has only basic financial instruments recognised at transaction value.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2025****1 Accounting Policies (continued)****j) Pensions benefits**

All eligible employees of the company are automatically enrolled into the NEST defined contribution scheme. Employees are then able to exercise their right to opt out completely or to elect to have the company's contributions paid into their own personal pension plans provided their own scheme is approved by the Pensions Regulator. Employees contract directly with NEST or their own provider. The company pays the minimum contribution required by the Pensions Regulator and acts as agent for no charge in collecting and paying over employee pension contributions. Contributions are charged to the profit and loss account as they become payable in accordance with the rules of the relevant scheme. The charge for the year was £36,244 (2024: £36,181). The amount outstanding to pension providers at the year end was £8,004 (2024: £6,569).

k) Basis of consolidation

These financial statements consolidate the results of the charity and its wholly owned subsidiaries Children and Families Childcare Limited, FareShare Kent C.I.C. and Children and Families Children's Centres Limited on a line by line basis. A separate Statement of Financial Activities, or income & expenditure account, for the charity itself is not presented because the charity has taken advantage of the exemptions afforded by Section 408 of the Companies Act 2006. The net movement in funds for the charity was £338,326 (2024: £321,209).

Exemption from the requirement to disclose transactions between the charity and its subsidiary companies has been taken under Section 33.1A of FRS102 as the transactions occur between wholly owned members.

l) Judgements and key sources of estimation uncertainty

In the application of the charitable company's accounting policies, the trustees are required to make judgements, estimates and assumptions about the carrying values 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 key judgements and sources of estimation in these financial statements are as follows:

Dilapidations

The financial statements recognises a provision for dilapidations in respect of leased premises. This provision is based on an estimate of the costs that will be incurred to restore the properties to their original condition at the end of the lease term. The estimate is reviewed annually and adjusted as necessary based on the latest available information.

Service charge costs

In addition, the financial statements includes an estimate for service charge costs that have not yet been invoiced by the landlord but are included in the lease agreement. This estimate is based on historical service charge costs and any known changes to the service charges. The estimate is reviewed annually and adjusted as necessary based on the latest available information.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2025**

2 Grants Receivable

	Unrestricted Funds £	Restricted Funds £	Total 2025 £	Total 2024 £
BAE Systems Limited	-	3,500	3,500	3,500
Colyer-Ferguson Charitable Trust	-	10,000	10,000	10,000
Community Fund	-	138,623	138,623	116,609
Community Organisations Cost of Living Fund	-	-	-	60,226
FareShare	138,570	-	138,570	209,861
Involve Kent	-	1,000	1,000	-
Kent Community Foundation	-	-	-	9,000
Kent County Council	166	-	166	3,000
Million Hours Fund	-	-	-	9,960
National Lottery Awards For All	-	-	-	9,800
Queenborough Fishery Trust	-	4,000	4,000	-
SE Trains Limited	-	48,014	48,014	-
Sheerness Town Council	-	500	500	-
Southern Gas Networks	-	-	-	24,985
Southern Housing	-	10,000	10,000	9,918
Swale Borough Council	250	264,843	265,093	302,356
	138,986	480,480	619,466	769,215

In 2024 income from grants receivable was £769,215 of which £631,891, was attributable to restricted income and £137,324 to unrestricted income.

3 Income and Expenditure of Trading Subsidiaries

The charity owns the whole of the issued share capital of Children and Families Childcare Limited. Company number 07600925. The results of this company are summarised below:

	2025 £	2024 £
Turnover	1,231,748	982,681
Direct costs	987,318	891,491
	244,430	91,190
Administrative expenses	19,043	15,720
Operating Profit	225,387	75,470
Distribution paid to charity under gift aid	(24,929)	-
Retained in subsidiary	200,458	75,470
The aggregate of assets, liabilities and funds was:	2025 £	2024 £
Assets	342,734	142,156
Liabilities	114,716	114,596
	228,018	27,560

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2025**

3 Income and Expenditure of Trading Subsidiaries (continued)

Represented by:

Ordinary shares of £1 each	2	2
Profit and loss account	228,016	27,558
Total funds	228,018	27,560

The charity owns the whole of the issued share capital of FareShare Kent C.I.C. Company number 08659808.
The results of this company are summarised below:

	2025 £	2024 £
Turnover	651,366	690,454
Direct costs	449,608	387,261
	201,758	303,193
Administrative expenses	88,758	118,773
Operating Profit	113,000	184,420
Distribution paid to charity under gift aid	(209,155)	(132,763)
Retained in subsidiary	(96,155)	51,657

The aggregate of assets, liabilities and funds was:

	2025 £	2024 £
Assets	347,174	502,766
Liabilities	133,530	192,967
	213,644	309,799

Represented by:

Ordinary shares of £1 each	100	100
Profit and loss account	213,544	309,699
Total funds	213,644	309,799

The charity owns the whole of the issued share capital of Children and Families Children's Centres Limited.
Company number 08953232. The results of this company are summarised below:

	2025 £	2024 £
Turnover	232,143	280,778
Direct costs	206,946	244,132
	25,197	36,646
Administrative expenses	29,329	31,679
Operating (Loss)/Profit	(4,132)	4,967
Distribution paid to charity under gift aid	(6,768)	(17,265)
Retained in subsidiary	(10,900)	(12,298)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2025**

3 Income and Expenditure of Trading Subsidiaries (continued)

The aggregate of assets, liabilities and funds was:

	2025 £	2024 £
Assets	59,771	74,505
Liabilities	<u>49,706</u>	<u>53,540</u>
	<u>10,065</u>	<u>20,965</u>
Represented by:		
Ordinary shares of £1 each	2	2
Profit and loss account	<u>10,063</u>	<u>20,963</u>
Total funds	<u>10,065</u>	<u>20,965</u>

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2025**

4 Total Expenditure

Charitable activities Provision of children and family services	Unrestricted Funds	Restricted Funds	Total 2025	Total 2024
	£	£	£	£
Grants payable	-	750	750	-
Staff costs	1,238,352	237,440	1,475,792	1,330,070
Training and recruitment	7,474	1,233	8,707	12,178
Delivery fleet, staff travel and subsistence	48,974	666	49,640	45,789
Activities, materials and consumables	25,486	242,562	268,048	283,602
Catering	23,703	117	23,820	23,455
Light and heat	53,988	1,657	55,645	67,296
Cleaning	22,361	319	22,680	18,361
Insurances	38,682	853	39,535	39,599
Rent and rates	68,878	6,442	75,320	78,877
Postage, printing and stationery	5,833	27	5,860	9,155
Telephone and internet charges	5,454	1,156	6,610	5,170
Repairs and renewals	61,149	10,115	71,264	51,553
Subscriptions	879	-	879	623
Depreciation	53,652	-	53,652	72,798
Loss on disposal of fixed assets	-	-	-	-
Support costs				
Staff costs	284,464	-	284,464	249,016
Training and recruitment	72	-	72	419
Staff travel and subsistence	405	144	549	104
Advertising	4,968	-	4,968	2,804
Postage, printing and stationery	3,797	-	3,797	3,908
Equipment hire and maintenance	15,659	2,042	17,701	15,768
Bad debts	6,428	-	6,428	11,852
Legal and professional	6,195	54	6,249	11,592
Sundry expenses	895	13	908	855
Bank charges	8,447	230	8,677	6,749
Governance costs				
Staff costs	-	-	-	19,522
Staff travel and subsistence	293	-	293	593
Courses and conferences	619	-	619	1,171
Subscriptions	-	-	-	-
Auditors' remuneration - audit of the financial statements	9,630	-	9,630	9,425
	1,996,737	505,820	2,502,557	2,372,304

In 2024 expenditure from charitable activities was £2,372,304 of which £559,868 was attributable to restricted expenditure and £1,812,436 to unrestricted expenditure.

The auditors' received no remuneration for non-audit and other services (2024: £Nil).

5 Trustee Emoluments

As in previous years no trustee has received any remuneration or benefits-in-kind. Also in this year none (2024 - one) of the trustees have been reimbursed for any expenses (2024- £51).

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2025**

6 Information on Employees

	Total 2025 £	Total 2024 £
Staff costs are made up as follows:-		
Wages and salaries	1,636,425	1,492,543
Social Security costs	87,587	69,884
Pension costs	36,244	36,181
	<u>1,760,256</u>	<u>1,598,608</u>

No retirement benefits were accruing for directors (2024: none).

The number of employees whose total emoluments amounted to over £60,000 in the year were as follows:

	Number	Number
£70,001 - £80,000	<u>1</u>	<u>1</u>

The average number of employees during the period calculated on the basis of headcount, was made up as follows:-

Provision of child and family services	63	60
Support and administration	<u>13</u>	<u>14</u>
	<u>76</u>	<u>74</u>

The key management personnel of the parent charity and the group comprise the trustees, the Chief Executive Officer, the Group Accountant, the Head of Development and the Family Services Manager. The total employee benefits of the key management personnel were £250,584 (2024: 251,539).

7 Net Surplus for the Year

	2025 £	2024 £
The net surplus for the year is stated after charging:-		
Operating leases - buildings	57,643	51,877
Depreciation of tangible fixed assets	53,652	72,798
Auditors remuneration	<u>9,630</u>	<u>9,425</u>

8 Taxation

The charity is considered to pass the tests set out in Paragraph 1 Schedule 6 of the Finance Act 2010 and therefore it meets the definition of a charitable company for UK income tax purposes. Accordingly, the charity is potentially exempt from taxation in respect of income or capital gains received within categories covered by Part 10 of the Income Tax Act 2007 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes. No tax charge has arisen in the year.

9 Legal status

Children and Families Limited is a company limited by guarantee. Every member undertakes to contribute such amounts as may be required, not exceeding £10 in the event of the company being wound up. The company has no share capital and is registered as a charity.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2025**

10 Tangible Fixed Assets - Group	Freehold property	Leasehold improvements	Motor vehicles	Equipment	Total
	£	£	£	£	£
Cost					
As at 1 April 2024	185,560	330,830	186,206	312,384	1,014,980
Additions	3,839	190,222	-	10,694	204,755
Disposals	-	-	-	-	-
As at 31 March 2025	189,399	521,052	186,206	323,078	1,219,735
Depreciation					
As at 1 April 2024	-	131,004	128,814	264,454	524,272
Disposals	-	-	-	-	-
Charge for the year	-	7,142	28,945	17,565	53,652
As at 31 March 2025	-	138,146	157,759	282,019	577,924
Net Book Value					
As at 31 March 2025	189,399	382,906	28,447	41,059	641,811
As at 31 March 2024	185,560	199,826	57,392	47,930	490,708
10 Tangible Fixed Assets - Charity	Freehold property	Leasehold improvements	Motor vehicles	Equipment	Total
	£	£	£	£	£
Cost					
As at 1 April 2024	-	309,815	-	133,673	443,488
Additions	-	190,222	-	-	190,222
Disposals	-	-	-	-	-
As at 31 March 2025	-	500,037	-	133,673	633,710
Depreciation					
As at 1 April 2024	-	120,398	-	128,736	249,134
Disposals	-	-	-	-	-
Charge for the year	-	5,026	-	2,534	7,560
As at 31 March 2025	-	125,424	-	131,270	256,694
Net Book Value					
As at 31 March 2025	-	374,613	-	2,403	377,016
As at 31 March 2024	-	189,417	-	4,937	194,354

Asset Under Construction

Included in additions to leasehold improvements is a community building under construction which had cost £36,867 (2024: £nil) at the balance sheet date. Depreciation will be applied once the building is finished in the next financial year.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2025**

11 Fixed Asset Investments - Charity

	2025	2024
	£	£
Investment in group companies	104	104

The investment in group companies represents 100% shareholdings in Children and Families Childcare Limited, FareShare Kent C.I.C. and Children and Families Children's Centres Limited all incorporated in England and Wales.

12 Debtors

	Group		Charity	
	31st March	31st March	31st March	31st March
	2025	2024	2025	2024
	£	£	£	£
Trade debtors	57,795	102,816	9,988	2,764
Other debtors	15,362	29,888	-	5,550
Prepayments	42,112	70,433	16,187	54,511
	<u>115,269</u>	<u>203,137</u>	<u>26,175</u>	<u>62,825</u>

13 Creditors: Amounts falling due within one year

	Group		Charity	
	31st March	31st March	31st March	31st March
	2025	2024	2025	2024
	£	£	£	£
Trade creditors	17,872	111,046	5,232	49,046
Amounts owed to group companies	-	-	342,185	236,893
Taxation and social security	26,838	21,254	9,444	5,855
Other creditors	34,724	38,958	6,734	6,500
Accruals & deferred income	96,791	88,502	13,915	9,001
	<u>176,225</u>	<u>259,760</u>	<u>377,510</u>	<u>307,295</u>

Unrestricted income relating to services that have not been provided at the balance sheet date are reported as a liability. As the service is delivered over time it is recognised as income in the SOFA.

14 Deferred Income

Deferred income comprises government funding and grants received in advance at the end of the financial year.

	Less than one year		Over one year	
	Group	Charity	Group	Charity
	£	£	£	£
Balance as at 1st April 2024	75,350	-	63,836	-
Amount received in year	47,324	-	-	-
Amount released to income earned from charitable activities	(54,603)	-	(30,040)	-
Balance as at 31 March 2025	<u>68,071</u>	<u>-</u>	<u>33,796</u>	<u>-</u>

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2025**

15 Provisions for Liabilities

	Dilapidations £	Service Charges £	Total £
Balance as at 1st April 2024	8,200	58,643	66,843
Charged to income and expenditure	-	8,040	8,040
Utilised in year	-	(1,041)	(1,041)
	<u>8,200</u>	<u>65,642</u>	<u>73,842</u>
Balance as at 31 March 2025	8,200	65,642	73,842

As part of the Group's property leasing arrangements there is an obligation to repair damages which incur during the life of the lease, such as wear and tear. The cost has been charged to income and expenditure as the obligation arose. The provision is expected to be utilised when the landlord calculates and demands payment for dilapidations.

In addition, a provision has been set aside for anticipated future service charge liabilities. The cost is charged to income and expenditure as the obligation arises. The provision is expected to be utilised when the landlord calculates and demands payments of service charge amounts.

16 Unrestricted Funds

	Balance at 01 04 24 £	Income £	Expenditure £	Transfers £	Balance at 31 03 25 £
Designated funds:					
Fixed assets fund	-	-	-	641,811	641,811
Building reserve fund	260,930	-	-	10,000	270,930
Redundancy reserve fund	186,060	-	-	1,213	187,273
Family support fund	-	-	-	330,000	330,000
Food poverty fund	773,263	-	-	113,000	886,263
General funds	<u>1,142,490</u>	<u>2,335,703</u>	<u>(1,996,737)</u>	<u>(1,066,119)</u>	<u>415,337</u>
	<u>2,362,743</u>	<u>2,335,703</u>	<u>(1,996,737)</u>	<u>29,905</u>	<u>2,731,614</u>
	<u>2,362,743</u>	<u>2,335,703</u>	<u>(1,996,737)</u>	<u>29,905</u>	<u>2,731,614</u>
	Balance at 01 04 23 £	Income £	Expenditure £	Transfers £	Balance at 31 03 24 £
Designated funds:					
Building reserve fund	250,930	-	-	10,000	260,930
Redundancy reserve fund	146,587	-	-	39,473	186,060
Food poverty fund	588,843	-	-	184,420	773,263
General funds	<u>1,091,174</u>	<u>2,011,540</u>	<u>(1,812,436)</u>	<u>(147,788)</u>	<u>1,142,490</u>
	<u>2,077,534</u>	<u>2,011,540</u>	<u>(1,812,436)</u>	<u>86,105</u>	<u>2,362,743</u>
	<u>2,077,534</u>	<u>2,011,540</u>	<u>(1,812,436)</u>	<u>86,105</u>	<u>2,362,743</u>

The fixed assets fund is set aside to identify the net book value of the group's fixed assets.

The building reserve fund is money set aside to cover possible major expenditure required on the charity's property.

The redundancy reserve fund is additional money put aside for Statutory Redundancy Pay for all applicable group employees at the balance sheet date.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2025**

16 Unrestricted Funds (continued)

The family support fund represents funds set aside to help ensure the future stability and sustainability of child and family services.

The food poverty fund is money set aside to help ensure the future sustainability and growth of FareShare Kent and other food poverty related services.

17 Restricted Funds	Balance at 01 04 24 £	Income £	Expenditure £	Transfers £	Balance at 31 03 25 £
Colyer Fergusson Charitable Trust	7,312	10,197	(12,509)	-	5,000
Southern Housing	6,069	10,000	(8,888)	-	7,181
Million Hours Fund (Making Waves)	4,122	-	(4,122)	-	-
Home Advisor Capital Fund	2,730	-	(2,150)	2,000	2,580
Household Support Fund	-	255,593	(238,593)	(17,000)	-
Home Adviser Revenue Fund	-	-	(6,380)	42,353	35,973
Southern Gas Network	12,476	-	-	(12,476)	-
Fuel and Water - Swale BC	14,877	-	-	(14,877)	-
Imagination Library	2,431	281	(391)	-	2,321
FareShare Kent	-	19,165	(19,165)	-	-
Sheerness Town Council	-	500	(500)	-	-
Community Fund	-	119,718	(119,718)	-	-
Family Foodbank	546,734	122,125	(111,819)	-	557,040
Community Building	-	29,905	-	(29,905)	-
South Eastern Trains	-	48,014	-	-	48,014
Swale Member Grant	-	2,250	(750)	-	1,500
	<u>596,751</u>	<u>617,748</u>	<u>(524,985)</u>	<u>(29,905)</u>	<u>659,609</u>
	Balance at 01 04 23 £	Income £	Expenditure £	Transfers £	Balance at 31 03 24 £
Colyer Fergusson Charitable Trust	-	10,000	(2,688)	-	7,312
Southern Housing	-	9,918	(3,849)	-	6,069
Million Hours Fund (Making Waves)	-	9,960	(5,838)	-	4,122
KCF Core Costs Grant	-	4,000	(4,000)	-	-
Awards For All	-	9,800	(6,482)	(3,318)	-
West Area Energy Packs	3,940	-	(1,500)	290	2,730
Helping Hands	1,572	-	(1,122)	(450)	-
Household Support Fund	-	277,535	(277,535)	-	-
Southern Gas Network	-	24,985	(12,509)	-	12,476
Power Partners	2,312	-	(2,472)	160	-
Fuel and Water - Orchard Community	656	-	(656)	-	-
Fuel and Water - Swale BC	357	17,571	(3,051)	-	14,877
Imagination Library	3,111	149	(829)	-	2,431
FareShare Kent	-	82,787	-	(82,787)	-
Community Fund	-	116,609	(116,609)	-	-
Family Foodbank	433,974	233,488	(120,728)	-	546,734
	<u>445,922</u>	<u>796,802</u>	<u>(559,868)</u>	<u>(86,105)</u>	<u>596,751</u>

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2025**

17 Restricted Funds (continued)**Colyer Fergusson Charitable Trust**

Funding to deliver the aquatots service which aims to promote water safety to children and families living across the Isle of Sheppey.

Southern Housing

Funding received to support the Kemsley, Sittingbourne Community Pantry.

Million Hours Fund (Making Waves)

A youth based project aimed at supporting and empowering young people in Sheerness to have better opportunities in life by providing services and activities they would like to engage in.

Home Advisor Capital Fund

Funding for utility saving measures such as winter warm packs and fuel and water efficiency packs to support people across Swale.

Household Support Fund

Funding to provide support to vulnerable households through the distribution of digital pre-paid cards to help with utility costs and though food support. The transfers to the Home Advisor Funds is the amount of funding received within the total to support our related energy work.

Home Adviser Revenue Fund

This grant funding enables us to deliver the Fuel and Water Home Adviser service to local residents in need of utility advice, support and fuel vouchers, and assists with money management, budgeting and debt advice.

Imagination Library

For families approaching eligibility for 'free for two', we undertake face to face book corner visits and enrol them onto the Imagination Library, through which they receive a free new children's book each month.

FareShare Kent

Funds received from FareShare UK to contribute towards the cost of employing a Regional Food Sourcing Officer and various warehouse improvements.

Sheerness Town Council

Funding to support our Cycle to Re-cycle event, where free bike helmets will be provided to everyone who purchases a recycled bike

Community Fund

Funding received from the National Lottery for a project working with families, with a particular focus on community safety, early years education, health & wellbeing, community engagement and family finances.

Family Foodbank

The Family Food Bank gives food boxes to families in crisis identified by workers in the community. We're able to support families across Kent and Medway through approximately 80 distribution centres.

Community Building

Funding to build and develop our community building under construction. The transfer against this project in the accounts represents the capitalisation of the building.

South Eastern Trains

Funding to support our community events and Early Childhood Development role, to help address local health inequalities.

Swale Member Grant

Funding to support the delivery of our transport week activities (Beep Beep Week & Choo Choo Week). This service raises awareness of road safety, train safety, highway code and basic safety skills.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2025**

18 Analysis of Group Net Assets between Funds

	General Funds £	Designated Funds £	Restricted Funds £	Total £
Tangible fixed assets	-	641,811	-	641,811
Net current assets	522,975	1,674,466	659,609	2,857,050
Amounts falling due after one year	(107,638)	-	-	(107,638)
	<u>415,337</u>	<u>2,316,277</u>	<u>659,609</u>	<u>3,391,223</u>

20 Related Party Transactions

During the year the charity contracted with J Rabbatts Electrical & Security, an entity controlled by the husband of Lauren Rabbatts (Chair of Trustees) for the purchase of a CCTV system for £1,888 (2024: £nil). This transaction was carried out at arms length and had been paid for by the year end.

In the previous year to 31 March 2024, the charity contracted with Swale CVS, a charitable organisation managed by Christine White (Trustee), to supply consultancy services of £1,000. This transaction was also carried out at arms length and was paid after the year end. Jim Duncan (Chief Executive) is also a Trustee of Swale CVS.

There were no other related party transactions.

21 Revenue Commitments

At the period end the group was committed to making the following payments in respect of operating leases none of which related to the charity with expiry dates as follows:-

	2025 £	2024 £
Land and Buildings		
Due:		
Not later than one year	42,000	37,215
Later than one year not later than 5 years	122,500	118,125
Later than five years	-	-
	<u>164,500</u>	<u>155,340</u>

22 Capital Commitments (group only)

	2025 £	2024 £
Delivery vehicle contracted but not provided for	45,000	-

Once acquired, it is envisaged that the cost of the vehicle will be reimbursed by FareShare UK.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2025**

23 Reconciliation of Net Movement in Funds to Net Cash Flow from Operating Activities

	Group		Charity	
	31st March	31st March	31st March	31st March
	2025	2024	2025	2024
	£	£	£	£
Net movement in funds	431,729	436,038	97,474	171,181
Add back depreciation charge and loss on disposal	53,652	72,798	7,560	7,294
Distributions paid to charity under gift aid	-	-	240,852	150,028
Deduct interest income	(79,551)	(69,582)	(79,551)	(69,582)
Decrease (increase) in debtors	87,868	(86,533)	36,650	(33,901)
Increase (decrease) in creditors	(106,576)	23,289	70,215	125,414
Net cash used in operating activities	387,122	376,010	373,200	350,434

CHILDREN AND FAMILIES LIMITED

England & Wales - Charity number 1115459

Accounts

CHILDREN AND FAMILIES LIMITED

(A COMPANY LIMITED BY GUARANTEE)

TRUSTEES' ANNUAL REPORT AND GROUP FINANCIAL STATEMENTS

FOR THE PERIOD FROM THE 1 APRIL 2023 TO THE 31 MARCH 2024

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CHILDREN AND FAMILIES LIMITED 2023/24**REFERENCE AND ADMINISTRATIVE DETAILS****Charity Name**

Children and Families Limited

Charity Number

1115459

Company Number

04615904

Registered Office and Principal Address

Children and Families Limited

Seashells

Rose Street

Sheerness

Kent

ME12 1AW

Trustees/ Directors

DJ Buckett

CD Jones

V Nedderman (appointed 09/07/2024)

L Rabbatts

C White

Company Secretary

J Duncan

Senior Staff Members

J Duncan

JW Payne

I Townsend-Blazier

K Townsend-Blazier

Bankers

National Westminster Bank PLC

National Westminster House

37 Old Dover Road

Canterbury

Kent

CT1 3JB

Auditors

UHY Hacker Young

Chartered Accountants and Statutory Auditors

Thames House

Roman Square

Sittingbourne

ME10 4BJ

CHILDREN AND FAMILIES LIMITED 2023/24

The trustees are pleased to present their annual report together with the consolidated financial statements of the charity and its subsidiaries for the year ending the 31 March 2024 which are also prepared to meet the requirements for a directors' report and accounts for Companies Act purposes.

The financial statements comply with the Charities Act 2011, the Companies Act 2006, the Memorandum and Articles of Association, and Accounting and Reporting by charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102).

OBJECTIVES AND ACTIVITIES

In setting our objectives and planning our activities we have given careful consideration to the Charity Commission's general guidance on public benefit. The trustees confirm that to the best of their ability they have consistently complied with their duty to have due regard to this guidance in exercising their powers and duties.

Our charitable objects are to advance the education of the public in the subject of childcare and parenting to ensure that children can: i) be healthy; ii) stay safe; iii) enjoy and achieve; iv) make a positive contribution; and v) achieve economic well-being. We seek to develop the capacity and skills of the members of the socially and economically disadvantaged community of Kent in such a way that they are better able to identify and help meet their needs and to participate more fully in society. We seek to promote general charitable purposes for the benefit of the community of Kent and the surrounding area and to provide relief from financial hardship and social and/or economic disadvantage and to advance the education of its residents of all ages and in particular to provide opportunities for the aforementioned residents to participate fully in the life of their community in ways which address and alleviate social and economic disadvantage. We also pursue the relief of unemployment for the benefit of the public in such ways as may be thought fit, including assistance to find employment.

In pursuit of our objects we have undertaken a number of activities particularly with disadvantaged communities in Kent for public benefit. This includes the delivery of registered early education and childcare, where we have worked with parents to help them, help their children to develop and thrive. We have also provided children's centre services to children and families, supporting parents of young children to keep them healthy, safe and to help them with their early learning. We have supported the delivery of other services to the community by hosting health visiting, midwifery and other important community services with a family focus. We have delivered parenting programmes such as the Solihull Approach and family support to those in need, including fuel and water advice and family financial support, helping families to manage their finances better and maximise their income to help reduce the impact of child poverty. We have provided volunteering and training opportunities, especially to parents and particularly in support of those wishing to get back into employment. Our Family Food Bank has also provided emergency food boxes to many vulnerable families across the county who have experienced financial hardship in times of crisis. Our Kent Community Pantry service has supported its members with weekly food support in Ashford, Sheerness, Sittingbourne and Thanet. We have also supported over one hundred and forty charities and community organisations across Kent with surplus food through FareShare Kent, preventing food waste and helping them to support their beneficiaries.

