

Centre 56 Limited

(A Company Limited by Guarantee)

Trustees' Report and Financial Statements

For the Year Ended 31 March 2022

Centre 56 Limited
(A Company Limited by Guarantee)

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Centre 56 Limited
(A Company Limited by Guarantee)

Reference and Administrative Details of the Charity, its Trustees and Advisers
For the Year Ended 31 March 2022

Trustees	Dr M Birkett S Harrison (resigned 13 July 2021) G Kelly (resigned 13 July 2021) A L Russell J Wood (appointed 12 July 2021) P Roberts (appointed 12 July 2021) L Dixon (appointed 12 July 2021) J Wild (appointed 12 July 2021, deceased 15 September 2022)
Company registered number	01307825
Charity registered number	502933
Registered office	The Foundry 42 Henry Street Liverpool England L1 5AY
Company secretary	J A Vincent
Independent auditor	BDO LLP 5 Temple Square Temple Street Liverpool L2 5RH
Bankers	NatWest 2 - 8 Church Street Liverpool L1 3BG

Centre 56 Limited

(A Company Limited by Guarantee)

Trustees' Report For the Year Ended 31 March 2022

The Trustees who are also directors of the charity for the purposes of the Companies Act present their report together with the financial statements of the charity for the year ended 31 March 2022 which are also prepared to meet the requirements for a directors' report and accounts for Companies Act purposes.

The accounts have been prepared in accordance with the accounting policies set out in note 2 to the accounts and comply with the charity's governing document, applicable law and the requirements of Accounting and the Charities SORP (FRS 102) effective 1 January 2019.

Since the Charity qualifies as small under section 382 of the Companies Act 2006, the Strategic Report required of medium and large companies under the Companies Act 2006 (Strategic Report and Directors' Report) Regulations 2013 has been omitted.

Structure, Governance and Management

Constitution

The Charity is a company limited by guarantee and is registered as a Charity with the Charity Commission. The affairs of the Charity are governed by its Memorandum and Articles of Association. The organisation was registered as a charity on 14 January 1973 and was incorporated as a charitable company limited by guarantee on 12 April 1977.

The Charity complies with the principal recommendations of the National Housing Federation's Code of Governance 2020 and Code of Conduct 2022.

Organisational Structure

The Trustees, who are also the directors for the purpose of company law, who served during the year were:

Dr M R Birkett
S Harrison - resigned 13 July 2021
G Kelly - resigned 13 July 2021
A L Russell
J Wood - appointed 12 July 2021
P Roberts - appointed 12 July 2021
L Dixon - appointed 12 July 2021
J Wild - appointed 12 July 2021, deceased 15 September 2022

None of the Trustees has any beneficial interest in the company. All the Trustees are members of the company and guarantee to contribute £1 in the event of a winding up.

Trustees are responsible for the finances and general forward planning of The Centre and managers deliver the day to day decision making. The Trustees discuss monthly outcomes and practices relating to the overall running of the service, including actual against budget at regular Board Meetings. Ideas and opportunities consultation is completed with the staff, parents and children. This information is collated to support the Trustees in making strategic decisions.

Policies adopted for the induction and training of Trustees

A matrix system is used to assess the skills of potential new trustees as it is essential that the Board has trustees with a wide range of skills and backgrounds. Prospective trustees complete an application form, interview and induction process before confirming appointment, this involves attending trustee meetings on an observational, non-voting, basis and spending time at the Centre familiarising themselves with workings of the organisation, its staff and families.

Centre 56 Limited (A Company Limited by Guarantee)

Trustees' Report (continued) For the Year Ended 31 March 2022

Structure, Governance and Management (continued)

Arrangements for setting pay and remuneration for key management personnel

The Trustees regularly review the remuneration of senior staff in line with NJC scales and guidelines.

Related parties

Centre 56 Limited joined the Regenda Group in 2017/18. Regenda has the right to appoint members to the board of the company and thereby exercises control over them.

