

**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**

**CONTENTS**

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	<b>Page</b>
Company Information	3
Trustees' Report	4 - 10
Independent Auditors' Report	11 - 14
Group Statement of Financial Activities	15
Balance Sheets	16
Cash Flows	17
Notes to the Financial Statements	18 - 30

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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 13<sup>th</sup> 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 2<sup>nd</sup> 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 read 'L Anning', with a small flourish at the end.

L Anning - Chair

Date: 9<sup>th</sup> 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".

**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
		£	£	£	£
<b>INCOME</b>					
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
<b>Total Income</b>		<u>1,618,680</u>	<u>896,014</u>	<u>2,514,694</u>	<u>1,902,256</u>
<b>EXPENDITURE</b>					
Expenditure on charitable activities	4	<u>1,291,564</u>	<u>500,929</u>	<u>1,792,493</u>	<u>1,706,603</u>
<b>Total Expenditure</b>		<u>1,291,564</u>	<u>500,929</u>	<u>1,792,493</u>	<u>1,706,603</u>
<b>Net income for the year</b>		327,116	395,085	722,201	195,653
Gross transfers between funds	15 & 16	<u>201,106</u>	<u>(201,106)</u>	-	-
<b>Net Movement in Funds</b>		528,222	193,979	722,201	195,653
<b>Reconciliation of funds</b>					
Total funds brought forward		<u>1,139,637</u>	<u>98,611</u>	<u>1,238,248</u>	<u>1,042,595</u>
<b>Total funds carried forward</b>		<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 £
<b>Non Current Assets</b>					
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>
<b>Current Assets</b>					
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
<b>Creditors:</b> Amounts falling due within one year	12	<u>344,297</u>	<u>233,197</u>	<u>407,542</u>	<u>276,883</u>
<b>Net Current Assets</b>		1,496,230	802,398	1,303,987	681,587
<b>Total assets less current liabilities</b>		<u>2,072,431</u>	<u>1,325,392</u>	<u>1,518,659</u>	<u>1,131,160</u>
<b>Creditors:</b> Amounts falling due after one year	13	111,982	87,144	-	-
<b>Net Assets</b>		<u>1,960,449</u>	<u>1,238,248</u>	<u>1,518,659</u>	<u>1,131,160</u>
Represented by:-					
<b>Funds</b>					
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>
<b>Total Funds</b>		<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 £
<b>Cash used in operating activities</b>	20	847,570	292,166	502,987	276,531
<b>Cash flows from investing activities</b>					
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)
<b>Cash provided by (used in) investing activities</b>		<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>
<b>Cash at the end of the year 31 March 2021</b>		<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

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### 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**

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**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**

	<b>Unrestricted Funds £</b>	<b>Restricted Funds £</b>	<b>Total 2021 £</b>	<b>Total 2020 £</b>
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
	<b>210,307</b>	<b>700,763</b>	<b>911,070</b>	<b>469,151</b>

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:

	<b>2021</b>	<b>2020</b>
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	<u>63,843</u>	<u>(3,552)</u>
The aggregate of assets, liabilities and funds was:		
	<b>2021</b>	<b>2020</b>
	£	£
Assets	247,767	172,148
Liabilities	<u>84,267</u>	<u>72,491</u>
	<u>163,500</u>	<u>99,657</u>
Represented by:		
Ordinary shares of £1 each	2	2
Profit and loss account	<u>163,498</u>	<u>99,655</u>
Total funds	<u>163,500</u>	<u>99,657</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:

	<b>2021</b>	<b>2020</b>
	£	£
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	<u>270,520</u>	<u>26,384</u>
The aggregate of assets, liabilities and funds was:		
	<b>2021</b>	<b>2020</b>
	£	£
Assets	424,052	360,999
Liabilities	<u>148,112</u>	<u>355,579</u>
	<u>275,940</u>	<u>5,420</u>
Represented by:		
Ordinary shares of £1 each	100	100
Profit and loss account	<u>275,840</u>	<u>5,320</u>
Total funds	<u>275,940</u>	<u>5,420</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:

	<b>2021</b> £	<b>2020</b> £
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:		
	<b>2021</b> £	<b>2020</b> £
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	2,452	2,113
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
<b>Support costs</b>				
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
<b>Governance costs</b>				
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
	<u>1,291,564</u>	<u>500,929</u>	<u>1,792,493</u>	<u>1,706,603</u>

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**

	<b>Total 2021 £</b>	<b>Total 2020 £</b>
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**

	<b>2021 £</b>	<b>2020 £</b>
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>103,366</u>	<u>77,075</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**

<b>10 Tangible Fixed Assets - Group</b>	<b>Freehold property</b>	<b>Leasehold improvements</b>	<b>Motor vehicles</b>	<b>Equipment</b>	<b>Total</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
<b>Cost</b>					
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
<b>Depreciation</b>					
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
<b>Net Book Value</b>					
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
<b>10 Tangible Fixed Assets - Charity</b>	<b>Freehold property</b>	<b>Leasehold improvements</b>	<b>Motor vehicles</b>	<b>Equipment</b>	<b>Total</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
<b>Cost</b>					
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
<b>Depreciation</b>					
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
<b>Net Book Value</b>					
As at 31 March 2021	-	194,809	-	19,759	214,568
As at 31 March 2020	-	200,809	-	13,660	214,469
<b>10 Fixed Asset Investments - Charity</b>				<b>2021</b>	<b>2020</b>
				<b>£</b>	<b>£</b>
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**

<b>10 Secured loan - Charity</b>	<b>2021</b>	<b>2020</b>
	<b>£</b>	<b>£</b>
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.

<b>11 Debtors</b>	<b>Group</b>		<b>Charity</b>	
	<b>31st March</b>	<b>31st March</b>	<b>31st March</b>	<b>31st March</b>
	<b>2021</b>	<b>2020</b>	<b>2021</b>	<b>2020</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
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
	<b>133,425</b>	<b>69,029</b>	<b>29,983</b>	<b>17,689</b>

<b>12 Creditors: Amounts falling due within one year</b>	<b>Group</b>		<b>Charity</b>	
	<b>31st March</b>	<b>31st March</b>	<b>31st March</b>	<b>31st March</b>
	<b>2021</b>	<b>2020</b>	<b>2021</b>	<b>2020</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
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
	<b>344,297</b>	<b>233,197</b>	<b>407,542</b>	<b>276,883</b>

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.

<b>13 Creditors: Amounts falling due after one year</b>	<b>Group</b>		<b>Charity</b>	
	<b>31st March</b>	<b>31st March</b>	<b>31st March</b>	<b>31st March</b>
	<b>2021</b>	<b>2020</b>	<b>2021</b>	<b>2020</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
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.

	<b>Group £</b>	<b>Charity £</b>
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>	-

<b>15 Unrestricted Funds</b>	<b>Balance at 01 04 20 £</b>	<b>Incoming Resources £</b>	<b>Outgoing Resources £</b>	<b>Transfers £</b>	<b>Balance at 31 03 21 £</b>
<b>Designated funds:</b>					
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
<b>General funds</b>	<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>
	<b>Balance at 01 04 19 £</b>	<b>Incoming Resources £</b>	<b>Outgoing Resources £</b>	<b>Transfers £</b>	<b>Balance at 31 03 20 £</b>
<b>Designated funds:</b>					
Building reserve fund	145,930	-	-	15,000	160,930
Redundancy reserve fund	114,741	-	-	3,040	117,781
<b>General funds</b>	<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**

<b>16 Restricted Funds</b>	<b>Balance at 01 04 20 £</b>	<b>Incoming Resources £</b>	<b>Outgoing Resources £</b>	<b>Transfers £</b>	<b>Balance at 31 03 21 £</b>
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>
	<b>Balance at 01 04 19 £</b>	<b>Incoming Resources £</b>	<b>Outgoing Resources £</b>	<b>Transfers £</b>	<b>Balance at 31 03 20 £</b>
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**

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**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 £
<b>Plant and Equipment</b>		
Within one year	3,116	-
Within two to five years	2,596	-
	<u>5,712</u>	<u>-</u>
<b>Land and Buildings</b>		
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	-	-
<b>Net cash used in operating activities</b>	<u>847,570</u>	<u>292,166</u>	<u>502,987</u>	<u>276,531</u>