CHILDREN AND FAMILIES LIMITED 2023/24**ACHIEVEMENTS AND PERFORMANCE**

Our child and family support services targeting child poverty including the Family Food Bank, the Family Finance Project, You Make the Difference and our Children's Centre services helped over 27,000 family members in Kent with food, welfare & money management advice, early education, wellbeing and other family support services. The majority of our support is targeted at those families with the youngest children where child poverty is often most highly concentrated and where we believe we can have the greatest impact on ensuring children are given the best opportunities in life.

Both nurseries continued to grow the number of children they help educate and develop from 357 to 393 children. We also grew our Holiday Activity & Food clubs attendance from 147 to 193 children and young people across the year. These clubs support children entitled to free school meals with 6 weeks of childcare and nutritious food, much of which we're able to source from our FareShare operation.

Seashells continued to deliver its open access and targeted family support services throughout the year. During July and August, we supported Kent County Council as a test site to help them develop new family hub models of delivery. The new way of working became embedded within our delivery model and at the end of the financial year we began the process of transitioning from operating only as a children's centre to becoming a family hub. We also continued our work with Swale Borough Council on the Household Support Fund, to deliver food support and provide pre-paid cards worth £100 across Swale, to help people with their fuel costs during the cost of living crisis. This work delivered £154,000 of financial support directly to those in need.

The Family Food Bank delivered 11,129 food boxes (10,401 boxes in 2023) to families in crisis across Kent and Medway. These food boxes represented 150 tonnes of food, providing 357,718 meals. This was a 20% increase on the previous year and reflective of the continued impact of the cost of living crisis on family finances.

Our largest food focussed service FareShare Kent, saw a decrease in the surplus food it redistributed to 814 tonnes (874 tonnes in 2023). This was largely due to a change in practice by our most significant food partner that improved their efficiency and led to a sudden drop in the surplus food that they were generating. We have been fortunate to offset a large proportion of the decrease this caused, by sourcing additional surplus food from other local sources. The number of charities and community organisations we worked with, to maximise the social value of this food also fell slightly to 142 organisations during the year (146 in 2023). We have seen an increasing number of charities having to stop their food work over the last two years due to a lack of funding.

Kent Community Pantry continued to provide food to vulnerable communities for a very low membership fee from Stanhope in Ashford, Seashells in Sheerness, with our friends at Millmead Children's Centre in Thanet and most recently from Kemsley in Sittingbourne as well, as we continue to grow this service.

Our achievements have only been possible thanks to the dedication and commitment of our staff and volunteers, who donated 34,529 hours (29,699 in 2023). We are also indebted to the many food partners, funders, public bodies and individuals who have supported our work over the last year. Our sincere gratitude goes to them all for helping us to help the children, families and charities we exist to support.

CHILDREN AND FAMILIES LIMITED 2023/24**FINANCIAL REVIEW**

The Trustees are reporting a 2024 surplus of £436,038 (2023: surplus of £292,069). The financial KPIs that the Trustees monitor include: i) the level of debtors; ii) the level of the general free reserve.

Reserves Policy

The total reserves at the period end were £2,959,494 of which £596,751 were restricted funds leaving £2,362,743 available for general purposes of the charity.

Of these the charity has designated funds for a building reserve of £260,930, a redundancy fund of £186,060 and a food poverty reserve of £773,263. This leaves general funds of £1,142,490. Of this sum, £490,708 is invested in fixed assets and are only available to the trustees should they be sold, leaving a general free reserve of £651,782.

In the Trustees' view, the charity's reserves should provide it with adequate financial stability and the means for it to meet its charitable objectives for the foreseeable future. The Trustees have therefore decided to maintain funds as follows:

Designated Building Reserve Fund (2024: £260,930) – This fund will be held for essential future expenditure on the charity's property and in particular the Seashells building. The fund will be increased by an amount of not less than £10,000 annually in any year that the group makes an unrestricted surplus.

Designated Redundancy Reserve Fund (2024: £186,060) – This fund will be calculated annually to ensure funds are available to meet any redundancy liabilities in the event of the organisation being wound up.

Designated Food Poverty Reserve Fund (2024: £773,263) – This fund will be set aside using surplus funds generated by FareShare Kent, to help ensure the future sustainability and growth of FareShare Kent and other food related services.

A General Fund (2024: £1,142,490) – This fund is composed of Fixed Assets of £490,708 that can only be realised by disposing of them and a General Free Reserve of £651,782 which will be held to ensure the future stability and sustainability of operations during any periods of unforeseen difficulty. The Trustees will aim to maintain the General Free Reserve at 3 to 6 months of annual turnover.

Risk Management

The Board of Directors meets at least four times a year and receives financial, performance, risk and activity reports. Operations are insured and include but are not limited to: Employers Liability, Public Liability, Professional Indemnity, Directors Indemnity, Buildings, Motor Vehicle and Legal Expenses. In addition, we contract for the provision of health and safety and employment law advice. We also undertake a biennial external safeguarding review and continue to reaccredit with Cyber Essentials each year.

The principal risks identified by the Board on the 13th February 2024 included: i) recruitment and retention ii) the lease for one of our properties. We review and record our risks annually in a Risk

CHILDREN AND FAMILIES LIMITED 2023/24

Register, assessing their probability, impact and the means by which we can mitigate against them. We also undertake regular risk assessments for our activities.

Plans for Future Periods

We will continue to adapt our services in line with the family hubs agenda and look for ways to grow the number of families and charities we're able to support. However, in July 2024, Kent County Council (KCC) launched a consultation proposing to end Family Hubs funding for Seashells and Millmead Family Hubs on the 31st March 2025, after more than 20 years of delivering these and forerunner Sure Start Children's Centre services. These services are delivered to some of the most disadvantaged communities in Kent and despite the significant value for money, acknowledged high quality of these services and the support we have provided to KCC in developing its Family Hubs programme for Kent, KCC maintains that it needs to find savings from these communities, to reduce the black hole in its budget. On the 17th January 2025 the Cabinet Member for Children, Young People & Education decided to proceed with this proposal, which will mean a very significant reduction in services to families on the Isle of Sheppey and the loss of a £214k pa investment into the delivery of these from Seashells. This decision will come into force on the 25th January 2025 unless it is subject to call-in and further scrutiny by the council. Significant and ongoing work has been undertaken to highlight, challenge and mitigate the damage this proposal would cause.

We will seek to expand our childcare operations in line with the new government funding entitlements that commence from the 1st April 2024. We also intend to continue opening new Kent Community Pantry locations organically and will seek to substantially increase the food we're able to redistribute through FareShare Kent.

We will also continue to adapt our services and how they're targeted, to ensure that we're able to respond effectively to changing needs.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Governing Document and Constitution

Children & Families Limited is a not for profit company limited by guarantee that was formed on the 12th December 2002 and was registered as a charity with the Charity Commission on the 20th July 2006. The charity is governed by its Memorandum & Articles of Association and managed by its Board of Directors who are also the Trustees as defined by Section 177 of the Charities Act 2011. The Board has overall control of the charity.

Trustee Appointment

One director/trustee retired and one was appointed during the period. Any person legally entitled and willing to act as a Company Director and Trustee may be appointed to the Board and all applications are duly considered and agreed by the Board in the best interests of the charity. The Company Secretary inducts new Trustees into the charity and also informs them of suitable training opportunities that will support them in their role as a Trustee.

Organisational Structure

CHILDREN AND FAMILIES LIMITED 2023/24

The Board of Directors has five members with equal rights under the Memorandum and Articles of Association. Children & Families Limited is the charitable parent company of three wholly owned subsidiary companies. The subsidiaries are Children & Families Childcare Ltd, Children & Families Children's Centres Ltd and FareShare Kent CIC. As parent of the subsidiaries, Children & Families Limited is a Corporate Director of each and appoints at least two natural persons from its Board to serve as Directors on each. The Company Secretary and Chief Executive Officer of Children & Families Limited also acts in these roles for each of the subsidiaries. The Board of Directors meets quarterly and sets the strategic direction and policy of the charity and group of companies under its control.

Pay Policy for Senior Staff

The board of Trustees aim to pay senior staff a fair salary that is competitive within the charity sector and proportionate to the complexity of each role. The Trustees are responsible in line with our charitable objectives based on the principle staff are paid an appropriate salary to attract and retain people with the leadership, experience, knowledge and skills required to lead the group.

Child Protection

As a children's charity the protection of children is our paramount concern. We have strict and comprehensive safeguarding and child protection policies, procedures and mechanisms in place to protect children from harm. We employ safe recruitment practices and ensure thorough vetting of staff including the use of enhanced DBS disclosures. Staff are trained in child protection awareness and are supported by Designated Safeguarding Leads who ensure the safety of children within services. We audit these measures internally each year and biennially engage external consultants to audit these as well for additional assurance.

STATEMENT OF TRUSTEES RESPONSIBILITIES

The charity trustees (who are also directors of Children and Families Limited for the purposes of company law) are responsible for preparing the trustee's annual 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 the group and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that period. 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;
- state whether applicable UK accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- 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

CHILDREN AND FAMILIES LIMITED 2023/24

safeguarding the assets of the charity and the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The trustees are responsible for the maintenance and integrity of the corporate and financial information included on the charitable company's website. Legislation in the United Kingdom governing their preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Statement of Disclosure of Information to our Auditors

In so far as the trustees are aware at the time of approving our trustees' annual report:

- there is no relevant information, being information needed by the auditor in connection with preparing their report, of which the group's auditor is unaware, and
- the trustees, having made enquiries of fellow directors and the group's auditor that they ought to have individually taken, have each taken all steps that he/she is obliged to take as a director in order to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

By order of the board of trustees

Small Company Exemptions

This report has been prepared in accordance with the special provisions relating to small companies within Part 415A of the Companies Act 2006.

Approved by the Board and signed on its behalf by:



L Rabbatts - Chair

Date: 24th January 2025

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF CHILDREN AND FAMILIES LIMITED

Opinion

We have audited the financial statements of Children and Families Limited (the 'parent charitable company') and its subsidiaries (the 'group') for the year ended 31 March 2024 which comprise the Group Statement of Financial Activities, the Group and Charity Balance Sheets, Group and Charity Statements of Cash Flows and notes to the financial statements, including 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 group's and parent charitable company's affairs as at 31 March 2024 and of the group's incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the group 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 statement 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 group or parent 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.

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 financial statements. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

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 course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the trustees' report, which includes the directors' report for the purposes of company law, for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the directors' report, which is included in the trustees' 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 group and the parent charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the trustees' 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 by the parent charitable company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent charitable company's financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the trustees were not entitled to prepare the financial statements in accordance with the small companies' regime and take advantage of the small companies' exemption in preparing the trustees' report and from the requirement to prepare a strategic report.

Responsibilities of trustees

As explained more fully in the statement of trustees' responsibilities set out on page 8 the trustees 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 group's and the parent 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 group or parent 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. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

How the audit was considered capable of detecting irregularities, including fraud:

Our approach to identifying and assessing the risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, was as follows:

- we identified the laws and regulations applicable to the group and parent charitable company through discussions with management, and from our commercial knowledge and experience in the sector;
- we focused on specific laws and regulations which we considered may have a direct material effect on the accounts or the operations of the group and parent charitable company, including the Charities Act 2011 and the Companies Act 2006;
- we assessed the extent of compliance with the laws and regulations identified above through making enquiries of management and inspecting correspondence; and
- identified laws and regulations were communicated within the audit team and the team remained alert to instances of non-compliance throughout the audit.

We assessed the susceptibility of the charitable company's accounts to material misstatement, including obtaining an understanding of how fraud might occur, by:

- making enquiries of management as to where they considered there was susceptibility to fraud, their knowledge of actual, suspected and alleged fraud; and
- considering the internal controls in place to mitigate risks of fraud and non-compliance with laws and regulations.

To address the risk of fraud through management bias and override of controls, we:

- performed analytical procedures to identify any unusual or unexpected relationships;
- tested journal entries to identify unusual transactions;
- assessed whether judgements and assumptions made in determining the accounting estimates set out in the accounting policies were indicative of potential bias; and
- investigated the rationale behind significant or unusual transactions.

In response to the risk of irregularities and non-compliance with laws and regulations, we designed procedures which included, but were not limited to:

- agreeing financial statement disclosures to underlying supporting documentation;
- reading minutes of meetings of those charged with governance; and
- enquiring of management as to actual and potential litigation and claims.

There are inherent limitations in our audit procedures described above. The more removed that laws and regulations are from financial transactions, the less likely it is that we would become aware of non-compliance. Auditing standards also limit the audit procedures required to identify non-compliance with laws and regulations to enquiry of the trustees and other management and the inspection of regulatory and legal correspondence, if any.

Material misstatements that arise due to fraud can be harder to detect than those that arise from error as they may involve deliberate concealment or collusion.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: <http://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

Use of our report

This report is made solely to the parent 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 parent charitable company's members those matters we are required to state to them in an auditor's 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 parent charitable company and the parent charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.

UHY Hacker Young

Tracey Moore BSc FCA (Senior Statutory Auditor)

For and on behalf of UHY Hacker Young

Chartered Accountants and Statutory Auditors

Thames House
Roman Square
Sittingbourne
Kent. ME10 4BJ

Date: 27 January 2025

GROUP STATEMENT OF FINANCIAL ACTIVITIES (incorporating an Income and Expenditure Account)
FOR THE YEAR ENDED 31 MARCH 2024

	Notes	Unrestricted Funds	Restricted Funds	Total 2024	Total 2023
		£	£	£	£
INCOME					
Donations		-	91,354	91,354	189,437
Income from charitable activities					
Grants receivable	2	137,324	631,891	769,215	548,385
Fees receivable		1,544,428	73,408	1,617,836	1,501,426
Rent and service charges receivable		88,409	-	88,409	130,293
Other income		171,797	149	171,946	84,666
Investment income		69,582	-	69,582	11,176
Total Income		<u>2,011,540</u>	<u>796,802</u>	<u>2,808,342</u>	<u>2,465,383</u>
EXPENDITURE					
Expenditure on charitable activities	4	<u>1,812,436</u>	<u>559,868</u>	<u>2,372,304</u>	<u>2,173,314</u>
Total Expenditure		<u>1,812,436</u>	<u>559,868</u>	<u>2,372,304</u>	<u>2,173,314</u>
Net income for the year		199,104	236,934	436,038	292,069
Gross transfers between funds	16 & 17	<u>86,105</u>	<u>(86,105)</u>	<u>-</u>	<u>-</u>
Net Movement in Funds		285,209	150,829	436,038	292,069
Reconciliation of funds					
Total funds brought forward		<u>2,077,534</u>	<u>445,922</u>	<u>2,523,456</u>	<u>2,231,387</u>
Total funds carried forward		<u><u>2,362,743</u></u>	<u><u>596,751</u></u>	<u><u>2,959,494</u></u>	<u><u>2,523,456</u></u>

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

**BALANCE SHEETS
AS AT 31 MARCH 2024**

	Notes	Group		Charity	
		31st March 2024 £	as restated 31st March 2023 £	31st March 2024 £	31st March 2023 £
Non Current Assets					
Tangible Fixed Assets	10	490,708	528,408	194,354	200,293
Investments	11	-	-	104	104
		<u>490,708</u>	<u>528,408</u>	<u>194,458</u>	<u>200,397</u>
Current Assets					
Debtors	12	203,137	116,604	62,825	28,924
Cash at bank and in hand		<u>2,656,088</u>	<u>2,245,594</u>	<u>2,651,286</u>	<u>2,232,625</u>
		2,859,225	2,362,198	2,714,111	2,261,549
Creditors: Amounts falling due within one year	13	<u>259,760</u>	<u>234,457</u>	<u>307,295</u>	<u>181,881</u>
Net Current Assets		<u>2,599,465</u>	<u>2,127,741</u>	<u>2,406,816</u>	<u>2,079,668</u>
Total assets less current liabilities		<u>3,090,173</u>	<u>2,656,149</u>	<u>2,601,274</u>	<u>2,280,065</u>
Creditors: Amounts falling due after one year	14	63,836	73,890	-	-
Provisions for Liabilities	15	66,843	58,803	-	-
Net Assets		<u><u>2,959,494</u></u>	<u><u>2,523,456</u></u>	<u><u>2,601,274</u></u>	<u><u>2,280,065</u></u>
Represented by:-					
Funds					
Unrestricted	16	2,362,743	2,077,534	2,004,523	1,834,143
Restricted	17	<u>596,751</u>	<u>445,922</u>	<u>596,751</u>	<u>445,922</u>
Total Funds		<u><u>2,959,494</u></u>	<u><u>2,523,456</u></u>	<u><u>2,601,274</u></u>	<u><u>2,280,065</u></u>

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

The notes on pages 17 to 31 form part of these accounts.

Approved and signed on behalf of the Board for issue on 24th January 2025 by:



Lauren Rabbatts



David Buckett

Company Registration No. 04615904

**STATEMENT OF CASH FLOWS AND CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 MARCH 2024**

	Notes	Group 31st March 2024 £	31st March 2023 £	Charity 31st March 2024 £	31st March 2023 £
Cash used in operating activities	22	376,010	371,693	350,434	286,186
Cash flows from investing activities					
Interest income		69,582	11,176	69,582	11,176
Purchase of tangible fixed assets		(35,098)	(97,540)	(1,355)	-
Sale proceeds of tangible fixed assets		-	8,414	-	-
Cash provided by (used in) investing activities		34,484	(77,950)	68,227	11,176
Increase (decrease) in cash		410,494	293,743	418,661	297,362
Cash at the beginning of the year 1 April 2023		2,245,594	1,951,851	2,232,625	1,935,263
Cash at the end of the year 31 March 2024		2,656,088	2,245,594	2,651,286	2,232,625
Cash and cash equivalents consist of:					
Cash at bank and in hand		2,656,088	2,245,594	2,651,286	2,232,625

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2024**

1 Accounting Policies**a) General information and basis of preparation**

Children and Families Limited is a charitable company limited by guarantee. In the event of the charity being wound up the liability in respect of the guarantee is limited to £10 per member of the charity.

The address of the registered office is Seashells, Rose Street, Sheerness, Kent ME12 1AW.

The nature of the charity's operation and principal activities are the advancement of the education of the public in the subject of childcare and parenting.

The financial statements 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), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

Children and Families Limited meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy.

The financial statements are prepared on a going concern basis under the historical cost convention, modified to include certain items at fair value. Having reviewed the possible loss of the KCC funding as disclosed in their report, the trustees can confirm their assumption that the charity is still a going concern and no significant uncertainty exists in this respect.

The financial statements are presented in sterling which is the functional currency of the charity and rounded to the nearest £1.

The significant accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all years presented unless otherwise stated.

b) Volunteers

The charity relies heavily on its volunteers to allow it to carry out the wide variety of work that it does, across its diverse range of services.

The charity benefits greatly from the involvement and enthusiastic support of its volunteers. These include General Volunteers, Corporate Volunteers and our Trustees. In accordance with FRS 102 and the Charities SORP (FRS 102), the economic contribution of volunteers is not included in the financial statements.

c) Income and Debtors

Income is recognised when the charity or its subsidiaries has entitlement to the funds, any performance conditions have been met or are fully in the control of the charity or its subsidiaries, there is a significant certainty that receipt is probable and the amount can be measured reliably. These resources represent fees receivable during the year, in addition to grants receivable from various organisations. Where gifts are received of goods and services these are included as donations received at their estimated market value.

Debtors are recognised at the settlement amount less any discount agreed. Prepayments are valued at the amount prepaid after taking into account any discounts.

d) Tangible Fixed Assets

Tangible fixed assets costing more than £500 are capitalised and included at cost including any incidental expenses of acquisition. Items donated for ongoing use by the charity in carrying out its activities are recognised as tangible fixed assets and the corresponding gain recognised as income from donations within the SOFA.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2024

1 Accounting Policies (continued)

Depreciation is calculated so as to write off the cost of fixed assets over the expected useful economic lives of the assets concerned. The rates used are as follows:-

Leasehold improvements	Over the period of the Lease or 20% on Cost
Office equipment	20% on Cost
Computer equipment	33% on Cost
Craft and gardening equipment	20% on Cost
Motor Vehicles	25% on Cost

Freehold property is not depreciated as the residual value is estimated to be at least as much as the book value.

e) Investments

Investments comprise investments in subsidiaries which are measured at cost less impairment.

f) Expenditure and Creditors

Expenditure is recognised in the period in which they are incurred. Expenditure includes attributable VAT which cannot be recovered as the charity and one of its subsidiaries are not registered for VAT.

Charitable expenditure comprises those costs incurred by the charity in the delivery of its activities and services for its beneficiaries. It includes both costs that can be allocated directly to such activities and these costs of an indirect nature necessary to support them.

Governance costs includes those costs associated with meeting the constitutional and statutory requirements of the charity and include the audit fees and costs linked to the strategic management of the charity.

All costs are allocated between the expenditure categories of the Statement of Financial Activities on a basis designed to reflect the use of the resource.

Creditors and provisions are recognised at their settlement value less any discounts where the charity has a present obligation from a past event that will probably result in the transfer of funds to a third party and the amount can be measured reliably.

g) Fund Accounting

Unrestricted funds are incoming resources receivable or generated from the objects of the charity without further specified purpose and are available in general funds.

Designated funds are unrestricted funds earmarked by the Trustees for a particular purpose.

Restricted funds are to be used for specific purposes as laid down by the donor, expenditure which meets these criteria is charged to the fund, together with a transfer which represents an estimate of support costs and management and administration costs.

h) Operating leases

Lease payments under operating leases, where substantially all of the risks and benefits remain with the lessor, are charged as an expense in the period in which they are incurred.

i) Financial instruments

The charity has only basic financial instruments recognised at transaction value.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2024**

1 Accounting Policies (continued)**j) Pensions benefits**

All eligible employees of the company are automatically enrolled into the NEST defined contribution scheme. Employees are then able to exercise their right to opt out completely or to elect to have the company's contributions paid into their own personal pension plans provided their own scheme is approved by the Pensions Regulator. Employees contract directly with NEST or their own provider. The company pays the minimum contribution required by the Pensions Regulator and acts as agent for no charge in collecting and paying over employee pension contributions. Contributions are charged to the profit and loss account as they become payable in accordance with the rules of the relevant scheme. The charge for the year was £36,181 (2023: £32,246). The amount outstanding to pension providers at the year end was £6,569 (2023: £6,699).

k) Basis of consolidation

These financial statements consolidate the results of the charity and its wholly owned subsidiaries Children and Families Childcare Limited, FareShare Kent C.I.C. and Children and Families Children's Centres Limited on a line by line basis. A separate Statement of Financial Activities, or income & expenditure account, for the charity itself is not presented because the charity has taken advantage of the exemptions afforded by Section 408 of the Companies Act 2006. The net movement in funds for the charity was £321,209 (2023: £381,580).

Exemption from the requirement to disclose transactions between the charity and its subsidiary companies has been taken under Section 33.1A of FRS102 as the transactions occur between wholly owned members.

l) Judgements and key sources of estimation uncertainty

In the application of the charitable company's accounting policies, the trustees are required to make judgements, estimates and assumptions about the carrying values 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.

In the opinion of the trustees there are no sources of estimation uncertainty as at the reporting date that have a significant risk of causing a material adjustment to the carrying value of assets and liabilities in the next reporting period.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2024**

2 Grants Receivable

	Unrestricted Funds £	Restricted Funds £	Total 2024 £	Total 2023 £
BAE Systems Limited	-	3,500	3,500	3,500
Colyer-Ferguson Charitable Trust	-	10,000	10,000	-
Community Fund	-	116,609	116,609	123,817
Community Organisations Cost of Living Fund	-	60,226	60,226	-
FareShare	127,074	82,787	209,861	160,154
Kent Community Foundation	5,000	4,000	9,000	3,000
Kent County Council	3,000	-	3,000	-
Million Hours Fund	-	9,960	9,960	-
National Lottery Awards For All	-	9,800	9,800	-
Power Partners	-	-	-	3,886
Southern Gas Networks	-	24,985	24,985	-
Southern Housing	-	9,918	9,918	-
Swale Borough Council	2,250	300,106	302,356	248,198
UK Power Networks	-	-	-	5,830
	137,324	631,891	769,215	548,385

In 2023 income from grants receivable was £548,385 of which £443,335 was attributable to restricted income and £105,050 to unrestricted income.