Objectives and Activities

The Centre's objectives are to assist families who are in necessitous circumstances, in particular those families who have suffered from abuse or maltreatment in their homes and/or communities.

In setting objectives and planning for activities, the Trustees have given due consideration to general guidance published by the charity commission relating to public benefit. The Charity's objectives are as follows: To

- Gather information into the causes and ways of preventing or relieving the suffering caused by grave or persistent maltreatment and publish the facts found by such means as may be proper in order to educate the public;
- Seek the widest possible publicity for the problems of maltreated families;
- Assist with continuous care and support in close cooperation with Statutory Authorities, Social Agencies, Housing Associations and Professional Services;
- Ensure legal and other professional advice is provided when required;
- Arrange educational and play facilities for the children including remedial help when needed;
- Assist wherever possible in obtaining the reconciliation of relationships and the restoration of normal family life;
- Provide meeting places to which families and individuals can come for aid and advice; and
- Work within and support the Local Authorities' Domestic Abuse reduction strategy.

Strategies and activities for achieving objectives

Centre 56 operates from its setting within the ward of Kirkdale ward in Liverpool, which remains one of the most deprived areas in the city area.

Activities at Centre 56 continued to be significantly impacted by Covid-19 up to February 2022 when the government announced the end of legal restrictions regarding social distancing and self-isolation. This was both in respect of the changing advice from the government regarding early years and after school settings and access; as well as considerations for health and safety practices (such as hand hygiene, PPE, and social distancing).

Management continued to respond to this changing context by routinely reviewing associated risk assessments to ensure that where services continued, particularly for vulnerable children and the children of key workers, they were delivered as safely as possible in line with government advice.

In response to this need the Centre also continued to offer outreach practical support and access to goods for vulnerable parents and families through funding from the Steve Morgan Foundation.

Centre 56 Limited **(A Company Limited by Guarantee)**

Trustees' Report (continued) **For the Year Ended 31 March 2022**

Objectives and Activities (continued)

The Trustees plan to build services to reflect local priorities based on the following:

- Continue to connect with the purpose-built refuge provision which currently has no dedicated play area and continue to provide the support to help children through the difficult transition from leaving home to establishing a new safe life;
- Connect with the Children Centre's to support single parents and families who have very chaotic lives but need support to enable them to improve their skills - our provision will provide a safe environment for children and families to grow their skills and improve their employment prospects;
- Provide good quality, safe, educational nursery provision and after school provision;
- Involve the children and families in planning trips to experience "what it means to be a child" i.e., going to working farms, days out at the Safari Park, museum visits and visits to places of interest in the Northwest, for example Blackpool, whilst learning to rebuild their lives;
- Work with Housing Associations and neighbourhood services to support their work around complex families in terms of helping provide guidance on parenting skills and using play as a way of improving the parent's roles, building self-confidence and self-esteem to enable them to deal with difficult and chaotic situations;
- Work with organisations to educate on Domestic Abuse and the effect it can have on the workforce. The Trustees of Centre 56 Ltd are committed to updating policies and procedures in line with the changing needs of the children, parents, and families; and
- Invest in resources and people to fundraise directly with local communities and stakeholders; investing in data systems and processes to improve stewardship; and promotional events to improve community fundraising.

Achievements and performance

Despite the legacy of challenges presented by Covid-19 the Centre remained open for children, with the afterschool club reopening in July 2021.

The services both for nursery and afterschool remained popular, with waiting lists in place. Where safe to do so, the Centre undertook seasonal and wellbeing activities which included a:

- Graduation ceremony for the 4-year-old children moving into Primary School in August 2021.
- Music therapy workshop to improve mental wellbeing which began in April 2021.
- Fire safety visit from Kirkdale Fire Station in August 2021.
- Summer playscheme for the after-school children in August 2021.
- Visit to Knowsley Safari Park in August 2021.
- Visit to Blackpool in November 2021.
- Visit from Father Christmas in December 2021.
- Visit to Liverpool World Museum in February 2022.