3 Income and Expenditure of Trading Subsidiaries

The charity owns the whole of the issued share capital of Children and Families Childcare Limited. Company number 07600925. The results of this company are summarised below:

	2024 £	2023 £
Turnover	982,681	755,553
Direct costs	891,491	779,789
	91,190	(24,236)
Administrative expenses	15,720	29,097
Operating Profit	75,470	(53,333)
Distribution paid to charity under gift aid	-	(15,523)
Retained in subsidiary	75,470	(68,856)
The aggregate of assets, liabilities and funds was:	2024 £	2023 £
Assets	142,156	57,617
Liabilities	114,596	105,527
	27,560	(47,910)
Represented by:		
Ordinary shares of £1 each	2	2
Profit and loss account	27,558	(47,912)
Total funds	27,560	(47,910)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2024**

3 Income and Expenditure of Trading Subsidiaries (continued)

The charity owns the whole of the issued share capital of FareShare Kent C.I.C. Company number 08659808.
The results of this company are summarised below:

	2024 £	2023 £
Turnover	690,454	610,220
Direct costs	387,261	341,732
	<u>303,193</u>	<u>268,488</u>
Administrative expenses	118,773	103,951
Operating Profit	184,420	164,537
Distribution paid to charity under gift aid	<u>(132,763)</u>	<u>(201,504)</u>
Retained in subsidiary	51,657	(36,967)
	<u><u>309,799</u></u>	<u><u>258,142</u></u>
The aggregate of assets, liabilities and funds was:		
	2024 £	2023 £
Assets	502,766	464,712
Liabilities	192,967	206,570
	<u>309,799</u>	<u>258,142</u>
Represented by:		
Ordinary shares of £1 each	100	100
Profit and loss account	<u>309,699</u>	<u>258,042</u>
Total funds	<u><u>309,799</u></u>	<u><u>258,142</u></u>

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2024**

3 Income and Expenditure of Trading Subsidiaries (continued)

The charity owns the whole of the issued share capital of Children and Families Children's Centres Limited. Company number 08953232. The results of this company are summarised below:

	2024	2023
	£	£
Turnover	280,778	326,501
Direct costs	244,132	269,148
	<u>36,646</u>	<u>57,353</u>
Administrative expenses	<u>31,679</u>	<u>33,595</u>
Operating Profit	4,967	23,758
Distribution paid to charity under gift aid	<u>(17,265)</u>	<u>(7,716)</u>
Retained in subsidiary	<u>(12,298)</u>	<u>16,042</u>
	<u><u>20,965</u></u>	<u><u>33,263</u></u>
The aggregate of assets, liabilities and funds was:	2024	2023
	£	£
Assets	74,505	83,564
Liabilities	<u>53,540</u>	<u>50,301</u>
	<u>20,965</u>	<u>33,263</u>
	<u><u>20,965</u></u>	<u><u>33,263</u></u>
Represented by:		
Ordinary shares of £1 each	2	2
Profit and loss account	<u>20,963</u>	<u>33,261</u>
Total funds	<u>20,965</u>	<u>33,263</u>

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2024**

4 Total Expenditure

Charitable activities	Unrestricted	Restricted	Total	Total
Provision of children and family services	Funds	Funds	2024	2023
	£	£	£	£
Grants payable	-	-	-	-
Staff costs	1,080,011	250,059	1,330,070	1,186,974
Training and recruitment	12,178	-	12,178	8,524
Staff travel and subsistence	44,392	1,397	45,789	50,271
Activities, materials and consumables	18,948	264,654	283,602	279,176
Catering	23,418	37	23,455	12,636
Light and heat	63,296	4,000	67,296	39,687
Cleaning	18,361	-	18,361	26,569
Insurances	38,428	1,171	39,599	37,019
Rent and rates	52,584	26,293	78,877	75,799
Postage, printing and stationery	8,251	904	9,155	9,605
Telephone and internet charges	4,831	339	5,170	5,283
Repairs and renewals	44,271	7,282	51,553	60,075
Subscriptions	623	-	623	484
Depreciation	72,798	-	72,798	80,474
Loss on disposal of fixed assets	-	-	-	1,619
Support costs				
Staff costs	249,016	-	249,016	215,482
Training and recruitment	234	185	419	749
Staff travel and subsistence	104	-	104	17
Advertising	2,797	7	2,804	2,526
Postage, printing and stationery	3,908	-	3,908	3,637
Equipment hire and maintenance	13,369	2,399	15,768	18,960
Bad debts	11,852	-	11,852	619
Legal and professional	10,523	1,069	11,592	29,090
Sundry expenses	855	-	855	294
Bank charges	6,677	72	6,749	6,498
Governance costs				
Staff costs	19,522	-	19,522	12,598
Staff travel and subsistence	593	-	593	525
Courses and conferences	1,171	-	1,171	436
Subscriptions	-	-	-	-
Auditors' remuneration - audit of the financial statements	9,425	-	9,425	7,688
	1,812,436	559,868	2,372,304	2,173,314

In 2023 expenditure from charitable activities was £2,173,314 of which £475,059 was attributable to restricted expenditure and £1,698,255 to unrestricted expenditure.

The auditors' received no remuneration for non-audit and other services (2023: £Nil).

5 Trustee Emoluments

During the year, one trustee (2023 - nil) was reimbursed expenses totalling £51 (2023 - £nil) in respect of travel. No other emoluments were paid (2023 - £nil).

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2024**
6 Information on Employees

	Total 2024 £	Total 2023 £
Staff costs are made up as follows:-		
Wages and salaries	1,492,543	1,321,503
Social Security costs	69,884	78,393
Pension costs	36,181	30,922
	<u>1,598,608</u>	<u>1,430,818</u>

No retirement benefits were accruing for directors (2023: none).

The number of employees whose total emoluments amounted to over £60,000 in the year were as follows:

	Number	Number
£80,001 - £90,000	1	-
£70,001 - £80,000	-	1
	<u>1</u>	<u>1</u>

The average number of employees during the period calculated on the basis of headcount, was made up as follows:-

Provision of child and family services	60	68
Support and administration	14	13
	<u>74</u>	<u>81</u>

The key management personnel of the parent charity and the group comprise the trustees, the Chief Executive Officer, the Group Accountant, the Head of Development and the Family Hub Services Manager. The total employee benefits of the key management personnel were £251,539 (2023: £221,660).

7 Net Surplus for the Year

	2024 £	2023 £
The net surplus for the year is stated after charging:-		
Operating leases - buildings	51,877	44,450
Depreciation of tangible fixed assets	72,798	80,474
Auditors remuneration	9,425	7,688
	<u>134,100</u>	<u>132,612</u>

8 Taxation

The charity is considered to pass the tests set out in Paragraph 1 Schedule 6 of the Finance Act 2010 and therefore it meets the definition of a charitable company for UK income tax purposes. Accordingly, the charity is potentially exempt from taxation in respect of income or capital gains received within categories covered by Part 10 of the Income Tax Act 2007 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes. No tax charge has arisen in the year.

9 Legal status

Children and Families Limited is a company limited by guarantee. Every member undertakes to contribute such amounts as may be required, not exceeding £10 in the event of the company being wound up. The company has no share capital and is registered as a charity.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2024**

10 Tangible Fixed Assets - Group	Freehold property	Leasehold improvements	Motor vehicles	Equipment	Total
	£	£	£	£	£
Cost					
As at 1 April 2023	185,560	330,830	186,206	279,156	981,752
Additions	-	-	-	35,098	35,098
Disposals	-	-	-	(1,870)	(1,870)
As at 31 March 2024	185,560	330,830	186,206	312,384	1,014,980
Depreciation					
As at 1 April 2023	-	124,241	86,919	242,184	453,344
Disposals	-	-	-	(1,870)	(1,870)
Charge for the year	-	6,763	41,895	24,140	72,798
As at 31 March 2024	-	131,004	128,814	264,454	524,272
Net Book Value					
As at 31 March 2024	185,560	199,826	57,392	47,930	490,708
As at 31 March 2023	185,560	206,589	99,287	36,972	528,408
10 Tangible Fixed Assets - Charity	Freehold property	Leasehold improvements	Motor vehicles	Equipment	Total
	£	£	£	£	£
Cost					
As at 1 April 2023	-	309,815	-	133,668	443,483
Additions	-	-	-	1,355	1,355
Disposals	-	-	-	(1,350)	(1,350)
As at 31 March 2024	-	309,815	-	133,673	443,488
Depreciation					
As at 1 April 2023	-	115,750	-	127,440	243,190
Disposals	-	-	-	(1,350)	(1,350)
Charge for the year	-	4,648	-	2,646	7,294
As at 31 March 2024	-	120,398	-	128,736	249,134
Net Book Value					
As at 31 March 2024	-	189,417	-	4,937	194,354
As at 31 March 2023	-	194,065	-	6,228	200,293
11 Fixed Asset Investments - Charity				2024 £	2023 £
Investment in group companies				104	104

The investment in group companies represents 100% shareholdings in Children and Families Childcare Limited, FareShare Kent C.I.C. and Children and Families Children's Centres Limited all incorporated in England and Wales.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2024**

12 Debtors	Group		Charity	
	31st March 2024 £	31st March 2023 £	31st March 2024 £	31st March 2023 £
Trade debtors	102,816	49,289	2,764	4,591
Other debtors	29,888	26,074	5,550	5,565
Prepayments	70,433	41,241	54,511	18,768
	<u>203,137</u>	<u>116,604</u>	<u>62,825</u>	<u>28,924</u>

13 Creditors: Amounts falling due within one year	Group		Charity	
	31st March 2024 £	as restated 31st March 2023 £	31st March 2024 £	31st March 2023 £
Trade creditors	111,046	32,573	49,046	10,991
Amounts owed to group companies	-	-	236,893	138,615
Taxation and social security	21,254	21,014	5,855	6,645
Other creditors	38,958	38,606	6,500	8,928
Accruals & deferred income	88,502	142,264	9,001	16,702
	<u>259,760</u>	<u>234,457</u>	<u>307,295</u>	<u>181,881</u>

Unrestricted income relating to services that have not been provided at the balance sheet date are reported as a liability. As the service is delivered over time it is recognised as income in the SOFA.

Provisions for leased property dilapidations and service charges previously included within accruals and deferred income are now disclosed separately (see note 15) due to the increasing materiality of these provisions.

14 Deferred Income

Deferred income comprises government funding and grants received in advance at the end of the financial year.

	Less than one year		Over one year	
	Group £	Charity £	Group £	Charity £
Balance as at 1st April 2023	116,844	-	73,890	-
Amount received in year	76,142	-	29,867	-
Amount released to income earned from charitable activities	<u>(117,636)</u>	<u>-</u>	<u>(39,921)</u>	<u>-</u>
Balance as at 31 March 2024	<u>75,350</u>	<u>-</u>	<u>63,836</u>	<u>-</u>

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2024**

15 Provisions for Liabilities

	Dilapidations £	Service Charges £	Total £
Balance as at 1st April 2023	8,200	50,603	58,803
Charged to income and expenditure	-	8,040	8,040
Utilised in year	-	-	-
Balance as at 31 March 2024	8,200	58,643	66,843

As part of the Group's property leasing arrangements there is an obligation to repair damages which incur during the life of the lease, such as wear and tear. The cost has been charged to income and expenditure as the obligation arose. The provision is expected to be utilised when the landlord calculates and demands payment for dilapidations.

In addition, a provision has been set aside for anticipated future service charge liabilities. The cost is charged to income and expenditure as the obligation arises. The provision is expected to be utilised when the landlord calculates and demands payments of service charge amounts.

16 Unrestricted Funds

	Balance at 01 04 23 £	Income £	Expenditure £	Transfers £	Balance at 31 03 24 £
Designated funds:					
Building reserve fund	250,930	-	-	10,000	260,930
Redundancy reserve fund	146,587	-	-	39,473	186,060
Food poverty fund	588,843	-	-	184,420	773,263
General funds	<u>1,091,174</u>	<u>2,011,540</u>	<u>(1,812,436)</u>	<u>(147,788)</u>	<u>1,142,490</u>
	2,077,534	2,011,540	(1,812,436)	86,105	2,362,743
	Balance at 01 04 22 £	Income £	Expenditure £	Transfers £	Balance at 31 03 23 £
Designated funds:					
Building reserve fund	240,930	-	-	10,000	250,930
Redundancy reserve fund	151,901	-	-	(5,314)	146,587
Food poverty fund	424,307	-	-	164,536	588,843
General funds	<u>1,082,597</u>	<u>1,811,332</u>	<u>(1,698,255)</u>	<u>(104,500)</u>	<u>1,091,174</u>
	1,899,735	1,811,332	(1,698,255)	64,722	2,077,534

The building reserve fund is money set aside to cover possible major expenditure required on the charity's property.

The redundancy reserve fund is additional money put aside for Statutory Redundancy Pay for all applicable group employees at the balance sheet date.

The food poverty fund is money set aside to help ensure the future sustainability and growth of FareShare Kent and other food poverty related services.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2024**

17 Restricted Funds	Balance at 01 04 23 £	Income £	Expenditure £	Transfers £	Balance at 31 03 24 £
Colyer Fergusson Charitable Trust	-	10,000	(2,688)	-	7,312
Southern Housing	-	9,918	(3,849)	-	6,069
Million Hours Fund (Making Waves)	-	9,960	(5,838)	-	4,122
KCF Core Costs Grant	-	4,000	(4,000)	-	-
Awards For All	-	9,800	(6,482)	(3,318)	-
West Area Energy Packs	3,940	-	(1,500)	290	2,730
Helping Hands	1,572	-	(1,122)	(450)	-
Household Support Fund	-	277,535	(277,535)	-	-
Southern Gas Network	-	24,985	(12,509)	-	12,476
Power Partners	2,312	-	(2,472)	160	-
Fuel and Water - Orchard Community	656	-	(656)	-	-
Fuel and Water - Swale BC	357	17,571	(3,051)	-	14,877
Imagination Library	3,111	149	(829)	-	2,431
FareShare Kent	-	82,787	-	(82,787)	-
Community Fund	-	116,609	(116,609)	-	-
Family Foodbank	433,974	233,488	(120,728)	-	546,734
	<u>445,922</u>	<u>796,802</u>	<u>(559,868)</u>	<u>(86,105)</u>	<u>596,751</u>
	Balance at 01 04 22 £	Income £	Expenditure £	Transfers £	Balance at 31 03 23 £
West Area Energy Packs	-	4,523	(583)	-	3,940
Helping Hands	-	14,958	(13,386)	-	1,572
Household Support Fund	-	226,008	(226,012)	4	-
Reconnect	7,171	-	(7,171)	-	-
Power Partners	9,716	9,716	(17,120)	-	2,312
Orchard Community	4,000	-	(3,344)	-	656
Fuel and Water Swale BC	2,528	-	(2,171)	-	357
Imagination Library	3,882	284	(1,055)	-	3,111
FareShare Kent	-	64,929	0	(64,929)	-
Digital Inclusion Fund	569	-	(569)	-	-
Community Fund	-	113,562	(113,765)	203	-
Children and Young Peoples Fund	3,838	-	(3,838)	-	-
Family Foodbank	289,413	220,071	(75,510)	-	433,974
Early Childhood Development	10,535	-	(10,535)	-	-
	<u>331,652</u>	<u>654,051</u>	<u>(475,059)</u>	<u>(64,722)</u>	<u>445,922</u>

Colyer Fergusson Charitable Trust

Funding to deliver the aquatots service which aims to promote water safety to children and families living across the Isle of Sheppey.

Southern Housing

Funding received to support the Kemsley, Sittingbourne Community Pantry.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2024**

17 Restricted Funds (continued)**Million Hours Fund (Making Waves)**

A youth based project aimed at supporting and empowering young people in Sheerness to have better opportunities in life by providing services and activities they would like to engage in.

KCF Core Costs Grant

Funding to support Children and Families Core Costs.

Awards For All

Funding to support children's development and learn through technology, this enabled a new Smart Board to be purchased, as well as new youth resources. It also supported our inclusivity work and installed a new ramp to enable all services users to access the Den building, as well supported our energy efficient objectives by installing PIRs in key areas of our building.

West Area Energy Packs

Funding for energy saving packs to support people in the west area of Swale.

Helping Hands

Funding for utility saving measures such as winter warm packs and fuel and water efficiency packs to support people across Swale.

Household Support Fund

Funding to provide support to vulnerable households through the distribution of digital pre-paid cards to help with utility costs and though food support.

Southern Gas Network

This grant funding enables us to deliver the Fuel and Water Home Adviser service to local residents in need of utility advice, support and fuel vouchers, and assists with money management, budgeting and debt advice.

Power Partners

Has supported us with a grant to enable us to employ a part time worker to support our fuel and water home advice service. This is enabling us to reach more households and provide them with practical advice, guidance and support to help them save energy and money on their utility costs.

Fuel and Water - Orchard Community

This funding will support the delivery of The Renewable Roadshow across Swale, where advice support on saving energy and water will be shared with vulnerable communities and packs containing energy and water saving products will be distributed.

Fuel and Water - Swale BC

Funding provided for energy and water efficiency resources to be distributed to families by the Fuel & Water Home Adviser.

Imagination Library

For families approaching eligibility for 'free for two', we undertake face to face book corner visits and enrol them onto the Imagination Library, through which they receive a free new children's book each month.

FareShare Kent

Funds received from FareShare UK, John Lewis & Partners and The Community Fund for various projects in support of our food and employability work. The transfer against this project in the accounts shows the capitalisation of fixed assets purchased and funds granted for the future sustainability of FareShare Kent.

Community Fund

Funding received from the National Lottery for a project working with families, with a particular focus on community safety, early years education, health & wellbeing, community engagement and family finances.

Family Foodbank

The Family Food Bank gives food boxes to families in crisis identified by workers in the community. We're able to support families across Kent and Medway through approximately 80 distribution centres.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2024**

18 Analysis of Group Net Assets between Funds

	General Funds £	Designated Funds £	Restricted Funds £	Total £
Tangible fixed assets	490,708	-	-	490,708
Net current assets	782,461	1,220,253	596,751	2,599,465
Amounts falling due after one year	(130,679)	-	-	(130,679)
	<u>1,142,490</u>	<u>1,220,253</u>	<u>596,751</u>	<u>2,959,494</u>

20 Related Party Transactions

During the year Swale CVS, a charitable organisation managed by Christine White (Trustee), supplied consultancy services of £1,000 (2023: £5,000). This transaction was also carried out at arms length and was paid after the year end. Jim Duncan (Chief Executive) is also a Trustee of Swale CVS.

There were no other related party transactions.

21 Revenue Commitments

At the period end the group was committed to making the following payments in respect of operating leases none of which related to the charity with expiry dates as follows:-

	2024 £	2023 £
Plant and Equipment		
Within one year	<u>-</u>	<u>1,558</u>
	2024 £	2023 £
Land and Buildings		
Due:		
Not later than one year	37,215	41,932
Later than one year not later than 5 years	118,125	184,935
Later than five years	-	28,125
	<u>155,340</u>	<u>254,992</u>

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2024**

22 Reconciliation of Net Movement in Funds to Net Cash Flow from Operating Activities

	Group		Charity	
	31st March	31st March	31st March	31st March
	2024	2023	2024	2023
	£	£	£	£
Net movement in funds	436,038	292,069	171,181	157,107
Add back depreciation charge and loss on disposal	72,798	82,093	7,294	11,204
Distributions paid to charity under gift aid	-	-	150,028	224,743
Deduct interest income	(69,582)	(11,176)	(69,582)	(11,176)
Decrease (increase) in debtors	(86,533)	(27,560)	(33,901)	(6,457)
Increase (decrease) in creditors	23,289	36,267	125,414	(89,235)
Net cash used in operating activities	376,010	371,693	350,434	286,186

22 Post Balance Sheet Events

In January 2025, Kent County Council announced that that it would not be recommissioning the funding for Family Hubs when the contract ends on 31st March 2025, as referred to in the Trustees' Report on page 7. The financial effect of this decision is approximately £214,000 per annum.

CHILDREN AND FAMILIES LIMITED

England & Wales - Charity number 1115459

Accounts

Company Registration No. 04615904 (England and Wales)

Charity Registration No. 1115459

CHILDREN AND FAMILIES LIMITED

(A COMPANY LIMITED BY GUARANTEE)

TRUSTEES' ANNUAL REPORT AND GROUP FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2023

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REFERENCE AND ADMINISTRATIVE DETAILS

Charity Name

Children and Families Limited

Charity Number

1115459

Company Number

04615904

Registered Office and Principal Address

Children and Families Limited

Seashells

Rose Street

Sheerness

Kent

ME12 1AW

Trustees/ Directors

C White

CD Jones (appointed 19/7/22)

DJ Buckett

GJ Ratcliffe (retired 2/11/22)

L Rabbatts

Company Secretary

J Duncan

Senior Staff Members

J Duncan

JW Payne

I Townsend-Blazier

K Townsend-Blazier

Bankers

National Westminster Bank PLC

National Westminster House

37 Old Dover Road

Canterbury

Kent

CT1 3JB

Auditors

UHY Kent LLP t/a UHY Hacker Young

Chartered Accountants

Thames House

Roman Square

Sittingbourne

ME10 4BJ

The trustees are pleased to present their annual report together with the consolidated financial statements of the charity and its subsidiaries for the year ending the 31 March 2023 which are also prepared to meet the requirements for a directors' report and accounts for Companies Act purposes.

The financial statements comply with the Charities Act 2011, the Companies Act 2006, the Memorandum and Articles of Association, and Accounting and Reporting by charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102).

OBJECTIVES AND ACTIVITIES

In setting our objectives and planning our activities we have given careful consideration to the Charity Commission's general guidance on public benefit. The trustees confirm that to the best of their ability they have consistently complied with their duty to have due regard to this guidance in exercising their powers and duties.

Our charitable objects are to advance the education of the public in the subject of childcare and parenting to ensure that children can: i) be healthy; ii) stay safe; iii) enjoy and achieve; iv) make a positive contribution; and v) achieve economic well-being. We seek to develop the capacity and skills of the members of the socially and economically disadvantaged community of Kent in such a way that they are better able to identify and help meet their needs and to participate more fully in society. We seek to promote general charitable purposes for the benefit of the community of Kent and the surrounding area and to provide relief from financial hardship and social and/or economic disadvantage and to advance the education of its residents of all ages and in particular to provide opportunities for the aforementioned residents to participate fully in the life of their community in ways which address and alleviate social and economic disadvantage. We also pursue the relief of unemployment for the benefit of the public in such ways as may be thought fit, including assistance to find employment.

In pursuit of our objects we have undertaken a number of activities particularly with disadvantaged communities in Kent for public benefit. This includes the delivery of registered early education and childcare, where we have worked with parents to help them, help their children to develop and thrive. We have also provided children's centre services to children and families, supporting parents of young children to keep them healthy, safe and to help them with their early learning. We have supported the delivery of other services to the community by hosting health visiting, midwifery and other important community services with a family focus. We have delivered parenting programmes such as the Solihull Approach and family support to those in need, including fuel and water advice and family financial support, helping families to manage their finances better and maximise their income to help reduce the impact of child poverty. We have provided volunteering and training opportunities, especially to parents and particularly in support of those wishing to get back into employment. Our Family Food Bank has also provided emergency food boxes to many vulnerable families across the county who have experienced financial hardship in times of crisis. Our Kent Community Pantry service has supported its members with weekly food support in Ashford, Sheerness and Thanet. We have also supported over one hundred and forty charities and community organisations across Kent with surplus food through FareShare Kent, preventing food waste and helping them to support their beneficiaries.

ACHIEVEMENTS AND PERFORMANCE

Our child and family support services targeting child poverty including the Family Food Bank, the Family Finance Project, You Make the Difference and our Children's Centre services helped over 50,000 family members (>38,000 in 2022) in Kent with food, welfare & money management advice, early education, wellbeing and other family support services. This was a record achievement again and increase on the number supported in the previous year. The majority of our support is targeted at those families with the youngest children where child poverty is often most highly concentrated and where we believe we can have the greatest impact on ensuring children are given the best opportunities in life.

Both nurseries continued to ensure that our nurseries remained COVID Secure, with government guidance carefully followed to ensure that our system of controls minimised the risk to children, parents and staff. Beyond the baseline guidance we continued with our additional measures to help keep everyone as safe as possible.

Seashells remained open throughout the year, ensuring all services continued to operate fully, after having resumed full operations at the first opportunity in early 2021, in line with government guidance. New services in the year included a significant community learning programme targeted at parents, in partnership with EKC Group under the Community Renewal Fund (CRF). This programme delivered training to 386 people. We also worked closely with Swale Borough Council under the Household Support Fund, to deliver food support and provide pre-paid cards worth £100 across Swale, to help people with their fuel costs during the cost of living crisis. This project delivered £172,000 of financial support directly to those in need.

The Family Food Bank delivered 10,401 food boxes (7,370 boxes in 2022) to families in crisis across Kent and Medway. These food boxes represented 125 tonnes of food, providing 297,171 meals. This was a 41% increase on the previous year and reflective of the impact of the cost of living crisis on family finances. Alongside this, our advice and support on family finances, fuel and water also continued throughout the year.

FareShare Kent our largest food focussed service, saw a small increase in the surplus food it redistributed to 874 tonnes (827 tonnes in 2022). The number of charities and community organisations we worked with, to maximise the social value of this food, fell to 146 organisations during the year (162 in 2022). Part of the reduction we've seen has been caused by charities moving out of food focussed work post-pandemic and the negative impact of the current economic climate on the Voluntary, Community (VCSE) sector, has led some organisations to scale back or cease some operations. The support we were able to deliver to these organisations was achieved with the help of our generous volunteers, who dedicated over 29,000 hours of their time to our cause during the year.

Kent Community Pantry continued to provide food for a low membership fee from Stanhope in Ashford and Seashells in Sheerness. We also opened a third pantry from Millmead Children's Centre in Thanet and total single memberships stood at just under 450 at the end of the year, an almost 50% increase on the previous year.

Our achievements have only been possible thanks to the tireless dedication of our staff and volunteer teams plus all the organisations and individuals who have supported our work over the last year. Our

sincere thanks to these individuals and organisations for wanting to help us to help and support the children, families and charities we have supported over the last year.

FINANCIAL REVIEW

The Trustees are reporting a 2023 surplus of £292,069 (2022: surplus of £270,938). The financial KPIs that the Trustees monitor are as follows: i) the level of debtors; ii) the level of the general free reserve.

Reserves Policy

The total reserves at the period end were £2,523,456 of which £445,922 were restricted funds leaving £2,077,534 available for general purposes of the charity.

Of these the charity has designated funds of a building reserve of £250,930, a redundancy fund of £146,587 and a food poverty reserve of £588,843. This leaves general funds of £1,091,174. Of this sum, £528,408 is invested in fixed assets and are only available to the trustees should they be sold, leaving a general free reserve of £562,766.

In the Trustees' view, the charity's reserves should provide it with adequate financial stability and the means for it to meet its charitable objectives for the foreseeable future. The Trustees have therefore decided to maintain funds as follows:

Designated Building Reserve Fund (2023: £250,930) – This fund will be held for essential future expenditure on the charity's property and in particular the Seashells building. The fund will be increased by an amount of not less than £10,000 annually in any year that the group makes an unrestricted surplus.

Designated Redundancy Reserve Fund (2023: £146,587) – This fund will be calculated annually to ensure funds are available to meet any redundancy liabilities in the event of the organisation being wound up.

Designated Food Poverty Reserve Fund (2023: £588,843) – This fund will be set aside using surplus funds generated by FareShare Kent, to help ensure the future sustainability and growth of FareShare Kent and other food related services.

General Free Reserve Fund (2022: £562,766) – This fund will be held to ensure the future stability and sustainability of operations during any periods of unforeseen difficulty. The Trustees will aim to maintain this fund at 3 to 6 months of annual turnover.

Risk Management

The Board of Directors meets at least four times a year and receives financial, performance, risk and activity reports. Operations are insured and include but are not limited to: Employers Liability, Public Liability, Professional Indemnity, Directors Indemnity, Buildings, Motor Vehicle and Legal Expenses. In addition, we contract for the provision of health and safety and employment law advice. We also undertake a biennial external safeguarding review and have completed the Cyber Essentials accreditation for the first time in 2022.