Centre 56 Limited **(A Company Limited by Guarantee)**

Trustees' Report (continued) **For the Year Ended 31 March 2022**

Achievements and performance (continued)

The nursery was inspected by Ofsted in December 2018, receiving a 'Good' rating, and improvement plans have been completed relating to minor recommendations.

Management continues to contribute to the strategic direction of services relating to domestic abuse as active members of Liverpool Domestic Abuse Steering Group.

In order to work effectively the Centre is in close contact with several organisations, which they would like to thank, including:

- The Regenda Group.
- Regenda Homes.
- M&Y
- The Learning Foundry.
- Liverpool City Council.
- Steve Morgan Foundation funding outreach support to vulnerable families from April 2021.
- Merseyside Violence Reduction Partnership funding Music Therapy in April 2021.
- AA Woods donating easter eggs in April 2021.
- Co-op funeral care in Walton Vale donating easter eggs in April 2021.
- The Union of Catholic Mothers donating easter eggs in April 2021.
- Merseyside Play Action Council for Liverpool funding the holiday club in August 2021.
- Kirkdale Fire Station providing a fire safety visit in August 2021
- Rathbone Investment Managers making a Christmas donation in December 2021.
- John Lewis Partnership making a Christmas donation in December 2021.
- Premier Cleaning and Transport Services donating Christmas presents in December 2021.
- Radio City Cash for Kids Mission Christmas donating presents and hampers in December 2021.

Financial review

The Centre income totalled £92,421 (2021: £868,670) for the year. Of this, £Nil (2021: £101,789) was received from Big Lottery Fund and £54,063 (2021: £60,647) from Liverpool City Council. Income also included £Nil gift aid receipt from members of the Regenda group (2021: £650,000).

Expenditure totalled £305,542 (2021: £281,041) which resulted in an overall deficit for the year of £213,121 (2021: surplus of £587,629).

Centre 56 Limited

(A Company Limited by Guarantee)

Trustees' Report (continued) For the Year Ended 31 March 2022

Going concern

The Company's latest Business Plan including sensitivity analyses and stress testing, approved May 2022, demonstrates that the Company has sufficient cash facilities in place to meet all liabilities as they fall due for a period of at least 12 months from the approval of these financial statements.

After a thorough review considering the impact of Covid-19 on all assets, liabilities and commitments, management has identified that the main risk comes from a reduction in fundraising activity. The stress testing performed includes modelling the impact of a potential reduction in fundraising income over the next 5 years.

The management team monitor this risk through the production of monthly management accounts and updates on subsidiary performance are also provided to the parent Board at each Board meeting. To mitigate this risk,

Trustees have designated existing reserves to develop a growth strategy over the next 18 months which looks at increasing corporate donations and legacy giving.

Based on the above, the Board has a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future, being a period of at least twelve months after the date on which the report and financial statements are signed.

Reserves Policy

The Trustees have considered the quantum of reserves which they consider should be held by the charitable company and agreed the following:

- The Trustees seek to maintain the general unrestricted reserve of the charitable company at a level enough to cover three months' worth of running expenditure.
- The Trustees have assessed the major risks to which the charity is exposed and are satisfied that systems are in place to mitigate exposure to the major risks.

Investment Policy

The Trustees regularly review where the charity's funds are invested and new accounts including fixed term deposits are opened periodically in order to ensure a competitive return is received.

Fundraising

The Centre does not have significant fundraising activity, but this has increased during the year and there are plans in place to develop this further.

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Trustees' Report (continued)
For the Year Ended 31 March 2022

Future Developments

Centre 56 will continue to provide services for the beneficiaries previously outlined, however there are emerging areas of development that will be actively sought over the coming years. This includes seeking out partnership with companies within the Regenda Group in order to maximise the potential strength of the offer to vulnerable families through Centre 56.

This is in addition to working more closely with colleagues in Liverpool City Council, to continually support and engage in the successful delivery of the authorities domestic abuse and children's strategies.

Statement as to Disclosure of Information to Auditor

So far as the directors are aware, there is no relevant audit information of which the company's auditors are unaware and each director has taken all the steps that he or she ought to have taken as a director in order to make himself or herself aware of any relevant audit information and to establish that the company's auditors are aware of that information.

Auditor

BDO LLP will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

Small companies regime

This report has been prepared in accordance with the small companies regime under the Companies Act 2006.

Approved by order of the members of the board of Trustees on 15 September 2022 and signed on their behalf by:

Mr Paul Roberts
Chair

PA Roberts

Centre 56 Limited
(A Company Limited by Guarantee)

Statement of trustees' responsibilities
For the Year Ended 31 March 2022

The Trustees (who are also the directors of the Charity for the purposes of company law) are responsible for preparing the Trustees' 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 . Under company law, the Trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Charity and of its incoming resources and application of resources, including its income and expenditure, 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 of the Charities SORP (FRS 102);
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards (FRS 102) 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 Charity will continue in business.

The Trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the Charity's transactions and disclose with reasonable accuracy at any time the financial position of the Charity 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 hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Centre 56 Limited **(A Company Limited by Guarantee)**

Independent Auditor's report to the members of Centre 56 Limited

Opinion on the financial statements

In our opinion, the financial statements:

- give a true and fair view of the state of the Charitable Company's affairs as at 31 March 2022 and of its incoming resources and application of resources for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements of Centre 56 Limited ("the Charitable Company") for the year ended 31 March 2022 which comprise the statement of financial activities, the balance sheet and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

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 believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We remain independent of the Charitable Company in accordance with the ethical requirements 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.

Conclusions relating to going concern

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

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Charitable Company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the Trustees with respect to going concern are described in the relevant sections of this report.

Centre 56 Limited
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Independent Auditor's report to the members of Centre 56 Limited (continued)

Other information

The Trustees are responsible for the other information. The other information comprises the information included in the Trustees' report, other than the financial statements and our auditor's report thereon. The other information comprises the information in the Trustees' report. 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 audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the Trustees' report, which includes the Directors' Report prepared 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.

In the light of the knowledge and understanding of the Charitable Company and its environment obtained in the course of the audit, we have not identified material misstatements in the Trustee's report.

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

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

Centre 56 Limited **(A Company Limited by Guarantee)**

Independent Auditor's report to the members of Centre 56 Limited (continued)

Responsibilities of Trustees

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

In preparing the financial statements, the Trustees are responsible for assessing the Charitable Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Trustees either intend to liquidate the Charitable Company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

We have been appointed as auditor under the Companies Act 2006 and report in accordance with the Act and relevant regulations made or having effect thereunder.

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.

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

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:

Based on our understanding and accumulated knowledge of the Charitable Company, and the sector in which it operates we considered the risk of acts by the Charitable Company which were contrary to applicable laws and regulations, including fraud and whether such actions or non-compliance might have a material effect on the financial statements. We considered the significant laws and regulations to be United Kingdom Generally Accepted Accounting Practice (including FRS102 and the Charities Statement of Recommended Practice) and the UK Companies Act 2006. All audit team members were briefed to ensure they were aware of any relevant regulations in relation to their work, areas of potential non-compliance and fraud risks.

We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of an override of controls), and determined that the principal risks were related to posting inappropriate journal entries, management bias in accounting estimates and improper incoming resources recognition.