The principal risks identified by the Board on the 1st March 2023 included: i) sustained deficit financial performance ii) recruitment and retention. At least annually we review and record our risks in a Risk Register, assessing their probability, impact and the means by which we can mitigate against them. We also undertake regular risk assessments for our activities.

Plans for Future Periods

We will continue to look for ways to grow the number of families and charities we're able to support. We intend to open at least one new Kent Community Pantry in 2023/24 and have secured funding to employ a number of staff to undertake more local food sector development and sourcing work.

We will also continue to adapt our services and how they are targeted, to ensure that we're able to respond effectively to changing needs as the cost of living crisis continues to unfold.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Governing Document and Constitution

Children & Families Limited is a not for profit company limited by guarantee that was formed on the 12th December 2002 and was registered as a charity with the Charity Commission on the 20th July 2006. The charity is governed by its Memorandum & Articles of Association and managed by its Board of Directors who are also the Trustees for the purposes of Charity Law. The Board has overall control of the charity.

Trustee Appointment

One director/trustee retired and one was appointed during the period. Any person legally entitled and willing to act as a Company Director and Trustee may be appointed to the Board and all applications are duly considered and agreed by the Board in the best interests of the charity. The Company Secretary inducts new Trustees into the charity and also informs them of suitable training opportunities that will support them in their role as a Trustee.

Organisational Structure

The Board of Directors has four members with equal rights under the Memorandum and Articles of Association. Children & Families Limited is the charitable parent company of three wholly owned subsidiary companies. The subsidiaries are Children & Families Childcare Ltd, Children & Families Children's Centres Ltd and FareShare Kent CIC. As parent of the subsidiaries, Children & Families Limited is a Corporate Director of each and appoints at least two natural persons from its Board to serve as Directors on each. The Company Secretary and Chief Executive Officer of Children & Families Limited also acts in these roles for each of the subsidiaries. The Board of Directors meets quarterly and sets the strategic direction and policy of the charity and group of companies under its control.

Pay Policy for Senior Staff

The board of Trustees aim to pay senior staff a fair salary that is competitive within the charity sector and proportionate to the complexity of each role. The Trustees are responsible in line with our charitable objectives based on the principle staff are paid an appropriate salary to attract and retain people with the leadership, experience, knowledge and skills required to lead the group.

Child Protection

As a children's charity the protection of children is our paramount concern. We have strict and comprehensive safeguarding and child protection policies, procedures and mechanisms in place to protect children from harm. We employ safe recruitment practices and ensure thorough vetting of staff including the use of enhanced DBS disclosures. Staff are trained in child protection awareness and are supported by Designated Safeguarding Leads who ensure the safety of children within services. We audit these measures internally each year and biennially engage external consultants to audit these as well for additional assurance.

STATEMENT OF TRUSTEES RESPONSIBILITIES

The charity trustees (who are also directors of Children and Families Limited for the purposes of company law) are responsible for preparing the trustee's annual 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 the group and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that period. 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;
- state whether applicable UK accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- 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 charity and the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The trustees are responsible for the maintenance and integrity of the corporate and financial information included on the charitable company's website. Legislation in the United Kingdom governing their preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Statement of Disclosure of Information to our Auditors

In so far as the trustees are aware at the time of approving our trustees' annual report:

- there is no relevant information, being information needed by the auditor in connection with preparing their report, of which the group's auditor is unaware, and

- the trustees, having made enquiries of fellow directors and the group's auditor that they ought to have individually taken, have each taken all steps that he/she is obliged to take as a director in order to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

By order of the board of trustees

Auditors

UHY Kent LLP t/a UHY Hacker Young were appointed as the charity's auditors during the year.

Small Company Provisions

This report has been prepared in accordance with the special provisions relating to small companies within Part 15 of the Companies Act 2006.

Approved by the Board and signed on its behalf by:

A handwritten signature in black ink, appearing to read 'L Rabbatts', with a stylized flourish at the end.

L Rabbatts - Chair

Date: 7th November 2023

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF CHILDREN AND FAMILIES LIMITED

Opinion

We have audited the financial statements of Children and Families Limited (the 'parent charitable company') and its subsidiaries (the 'group') for the year ended 31 March 2023 which comprise the Group Statement of Financial Activities, the Group and Charity Balance Sheets, Group and Charity Statements of Cash Flows and notes to the financial statements, including 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 group's and parent charitable company's affairs as at 31 March 2023 and of the group's incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the group 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 statement 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 group or parent 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.

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 financial statements. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

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 course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the trustees' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the trustees' 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 group and the parent charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the trustees' 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 by the charitable company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent charitable company's financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the trustees were not entitled to prepare the financial statements in accordance with the small companies' regime and take advantage of the small companies' exemption in preparing the trustees' report and from the requirement to prepare a strategic report.

Responsibilities of trustees

As explained more fully in the statement of trustees' responsibilities set out on page 8 the trustees 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 group's and the parent 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. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

How the audit was considered capable of detecting irregularities, including fraud:

Our approach to identifying and assessing the risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, was as follows:

- we identified the laws and regulations applicable to the charity through discussions with management, and from our commercial knowledge and experience in the sector;
- we focused on specific laws and regulations which we considered may have a direct material effect on the accounts or the operations of the charitable company, including the Charities Act 2011 and the Companies Act 2006;
- we assessed the extent of compliance with the laws and regulations identified above through making enquiries of management and inspecting correspondence; and
- identified laws and regulations were communicated within the audit team and the team remained alert to instances of non-compliance throughout the audit.

We assessed the susceptibility of the charitable company's accounts to material misstatement, including obtaining an understanding of how fraud might occur, by:

- making enquiries of management as to where they considered there was susceptibility to fraud, their knowledge of actual, suspected and alleged fraud; and
- considering the internal controls in place to mitigate risks of fraud and non-compliance with laws and regulations.

To address the risk of fraud through management bias and override of controls, we:

- performed analytical procedures to identify any unusual or unexpected relationships;
- tested journal entries to identify unusual transactions;
- assessed whether judgements and assumptions made in determining the accounting estimates set out in the accounting policies were indicative of potential bias; and
- investigated the rationale behind significant or unusual transactions.

In response to the risk of irregularities and non-compliance with laws and regulations, we designed procedures which included, but were not limited to:

- agreeing financial statement disclosures to underlying supporting documentation;
- reading minutes of meetings of those charged with governance; and
- enquiring of management as to actual and potential litigation and claims.

There are inherent limitations in our audit procedures described above. The more removed that laws and regulations are from financial transactions, the less likely it is that we would become aware of non-compliance. Auditing standards also limit the audit procedures required to identify non-compliance with laws and regulations to enquiry of the trustees and other management and the inspection of regulatory and legal correspondence, if any.

Material misstatements that arise due to fraud can be harder to detect than those that arise from error as they may involve deliberate concealment or collusion.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: <http://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's 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 company's members those matters we are required to state to them in an auditor's 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.

A handwritten signature in black ink, appearing to read 'Allan Hickie' followed by a stylized flourish.

Allan Hickie BSc FCA (Senior Statutory Auditor)
For and on behalf of UHY Kent LLP
Chartered Accountants and Statutory Auditor

Thames House
Roman Square
Sittingbourne
Kent. ME10 4BJ

Date: 19 December 2023

GROUP STATEMENT OF FINANCIAL ACTIVITIES (incorporating an Income and Expenditure Account)
FOR THE YEAR ENDED 31 MARCH 2023

	Notes	Unrestricted Funds	Restricted Funds	Total 2023	Total 2022
		£	£	£	£
INCOME					
Donations		78	189,359	189,437	77,267
Income from charitable activities					
Grants receivable	2	105,050	443,335	548,385	410,053
Fees receivable		1,480,443	20,983	1,501,426	1,426,099
Rent and service charges receivable		130,293	-	130,293	211,020
Other income		84,292	374	84,666	85,168
Investment income		11,176	-	11,176	9,457
Total Income		<u>1,811,332</u>	<u>654,051</u>	<u>2,465,383</u>	<u>2,219,064</u>
EXPENDITURE					
Expenditure on charitable activities	4	<u>1,698,255</u>	<u>475,059</u>	<u>2,173,314</u>	<u>1,948,126</u>
Total Expenditure		<u>1,698,255</u>	<u>475,059</u>	<u>2,173,314</u>	<u>1,948,126</u>
Net income for the year		113,077	178,992	292,069	270,938
Gross transfers between funds	15 & 16	<u>64,722</u>	<u>(64,722)</u>	-	-
Net Movement in Funds		177,799	114,270	292,069	270,938
Reconciliation of funds					
Total funds brought forward		<u>1,899,735</u>	<u>331,652</u>	<u>2,231,387</u>	<u>1,960,449</u>
Total funds carried forward		<u>2,077,534</u>	<u>445,922</u>	<u>2,523,456</u>	<u>2,231,387</u>

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

BALANCE SHEETS
AS AT 31 MARCH 2023

	Notes	Group 31st March 2023 £	31st March 2022 £	Charity 31st March 2023 £	31st March 2022 £
Non Current Assets					
Tangible Fixed Assets	10	528,408	521,375	200,293	211,497
Investments	11	-	-	104	104
		<u>528,408</u>	<u>521,375</u>	<u>200,397</u>	<u>211,601</u>
Current Assets					
Debtors	12	116,604	89,044	28,924	22,467
Cash at bank and in hand		<u>2,245,594</u>	<u>1,951,851</u>	<u>2,232,625</u>	<u>1,935,263</u>
		2,362,198	2,040,895	2,261,549	1,957,730
Creditors: Amounts falling due within one year	13	<u>293,260</u>	<u>266,000</u>	<u>181,881</u>	<u>271,116</u>
Net Current Assets		2,068,938	1,774,895	2,079,668	1,686,614
Total assets less current liabilities		<u>2,597,346</u>	<u>2,296,270</u>	<u>2,280,065</u>	<u>1,898,215</u>
Creditors: Amounts falling due after one year	14	73,890	64,883	-	-
Net Assets		<u>2,523,456</u>	<u>2,231,387</u>	<u>2,280,065</u>	<u>1,898,215</u>
Represented by:-					
Funds					
Unrestricted	16	2,077,534	1,899,735	1,834,143	1,566,563
Restricted	17	<u>445,922</u>	<u>331,652</u>	<u>445,922</u>	<u>331,652</u>
Total Funds		<u>2,523,456</u>	<u>2,231,387</u>	<u>2,280,065</u>	<u>1,898,215</u>

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

The notes on pages 17 to 31 form part of these accounts.

Approved and signed on behalf of the Board for issue on 7th November 2023 by:



Lauren Rabbatts



Christine White

**STATEMENT OF CASH FLOWS AND CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 MARCH 2023**

	Notes	Group 31st March 2023 £	31st March 2022 £	Charity 31st March 2023 £	31st March 2022 £
Cash used in operating activities	22	371,693	249,496	286,186	254,845
Cash flows from investing activities					
Interest income		11,176	9,457	11,176	9,457
Purchase of tangible fixed assets		(97,540)	(14,204)	-	(10,585)
Sale proceeds of tangible fixed assets		8,414	-	-	-
Cash provided by (used in) investing activities		(77,950)	(4,747)	11,176	(1,128)
Increase (decrease) in cash		293,743	244,749	297,362	253,717
Cash at the beginning of the year 1 April 2022		1,951,851	1,707,102	1,935,263	1,681,546
Cash at the end of the year 31 March 2023		<u>2,245,594</u>	<u>1,951,851</u>	<u>2,232,625</u>	<u>1,935,263</u>
Cash and cash equivalents consist of:					
Cash at bank and in hand		<u>2,245,594</u>	<u>1,951,851</u>	<u>2,232,625</u>	<u>1,935,263</u>

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023**

1 Accounting Policies**a) General information and basis of preparation**

Children and Families Limited is a charitable company limited by guarantee. In the event of the charity being wound up the liability in respect of the guarantee is limited to £10 per member of the charity.

The address of the registered office is Seashells, Rose Street, Sheerness, Kent ME12 1AW.

The nature of the charity's operation and principal activities are the advancement of the education of the public in the subject of childcare and parenting.

The financial statements 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), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

Children and Families Limited meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy.

The financial statements are prepared on a going concern basis under the historical cost convention, modified to include certain items at fair value. The trustees confirm their assumption that the charity is a going concern and no significant uncertainty exists in this respect.

The financial statements are presented in sterling which is the functional currency of the charity and rounded to the nearest £1.

The significant accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all years presented unless otherwise stated.

b) Volunteers

The charity relies heavily on its volunteers to allow it to carry out the wide variety of work that it does, across its diverse range of services.

The charity benefits greatly from the involvement and enthusiastic support of its volunteers. These include General Volunteers, Corporate Volunteers and our Trustees. In accordance with FRS 1032 and the Charities SORP (FRS 102), the economic contribution of volunteers is not included in the financial statements.

c) Income and Debtors

Income is recognised when the charity or its subsidiaries has entitlement to the funds, any performance conditions have been met or are fully in the control of the charity or its subsidiaries, there is a significant certainty that receipt is probable and the amount can be measured reliably. These resources represent fees receivable during the year, in addition to grants receivable from various organisations. Where gifts are received of goods and services these are included as donations received at their estimated market value.

Debtors are recognised at the settlement amount less any discount agreed. Prepayments are valued at the amount prepaid after taking into account any discounts.

d) Tangible Fixed Assets

Tangible fixed assets costing more than £500 are capitalised and included at cost including any incidental expenses of acquisition. Items donated for ongoing use by the charity in carrying out its activities are recognised as tangible fixed assets and the corresponding gain recognised as income from donations within the SOFA.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023

1 Accounting Policies (continued)

Depreciation is calculated so as to write off the cost of fixed assets over the expected useful economic lives of the assets concerned. The rates used are as follows:-

Leasehold improvements	Over the period of the Lease or 20% on Cost
Office equipment	20% on Cost
Computer equipment	33% on Cost
Craft and gardening equipment	20% on Cost
Motor Vehicles	25% on Cost

Freehold property is not depreciated as the residual value is estimated to be at least as much as the book value.

e) Investments

Investments comprise investments in subsidiaries which are measured at cost less impairment.

f) Expenditure and Creditors

Expenditure is recognised in the period in which they are incurred. Expenditure includes attributable VAT which cannot be recovered as the charity and one of its subsidiaries are not registered for VAT.

Charitable expenditure comprises those costs incurred by the charity in the delivery of its activities and services for its beneficiaries. It includes both costs that can be allocated directly to such activities and these costs of an indirect nature necessary to support them.

Governance costs includes those costs associated with meeting the constitutional and statutory requirements of the charity and include the audit fees and costs linked to the strategic management of the charity.

All costs are allocated between the expenditure categories of the Statement of Financial Activities on a basis designed to reflect the use of the resource.

Creditors and provisions are recognised at their settlement value less any discounts where the charity has a present obligation from a past event that will probably result in the transfer of funds to a third party and the amount can be measured reliably.

g) Fund Accounting

Unrestricted funds are incoming resources receivable or generated from the objects of the charity without further specified purpose and are available in general funds.

Designated funds are unrestricted funds ear marked by the Trustees for a particular purpose.

Restricted funds are to be used for specific purposes as laid down by the donor, expenditure which meets these criteria is charged to the fund, together with a transfer which represents an estimate of support costs and management and administration costs.

h) Operating leases

Lease payments under operating leases, where substantially all of the risks and benefits remain with the lessor, are charged as an expense in the period in which they are incurred.

i) Financial instruments

The charity has only basic financial instruments recognised at transaction value.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023****1 Accounting Policies (continued)****j) Pensions benefits**

All eligible employees of the company are automatically enrolled into the NEST defined contribution scheme. Employees are then able to exercise their right to opt out completely or to elect to have the company's contributions paid into their own personal pension plans provided their own scheme is approved by the Pensions Regulator. Employees contract directly with NEST or their own provider. The company pays the minimum contribution required by the Pensions Regulator and acts as agent for no charge in collecting and paying over employee pension contributions. Contributions are charged to the profit and loss account as they become payable in accordance with the rules of the relevant scheme. The charge for the year was £32,246 (2022: £30,922). The amount outstanding to pension providers at the year end was £6,699 (2022: £5,544).

k) Basis of consolidation

These financial statements consolidate the results of the charity and its wholly owned subsidiaries Children and Families Childcare Limited, FareShare Kent C.I.C. and Children and Families Children's Centres Limited on a line by line basis. A separate Statement of Financial Activities, or income & expenditure account, for the charity itself is not presented because the charity has taken advantage of the exemptions afforded by Section 408 of the Companies Act 2006. The net movement in funds for the charity was £381,850 (2022: £379,566).

Exemption from the requirement to disclose transactions between the charity and its subsidiary companies has been taken under Section 33.1A of FRS102 as the transactions occur between wholly owned members.

l) Judgements and key sources of estimation uncertainty

In the application of the charitable company's accounting policies, the trustees are required to make judgements, estimates and assumptions about the carrying values 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.

In the opinion of the trustees there are no sources of estimation uncertainty as at the reporting date that have a significant risk of causing a material adjustment to the carrying value of assets and liabilities in the next reporting period.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023**

2 Grants Receivable

	Unrestricted Funds £	Restricted Funds £	Total 2023 £	Total 2022 £
Ashford Borough Council	-	-	-	21,745
BAE Systems Limited	-	3,500	3,500	-
Children in Need	-	-	-	14,450
Community Fund	10,255	113,562	123,817	113,830
DEFRA	-	-	-	5,445
FareShare	93,296	66,858	160,154	133,388
Kent Community Foundation	-	3,000	3,000	4,460
Kent County Council	-	-	-	11,530
Maidstone Borough Council	-	-	-	30,000
Orchard Community	-	-	-	4,000
Power Partners	-	3,886	3,886	9,716
Sheerness Town Council	-	-	-	500
Swale Borough Council	1,499	246,699	248,198	60,989
UK Power Networks	-	5,830	5,830	-
	<u>105,050</u>	<u>443,335</u>	<u>548,385</u>	<u>410,053</u>

In 2022 income from grants receivable was £410,053 of which £309,940 was attributable to restricted income and £100,113 to unrestricted income.

3 Income and Expenditure of Trading Subsidiaries

The charity owns the whole of the issued share capital of Children and Families Childcare Limited. Company number 07600925. The results of this company are summarised below:

	2023 £	2022 £
Turnover	755,553	812,685
Direct costs	782,414	774,016
	<u>(26,861)</u>	<u>38,669</u>
Administrative expenses	26,472	20,885
Operating Profit	(53,333)	17,784
Distribution paid to charity under gift aid	<u>(15,523)</u>	<u>(160,338)</u>
Retained in subsidiary	<u>(68,856)</u>	<u>(142,554)</u>
	<u><u>(147,712)</u></u>	<u><u>(264,108)</u></u>
The aggregate of assets, liabilities and funds was:	2023 £	2022 £
Assets	49,641	135,847
Liabilities	97,551	114,901
	<u>(47,910)</u>	<u>20,946</u>
Represented by:		
Ordinary shares of £1 each	2	2
Profit and loss account	<u>(47,912)</u>	<u>20,944</u>
Total funds	<u>(47,910)</u>	<u>20,946</u>

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023**

3 Income and Expenditure of Trading Subsidiaries (continued)

The charity owns the whole of the issued share capital of FareShare Kent C.I.C. Company number 08659808. The results of this company are summarised below:

	2023 £	2022 £
Turnover	610,220	520,263
Direct costs	438,787	361,654
	<u>171,433</u>	<u>158,609</u>
Administrative expenses	6,896	4,822
Operating Profit	164,537	153,787
Distribution paid to charity under gift aid	<u>(201,504)</u>	<u>(134,618)</u>
Retained in subsidiary	<u>(36,967)</u>	<u>19,169</u>
The aggregate of assets, liabilities and funds was:	2023 £	2022 £
Assets	393,272	356,656
Liabilities	<u>135,130</u>	<u>61,547</u>
	<u>258,142</u>	<u>295,109</u>
Represented by:		
Ordinary shares of £1 each	100	100
Profit and loss account	<u>258,042</u>	<u>295,009</u>
Total funds	<u>258,142</u>	<u>295,109</u>

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023**

3 Income and Expenditure of Trading Subsidiaries (continued)

The charity owns the whole of the issued share capital of Children and Families Children's Centres Limited. Company number 08953232. The results of this company are summarised below:

	2023 £	2022 £
Turnover	326,501	254,815
Direct costs	273,567	208,627
	<u>52,934</u>	<u>46,188</u>
Administrative expenses	29,176	31,421
Operating Profit	23,758	14,767
Distribution paid to charity under gift aid	<u>(7,716)</u>	<u>-</u>
Retained in subsidiary	<u>16,042</u>	<u>14,767</u>
The aggregate of assets, liabilities and funds was:	2023 £	2022 £
Assets	53,039	40,561
Liabilities	<u>19,776</u>	<u>23,340</u>
	<u>33,263</u>	<u>17,221</u>
Represented by:		
Ordinary shares of £1 each	2	2
Profit and loss account	<u>33,261</u>	<u>17,219</u>
Total funds	<u>33,263</u>	<u>17,221</u>

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023**

4 Total Expenditure

Charitable activities Provision of children and family services	Unrestricted Funds	Restricted Funds	Total 2023	Total 2022
	£	£	£	£
Staff costs	995,247	191,727	1,186,974	1,202,888
Training and recruitment	8,424	100	8,524	15,757
Staff travel and subsistence	48,809	1,462	50,271	38,720
Activities, materials and consumables	28,717	250,459	279,176	79,042
Catering	12,433	203	12,636	6,573
Light and heat	39,687	-	39,687	26,181
Cleaning	26,569	-	26,569	18,953
Insurances	36,005	1,014	37,019	29,624
Rent and rates	53,455	22,344	75,799	60,669
Postage, printing and stationery	8,868	737	9,605	9,202
Telephone and internet charges	4,755	528	5,283	6,068
Repairs and renewals	59,273	802	60,075	86,232
Subscriptions	484	-	484	480
Depreciation	80,474	-	80,474	69,030
Loss on disposal of fixed assets	1,619	-	1,619	-
Support costs				
Staff costs	215,482	-	215,482	215,853
Training and recruitment	749	-	749	841
Staff travel and subsistence	(280)	297	17	21
Advertising	2,484	42	2,526	3,576
Postage, printing and stationery	3,637	-	3,637	2,551
Equipment hire and maintenance	16,400	2,560	18,960	19,028
Bad debts	619	-	619	783
Legal and professional	26,306	2,784	29,090	26,976
Sundry expenses	294	-	294	2,136
Bank charges	6,498	-	6,498	5,689
Governance costs				
Staff costs	12,598	-	12,598	12,077
Staff travel and subsistence	525	-	525	119
Courses and conferences	436	-	436	496
Subscriptions	-	-	-	-
Auditors' remuneration - audit of the financial statements	7,688	-	7,688	8,561
	<u>1,698,255</u>	<u>475,059</u>	<u>2,173,314</u>	<u>1,948,126</u>

In 2022 expenditure from charitable activities was £1,948,126 of which £345,765 was attributable to restricted expenditure and £1,602,361 to unrestricted expenditure.

The auditors' received no remuneration for non-audit and other services (2022: £Nil).

5 Trustee Emoluments

No Trustee has received any remuneration or benefits-in-kind nor been reimbursed for any expenses (2022: £Nil).

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023**

6 Information on Employees	Total 2023 £	Total 2022 £
Staff costs are made up as follows:-		
Wages and salaries	1,309,508	1,321,503
Social Security costs	73,300	78,393
Pension costs	32,246	30,922
	<u>1,415,054</u>	<u>1,430,818</u>

No retirement benefits were accruing for directors (2022: none).

The number of employees whose total emoluments amounted to over £60,000 in the year were as follows:

	Number	Number
£60,001 - £70,000	1	1

The average number of employees during the period calculated on the basis of headcount, was made up as follows:-

Provision of child and family services	62	68
Support and administration	15	13
	<u>77</u>	<u>81</u>

The key management personnel of the parent charity and the group comprise the trustees, the Chief Executive Officer, the Group Accountant, the Business Development Manager and the Children's Services Manager. The total employee benefits of the key management personnel were £214,336 (2022: £201,353).

7 Net Surplus for the Year	2023 £	2022 £
The net surplus for the year is stated after charging:-		
Operating leases - buildings	44,450	32,754
Depreciation of tangible fixed assets	80,474	69,030
Auditors remuneration	7,688	8,561

8 Taxation

The charity is considered to pass the tests set out in Paragraph 1 Schedule 6 of the Finance Act 2010 and therefore it meets the definition of a charitable company for UK income tax purposes. Accordingly, the charity is potentially exempt from taxation in respect of income or capital gains received within categories covered by Part 10 of the Income Tax Act 2007 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes. No tax charge has arisen in the year.

9 Legal status

Children and Families Limited is a company limited by guarantee. Every member undertakes to contribute such amounts as may be required, not exceeding £10 in the event of the company being wound up. The company has no share capital and is registered as a charity.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023**

10 Tangible Fixed Assets - Group	Freehold property	Leasehold improvements	Motor vehicles	Equipment	Total
	£	£	£	£	£
Cost					
As at 1 April 2022	185,560	335,630	113,678	312,702	947,570
Additions	-	-	96,606	934	97,540
Disposals	-	(4,800)	(24,078)	(34,480)	(63,358)
As at 31 March 2023	185,560	330,830	186,206	279,156	981,752
Depreciation					
As at 1 April 2022	-	121,147	55,942	249,106	426,195
Disposals	-	(4,800)	(14,045)	(34,480)	(53,325)
Charge for the year	-	7,894	45,022	27,558	80,474
As at 31 March 2023	-	124,241	86,919	242,184	453,344
Net Book Value					
As at 31 March 2023	185,560	206,589	99,287	36,972	528,408
As at 31 March 2022	185,560	214,483	57,736	63,596	521,375
10 Tangible Fixed Assets - Charity	Freehold property	Leasehold improvements	Motor vehicles	Equipment	Total
	£	£	£	£	£
Cost					
As at 1 April 2022	-	314,615	-	168,148	482,763
Additions	-	-	-	-	-
Disposals	-	(4,800)	-	(34,480)	(39,280)
As at 31 March 2023	-	309,815	-	133,668	443,483
Depreciation					
As at 1 April 2022	-	114,771	-	156,495	271,266
Disposals	-	(4,800)	-	(34,480)	(39,280)
Charge for the year	-	5,779	-	5,425	11,204
As at 31 March 2023	-	115,750	-	127,440	243,190
Net Book Value					
As at 31 March 2023	-	194,065	-	6,228	200,293
As at 31 March 2022	-	199,844	-	11,653	211,497
11 Fixed Asset Investments - Charity				2023 £	2022 £
Investment in group companies				104	104

The investment in group companies represents 100% shareholdings in Children and Families Childcare Limited, FareShare Kent C.I.C. and Children and Families Children's Centres Limited all incorporated in England and Wales.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023**

12 Debtors	Group		Charity	
	31st March 2023 £	31st March 2022 £	31st March 2023 £	31st March 2022 £
Trade debtors	49,289	41,384	4,591	1,314
Other debtors	26,074	16,732	5,565	4,384
Prepayments	41,241	30,928	18,768	16,769
	<u>116,604</u>	<u>89,044</u>	<u>28,924</u>	<u>22,467</u>

13 Creditors: Amounts falling due within one year	Group		Charity	
	31st March 2023 £	31st March 2022 £	31st March 2023 £	31st March 2022 £
Trade creditors	32,573	25,483	10,991	13,412
Amounts owed to group companies	-	-	138,615	223,062
Taxation and social security	21,014	19,386	6,645	8,644
Other creditors	38,606	74,844	8,928	11,049
Accruals & deferred income	201,067	146,287	16,702	14,949
	<u>293,260</u>	<u>266,000</u>	<u>181,881</u>	<u>271,116</u>

Unrestricted income relating to services that have not been provided at the balance sheet date are reported as a liability. As the service is delivered over time it is recognised as income in the SOFA.

14 Creditors: Amounts falling due after one year	Group		Charity	
	31st March 2023 £	31st March 2022 £	31st March 2023 £	31st March 2022 £
Deferred Grants	73,890	64,883	-	-

15 Deferred Income

Deferred income comprises government funding and grants received in advance at the end of the financial year.

	Group £	Charity £
Balance as at 1st April 2022	126,156	-
Amount received in year	216,926	-
Amount released to income earned from charitable activities	(152,348)	-
Balance as at 31 March 2023	<u>190,734</u>	<u>-</u>

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023**

16 Unrestricted Funds	Balance at 01 04 22 £	Income £	Expenditure £	Transfers £	Balance at 31 03 23 £
Designated funds:					
Building reserve fund	240,930	-	-	10,000	250,930
Redundancy reserve fund	151,901	-	-	(5,314)	146,587
Food poverty fund	424,307	-	-	164,536	588,843
General funds	<u>1,082,597</u>	<u>1,811,332</u>	<u>(1,698,255)</u>	<u>(104,500)</u>	<u>1,091,174</u>
	<u>1,899,735</u>	<u>1,811,332</u>	<u>(1,698,255)</u>	<u>64,722</u>	<u>2,077,534</u>
	Balance at 01 04 21 £	Income £	Expenditure £	Transfers £	Balance at 31 03 22 £
Designated funds:					
Building reserve fund	210,930	-	-	30,000	240,930
Redundancy reserve fund	136,421	-	-	15,480	151,901
Food poverty fund	270,520	-	-	153,787	424,307
General funds	<u>1,049,988</u>	<u>1,816,573</u>	<u>(1,602,361)</u>	<u>(181,603)</u>	<u>1,082,597</u>
	<u>1,667,859</u>	<u>1,816,573</u>	<u>(1,602,361)</u>	<u>17,664</u>	<u>1,899,735</u>

The building reserve fund is money set aside to cover possible major expenditure required on the charity's property.

The redundancy reserve fund is additional money put aside for Statutory Redundancy Pay for all applicable group employees at the balance sheet date.

The food poverty fund is money set aside to help ensure the future sustainability and growth of FareShare Kent and other food poverty related services.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023**

17 Restricted Funds	Balance at 01 04 22 £	Income £	Expenditure £	Transfers £	Balance at 31 03 23 £
West Area Energy Packs	-	4,523	(583)	-	3,940
Helping Hands	-	14,958	(13,386)	-	1,572
Household Support Fund	-	226,008	(226,012)	4	-
Reconnect	7,171	-	(7,171)	-	-
Power Partners	9,716	9,716	(17,120)	-	2,312
Orchard Community	4,000	-	(3,344)	-	656
Fuel and Water Swale BC	2,528	-	(2,171)	-	357
Imagination Library	3,882	284	(1,055)	-	3,111
FareShare Kent	-	64,929	-	(64,929)	-
Digital Inclusion Fund	569	-	(569)	-	-
Community Fund	-	113,562	(113,765)	203	-
Children and Young Peoples Fund	3,838	-	(3,838)	-	-
Family Foodbank	289,413	220,071	(75,510)	-	433,974
Early Childhood Development	10,535	-	(10,535)	-	-
	<u>331,652</u>	<u>654,051</u>	<u>(475,059)</u>	<u>(64,722)</u>	<u>445,922</u>
	Balance at 01 04 21 £	Income £	Expenditure £	Transfers £	Balance at 31 03 22 £
Reconnect	-	11,530	(4,463)	104	7,171
Awards for All	-	10,000	(4,518)	(5,482)	-
Power Partners	-	9,716	0	-	9,716
Swale Sisters	-	750	(750)	-	-
Orchard Community	-	4,000	0	-	4,000
Fuel and Water Swale BC	-	5,126	(2,598)	-	2,528
Imagination Library	4,500	495	(1,113)	-	3,882
FareShare Kent	-	41,920	(29,620)	(12,300)	-
Children in Need	-	14,450	(14,346)	(104)	-
Digital Inclusion Fund	-	4,997	(4,428)	-	569
Sheerness Town Council	-	500	(618)	118	-
Community Fund	43,091	103,830	(146,921)	-	-
Self Isolation Fund	-	10,000	(9,880)	(120)	-
Aquatots	962	-	(962)	-	-
Children and Young Peoples Fund	-	4,460	(622)	-	3,838
Family Foodbank	230,508	140,801	(82,016)	120	289,413
Early Childhood Development	-	39,916	(29,381)	-	10,535
Family Finance Worker	13,529	-	(13,529)	-	-
	<u>292,590</u>	<u>402,491</u>	<u>(345,765)</u>	<u>(17,664)</u>	<u>331,652</u>

West Area Energy Packs

Funding for energy saving packs to support people in the west area of Swale.

Helping Hands

Funding for utility saving measures such as winter warm packs and fuel and water efficiency packs to support people across Swale.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023**

17 Restricted Funds (continued)**Household Support Fund**

Funding to provide support to vulnerable households through the distribution of digital pre-paid cards to help with utility costs and though food support.

Reconnect

Funding provided by Kent County Council, spent on staff time and resources to support family events, helping families to reconnect with services.

Power Partners

Has supported us with a grant to enable us to employ a part time worker to support our fuel and water home advice service. This is enabling us to reach more households and provide them with practical advice, guidance and support to help them save energy and money on their utility costs.

Orchard Community

This funding will support the delivery of The Renewable Roadshow across Swale, where advice support on saving energy and water will be shared with vulnerable communities and packs containing energy and water saving products will be distributed.

Fuel and Water Swale BC

Funding provided for energy and water efficiency resources to be distributed to families by the Fuel & Water Home Adviser

Imagination Library

For families approaching eligibility for 'free for two', we undertake face to face book corner visits and enrol them onto the Imagination Library, through which they receive a free new children's book each month.

FareShare Kent

Fund received from FareShare UK and John Lewis & Partners for various projects in support of our food and employability work. The transfer against this project in the accounts shows the capitalisation of fixed assets purchased and funds granted for the future sustainability of FareShare Kent.

Digital Inclusion Fund

Funds provided by Swale Borough Council to purchase and configure six laptops, to support children from the Isle of Sheppey with their homework and parents with job searching, CV writing and to find volunteering or employment opportunities.

Community Fund

Funding received from the National Lottery for a project working with families, with a particular focus on community safety, early years education, health & wellbeing, community engagement and family finances.

Children and Young Peoples Fund

Funding for resources provided through KCF, to support the delivery and development of the Seashells Sensory Hub and garden areas.

Family Foodbank

The Family Food Bank gives food boxes to families in crisis identified by workers in the community. We're able to support families across Kent and Medway through approximately 80 distribution centres.

Early Childhood Development

Funding has enabled us to employ an Early Childhood Development Coordinator to focus on the health, wellbeing and development of young children, particularly within Sheerness.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023**

18 Analysis of Group Net Assets between Funds

	General Funds £	Designated Funds £	Restricted Funds £	Total £
Tangible fixed assets	528,408	-	-	528,408
Net current assets	636,656	986,360	445,922	2,068,938
Amounts falling due after one year	(73,890)	-	-	(73,890)
	<u>1,091,174</u>	<u>986,360</u>	<u>445,922</u>	<u>2,523,456</u>

19 Related Party Transactions

During the year Swale CVS, a charitable organisation managed by Christine White (Trustee), supplied consultancy services of £5,000 (2022: £5,000). This transaction was also carried out at arms length and had been paid for by the year end. Jim Duncan (Chief Executive) is also a Trustee of Swale CVS.

In the previous year to 31 March 2022, the charity contracted with J Rabbatts Electrical & Security, an entity controlled by the husband of Lauren Rabbatts (Chair of Trustees) for the purchase of CCTV systems for £4,540. These transactions were carried out at arms length and had been paid for by the year end.

There were no other related party transactions.

20 Revenue Commitments

At the period end the group was committed to making the following payments in respect of operating leases none of which related to the charity with expiry dates as follows:-

	2023 £	2022 £
Plant and Equipment		
Within one year	<u>1,558</u>	<u>2,596</u>
	2023 £	2022 £
Land and Buildings		
Due:		
Not later than one year	43,490	30,000
Later than one year not later than 5 years	184,935	120,000
Later than five years	<u>28,125</u>	<u>58,125</u>
	<u>256,550</u>	<u>208,125</u>

21 Capital Commitments

	2023 £	2022 £
Contracted but not provided for	-	75,990

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023**

22 Reconciliation of Net Movement in Funds to Net Cash Flow from Operating Activities

	Group		Charity	
	31st March	31st March	31st March	31st March
	2023	2022	2023	2022
	£	£	£	£
Net movement in funds	292,069	270,938	157,107	84,600
Add back depreciation charge and loss on disposal	82,093	69,030	11,204	13,656
Distributions paid to charity under gift aid	-	-	224,743	294,956
Deduct interest income	(11,176)	(9,457)	(11,176)	(9,457)
Decrease (increase) in debtors	(27,560)	44,381	(6,457)	7,516
Increase (decrease) in short term creditors	27,260	(78,297)	(89,235)	(136,426)
Increase (decrease) in long term creditors	9,007	(47,099)	-	-
Net cash used in operating activities	371,693	249,496	286,186	254,845

CHILDREN AND FAMILIES LIMITED

England & Wales - Charity number 1115459

Accounts

CHILDREN AND FAMILIES LIMITED

(A COMPANY LIMITED BY GUARANTEE)

TRUSTEES' ANNUAL REPORT AND GROUP FINANCIAL STATEMENTS

FOR THE PERIOD FROM THE 1 APRIL 2021 TO THE 31 MARCH 2022

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CHILDREN AND FAMILIES LIMITED 2021/22**REFERENCE AND ADMINISTRATIVE DETAILS****Charity Name**

Children and Families Limited

Charity Number

1115459

Company Number

04615904

Registered Office and Principal Address

Children and Families Limited

Seashells

Rose Street

Sheerness

Kent

ME12 1AW

Trustees/ Directors

C White

JC Bromiley (retired 13/7/21)

DJ Buckett

L Rabbatts

GJ Ratcliffe

Company Secretary

J Duncan

Senior Staff Members

J Duncan

JW Payne

I Townsend-Blazier

KA Townsend-Blazier

Bankers

National Westminster Bank PLC

National Westminster House

37 Old Dover Road

Canterbury

Kent

CT1 3JB

Auditors

Kreston Reeves

Chartered Accountants

Montague Place

Quayside

Chatham Maritime

Chatham

Kent

ME4 4QU

CHILDREN AND FAMILIES LIMITED 2021/22

The trustees are pleased to present their annual report together with the consolidated financial statements of the charity and its subsidiaries for the year ending the 31 March 2022 which are also prepared to meet the requirements for a directors' report and accounts for Companies Act purposes.

The financial statements comply with the Charities Act 2011, the Companies Act 2006, the Memorandum and Articles of Association, and Accounting and Reporting by charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102).

OBJECTIVES AND ACTIVITIES

In setting our objectives and planning our activities we have given careful consideration to the Charity Commission's general guidance on public benefit. The trustees confirm that to the best of their ability they have consistently complied with their duty to have due regard to this guidance in exercising their powers and duties.

Our charitable objects are to advance the education of the public in the subject of childcare and parenting to ensure that children can: i) be healthy; ii) stay safe; iii) enjoy and achieve; iv) make a positive contribution; and v) achieve economic well-being. We seek to develop the capacity and skills of the members of the socially and economically disadvantaged community of Kent in such a way that they are better able to identify and help meet their needs and to participate more fully in society. We seek to promote general charitable purposes for the benefit of the community of Kent and the surrounding area and to provide relief from financial hardship and social and/or economic disadvantage and to advance the education of its residents of all ages and in particular to provide opportunities for the aforementioned residents to participate fully in the life of their community in ways which address and alleviate social and economic disadvantage. We also pursue the relief of unemployment for the benefit of the public in such ways as may be thought fit, including assistance to find employment.

In pursuit of our objects we have undertaken a number of activities particularly with disadvantaged communities in Kent for public benefit. This includes the delivery of registered early education and childcare, where we have worked with parents to help them, help their children to develop and thrive. We have also provided children's centre services to children and families, supporting parents of young children to keep them healthy, safe and to help them with their early learning. We have supported the delivery of other services to the community by hosting health visiting, midwifery and other important community services with a family focus. We have delivered parenting programmes such as the Solihull Approach and family support to those in need, including fuel and water advice and family financial support, helping families to manage their finances better and maximise their income to help reduce the impact of child poverty. We have provided volunteering and training opportunities, especially to parents and particularly in support of those wishing to get back into employment. Our Family Food Bank has also provided emergency food boxes to many vulnerable families across the county who have experienced financial hardship in times of crisis. Our Kent Community Pantry service has supported three hundred members with weekly food support in Ashford and Sheerness. We have also supported over one hundred and sixty charities and community organisations across Kent with surplus food through FareShare Kent, preventing waste and helping them to feed their beneficiaries.

CHILDREN AND FAMILIES LIMITED 2021/22**ACHIEVEMENTS AND PERFORMANCE**

The Coronavirus pandemic continued to have a significant but reduced impact with the end of the final lockdown. During the year we have been through a process of recovery and re-building of services. Having placed some services onto a virtual footing at the outset of the pandemic, seen reduced numbers at others and a very significant increase in our food work, 2021/22 represented a concerted move back towards pre-pandemic conditions.

We responded quickly to all changes in government guidance and adapted our operations accordingly to optimise our impact. As ever, our staff teams within each of our major areas of operation demonstrated flexibility and commitment towards making the changes needed.

Our three principle service areas were all affected differently by the pandemic but each did what was necessary to ensure as much continuity and support as possible for our beneficiaries.

Our child and family support services targeting child poverty including the Family Food Bank, the Family Finance Project, You Make the Difference and our Children's Centre services all began the process of moving back towards face to face delivery in March and April 2021. These services helped over 38,000 family members (>36,000 in 2021) in Kent with food, welfare & money management advice, early education, wellbeing and other family support services. This was a record achievement again for us and an increase on the number supported in the previous year. Our support is targeted at those families with the youngest children where child poverty is often most highly concentrated and where we believe we can have the greatest impact on ensuring children are given the best opportunities in life.

Both nurseries remained open for the whole year, providing continuity for families. Work continued to ensure that our nurseries remained COVID Secure, with government guidance carefully followed to ensure that our system of controls minimised the risk to children, parents and staff. Beyond the baseline guidance we continued with our additional measures to help keep everyone as safe as possible.

Seashells continued to remain open throughout the year, ensuring that essential services including Health Visiting, Midwifery, Children's Social Care, Seashells Nursery and the Family Food Bank were able to operate during the whole year continuously. Seashells children's centre and related family support services were also able to return to face to face working with families from April 2021, in line with government guidance. This was ahead of many other similar services and demand proved to be extremely strong, with families travelling from across Kent in some cases to make use of these services. We also launched Swale Sisters during the year as an extension to our fuel and water work, to support communities with free eco-friendly feminine hygiene and sanitary products. Much work went into ensuring that the building remained COVID Secure with increased numbers of staff using the premises and we continued to make good use of our Radic8 air sterilisation system. We continued to work with Swale Borough Council, to support local families on Sheppey in particular those who were self-isolating, with food and wrap-around support where needed.

The Family Food Bank delivered over 7,000 food boxes (>12,000 boxes in 2021) to families in crisis across Kent and Medway. These food boxes represent over 100 tonnes of food, providing nearly a quarter of a million meals. Demand for food boxes reduced during the year but we were able to extend our reach across most of Kent and Medway with c.50 distribution centres now in place.

CHILDREN AND FAMILIES LIMITED 2021/22

FareShare Kent our largest food focussed service, experienced a similar level of reduced activity during the year compared with the first year of the pandemic. This was mainly due to reduced donations of food and other support in the year that saw us still deliver over 800 tonnes of food (+1,200 tonnes in 2021). However, this was still approximately double the tonnage of food shipped to charities in the pre-pandemic year 2019/20. Our food helped add social value to over 160 charities and community organisations, providing them with nearly 2 million meals. This was achieved with support from a volunteer team that dedicated over 24,000 hours of their time to our cause during the year.

Our newest service that was initially launched with support from the National Lottery also proved itself sustainable during the year. Kent Community Pantry continued to provide weekly food support for a low membership fee to the equivalent of 300 single memberships, to disadvantaged communities within Ashford and Swale. Both schemes are fully subscribed and we hope expand further across Kent in the future.

Our achievements have only been possible due to the dedication of our staff and volunteer teams and all those organisations and individuals who have supported our work over the last year. Our sincere thanks to these organisations for wanting to help us to help and support the children and families we have worked with over the last year.

FINANCIAL REVIEW

The Trustees are reporting a 2022 surplus of £270,938 (2021: surplus of £722,201). All areas of our operation made a surplus with FareShare Kent making the most significant contribution. The majority of these funds are restricted or designated to be spent on ensuring the future sustainability and growth of operations. The financial KPIs that the Trustees monitor are as follows: i) the level of debtors; ii) the level of the general free reserve.

Reserves Policy

The total reserves at the period end were £2,231,387 of which £331,652 were restricted funds leaving £1,899,735 available for general purposes of the charity.

Of these the charity has designated funds of a building reserve of £240,930, a redundancy fund of £151,901 and a food poverty reserve of £424,307. This leaves general funds of £1,082,597. Of this sum, £521,375 is invested in fixed assets and are only available to the trustees should they be sold, leaving a general free reserve of £561,222.

In the Trustees' view, the charity's reserves should provide it with adequate financial stability and the means for it to meet its charitable objectives for the foreseeable future. The Trustees have therefore decided to maintain funds as follows:

Designated Building Reserve Fund (2022: £240,930) – This fund will be held for essential future expenditure on the charity's property and in particular the Seashells building. The fund will be increased by an amount of not less than £10,000 annually in any year that the group makes an unrestricted surplus.

CHILDREN AND FAMILIES LIMITED 2021/22

Designated Redundancy Reserve Fund (2022: £151,901) – This fund will be calculated annually to ensure funds are available to meet any redundancy liabilities in the event of the organisation being wound up.

Designated Food Poverty Reserve Fund (2022: £424,307) – This fund will be set aside using surplus funds generated by FareShare Kent, to help ensure the future sustainability and growth of FareShare Kent and other food related services.

General Free Reserve Fund (2022: £561,222) – This fund will be held to ensure the future stability and sustainability of operations during any periods of unforeseen difficulty. The Trustees will aim to maintain this fund at 3 to 6 months of annual turnover.

Risk Management

The Board of Directors meets at least four times a year and receives financial, performance, risk and activity reports. Operations are insured and include but are not limited to: Employers Liability, Public Liability, Professional Indemnity, Directors Indemnity, Buildings and Legal Expenses. In addition, we contract for the provision of health and safety and employment law advice.

The principle risks identified by the Board on the 1st February 2022 included: i) sustained deficit financial performance ii) increased competition in the early years market. We annually review and record our risks in a Risk Register, assessing their probability, impact and the means by which we can mitigate against them. We also undertake regular risk assessments for our activities, including ones that support our response to the coronavirus pandemic.

Plans for Future Periods

We will continue to look for ways to grow the number of families and charities we're able to support. We will be looking to do so in ways that ensures the safety of all staff and service users from coronavirus remains our highest priority. We will also continue to adapt our services and how they are targeted, to ensure that we're able to respond effectively to changing needs as the cost of living crisis continues to unfold.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Governing Document and Constitution

Children & Families Limited is a not for profit company limited by guarantee that was formed on the 12th December 2002 and was registered as a charity with the Charity Commission on the 20th July 2006. The charity is governed by its Memorandum & Articles of Association and managed by its Board of Directors who are also the Trustees as defined by Section 97 of the Charities Act 1993. The Board has overall control of the charity.

Trustee Appointment

One director/trustee retired and none were appointed during the period. Any person legally entitled and willing to act as a Company Director and Trustee may be appointed to the Board and all applications are duly considered and agreed by the Board in the best interests of the charity. The Company Secretary inducts new Trustees into the charity and also informs them of suitable training opportunities that will support them in their role as a Trustee.

CHILDREN AND FAMILIES LIMITED 2021/22**Organisational Structure**

The Board of Directors has four members with equal rights under the Memorandum and Articles of Association. Children & Families Limited is the charitable parent company of three wholly owned subsidiary companies. The subsidiaries are Children & Families Childcare Ltd, Children & Families Children's Centres Ltd and FareShare Kent CIC. As parent of the subsidiaries, Children & Families Limited is a Corporate Director of each and appoints two natural persons from its Board to serve as Directors on each. The Company Secretary and Chief Executive Officer of Children & Families Limited also acts in these roles for each of the subsidiaries. The Board of Directors meets quarterly and sets the strategic direction and policy of the charity and group of companies under its control.

Pay Policy for Senior Staff

The board of Trustees aim to pay senior staff a fair salary that is competitive within the charity sector and proportionate to the complexity of each role. The Trustees are responsible in line with our charitable objectives based on the principle staff are paid an appropriate salary to attract and retain people with the leadership, experience, knowledge and skills required to lead the group.

Child Protection

As a children's charity the protection of children is our paramount concern. We have strict and comprehensive safeguarding and child protection policies, procedures and mechanisms in place to protect children from harm. We employ safe recruitment practices and ensure thorough vetting of staff including the use of enhanced DBS disclosures. Staff are trained in child protection awareness and are supported by Designated Safeguarding Leads who ensure the safety of children within services. We audit these measures internally each year and from time to time, engage external consultants to audit these as well for additional assurance.

STATEMENT OF TRUSTEES RESPONSIBILITIES

The charity trustees (who are also directors of Children and Families Limited for the purposes of company law) are responsible for preparing the trustee's annual 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 the group and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that period. 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;
- state whether applicable UK accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- 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 proper accounting records that disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that

CHILDREN AND FAMILIES LIMITED 2021/22

the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charity and the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The trustees are responsible for the maintenance and integrity of the corporate and financial information included on the charitable company's website. Legislation in the United Kingdom governing their preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Statement of Disclosure of Information to our Auditors

In so far as the trustees are aware at the time of approving our trustees' annual report:

- there is no relevant information, being information needed by the auditor in connection with preparing their report, of which the group's auditor is unaware, and
- the trustees, having made enquiries of fellow directors and the group's auditor that they ought to have individually taken, have each taken all steps that he/she is obliged to take as a director in order to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

By order of the board of trustees

Auditors

Kreston Reeves were re-appointed as the charity's auditors during the year and have expressed their willingness to continue in that capacity.

Small Company Exemptions

This report has been prepared in accordance with the special provisions relating to small companies within Part 415A of the Companies Act 2006.

Approved by the Board and signed on its behalf by:



L Rabbatts - Chair

Date: 7th December 2022

Independent auditor's report to the members of Children and Families Limited

We have audited the financial statements of Children and Families Limited (the 'parent charitable company') and its subsidiaries (the 'group') for the year ended 31 March 2022 which comprise the Consolidated statement of financial activities, the Consolidated balance sheet, the Charity balance sheet, the Consolidated statement of cash flows and the related notes, 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 Group's and of the parent charitable company's affairs as at 31 March 2022 and of the Group's incoming resources and application of resources, including its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006 and the Charities Act 2011.

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 Group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the United Kingdom, including the Financial Reporting Council'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 Group's or the parent 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.

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, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinion on other matters prescribed by the Companies Act 2006

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

- the information given in the Trustees' report for the financial year for which the financial statements are prepared is consistent with the financial statements.
- the Trustees' report has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of our 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.

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

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

Responsibilities of trustees

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

In preparing the financial statements, the Trustees are responsible for assessing the Group's and the parent 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 Group or the parent 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. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

Capability of the audit in detecting irregularities, including fraud

The objectives of our audit are to identify and assess the risks of material misstatement of the financial statements due to fraud or error; to obtain sufficient appropriate audit evidence regarding the assessed risks of material misstatement due to fraud or error; and to respond appropriately to those risks.

Based on our understanding of the charity and sector, and through discussion with the Trustees and other management (as required by auditing standards), we identified that the principal risks of non-compliance with laws and regulations related to health and safety, anti-bribery and employment law. We considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the preparation of the financial statements such as the Companies Act 2006, taxation and pension legislation. We communicated identified laws and regulations throughout our team and remained alert to any indications of non-compliance throughout the audit. We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls), and determined that the principal risks were related to posting inappropriate journal entries to increase revenue or reduce expenditure and management bias in accounting estimates and judgemental areas of the financial statements. Audit procedures performed by the engagement team included:

- Discussions with management and assessment of known or suspected instances of non-compliance with laws and regulations and fraud; and
- Challenging assumptions and judgements made by management in its significant accounting estimates; and
- Performing analytical procedures to identify any unusual or unexpected relationships, including related party transactions, that may indicate risks of material misstatement due to fraud; and
- Confirmation of related parties with management, and review of transactions throughout the period to identify any previously undisclosed transactions with related parties outside the normal course of business; and
- Review of significant and unusual transactions and evaluation of the underlying financial rationale supporting the transactions; and
- Identifying and testing journal entries, in particular any manual entries made at the year end for financial statement preparation.

There are inherent limitations in the audit procedures described above and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we would become aware of it. Also, the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion.

As part of an audit in accordance with ISAs (UK), we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion of the effectiveness of the charitable company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Trustees.
- Conclude on the appropriateness of the Trustees' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the charitable company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in my Auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of my Auditor's report. However, future events or conditions may cause the charitable company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the Group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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, and to the charitable company's trustees, as a body, Part 4 of the Charities (Accounts and Reports) Regulations 2008. 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 Auditor's 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 its members, as a body, for our audit work, for this report, or for the opinions we have formed.



Susan Robinson BA FCA FCIE DChA MCMI (Senior statutory auditor)

For and on behalf of

Kreston Reeves LLP

Chartered Accountants

Statutory Auditor

Chatham Maritime

Date: 16 December 2022

GROUP STATEMENT OF FINANCIAL ACTIVITIES (incorporating an Income and Expenditure Account)
FOR THE YEAR ENDED 31 MARCH 2022

	Notes	Unrestricted Funds	Restricted Funds	Total 2022	Total 2021
		£	£	£	£
INCOME					
Donations		650	76,617	77,267	162,863
Income from charitable activities					
Grants receivable	2	100,113	309,940	410,053	911,070
Fees receivable		1,410,660	15,439	1,426,099	1,319,123
Rent and service charges receivable		211,020	-	211,020	93,251
Other income		84,673	495	85,168	22,477
Investment income		9,457	-	9,457	5,910
Total Income		<u>1,816,573</u>	<u>402,491</u>	<u>2,219,064</u>	<u>2,514,694</u>
EXPENDITURE					
Expenditure on charitable activities	4	<u>1,602,361</u>	<u>345,765</u>	<u>1,948,126</u>	<u>1,792,483</u>
Total Expenditure		<u>1,602,361</u>	<u>345,765</u>	<u>1,948,126</u>	<u>1,792,483</u>
Net income for the year		214,212	56,726	270,938	722,211
Gross transfers between funds	15 & 16	<u>17,664</u>	<u>(17,664)</u>	-	-
Net Movement in Funds		231,876	39,062	270,938	722,211
Reconciliation of funds					
Total funds brought forward		<u>1,667,859</u>	<u>292,590</u>	<u>1,960,449</u>	<u>1,238,248</u>
Total funds carried forward		<u>1,899,735</u>	<u>331,652</u>	<u>2,231,387</u>	<u>1,960,459</u>

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

BALANCE SHEETS
AS AT 31 MARCH 2022

	Notes	Group 31st March 2022 £	31st March 2021 £	Charity 31st March 2022 £	31st March 2021 £
Non Current Assets					
Tangible Fixed Assets	10	521,375	576,201	211,497	214,568
Investments	10	-	-	104	104
Secured loan	10	-	-	-	-
		<u>521,375</u>	<u>576,201</u>	<u>211,601</u>	<u>214,672</u>
Current Assets					
Debtors	11	89,044	133,425	22,467	29,983
Cash at bank and in hand		<u>1,951,851</u>	<u>1,707,102</u>	<u>1,935,263</u>	<u>1,681,546</u>
		2,040,895	1,840,527	1,957,730	1,711,529
Creditors: Amounts falling due within one year	12	<u>266,000</u>	<u>344,297</u>	<u>271,116</u>	<u>407,542</u>
Net Current Assets		1,774,895	1,496,230	1,686,614	1,303,987
Total assets less current liabilities		<u>2,296,270</u>	<u>2,072,431</u>	<u>1,898,215</u>	<u>1,518,659</u>
Creditors: Amounts falling due after one year	13	64,883	111,982	-	-
Net Assets		<u>2,231,387</u>	<u>1,960,449</u>	<u>1,898,215</u>	<u>1,518,659</u>
Represented by:-					
Funds					
Unrestricted	15	1,899,735	1,667,859	1,566,563	1,226,069
Restricted	16	<u>331,652</u>	<u>292,590</u>	<u>331,652</u>	<u>292,590</u>
Total Funds		<u>2,231,387</u>	<u>1,960,449</u>	<u>1,898,215</u>	<u>1,518,659</u>

The notes on pages 17 to 30 form part of these accounts.

Approved and signed on behalf of the Board for issue on 7th December 2022 by:



Lauren Rabbatts



Christine White

**STATEMENT OF CASH FLOWS AND CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 MARCH 2022**

	Notes	Group 31st March 2022 £	31st March 2021 £	Charity 31st March 2022 £	31st March 2021 £
Cash used in operating activities	21	249,496	847,570	254,845	502,987
Cash flows from investing activities					
Interest income		9,457	5,910	9,457	16,720
Purchase of tangible fixed assets		(14,204)	(114,193)	(10,585)	(13,942)
Sale proceeds of tangible fixed assets			1,249		
Loan repaid by subsidiary					235,000
Cash provided by (used in) investing activities		(4,747)	(107,034)	(1,128)	237,778
Increase (decrease) in cash		244,749	740,536	253,717	740,765
Cash at the beginning of the year 1 April 2020		1,707,102	966,566	1,681,546	940,781
Cash at the end of the year 31 March 2021		1,951,851	1,707,102	1,935,263	1,681,546
Cash and cash equivalents consist of:					
Cash at bank and in hand		1,951,851	1,707,102	1,935,263	1,681,546

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2022

1 Accounting Policies

a) General information and basis of preparation

Children and Families Limited is a charitable company limited by guarantee. In the event of the charity being wound up the liability in respect of the guarantee is limited to £10 per member of the charity.

The address of the registered office is Seashells, Rose Street, Sheerness, Kent ME12 1AW.

The nature of the charity's operation and principal activities are the advancement of the education of the public in the subject of childcare and parenting.

The financial statements 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), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

Children and Families Limited meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy.

The financial statements are prepared on a going concern basis under the historical cost convention, modified to include certain items at fair value. The financial statements are presented in sterling which is the functional currency of the charity and rounded to the nearest £1.

The significant accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all years presented unless otherwise stated.

b) Incoming Resources and Debtors

Incoming resources are recognised when the charity or its subsidiaries has entitlement to the funds, any performance conditions have been met or are fully in the control of the charity or its subsidiaries, there is a significant certainty that receipt is probable and the amount can be measured reliably. These resources represent fees receivable during the year, in addition to grants receivable from various organisations. Where gifts are received of goods and services these are included as donations received at their estimated market value.

Debtors are recognised at the settlement amount less any discount agreed. Prepayments are valued at the amount prepaid after taking into account any discounts.

c) Fixed Assets

Tangible fixed assets costing more than £500 are capitalised and included at cost including any incidental expenses of acquisition. Items donated for ongoing use by the charity in carrying out its activities are recognised as tangible fixed assets and the corresponding gain recognised as income from donations within the SOFA.

Depreciation is calculated so as to write off the cost of fixed assets over the expected useful economic lives of the assets concerned. The rates used are as follows:-

Leasehold improvements	Over the period of the Lease or 20% on Cost
Office equipment	20% on Cost
Computer equipment	33% on Cost
Craft and gardening equipment	20% on Cost
Motor Vehicles	25% on Cost

Freehold property is not depreciated as the residual value is estimated to be at least as much as the book value.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022**

1 Accounting Policies (continued)**d) Resources Expended and Creditors**

Resources expended are recognised in the period in which they are incurred. Resources expended include attributable VAT which cannot be recovered as the Company and one of its subsidiaries are not registered for VAT.

Charitable expenditure comprises those costs incurred by the charity in the delivery of its activities and services for its beneficiaries. It includes both costs that can be allocated directly to such activities and these costs of an indirect nature necessary to support them.

Governance costs includes those costs associated with meeting the constitutional and statutory requirements of the charity and include the audit fees and costs linked to the strategic management of the charity.

All costs are allocated between the expenditure categories of the Statement of Financial Activities on a basis designed to reflect the use of the resource.

Creditors and provisions are recognised at their settlement value less any discounts where the charity has a present obligation from a past event that will probably result in the transfer of funds to a third party and the amount can be measured reliably.

e) Fund Accounting

Unrestricted funds are incoming resources receivable or generated from the objects of the charity without further specified purpose and are available in general funds.

Designated funds are unrestricted funds ear marked by the Trustees for a particular purpose.

Restricted funds are to be used for specific purposes as laid down by the donor, expenditure which meets these criteria is charged to the fund, together with a transfer which represents an estimate of support costs and management and administration costs.

f) Operating leases

Lease payments under operating leases, where substantially all of the risks and benefits remain with the lessor, are charged as an expense in the period in which they are incurred.

g) Financial instruments

The charity has only basic financial instruments recognised at transaction value.

h) Pensions benefits

All eligible employees of the company are automatically enrolled into the NEST defined contribution scheme. Employees are then able to exercise their right to opt out completely or to elect to have the company's contributions paid into their own personal pension plans provided their own scheme is approved by the Pensions Regulator. Employees contract directly with NEST or their own provider. The company pays the minimum contribution required by the Pensions Regulator and acts as agent for no charge in collecting and paying over employee pension contributions. Contributions are charged to the profit and loss account as they become payable in accordance with the rules of the relevant scheme. The charge for the year was £30,922 (2021: £26,694). The amount outstanding to pension providers at the year end was £5,544 (2021: £5,365).

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022**

1 Accounting Policies (continued)

i) Basis of consolidation

These financial statements consolidate the results of the charity and its wholly owned subsidiaries Children and Families Childcare Limited, FareShare Kent C.I.C. and Children and Families Children's Centres Limited on a line by line basis. A separate Statement of Financial Activities, or income & expenditure account, for the charity itself is not presented because the charity has taken advantage of the exemptions afforded by Section 408 of the Companies Act 2006 and SORP 2015. The net movement in funds for the charity was £379,566 (2021: £387,499).

2 Grants Receivable

	Unrestricted Funds £	Restricted Funds £	Total 2022 £	Total 2021 £
A&E Katzauer Trust	-	-	-	4,744
Ashford Borough Council	3,000	18,745	21,745	30,500
BAE Systems Limited	-	-	-	3,500
Boughton Aluph Parish Council	-	-	-	5,000
Charles River Limited	-	-	-	4,000
Children in Need	-	14,450	14,450	19,423
Colyer Ferguson	-	-	-	5,000
Community Fund	-	113,830	113,830	129,377
Community Covid-19 Fund	-	-	-	77,521
Countryside Properties Limited	-	-	-	7,000
DEFRA	5,445	-	5,445	20,332
East Kent Freemasons	-	-	-	10,000
FareShare	91,468	41,920	133,388	321,821
Golding Homes Limited	-	-	-	750
Groundwork UK	-	-	-	849
HMRC Job Retention Scheme	-	-	-	166,126
Kent Community Foundation	-	4,460	4,460	23,734
Kent County Council	-	11,530	11,530	15,000
Kite Packaging Limited	-	-	-	1,000
Maidstone Borough Council	-	30,000	30,000	-
Orchard Community	-	4,000	4,000	5,000
Power Partners	-	9,716	9,716	-
Sheerness Town Council	-	500	500	2,000
STA International Limited	-	-	-	2,000
Swale Borough Council	200	60,789	60,989	56,393
	<u>100,113</u>	<u>309,940</u>	<u>410,053</u>	<u>911,070</u>

In 2021 income from grants receivable was £911,070 of which £700,763 was attributable to restricted income and £210,307 to unrestricted income.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022**

3 Income and Expenditure of Trading Subsidiaries

The charity owns the whole of the issued share capital of Children and Families Childcare Limited. The results of this company are summarised below:

	2022	2021
Turnover	812,685	834,757
Direct costs	774,016	662,316
	<u>38,669</u>	<u>172,441</u>
Administrative expenses	20,885	11,000
Operating Profit	17,784	161,441
Distribution paid to parent charity under gift aid	<u>(160,338)</u>	<u>(97,598)</u>
Retained in subsidiary	<u>(142,554)</u>	<u>63,843</u>
	<u><u>2022</u></u>	<u><u>2021</u></u>
The aggregate of assets, liabilities and funds was:	<u>£</u>	<u>£</u>
Assets	135,847	247,767
Liabilities	<u>114,901</u>	<u>84,267</u>
	<u>20,946</u>	<u>163,500</u>
Represented by:		
Ordinary shares of £1 each	2	2
Profit and loss account	<u>20,944</u>	<u>163,498</u>
Total funds	<u>20,946</u>	<u>163,500</u>

The charity owns the whole of the issued share capital of FareShare Kent C.I.C. The results of this company are summarised below:

	2022	2021
	<u>£</u>	<u>£</u>
Turnover	520,263	663,551
Direct costs	361,654	375,851
	<u>158,609</u>	<u>287,700</u>
Administrative expenses	4,822	17,180
Operating Profit	153,787	270,520
Distribution paid to parent charity under gift aid	<u>(134,618)</u>	<u>-</u>
Retained in subsidiary	<u>19,169</u>	<u>270,520</u>

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022**

3 Income and Expenditure of Trading Subsidiaries (continued)

The aggregate of assets, liabilities and funds was:	2022 £	2021 £
Assets	356,656	424,052
Liabilities	61,547	148,112
	<u>295,109</u>	<u>275,940</u>
Represented by:		
Ordinary shares of £1 each	100	100
Profit and loss account	<u>295,009</u>	<u>275,840</u>
Total funds	<u>295,109</u>	<u>275,940</u>

The charity owns the whole of the issued share capital of Children and Families Children's Centres Limited.
The results of this company are summarised below:

	2022 £	2021 £
Turnover	254,815	226,291
Direct costs	208,627	197,824
	<u>46,188</u>	<u>28,467</u>
Administrative expenses	<u>31,421</u>	<u>28,128</u>
Retained in subsidiary	<u>14,767</u>	<u>339</u>
The aggregate of assets, liabilities and funds was:	2022 £	2021 £
Assets	40,561	53,020
Liabilities	23,340	50,566
	<u>17,221</u>	<u>2,454</u>
Represented by:		
Ordinary shares of £1 each	2	2
Profit and loss account	<u>17,219</u>	<u>2,452</u>
Total funds	<u>17,221</u>	<u>2,454</u>

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022**

4 Total Resources Expended

Charitable activities Provision of children and family services	Unrestricted Funds	Restricted Funds	Total 2022	Total 2021
	£	£	£	£
Grants payable	-	-	-	181,278
Staff costs	955,314	247,574	1,202,888	992,084
Training and recruitment	9,217	6,540	15,757	6,562
Staff travel and subsistence	36,484	2,236	38,720	27,265
Activities, materials and consumables	36,036	43,006	79,042	72,699
Catering	6,529	44	6,573	2,525
Light and heat	26,181	-	26,181	21,286
Cleaning	18,953	-	18,953	17,576
Insurances	29,111	513	29,624	27,833
Rent and rates	42,771	17,898	60,669	58,013
Postage, printing and stationery	8,902	300	9,202	6,269
Telephone and internet charges	4,868	1,200	6,068	8,526
Repairs and renewals	74,147	12,085	86,232	49,257
Subscriptions	480	-	480	480
Depreciation	69,030	-	69,030	57,709
Loss on disposal of fixed assets	-	-	-	2,028
Support costs				
Staff costs	215,817	36	215,853	206,499
Training and recruitment	841	-	841	362
Staff travel and subsistence	21	-	21	8
Advertising	3,576	-	3,576	2,329
Postage, printing and stationery	2,551	-	2,551	2,880
Equipment hire and maintenance	14,865	4,163	19,028	15,946
Bad debts	783	-	783	2,478
Legal and professional	16,822	10,154	26,976	6,987
Sundry expenses	2,136	-	2,136	903
Bank charges	5,673	16	5,689	3,281
Governance costs				
Staff costs	12,077	-	12,077	11,301
Staff travel and subsistence	119	-	119	4
Courses and conferences	496	-	496	-
Subscriptions	-	-	-	-
Auditors' remuneration - audit of the financial statements	8,561	-	8,561	8,115
	<u>1,602,361</u>	<u>345,765</u>	<u>1,948,126</u>	<u>1,792,483</u>

In 2021 expenditure from charitable activities was £1,792,493 of which £500,929 was attributable to restricted expenditure and £1,509,429 to unrestricted expenditure.

The auditors' received no remuneration for non-audit and other services (2021: £Nil).

5 Trustee Emoluments

No Trustee has received any remuneration nor been reimbursed for any expenses (2021: £Nil).

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022**
6 Information on Employees

	Total 2022 £	Total 2021 £
Staff costs are made up as follows:-		
Wages and salaries	1,321,503	1,107,596
Redundancy costs	-	7,898
Social Security costs	78,393	67,696
Pension costs	30,922	26,694
	<u>1,430,818</u>	<u>1,209,884</u>

No retirement benefits were accruing for directors (2021: none).

The number of employees whose total emoluments amounted to over £60,000 in the year were as follows:

	Number	Number
£60,001 - £70,000	1	1

The average number of employees during the period calculated on the basis of headcount, was made up as follows:-

Provision of child and family services	68	56
Support and administration	13	11
Governance	-	-
	<u>81</u>	<u>67</u>

The key management personnel of the parent charity and the group comprise the trustees, the Chief Executive Officer, the Group Accountant, the Business Development Manager and the Children's Services Manager. The total employee benefits of the key management personnel were £201,353 (2021: £201,489).

7 Net Surplus for the Year

	2022 £	2021 £
The net surplus for the year is stated after charging:-		
Operating leases - buildings	32,754	37,542
Depreciation of tangible fixed assets	69,030	57,709
Auditors remuneration	8,561	8,115
	<u>110,345</u>	<u>103,366</u>

8 Taxation

As a Registered Charity, the company is exempt from liability to taxation on its income.

9 Legal status

Children and Families Limited is a company limited by guarantee. Every member undertakes to contribute such amounts as may be required, not exceeding £10 in the event of the company being wound up. The company has no share capital and is registered as a charity.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022**

10 Tangible Fixed Assets - Group	Freehold property	Leasehold improvements	Motor vehicles	Equipment	Total
	£	£	£	£	£
Cost					
As at 1 April 2021	185,560	325,045	113,678	310,958	935,241
Additions	-	10,585	-	3,619	14,204
Disposals		-		(1,875)	(1,875)
As at 31 March 2022	185,560	335,630	113,678	312,702	947,570
Depreciation					
As at 1 April 2021	-	113,482	27,522	218,036	359,040
Disposals	-	-		(1,875)	(1,875)
Charge for the year	-	7,665	28,420	32,945	69,030
As at 31 March 2022	-	121,147	55,942	249,106	426,195
Net Book Value					
As at 31 March 2022	185,560	214,483	57,736	63,596	521,375
As at 31 March 2021	185,560	211,563	86,156	92,922	576,201
10 Tangible Fixed Assets - Charity	Freehold property	Leasehold improvements	Motor vehicles	Equipment	Total
	£	£	£	£	£
Cost					
As at 1 April 2021	-	304,030	-	168,148	472,178
Additions	-	10,585	-	-	10,585
Disposals	-	-	-	-	-
As at 31 March 2022	-	314,615	-	168,148	482,763
Depreciation					
As at 1 April 2021	-	109,221	-	148,389	257,610
Disposals	-	-	-	-	0
Charge for the year	-	5,550	-	8,106	13,656
As at 31 March 2022	-	114,771	-	156,495	271,266
Net Book Value					
As at 31 March 2022	-	199,844	-	11,653	211,497
As at 31 March 2021	-	194,809	-	19,759	214,568
10 Fixed Asset Investments - Charity				2022	2021
				£	£
Investment in group companies				104	104

The investment in group companies represents 100% shareholdings in Children and Families Childcare Limited, FareShare Kent C.I.C. and Children and Families Children's Centres Limited all incorporated in England and Wales.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022**

11 Debtors	Group		Charity	
	31st March 2022 £	31st March 2021 £	31st March 2022 £	31st March 2021 £
Trade debtors	41,384	51,663	1,314	10,782
Amount owed by group company	-	-	-	-
Other debtors	16,732	51,464	4,384	2,000
Prepayments	30,928	30,298	16,769	17,201
	<u>89,044</u>	<u>133,425</u>	<u>22,467</u>	<u>29,983</u>

12 Creditors: Amounts falling due within one year	Group		Charity	
	31st March 2022 £	31st March 2021 £	31st March 2022 £	31st March 2021 £
Trade creditors	25,483	64,044	13,412	26,018
Amounts owed to group companies	-	-	223,062	341,995
Taxation and social security	19,386	18,466	8,644	7,841
Other creditors	74,844	48,536	11,049	14,154
Accruals & deferred income	146,287	213,251	14,949	17,534
	<u>266,000</u>	<u>344,297</u>	<u>271,116</u>	<u>407,542</u>

Unrestricted incoming resources relating to services that have not been provided at the balance sheet date are reported as a liability. As the service is delivered over time it is recognised as incoming resources in the SOFA.

13 Creditors: Amounts falling due after one year	Group		Charity	
	31st March 2022 £	31st March 2021 £	31st March 2022 £	31st March 2021 £
Deferred Grants	64,883	111,982	-	-

14 Deferred Income

Deferred income comprises government funding and grants received in advance at the end of the financial year.

	Group £	Charity £
Balance as at 1st April 2021	228,402	-
Amount received in year	39,852	-
Amount released to income earned from charitable activities	(142,098)	-
Balance as at 31 March 2022	<u>126,156</u>	<u>-</u>

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022**

15 Unrestricted Funds	Balance at 01 04 21 £	Incoming Resources £	Outgoing Resources £	Transfers £	Balance at 31 03 22 £
Designated funds:					
Building reserve fund	210,930	-	-	30,000	240,930
Redundancy reserve fund	136,421	-	-	15,480	151,901
Food poverty fund	270,520	-	-	153,787	424,307
General funds	<u>1,049,988</u>	<u>1,816,573</u>	<u>(1,602,361)</u>	<u>(181,603)</u>	<u>1,082,597</u>
	<u>1,667,859</u>	<u>1,816,573</u>	<u>(1,602,361)</u>	<u>17,664</u>	<u>1,899,735</u>
	Balance at 01 04 20 £	Incoming Resources £	Outgoing Resources £	Transfers £	Balance at 31 03 21 £
Designated funds:					
Building reserve fund	160,930	-	-	50,000	210,930
Redundancy reserve fund	117,781	-	-	18,640	136,421
Food poverty fund	-	-	-	270,520	270,520
General funds	<u>860,926</u>	<u>1,836,545</u>	<u>(1,509,429)</u>	<u>(138,054)</u>	<u>1,049,988</u>
	<u>1,139,637</u>	<u>1,836,545</u>	<u>(1,509,429)</u>	<u>201,106</u>	<u>1,667,859</u>

The building reserve fund is money set aside to cover possible major expenditure required on the charity's property.

The redundancy reserve fund is additional money put aside for Statutory Redundancy Pay for all applicable group employees at the balance sheet date.

The food poverty fund is money set aside to help ensure the future sustainability and growth of FareShare Kent and other food poverty related services.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022**

16 Restricted Funds	Balance at 01 04 21 £	Incoming Resources £	Outgoing Resources £	Transfers £	Balance at 31 03 22 £
Reconnect	-	11,530	(4,463)	104	7,171
Awards for All	-	10,000	(4,518)	(5,482)	-
Power Partners	-	9,716	-	-	9,716
Swale Sisters	-	750	(750)	-	-
Orchard Community	-	4,000	-	-	4,000
Fuel and Water Swale BC	-	5,126	(2,598)	-	2,528
Imagination Library	4,500	495	(1,113)	-	3,882
FareShare Kent	-	41,920	(29,620)	(12,300)	-
Children in Need	-	14,450	(14,346)	(104)	-
Digital Inclusion Fund	-	4,997	(4,428)	-	569
Sheerness Town Council	-	500	(618)	118	-
Community Fund	43,091	103,830	(146,921)	-	-
Self Isolation Fund	-	10,000	(9,880)	(120)	-
Aquatots	962	-	(962)	-	-
Children and Young Peoples Fund	-	4,460	(622)	-	3,838
Family Foodbank	230,508	140,801	(82,016)	120	289,413
Early Childhood Development	-	39,916	(29,381)	-	10,535
Family Finance Worker	13,529	-	(13,529)	-	-
	<u>292,590</u>	<u>402,491</u>	<u>(345,765)</u>	<u>(17,664)</u>	<u>331,652</u>
	Balance at 01 04 20 £	Incoming Resources £	Outgoing Resources £	Transfers £	Balance at 31 03 21 £
Imagination Library	5,007	-	(507)	-	4,500
FareShare Kent	-	316,821	(167,523)	(149,298)	-
Family Foodbank	21,714	311,946	(73,775)	(29,377)	230,508
KCF Resilience Fund	0	9,594	0	(9,594)	-
Family Finance Worker	31,129	-	(17,600)	-	13,529
Swale BC Member Grants	1,200	2,850	(3,923)	(127)	-
Everybody Talks	7,162	-	(7,162)	-	-
Swale BC Community Hub	-	10,000	(12,327)	2,327	-
Aquatots	962	-	-	-	962
Swale BC Winter Fund	-	7,500	(7,511)	11	-
Kids @ Christmas	-	5,750	(5,762)	12	-
Children in Need	-	19,423	(19,423)	0	-
Smoking in Pregnancy	-	4,050	(250)	(3,800)	-
Festive Display Grant	-	78,703	(67,443)	(11,260)	-
Community Fund	31,437	129,377	(117,723)	-	43,091
	<u>98,611</u>	<u>896,014</u>	<u>(500,929)</u>	<u>(201,106)</u>	<u>292,590</u>

Reconnect

Funding provided by Kent County Council, spent on staff time and resources to support family events, helping families to reconnect with services.

Awards for All

Funds received to install a new security alarm system and re-level the block paving in the car park at Seashells. The transfer of £5,482 represents the capitalisation of the alarm system purchased and installed.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022**

16 Restricted Funds (continued)**Power Partners**

Has supported us with a grant to enable us to employ a part time worker to support our fuel and water home advice service. This is enabling us to reach more households and provide them with practical advice, guidance and support to help them save energy and money on their utility costs.

Swale Sisters

Swale Sisters is a project providing free sustainable and eco-friendly sanitary products across Swale. Funding from Swale Borough Council has supported this work by enabling us to purchase additional feminine hygiene product for distribution in the community.

Orchard Community

This funding will support the delivery of The Renewable Roadshow across Swale, where advice support on saving energy and water will be shared with vulnerable communities and packs containing energy and water saving products will be distributed.

Fuel and Water Swale BC

Funding provided for energy and water efficiency resources to be distributed to families by the Fuel & Water Home Adviser.

Imagination Library

For families approaching eligibility for 'free for two', we undertake virtual book corner visits and enrol them onto the Imagination Library, through which they receive a free new children's book each month.

FareShare Kent

Fund received from FareShare UK, the National Lottery and John Lewis Partnership for various projects in support of our food and employability work. The transfer of £12,300 represents funds to be defrayed in the following financial year.

Children in Need

Funding supporting the Sensory Hub service from Seashells, reaching out to families and the community, to support young children's early learning and development.

Digital Inclusion Fund

Funds provided by Swale Borough Council to purchase and configure six laptops, to support children from the Isle of Sheppey with their homework and parents with job searching, CV writing and to find volunteering or employment opportunities.

Sheerness Town Council

Funding provided to support the purchase of new wipeable chairs for Seashells, to support groups and activities.

Community Fund

Funding received from the National Lottery for a project working with families, with a particular focus on community safety, early years education, health & wellbeing and community engagement.

Self Isolation Fund

Funding provided to support staff time and food boxes for schools across the Isle of Sheppey, to support their families.

Aquatots

An important project for children living on an island surrounded by water, to help them gain confidence in the water and bond with their parents at this swimming pool focussed parent and child group.

Children and Young Peoples Fund

Funding for resources provided through KCF, to support the delivery and development of the Seashells Sensory hub.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022**

16 Restricted Funds (continued)

Family Foodbank

The Family Food Bank gives food boxes to families in crisis identified by workers in the community. We're able to support families across Kent and Medway through approximately fifty distribution centres now.

Early Childhood Development

Funding has enabled us to employ an Early Childhood Development Coordinator to focus on the health, wellbeing and development of young children, particularly within Sheerness.

Family Finance Worker

Providing one to one money management support and welfare benefits advice to vulnerable and struggling families across Swale.

17 Analysis of Group Net Assets between Funds

	General Funds £	Designated Funds £	Restricted Funds £	Total £
Tangible fixed assets	521,375	-	-	521,375
Net current assets	626,105	817,138	331,652	1,774,895
Amounts falling due after one year	(64,883)	-	-	(64,883)
	<u>1,082,597</u>	<u>817,138</u>	<u>331,652</u>	<u>2,231,387</u>

18 Related Party Transactions

During the year the charity contracted with J Rabbatts Electrical & Security, an entity controlled by the husband of Lauren Rabbatts (Chair of Trustees) for the purchase of CCTV systems for £4,540. These transactions were carried out at arms length and had been paid for by the year end.

Also during the year Swale CVS, a charitable organisation managed by Christine White (Trustee), supplied consultancy services of £5,000. This transaction was also carried out at arms length and had been paid for by the year end. Jim Duncan (Chief Executive) is also a Trustee of Swale CVS.

There were no other related party transactions.

19 Revenue Commitments

At the period end the group was committed to making the following payments in respect of operating leases none of which related to the charity with expiry dates as follows:-

	2022 £	2021 £
Plant and Equipment		
Within one year	2,596	3,116
Within two to five years	-	2,596
	<u>2,596</u>	<u>5,712</u>

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022**

19 Revenue Commitments (continued)

	2022	2021
	£	£
Land and Buildings		
Due:		
Not later than one year	30,000	36,150
Later than one year not later than 5 years	120,000	120,000
Later than five years	58,125	88,125
	<u>208,125</u>	<u>244,275</u>

20 Capital Commitments

	2022	2021
	£	£
Contracted but not provided for	75,990	-
	<u>75,990</u>	<u>-</u>

21 Reconciliation of Net Movement in Funds to Net Cash Flow from Operating Activities

	Group		Charity	
	31st March	31st March	31st March	31st March
	2022	2021	2022	2021
	£	£	£	£
Net movement in funds	270,938	722,201	84,600	289,901
Add back depreciation charge and loss on disposal	69,030	59,737	13,656	13,843
Dividends received	-	-	294,956	97,598
Deduct interest income	(9,457)	(5,910)	(9,457)	(16,720)
Decrease (increase) in debtors	44,381	(64,396)	7,516	(12,294)
Increase (decrease) in short term creditors	(78,297)	111,100	(136,426)	130,659
Increase (decrease) in long term creditors	(47,099)	24,838	-	-
Net cash used in operating activities	<u>249,496</u>	<u>847,570</u>	<u>254,845</u>	<u>502,987</u>

CHILDREN AND FAMILIES LIMITED

England & Wales - Charity number 1115459

Accounts

CHILDREN AND FAMILIES LIMITED

(A COMPANY LIMITED BY GUARANTEE)

TRUSTEES' ANNUAL REPORT AND GROUP FINANCIAL STATEMENTS

FOR THE PERIOD FROM THE 1 APRIL 2020 TO THE 31 MARCH 2021

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CHILDREN AND FAMILIES LIMITED 2020/21**REFERENCE AND ADMINISTRATIVE DETAILS****Charity Name**

Children and Families Limited

Charity Number

1115459

Company Number

04615904

Registered Office and Principal Address

Children and Families Limited

Seashells

Rose Street

Sheerness

Kent

ME12 1AW

Trustees/ Directors

C White

JC Bromiley (Resigned 13th July 2021)

DJ Buckett

L Anning

GJ Ratcliffe

Company Secretary

J Duncan

Senior Staff Members

J Duncan

JW Payne

I Townsend-Blazier

Bankers

National Westminster Bank PLC

National Westminster House

37 Old Dover Road

Canterbury

Kent

CT1 3JB

Auditors

Kreston Reeves

Chartered Accountants

Montague Place

Quayside

Chatham Maritime

Chatham

Kent

ME4 4QU

CHILDREN AND FAMILIES LIMITED 2020/21

The trustees are pleased to present their annual report together with the consolidated financial statements of the charity and its subsidiaries for the year ending the 31 March 2021 which are also prepared to meet the requirements for a directors' report and accounts for Companies Act purposes.

The financial statements comply with the Charities Act 2011, the Companies Act 2006, the Memorandum and Articles of Association, and Accounting and Reporting by charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102).

OBJECTIVES AND ACTIVITIES

In setting our objectives and planning our activities we have given careful consideration to the Charity Commission's general guidance on public benefit. The trustees confirm that to the best of their ability they have consistently complied with their duty to have due regard to this guidance in exercising their powers and duties.

Our charitable objects are to advance the education of the public in the subject of childcare and parenting to ensure that children can: i) be healthy; ii) stay safe; iii) enjoy and achieve; iv) make a positive contribution; and v) achieve economic well-being. We seek to develop the capacity and skills of the members of the socially and economically disadvantaged community of Kent in such a way that they are better able to identify and help meet their needs and to participate more fully in society. We seek to promote general charitable purposes for the benefit of the community of Kent and the surrounding area and to provide relief from financial hardship and social and/or economic disadvantage and to advance the education of its residents of all ages and in particular to provide opportunities for the aforementioned residents to participate fully in the life of their community in ways which address and alleviate social and economic disadvantage. We also pursue the relief of unemployment for the benefit of the public in such ways as may be thought fit, including assistance to find employment.

In pursuit of our objects we have undertaken a number of activities particularly with disadvantaged communities in Kent for public benefit. This includes the delivery of high quality, registered early education and childcare, where we have worked with parents to help them, help their children to develop and thrive. We have also provided children's centre services to children and families, supporting parents of young children to keep them healthy, safe and to help them with their early learning. We have supported the delivery of other services to the community by hosting health visiting, midwifery and other important community services with a family focus. We have delivered parenting programmes such as the Solihull Approach and family support to those in need, especially family financial support, helping families to manage their finances better and maximise their income to help reduce the impact of child poverty. We have provided volunteering and training opportunities, especially to parents and particularly in support of those wishing to get back into employment. Our Family Food Bank has also provided emergency food boxes to many vulnerable families across the county who have experienced financial hardship in times of crisis. We have supported nearly two hundred charities and community organisations across Kent with surplus food through FareShare Kent.

CHILDREN AND FAMILIES LIMITED 2020/21**ACHIEVEMENTS AND PERFORMANCE**

The Coronavirus pandemic has had an unprecedented impact in modern times, creating huge challenges for our beneficiaries and for the way in which we deliver our services. Despite this, we were able to rapidly adapt, extend and expand where needed and reach new delivery records. Our three principle service areas were all affected differently by the pandemic but each did what was necessary to ensure as much continuity and additionality as possible for our beneficiaries. This was only possible thanks to the commitment and flexibility of our staff teams, who showed great resilience, dedication and adaptation throughout.

Our child and family support services targeting child poverty including the Family Food Bank, the Family Finance Project, You Make the Difference and our Children's Centre services had to transform how they operated over the year. These services helped over 36,000 family members (17,130 in 2020) in Kent with food, welfare & money management advice, early education, wellbeing and other family support services. This was a record achievement for us and more than double the number supported in the previous year. This support is targeted at those families with the youngest children where child poverty is often most highly concentrated and where we believe we can have the greatest impact on ensuring children are given the best opportunities in life.

With the exception of Rising Stars Nursery that closed for a few weeks as numbers were too low to open, our nurseries remained open throughout the year supporting vulnerable and key worker children during the first lockdown. A huge amount of work went into ensuring that our nurseries remained COVID Secure, with government guidance carefully followed to ensure that our system of controls minimised the risk to children, parents and staff. Beyond the baseline guidance we also went further, introducing weekly disinfectant fogging and Radic8 air sterilisation units. We welcomed back all children at the earliest opportunity and have continued to re-grow these services as parental confidence has grown and children have slowly returned. Staff at our nurseries worked very much on the frontline of the pandemic, in close proximity with young children. Working in the early years is a vocation, never has this been more clearly demonstrated by the selflessness shown by our nursery staff during this year.

Seashells remained open throughout the year, ensuring that essential services including Health Visiting, Midwifery, Children's Social Care, Seashells Nursery and the Family Food Bank were able to operate during the whole year without intermission. As with the nurseries, much work went into ensuring that the building was COVID Secure, our staff presence on site was reduced to the greatest extent possible via home working and we also introduced the Radic8 air sterilisation system on site. Ahead of the first lockdown, Seashells planned to deliver those face to face services that couldn't continue through Seashells Virtual Children's Centre. This launched on day one of the first lockdown, ensuring as much continuity and stability for families as possible, during what was a very difficult time. Staff were rapidly redeployed to work from home to deliver the Virtual Children's Centre and it quickly took off, with its post reach eventually surpassing 250,000 by the end of the year. Seashells Virtual Children's Centre has received recognition from far and wide, including from Kent County Council who continue to promote it on their website to families across the county. An exceptional achievement from an exceptional team of people dedicated to making Seashells the best it can be for our families.

Seashells was also approached by Swale Borough Council during the first lockdown to help ensure that the vulnerable shielding community received government emergency food supplies, asking us to act

CHILDREN AND FAMILIES LIMITED 2020/21

as the community hub for the Isle of Sheppey. We were pleased to be able to support this work for our local community and supported over 1,000 shielding and vulnerable Sheppey residents with food.

Separate to this, our major emergency food service, the Family Food Bank almost tripled its output during the year, delivering over 12,000 food boxes (4,393 boxes 2020) to families in crisis across Kent. These food boxes represent over 170 tonnes of food distributed, providing over 400,000 meals. This was only possible thanks to the rapid reconfiguration of our distribution network of partners away from KCC Children's Centres that closed, towards KCC Children's Social Care teams and charities that continued to work directly with families during the pandemic. Our staff and volunteers also showed great flexibility and adaptability, re-deploying to deliver many food boxes directly to people's homes when and where necessary, seven days per week.

FareShare Kent our largest food poverty focussed service, experienced a major expansion of its operations during the year. Having only just moved into a larger warehouse a year earlier, the volume of food we were working with this year was so great that we would have struggled enormously, without the very generous support of Ashford Borough Council who made several additional warehouse units available to us. Their support, alongside that of other major contributors including: Tesco, Asda, DEFRA and many others, helped us to almost triple our output during the year, delivering over 1,200 tonnes of food (431 tonnes 2020) to 230 charities and community organisations in Kent. This is a 179% increase in food shipped compared to the previous period. This is estimated to have provided over 2.8 million meals for the beneficiaries of those organisations and couldn't have been achieved without over 30,000 hours of volunteer time donated by our incredible volunteer team. The staff team, as was the case across the rest of our organisation, went above and beyond, stretching themselves and our operation to meet the huge demand from the charities we supported, achieving more than we had thought possible only a year earlier.

Lastly, we launched a new service during the year with support from the National Lottery. Kent Community Pantry launched in Ashford during October and Swale in February. Both schemes were free initially and have since introduced a membership fee for future sustainability. For £3.50 per week people receive £10-£15 of food for as long as they wish to remain members. We have targeted areas of disadvantage in the hope that it will help reduce the need for food banks and have attracted 100-150 members at each scheme so far.

As mentioned at the beginning, our achievements this year have only been possible because of the incredible dedication of our staff teams. It has also only been possible, thanks to the many organisations from the public, private and voluntary sectors who supported our work this year, so a special thanks should also go to Tesco, Asda, DEFRA, Swale Borough Council, Ashford Borough Council, Medway Council, Kent County Council, The National Lottery, Kent Community Foundation, FareShare UK, East Kent Freemasons, Colyer Fergusson, Children in Need and BAE Systems to name a few.

CHILDREN AND FAMILIES LIMITED 2020/21**FINANCIAL REVIEW**

The Trustees are reporting a 2021 surplus of £722,201 (2020: surplus of £195,653). The surplus is due to very significantly increased activity within our food poverty operations, whilst we also encountered reduced expenditure within our childcare operations both due to the pandemic. The majority of these funds are restricted or designated to be spent on ensuring the sustainability of FareShare Kent and our food poverty work. The financial KPIs that the Trustees monitor are as follows: i) the level of debtors; ii) the level of the general free reserve.

Reserves Policy

The total reserves at the period end were £1,966,026 of which £292,590 were restricted funds leaving £1,673,436 available for general purposes of the charity.

Of these the charity has designated funds for a building reserve of £210,930, a redundancy fund of £136,421 and a food poverty reserve of £270,520. This leaves general funds of £1,049,988. Of this sum, £576,201 is invested in fixed assets and are only available to the trustees should they be sold, leaving a general free reserve of £473,787.

In the Trustees' view, the charity's reserves should provide it with adequate financial stability and the means for it to meet its charitable objectives for the foreseeable future. The Trustees have therefore decided to maintain funds as follows:

Designated Building Reserve Fund (2021: £210,930) – This fund will be held for essential future expenditure on the charity's property and in particular the Seashells building. The fund will be increased by an amount of not less than £10,000 annually in any year that the group makes an unrestricted surplus.

Designated Redundancy Reserve Fund (2021: £136,421) – This fund will be calculated annually to ensure funds are available to meet any redundancy liabilities in the event of the organisation being wound up.

Designated Food Poverty Reserve Fund (2021: £270,520) – This fund will be set aside using surplus funds generated by FareShare Kent, to help ensure the future sustainability and growth of FareShare Kent and other food poverty related services.

General Free Reserve Fund (2021: £473,787) – This fund will be held to ensure the future stability and sustainability of operations during any periods of unforeseen difficulty. The Trustees will aim to maintain this fund at 3 to 6 months of annual turnover.

Risk Management

The Board of Directors meets at least four times a year and receives financial, performance, risk and activity reports. Operations are insured and include but are not limited to: Employers Liability, Public Liability, Professional Indemnity, Directors Indemnity, Buildings and Legal Expenses. In addition, we contract for the provision of health and safety and employment law advice.

The principle risks identified by the Board on the 2nd February included: i) the coronavirus pandemic ii) sustained deficit financial performance. We annually review and record our risks in a Risk Register,

CHILDREN AND FAMILIES LIMITED 2020/21

assessing their probability, impact and the means by which we can mitigate against them. We also undertake regular risk assessments for our activities, including ones that support our response to the coronavirus pandemic.

Plans for Future Periods

Our work expanded considerably in 2020/21 and we will continue to look for ways to grow the number of families and charities we're able to support. We will be looking to do so in ways that ensures the safety of all staff and service users from coronavirus remains our highest priority and will continue to integrate our virtual offer, with our face to face offer. We will also continue to adapt our services and how they are targeted, to ensure that we're able to respond effectively to changing needs as the pandemic and its economic consequences unfold. We expect the additional food that has been made available by the food industry and the government to significantly reduce from the levels seen at the height of the pandemic. However, FareShare UK have indicated to us that we should plan to receive year on year food increases of c.30% from our pre-pandemic position and to plan accordingly. We are also looking to increase the employability work we do, linked to our food poverty work, as we see an increasing need here in the future. In accordance with this, we will review our current premises solution in Ashford to determine whether the time has come to expand again.

STRUCTURE, GOVERNANCE AND MANAGEMENT**Governing Document and Constitution**

Children & Families Limited is a not for profit company limited by guarantee that was formed on the 12th December 2002 and was registered as a charity with the Charity Commission on the 20th July 2006. The charity is governed by its Memorandum & Articles of Association and managed by its Board of Directors who are also the Trustees as defined by Section 97 of the Charities Act 1993. The Board has overall control of the charity.

Trustee Appointment

No Directors/Trustees were appointed or retired during the period. Any person legally entitled and willing to act as a Company Director and Trustee may be appointed to the Board and all applications are duly considered and agreed by the Board in the best interests of the charity. The Company Secretary inducts new Trustees into the charity and also informs them of suitable training opportunities that will support them in their role as a Trustee.

Organisational Structure

The Board of Directors has five members with equal rights under the Memorandum and Articles of Association. Children & Families Limited is the charitable parent company of three wholly owned subsidiary companies. The subsidiaries are Children & Families Childcare Ltd, Children & Families Children's Centres Ltd and FareShare Kent CIC. As parent of the subsidiaries, Children & Families Limited is a Corporate Director of each and appoints two natural persons from its Board to serve as Directors on each. The Company Secretary and Chief Executive Officer of Children & Families Limited also acts in these roles for each of the subsidiaries. The Board of Directors meets quarterly and sets the strategic direction and policy of the charity and group of companies under its control.

CHILDREN AND FAMILIES LIMITED 2020/21**Pay Policy for Senior Staff**

The board of Trustees aim to pay senior staff a fair salary that is competitive within the charity sector and proportionate to the complexity of each role. The Trustees are responsible in line with our charitable objectives based on the principle staff are paid an appropriate salary to attract and retain people with the leadership, experience, knowledge and skills required to lead the group.

Child Protection

As a children's charity the protection of children is our paramount concern. We have strict and comprehensive safeguarding and child protection policies, procedures and mechanisms in place to protect children from harm. We employ safe recruitment practices and ensure thorough vetting of staff including the use of enhanced DBS disclosures. Staff are trained in child protection awareness and are supported by Designated Safeguarding Leads who ensure the safety of children within services. We audit these measures internally each year and from time to time, engage external consultants to audit these as well for additional assurance.

STATEMENT OF TRUSTEES RESPONSIBILITIES

The charity trustees (who are also directors of Children and Families Limited for the purposes of company law) are responsible for preparing the trustee's annual 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 the group and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that period. 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;
- state whether applicable UK accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- 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 proper 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 charity and the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The trustees are responsible for the maintenance and integrity of the corporate and financial information included on the charitable company's website. Legislation in the United Kingdom governing their preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

CHILDREN AND FAMILIES LIMITED 2020/21

Statement of Disclosure of Information to our Auditors

In so far as the trustees are aware at the time of approving our trustees' annual report:

- there is no relevant information, being information needed by the auditor in connection with preparing their report, of which the group's auditor is unaware, and
- the trustees, having made enquiries of fellow directors and the group's auditor that they ought to have individually taken, have each taken all steps that he/she is obliged to take as a director in order to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

By order of the board of trustees

Auditors

Kreston Reeves were re-appointed as the charity's auditors during the year and have expressed their willingness to continue in that capacity.

Small Company Exemptions

This report has been prepared in accordance with the special provisions relating to small companies within Part 415A of the Companies Act 2006.

Approved by the Board and signed on its behalf by:

A handwritten signature in dark ink, appearing to be 'L Anning', written in a cursive style.

L Anning - Chair

Date: 9th November 2021

Independent auditor's report to the members of Children and Families Limited

We have audited the financial statements of Children and Families Limited (the 'parent charitable company') and its subsidiaries (the 'group') for the year ended 31 March 2021 which comprise the Consolidated statement of financial activities, the Consolidated balance sheet, the Charity balance sheet, the Consolidated statement of cash flows and the related notes, 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 Group's and of the parent charitable company's affairs as at 31 March 2021 and of the Group's incoming resources and application of resources, including its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006 and the Charities Act 2011.

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 Group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the United Kingdom, including the Financial Reporting Council'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 Group's or the parent 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.

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, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinion on other matters prescribed by the Companies Act 2006

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

- the information given in the Trustees' report for the financial year for which the financial statements are prepared is consistent with the financial statements.
- the Trustees' report has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of our 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.

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

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

Responsibilities of trustees

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

In preparing the financial statements, the Trustees are responsible for assessing the Group's and the parent 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 Group or the parent 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. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

Capability of the audit in detecting irregularities, including fraud

The objectives of our audit are to identify and assess the risks of material misstatement of the financial statements due to fraud or error; to obtain sufficient appropriate audit evidence regarding the assessed risks of material misstatement due to fraud or error; and to respond appropriately to those risks.

Based on our understanding of the charity and sector, and through discussion with the Trustees and other management (as required by auditing standards), we identified that the principal risks of non-compliance with laws and regulations related to health and safety, anti-bribery and employment law. We considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the preparation of the financial statements such as the Companies Act 2006, taxation and pension legislation. We communicated identified laws and regulations throughout our team and remained alert to any indications of non-compliance throughout the audit. We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls), and determined that the principal risks were related to posting inappropriate journal entries to increase revenue or reduce expenditure and management bias in accounting estimates and judgemental areas of the financial statements. Audit procedures performed by the engagement team included:

- Discussions with management and assessment of known or suspected instances of non-compliance with laws and regulations and fraud; and
- Challenging assumptions and judgements made by management in its significant accounting estimates; and
- Performing analytical procedures to identify any unusual or unexpected relationships, including related party transactions, that may indicate risks of material misstatement due to fraud; and
- Confirmation of related parties with management, and review of transactions throughout the period to identify any previously undisclosed transactions with related parties outside the normal course of business; and
- Review of significant and unusual transactions and evaluation of the underlying financial rationale supporting the transactions; and
- Identifying and testing journal entries, in particular any manual entries made at the year end for financial statement preparation.

There are inherent limitations in the audit procedures described above and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we would become aware of it. Also, the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion.

As part of an audit in accordance with ISAs (UK), we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion of the effectiveness of the charitable company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Trustees.
- Conclude on the appropriateness of the Trustees' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the charitable company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in my Auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of my Auditor's report. However, future events or conditions may cause the charitable company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the Group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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, and to the charitable company's trustees, as a body, Part 4 of the Charities (Accounts and Reports) Regulations 2008. 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 Auditor's 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 its members, as a body, for our audit work, for this report, or for the opinions we have formed.

A handwritten signature in dark ink, appearing to read "Kreston Reeves LLP", is written over the printed name of Susan Robinson.

Susan Robinson BA FCA FCIE DChA MCMI (Senior statutory auditor)

For and on behalf of

Kreston Reeves LLP

Chartered Accountants

Statutory Auditor

Chatham Maritime

Date: 15 November 2021

GROUP STATEMENT OF FINANCIAL ACTIVITIES (incorporating an Income and Expenditure Account)
FOR THE YEAR ENDED 31 MARCH 2021

	Notes	Unrestricted Funds	Restricted Funds	Total 2021	Total 2020
		£	£	£	£
INCOME					
Donations		-	162,863	162,863	26,542
Income from charitable activities					
Grants receivable	2	210,307	700,763	911,070	469,151
Fees receivable		1,286,735	32,388	1,319,123	1,276,527
Rent and service charges receivable		93,251	-	93,251	94,184
Other income		22,477	-	22,477	33,875
Investment income		5,910	-	5,910	1,977
Total Income		<u>1,618,680</u>	<u>896,014</u>	<u>2,514,694</u>	<u>1,902,256</u>
EXPENDITURE					
Expenditure on charitable activities	4	<u>1,291,564</u>	<u>500,929</u>	<u>1,792,493</u>	<u>1,706,603</u>
Total Expenditure		<u>1,291,564</u>	<u>500,929</u>	<u>1,792,493</u>	<u>1,706,603</u>
Net income for the year		327,116	395,085	722,201	195,653
Gross transfers between funds	15 & 16	<u>201,106</u>	<u>(201,106)</u>	-	-
Net Movement in Funds		528,222	193,979	722,201	195,653
Reconciliation of funds					
Total funds brought forward		<u>1,139,637</u>	<u>98,611</u>	<u>1,238,248</u>	<u>1,042,595</u>
Total funds carried forward		<u><u>1,667,859</u></u>	<u><u>292,590</u></u>	<u><u>1,960,449</u></u>	<u><u>1,238,248</u></u>

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

BALANCE SHEETS
AS AT 31 MARCH 2021

	Notes	Group 31st March 2021 £	31st March 2020 £	Charity 31st March 2021 £	31st March 2020 £
Non Current Assets					
Tangible Fixed Assets	10	576,201	522,994	214,568	214,469
Investments	10	-	-	104	104
Secured loan	10	-	-	-	235,000
		<u>576,201</u>	<u>522,994</u>	<u>214,672</u>	<u>449,573</u>
Current Assets					
Debtors	11	133,425	69,029	29,983	17,689
Cash at bank and in hand		<u>1,707,102</u>	<u>966,566</u>	<u>1,681,546</u>	<u>940,781</u>
		1,840,527	1,035,595	1,711,529	958,470
Creditors: Amounts falling due within one year	12	<u>344,297</u>	<u>233,197</u>	<u>407,542</u>	<u>276,883</u>
Net Current Assets		1,496,230	802,398	1,303,987	681,587
Total assets less current liabilities		<u>2,072,431</u>	<u>1,325,392</u>	<u>1,518,659</u>	<u>1,131,160</u>
Creditors: Amounts falling due after one year	13	111,982	87,144	-	-
Net Assets		<u>1,960,449</u>	<u>1,238,248</u>	<u>1,518,659</u>	<u>1,131,160</u>
Represented by:-					
Funds					
Unrestricted	15	1,667,859	1,139,637	1,226,069	1,032,549
Restricted	16	<u>292,590</u>	<u>98,611</u>	<u>292,590</u>	<u>98,611</u>
Total Funds		<u>1,960,449</u>	<u>1,238,248</u>	<u>1,518,659</u>	<u>1,131,160</u>

The notes on pages 16 to 28 form part of these accounts.

Approved and signed on behalf of the Board for issue on 9th November 2021 by:



Lauren Anning



David Buckett

**STATEMENT OF CASH FLOWS AND CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 MARCH 2021**

	Notes	Group 31st March 2021 £	31st March 2020 £	Charity 31st March 2021 £	31st March 2020 £
Cash used in operating activities	20	847,570	292,166	502,987	276,531
Cash flows from investing activities					
Interest income		5,910	1,977	16,720	15,864
Purchase of tangible fixed assets		(114,193)	(84,741)	(13,942)	(25,117)
Sale proceeds of tangible fixed assets		1,249			
Loan repaid by subsidiary				235,000	
Additional loan facilities provided to subsidiary					(65,000)
Cash provided by (used in) investing activities		<u>(107,034)</u>	<u>(82,764)</u>	<u>237,778</u>	<u>(74,253)</u>
Increase (decrease) in cash		740,536	209,402	740,765	202,278
Cash at the beginning of the year 1 April 2020		<u>966,566</u>	<u>757,164</u>	<u>940,781</u>	<u>738,503</u>
Cash at the end of the year 31 March 2021		<u><u>1,707,102</u></u>	<u><u>966,566</u></u>	<u><u>1,681,546</u></u>	<u><u>940,781</u></u>
Cash and cash equivalents consist of:					
Cash at bank and in hand		<u><u>1,707,102</u></u>	<u><u>966,566</u></u>	<u><u>1,681,546</u></u>	<u><u>940,781</u></u>

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021**

1 Accounting Policies**a) General information and basis of preparation**

Children and Families Limited is a charitable company limited by guarantee. In the event of the charity being wound up the liability in respect of the guarantee is limited to £10 per member of the charity.

The address of the registered office is Seashells, Rose Street, Sheerness, Kent ME12 1AW.

The nature of the charity's operation and principal activities are the advancement of the education of the public in the subject of childcare and parenting.

The financial statements 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), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

Children and Families Limited meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy.

The financial statements are prepared on a going concern basis under the historical cost convention, modified to include certain items at fair value. The financial statements are presented in sterling which is the functional currency of the charity and rounded to the nearest £1.

The significant accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all years presented unless otherwise stated.

b) Incoming Resources and Debtors

Incoming resources are recognised when the charity or its subsidiaries has entitlement to the funds, any performance conditions have been met or are fully in the control of the charity or its subsidiaries, there is a significant certainty that receipt is probable and the amount can be measured reliably. These resources represent fees receivable during the year, in addition to grants receivable from various organisations. Where gifts are received of goods and services these are included as donations received at their estimated market value.

Debtors are recognised at the settlement amount less any discount agreed. Prepayments are valued at the amount prepaid after taking into account any discounts.

c) Fixed Assets

Tangible fixed assets costing more than £500 are capitalised and included at cost including any incidental expenses of acquisition. Items donated for ongoing use by the charity in carrying out its activities are recognised as tangible fixed assets and the corresponding gain recognised as income from donations within the SOFA.

Depreciation is calculated so as to write off the cost of fixed assets over the expected useful economic lives of the assets concerned. The rates used are as follows:-

Leasehold improvements	Over the period of the Lease or 20% on Cost
Office equipment	20% on Cost
Computer equipment	33% on Cost
Craft and gardening equipment	20% on Cost
Motor Vehicles	25% on Cost

Freehold property is not depreciated as the residual value is estimated to be at least as much as the book value.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021**

1 Accounting Policies (continued)**d) Resources Expended and Creditors**

Resources expended are recognised in the period in which they are incurred. Resources expended include attributable VAT which cannot be recovered as the Company and one of its subsidiaries are not registered for VAT.

Charitable expenditure comprises those costs incurred by the charity in the delivery of its activities and services for its beneficiaries. It includes both costs that can be allocated directly to such activities and these costs of an indirect nature necessary to support them.

Governance costs includes those costs associated with meeting the constitutional and statutory requirements of the charity and include the audit fees and costs linked to the strategic management of the charity.

All costs are allocated between the expenditure categories of the Statement of Financial Activities on a basis designed to reflect the use of the resource.

Creditors and provisions are recognised at their settlement value less any discounts where the charity has a present obligation from a past event that will probably result in the transfer of funds to a third party and the amount can be measured reliably.

e) Fund Accounting

Unrestricted funds are incoming resources receivable or generated from the objects of the charity without further specified purpose and are available in general funds.

Designated funds are unrestricted funds ear marked by the Trustees for a particular purpose.

Restricted funds are to be used for specific purposes as laid down by the donor, expenditure which meets these criteria is charged to the fund, together with a transfer which represents an estimate of support costs and management and administration costs.

f) Operating leases

Lease payments under operating leases, where substantially all of the risks and benefits remain with the lessor, are charged as an expense in the period in which they are incurred.

g) Financial instruments

The charity has only basic financial instruments recognised at transaction value.

h) Pensions benefits

All eligible employees of the company are automatically enrolled into the NEST defined contribution scheme. Employees are then able to exercise their right to opt out completely or to elect to have the company's contributions paid into their own personal pension plans provided their own scheme is approved by the Pensions Regulator. Employees contract directly with NEST or their own provider. The company pays the minimum contribution required by the Pensions Regulator and acts as agent for no charge in collecting and paying over employee pension contributions. Contributions are charged to the profit and loss account as they become payable in accordance with the rules of the relevant scheme. The charge for the year was £26,694 (2020: £23,008). The amount outstanding to pension providers at the year end was £5,365 (2020: £5,260).

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021**

1 Accounting Policies (continued)

i) Basis of consolidation

These financial statements consolidate the results of the charity and its wholly owned subsidiaries Children and Families Childcare Limited, FareShare Kent C.I.C. and Children and Families Children's Centres Limited on a line by line basis. A separate Statement of Financial Activities, or income & expenditure account, for the charity itself is not presented because the charity has taken advantage of the exemptions afforded by Section 408 of the Companies Act 2006 and SORP 2015. The net movement in funds for the charity was £387,499 (2020: £172,189).

2 Grants Receivable

	Unrestricted Funds £	Restricted Funds £	Total 2021 £	Total 2020 £
A&E Katzauer Trust	-	4,744	4,744	-
Ashford Borough Council	3,000	27,500	30,500	3,000
Awards for All	-	-	-	10,000
BAE Systems Limited	-	3,500	3,500	-
Boughton Aluph Parish Council	-	5,000	5,000	-
Charles River Limited	-	4,000	4,000	-
Children in Need	-	19,423	19,423	9,428
Colyer Ferguson	5,000	-	5,000	30,000
Community Fund	-	129,377	129,377	134,823
Community Covid-19 Fund	-	77,521	77,521	-
Countryside Properties Limited	-	7,000	7,000	-
DEFRA	20,332	-	20,332	-
East Kent Freemasons	-	10,000	10,000	-
FareShare	-	321,821	321,821	197,994
Golding Homes Limited	-	750	750	-
Groundwork UK	849	-	849	-
HMRC Job Retention Scheme	166,126	-	166,126	-
Kent Community Foundation	-	23,734	23,734	2,250
Kent County Council	15,000	-	15,000	19,950
Kite Packaging Limited	-	1,000	1,000	-
Orchard Community Energy	-	5,000	5,000	-
Queenborough Fishery Trust	-	-	-	3,509
RBS Skills and Opportunity Fund	-	-	-	16,497
Sheerness Town Council	-	2,000	2,000	-
STA International Limited	-	2,000	2,000	-
Swale Borough Council	-	56,393	56,393	1,700
Swale CCG	-	-	-	40,000
	<u>210,307</u>	<u>700,763</u>	<u>911,070</u>	<u>469,151</u>

In 2020 income from grants receivable was £469,151 of which £453,901 was attributable to restricted income and £15,250 to unrestricted income.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021**

3 Income and Expenditure of Trading Subsidiaries

The charity owns the whole of the issued share capital of Children and Families Childcare Limited. The results of this company are summarised below:

	2021	2020
Turnover	834,757	907,145
Direct costs	662,316	769,580
	<u>172,441</u>	<u>137,565</u>
Administrative expenses	11,000	39,829
Operating Profit	161,441	97,736
Dividend paid to charity	<u>(97,598)</u>	<u>(101,288)</u>
Retained in subsidiary	63,843	(3,552)
	<u><u> </u></u>	<u><u> </u></u>
The aggregate of assets, liabilities and funds was:	2021	2020
	£	£
Assets	247,767	172,148
Liabilities	<u>84,267</u>	<u>72,491</u>
	163,500	99,657
	<u><u> </u></u>	<u><u> </u></u>
Represented by:		
Ordinary shares of £1 each	2	2
Profit and loss account	<u>163,498</u>	<u>99,655</u>
Total funds	163,500	99,657
	<u><u> </u></u>	<u><u> </u></u>

The charity owns the whole of the issued share capital of FareShare Kent C.I.C. The results of this company are summarised below:

	2021	2020
	£	£
Turnover	663,551	355,483
Direct costs	375,851	310,972
	<u>287,700</u>	<u>44,511</u>
Administrative expenses	17,180	18,127
Net profit/(loss) retained in subsidiary	270,520	26,384
	<u><u> </u></u>	<u><u> </u></u>
The aggregate of assets, liabilities and funds was:	2021	2020
	£	£
Assets	424,052	360,999
Liabilities	<u>148,112</u>	<u>355,579</u>
	275,940	5,420
	<u><u> </u></u>	<u><u> </u></u>
Represented by:		
Ordinary shares of £1 each	100	100
Profit and loss account	<u>275,840</u>	<u>5,320</u>
Total funds	275,940	5,420
	<u><u> </u></u>	<u><u> </u></u>

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021**

3 Income and Expenditure of Trading Subsidiaries (continued)

The charity owns the whole of the issued share capital of Children and Families Children's Centres Limited.
The results of this company are summarised below:

	2021 £	2020 £
Turnover	226,291	269,264
Direct costs	197,824	243,872
	<u>28,467</u>	<u>25,392</u>
Administrative expenses	28,128	24,760
Operating Profit/(Loss)	339	632
Dividend paid to charity	-	0
Retained in subsidiary	339	632
	<u><u>339</u></u>	<u><u>632</u></u>
The aggregate of assets, liabilities and funds was:		
	2021 £	2020 £
Assets	53,020	33,530
Liabilities	50,566	31,415
	<u>2,454</u>	<u>2,115</u>
Represented by:		
Ordinary shares of £1 each	2	2
Profit and loss account	<u>2,452</u>	<u>2,113</u>
Total funds	<u><u>2,454</u></u>	<u><u>2,115</u></u>

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021**

4 Total Resources Expended

Charitable activities Provision of children and family services	Unrestricted Funds	Restricted Funds	Total 2021	Total 2020
	£	£	£	£
Grants payable	181,278	-	181,278	48,658
Staff costs	685,114	306,970	992,084	1,001,930
Training and recruitment	4,752	1,810	6,562	12,840
Staff travel and subsistence	23,046	4,219	27,265	47,846
Activities, materials and consumables	13,604	59,095	72,699	56,163
Catering	2,525	-	2,525	21,477
Light and heat	19,421	1,865	21,286	22,490
Cleaning	16,003	1,573	17,576	19,269
Insurances	25,502	2,331	27,833	22,877
Rent and rates	9,131	48,882	58,013	62,806
Postage, printing and stationery	5,953	316	6,269	6,783
Telephone and internet charges	6,724	1,812	8,536	5,876
Repairs and renewals	31,014	18,243	49,257	47,231
Subscriptions	480	-	480	480
Depreciation	17,161	40,548	57,709	41,543
Loss on disposal of fixed assets	2,028	-	2,028	8,858

Support costs

Staff costs	199,337	7,162	206,499	225,727
Training and recruitment	362	-	362	1,154
Staff travel and subsistence	8	-	8	739
Advertising	1,845	484	2,329	1,015
Postage, printing and stationery	2,880	-	2,880	3,808
Equipment hire and maintenance	12,575	3,371	15,946	12,978
Bad debts	2,478	-	2,478	1,453
Legal and professional	5,732	1,255	6,987	8,207
Sundry expenses	903	-	903	717
Bank charges	2,288	993	3,281	3,654

Governance costs

Staff costs	11,301	-	11,301	11,448
Staff travel and subsistence	4	-	4	69
Courses and conferences	-	-	-	532
Subscriptions	-	-	-	-
Auditors' remuneration - audit of the financial statements	8,115	-	8,115	7,975

1,291,564	500,929	1,792,493	1,706,603
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In 2020 expenditure from charitable activities was £1,706,603 of which £402,465 was attributable to restricted expenditure and £1,304,138 to unrestricted expenditure.

The auditors' received no remuneration for non-audit and other services (2020: £Nil).

5 Trustee Emoluments

No Trustee has received any remuneration nor been reimbursed for any expenses (2020: £Nil).

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021**
6 Information on Employees

	Total 2021 £	Total 2020 £
Staff costs are made up as follows:-		
Wages and salaries	1,107,596	1,165,428
Redundancy costs	7,898	-
Social Security costs	67,696	50,669
Pension costs	26,694	23,008
	<u>1,209,884</u>	<u>1,239,105</u>

No retirement benefits were accruing for directors (2020: none).

The number of employees whose total emoluments amounted to over £60,000 in the year were as follows:

	Number	Number
£60,001 - £70,000	1	1

The average number of employees during the period calculated on the basis of headcount, was made up as follows:-

Provision of child and family services	56	69
Support and administration	11	11
Governance	-	-
	<u>67</u>	<u>80</u>

The key management personnel of the parent charity and the group comprise the trustees, the Chief Executive Officer, the Group Accountant and the Business Development Manager. The total employee benefits of the key management personnel were £159,354 (2020: £158,265).

7 Net Surplus for the Year

	2021 £	2020 £
The net surplus for the year is stated after charging:-		
Operating leases - buildings	37,542	27,557
Depreciation of tangible fixed assets	57,709	41,543
Auditors remuneration	8,115	7,975
	<u> </u>	<u> </u>

8 Taxation

As a Registered Charity, the company is exempt from liability to taxation on its income.

9 Legal status

Children and Families Limited is a company limited by guarantee. Every member undertakes to contribute such amounts as may be required, not exceeding £10 in the event of the company being wound up. The company has no share capital and is registered as a charity.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021**

10 Tangible Fixed Assets - Group	Freehold property	Leasehold improvements	Motor vehicles	Equipment	Total
	£	£	£	£	£
Cost					
As at 1 April 2020	185,560	325,045	42,995	271,943	825,543
Additions	-	-	75,178	39,015	114,193
Disposals	-	-	(4,495)	-	(4,495)
As at 31 March 2021	185,560	325,045	113,678	310,958	935,241
Depreciation					
As at 1 April 2020	-	105,366	7,281	189,902	302,549
Disposals	-	-	(1,218)	-	(1,218)
Charge for the year	-	8,116	21,459	28,134	57,709
As at 31 March 2021	-	113,482	27,522	218,036	359,040
Net Book Value					
As at 31 March 2021	185,560	211,563	86,156	92,922	576,201
As at 31 March 2020	185,560	219,679	35,714	82,041	522,994
10 Tangible Fixed Assets - Charity	Freehold property	Leasehold improvements	Motor vehicles	Equipment	Total
	£	£	£	£	£
Cost					
As at 1 April 2020	-	304,030	-	154,206	458,236
Additions	-	-	-	13,942	13,942
Disposals	-	-	-	-	-
As at 31 March 2021	-	304,030	-	168,148	472,178
Depreciation					
As at 1 April 2020	-	103,221	-	140,546	243,767
Disposals	-	-	-	-	0
Charge for the year	-	6,000	-	7,843	13,843
As at 31 March 2021	-	109,221	-	148,389	257,610
Net Book Value					
As at 31 March 2021	-	194,809	-	19,759	214,568
As at 31 March 2020	-	200,809	-	13,660	214,469
10 Fixed Asset Investments - Charity				2021	2020
				£	£
Investment in group companies				104	104

The investment in group companies represents 100% shareholdings in Children and Families Childcare Limited, FareShare Kent C.I.C. and Children and Families Children's Centres Limited all incorporated in England and Wales.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021**

10 Secured loan - Charity	2021	2020
	£	£
Debenture loan	-	235,000

The loan represented a credit facility to FareShare Kent C.I.C. in order for the company to have working capital. The loan was secured by way of a debenture secured on all the assets of FareShare Kent C.I.C. Interest was payable at a fixed rate of 4.5% per annum above the base rate for the time being of National Westminster Bank PLC.

11 Debtors	Group		Charity	
	31st March	31st March	31st March	31st March
	2021	2020	2021	2020
	£	£	£	£
Trade debtors	51,663	30,567	10,782	136
Amount owed by group company	-	-	-	-
Other debtors	51,464	12,428	2,000	2,799
Prepayments	30,298	26,034	17,201	14,754
	<u>133,425</u>	<u>69,029</u>	<u>29,983</u>	<u>17,689</u>

12 Creditors: Amounts falling due within one year	Group		Charity	
	31st March	31st March	31st March	31st March
	2021	2020	2021	2020
	£	£	£	£
Trade creditors	64,044	22,167	26,018	15,337
Amounts owed to group companies	-	-	341,995	226,872
Taxation and social security	18,466	15,992	7,841	6,312
Other creditors	48,536	50,566	14,154	13,798
Accruals & deferred income	213,251	144,472	17,534	14,564
	<u>344,297</u>	<u>233,197</u>	<u>407,542</u>	<u>276,883</u>

Unrestricted incoming resources relating to services that have not been provided at the balance sheet date are reported as a liability. As the service is delivered over time it is recognised as incoming resources in the SOFA.

13 Creditors: Amounts falling due after one year	Group		Charity	
	31st March	31st March	31st March	31st March
	2021	2020	2021	2020
	£	£	£	£
Deferred Grants	111,982	87,144	-	-

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021**

14 Deferred Income

Deferred income comprises government funding and grants received in advance at the end of the financial year.

	Group £	Charity £
Balance as at 1st April 2020	154,067	-
Amount received in year	869,835	-
Amount released to income earned from charitable activities	<u>(795,500)</u>	-
Balance as at 31 March 2021	<u>228,402</u>	-

15 Unrestricted Funds	Balance at 01 04 20 £	Incoming Resources £	Outgoing Resources £	Transfers £	Balance at 31 03 21 £
Designated funds:					
Building reserve fund	160,930	-	-	50,000	210,930
Redundancy reserve fund	117,781	-	-	18,640	136,421
Food poverty fund	-	-	-	270,520	270,520
General funds	<u>860,926</u>	<u>1,618,680</u>	<u>(1,291,564)</u>	<u>(138,054)</u>	<u>1,049,988</u>
	<u>1,139,637</u>	<u>1,618,680</u>	<u>(1,291,564)</u>	<u>201,106</u>	<u>1,667,859</u>
	Balance at 01 04 19 £	Incoming Resources £	Outgoing Resources £	Transfers £	Balance at 31 03 20 £
Designated funds:					
Building reserve fund	145,930	-	-	15,000	160,930
Redundancy reserve fund	114,741	-	-	3,040	117,781
General funds	<u>696,435</u>	<u>1,419,245</u>	<u>(1,304,138)</u>	<u>49,384</u>	<u>860,926</u>
	<u>957,106</u>	<u>1,419,245</u>	<u>(1,304,138)</u>	<u>67,424</u>	<u>1,139,637</u>

The building reserve fund is money set aside to cover possible major expenditure required on the charity's property.

The redundancy reserve fund is additional money put aside for Statutory Redundancy Pay for all applicable group employees at the balance sheet date.

The food poverty fund is money set aside to help ensure the future sustainability and growth of FareShare Kent and other food poverty related services.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021**

16 Restricted Funds	Balance at 01 04 20 £	Incoming Resources £	Outgoing Resources £	Transfers £	Balance at 31 03 21 £
Imagination Library	5,007	-	(507)	-	4,500
FareShare Kent	-	316,821	(167,523)	(149,298)	-
Family Foodbank	21,714	311,946	(73,775)	(29,377)	230,508
KCF Resilience Fund	-	9,594	-	(9,594)	-
Family Finance Worker	31,129	-	(17,600)	-	13,529
Swale BC Member Grant	1,200	2,850	(3,923)	(127)	0
Everybody Talks	7,162	-	(7,162)	-	0
Swale BC Community Hub	-	10,000	(12,327)	2,327	-
Aquatots	962	-	-	-	962
Swale BC Winter Fund	-	7,500	(7,511)	11	-
Kids @ Christmas	-	5,750	(5,762)	12	-
Children in Need	-	19,423	(19,423)	-	-
Kent Community Foundation	-	4,050	(250)	(3,800)	-
Kent Community Pantry	-	78,703	(67,443)	(11,260)	-
Community Fund	31,437	129,377	(117,723)	-	43,091
	<u>98,611</u>	<u>896,014</u>	<u>(500,929)</u>	<u>(201,106)</u>	<u>292,590</u>
	Balance at 01 04 19 £	Incoming Resources £	Outgoing Resources £	Transfers £	Balance at 31 03 20 £
Imagination Library	5,517	613	(1,123)	-	5,007
FareShare Kent	-	197,994	(151,336)	(46,658)	-
Family Foodbank	12,465	28,347	(19,098)	-	21,714
Family Finance Worker	15,917	46,497	(31,285)	-	31,129
Swale BC Member Grants	-	1,200	0	-	1,200
Everybody Talks	-	9,950	(2,788)	-	7,162
Awards for All	-	10,000	-	(10,000)	-
Aquatots	492	3,509	(3,039)	-	962
Children in Need	932	9,428	(9,615)	(745)	-
Smoking in Pregnancy	19,190	40,000	(59,222)	32	0
Festive Display Grant	-	500	(500)	-	-
Community Fund	30,976	134,973	(124,459)	(10,053)	31,437
	<u>85,489</u>	<u>483,011</u>	<u>(402,465)</u>	<u>(67,424)</u>	<u>98,611</u>

Imagination Library

For families approaching eligibility for 'free for two', we undertake virtual book corner visits and enrol them onto the Imagination Library, through which they receive a free new children's book each month.

FareShare Kent

Significant funding from Asda, the National Lottery and others via FareShare UK principally has supported our work to deliver over 1,200 tonnes of surplus food to more than 200 charitable and community organisations across Kent. The transfer against this project in the accounts shows the capitalisation of fixed assets purchased and funds granted for the future sustainability of FareShare Kent.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021**

16 Restricted Funds (continued)**The Family Food Bank**

The Family Food Bank gives food boxes to families in crisis identified by workers in the community. Significant support has helped output triple with more than 12,000 food boxes provided to families across Kent, equivalent to more than 400,000 meals. Funding has helped this work to expand significantly and on a sustainable footing going forwards. Part of the expansion included expenditure of £29,377 on a new van.

KCF Resilience Fund

Funding to support the installation of a VOIP telephone system across our operations, unifying all sites under one system, improving cost efficiency and supporting home working.

Family Finance Worker

Providing one to one money management support and welfare benefits advice to vulnerable and struggling families across Swale.

Swale Borough Council Member Grants

Support provided towards equipment for the Sensory Hub, wellbeing packs, special educational needs packs for families during the pandemic and adverse childhood experiences (ACEs) update training.

Everybody Talks

A programme focussing on early communication and language, supporting childhood development and school readiness.

Swale Borough Council Community Hub

Funding provided by Swale Borough Council to help ensure the shielded community on the Isle of Sheppey were provided with emergency food supplies during the pandemic.

Swale Borough Council Winter Fund

Funding received to provide support to people across Swale during the second and third lockdowns. Support included food boxes for schools and emergency budgets for our Family Finance Worker and Fuel and Water Adviser to provide direct support to families.

Aquatots

An important project for children living on an island surrounded by water, to help them gain confidence in the water and bond with their parents at this swimming pool focussed parent and child group.

Kids @ Christmas

Funds from FareShare to support direct food and hygiene work with children and families over the Christmas period.

Children in Need

Funding supporting the Sensory Hub service from Seashells, reaching out to families and the community, to support young children's early learning and development.

Kent Community Foundation

Funding has enabled the purchase of a SMART board and tablets, to support the early learning and development of children across our children's centre and nursery.

Kent Community Pantry

Funding from the National Lottery COVID-19 Fund to help set up two membership pantries initially, supporting disadvantaged communities within Ashford and Swale with weekly food supplies.

Community Fund

Funding received from the National Lottery for a project working with families, with a particular focus on community safety, early years education, health & wellbeing and community engagement.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021**

17 Analysis of Group Net Assets between Funds

	General Funds £	Designated Funds £	Restricted Funds £	Total £
Tangible fixed assets	576,201	-	-	576,201
Net current assets	585,769	617,871	292,590	1,496,230
Amounts falling due after one year	(111,982)	-	-	(111,982)
	<u>1,049,988</u>	<u>617,871</u>	<u>292,590</u>	<u>1,960,449</u>

18 Related Party Transactions

During the year the charity contracted with J Rabbatts Electrical & Security, an entity controlled by the husband of Lauren Anning (Chair of Trustees) for the purchase of an electric vehicle charging point for £3,370. This transaction was carried out at arms length and had been paid for by the year end.

There were no other related party transactions.

19 Revenue Commitments

At the period end the group was committed to making the following payments in respect of operating leases none of which related to the charity with expiry dates as follows:-

	2021 £	2020 £
Plant and Equipment		
Within one year	3,116	-
Within two to five years	2,596	-
	<u>5,712</u>	<u>-</u>
Land and Buildings		
Due:		
Not later than one year	36,150	35,233
Later than one year not later than 5 years	120,000	120,000
Later than five years	88,125	117,500
	<u>244,275</u>	<u>272,733</u>

20 Reconciliation of Net Movement in Funds to Net Cash Flow from Operating Activities

	Group 31st March 2021 £	31st March 2020 £	Charity 31st March 2021 £	31st March 2020 £
Net movement in funds	722,201	195,653	289,901	70,901
Add back depreciation charge and loss on disposal	59,737	50,401	13,843	13,723
Dividends received	-	-	97,598	101,288
Deduct interest income	(5,910)	(1,977)	(16,720)	(15,864)
Decrease (increase) in debtors	(64,396)	42,328	(12,294)	58,148
Increase (decrease) in short term creditors	111,100	(12,242)	130,659	48,335
Increase (decrease) in long term creditors	24,838	18,003	-	-
Net cash used in operating activities	<u>847,570</u>	<u>292,166</u>	<u>502,987</u>	<u>276,531</u>