Centre 56 Limited (A Company Limited by Guarantee)

Independent Auditor's report to the members of Centre 56 Limited (continued)

Auditor's responsibilities for the audit of the financial statements (continued)

Our audit procedures in response to the above included, but were not limited to:

- Agreement of the financial statement disclosures to underlying supporting documentation;
- Challenging assumptions and judgements made by management in their significant accounting estimates, in particular in relation to the recoverability of debtors and the useful economic lives of tangible fixed assets;
- Procedures to test incoming resources including agreement of incoming resources recognised to supporting documentation on a sample basis;
- Identifying and testing journal entries identified as potentially unusual. This testing included, but was not limited to, any journal entries posted with specific keywords, journals posted by unexpected users, and journals posted to least used accounts;
- Discussions with management, and those charged with governance, including consideration of known or suspected instances of non-compliance with laws and regulation and fraud;
- Discussions with management, and those charged with governance to understand if there has been any Serious Incident Reports made to the Charity Commission either during the period or post year end;
- A review of trustees' meeting minutes both during the period, and post year end, for any known or suspected instances of non-compliance with laws and regulation, Serious Incident Reports made to the Charity Commission or fraud;
- Enquires to confirm with management that there was no legal correspondence during the period, or post year end, requiring review;
- Obtaining an understanding of the control environment in monitoring compliance with laws and regulations.


Our audit procedures were designed to respond to risks of material misstatement in the financial statements, recognising that 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, misrepresentations or through collusion. There are inherent limitations in the audit procedures performed 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 are to become aware of it.

A further description of our responsibilities for the audit of the financial statements is located at the Financial Reporting Council's ("FRC's") website at:

<https://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 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 the Charitable Company's members as a body, for our audit work, for this report, or for the opinions we have formed.

DocuSigned by:

Hamid Ghafoor (Senior Statutory Auditor)
For and on behalf of BDO LLP, Statutory Auditor
Liverpool
United Kingdom
27 September 2022

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127).

Centre 56 Limited
(A Company Limited by Guarantee)

Statement of financial activities (incorporating income and expenditure account)
For the Year Ended 31 March 2022

	Note	Unrestricted funds 2022 £	Restricted funds 2022 £	Total funds 2022 £	Total funds 2021 £
Income from:					
Grants and donations	4	9,432	-	9,432	660,148
Charitable activities	5	-	82,169	82,169	208,309
Investments	6	820	-	820	213
Total income		10,252	82,169	92,421	868,670
Expenditure on:					
Charitable activities	7	217,014	88,528	305,542	281,041
Total expenditure		217,014	88,528	305,542	281,041
Net movement in funds		(206,762)	(6,359)	(213,121)	587,629
Reconciliation of funds:					
Total funds brought forward	14	913,434	35,249	948,683	361,054
Net movement in funds	14	(206,762)	(6,359)	(213,121)	587,629
Total funds carried forward		706,672	28,890	735,562	948,683

The Statement of Financial Activities includes all gains and losses recognised in the year.

The notes on pages 15 to 29 form part of these financial statements.

Centre 56 Limited
(A Company Limited by Guarantee)
Registered number: 01307825

Balance Sheet
As at 31 March 2022

	Note	2022 £	2021 £
Fixed assets			
Tangible assets	11	7,639	9,835
		<u>7,639</u>	<u>9,835</u>
Current assets			
Debtors	12	4,929	3,436
Cash at bank and in hand		837,950	955,464
		<u>842,879</u>	<u>958,900</u>
Current liabilities			
Creditors: amounts falling due within one year	13	(114,956)	(20,052)
Net current assets		<u>727,923</u>	938,848
Total assets less current liabilities		<u>735,562</u>	948,683
Total net assets	15	<u>735,562</u>	<u>948,683</u>
Charity funds			
Restricted funds	14	28,890	35,249
Unrestricted funds	14	706,672	913,434
Total funds		<u>735,562</u>	<u>948,683</u>

The trustees acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and preparation of financial statements.

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

The financial statements were approved and authorised for issue by the trustees on 22 September 2022 and signed on their behalf by:

P A Roberts

Mr Paul Roberts
Chair

The notes on pages 15 to 29 form part of these financial statements.

Centre 56 Limited

(A Company Limited by Guarantee)

Notes to the Financial Statements For the Year Ended 31 March 2022

1. General information

Centre 56 is a private company, limited by guarantee, incorporated in England and Wales under the Companies Act 2006 and Charities Act 2011. The address of the registered office is provided in the Reference and Administrative Details page and details of the Charity's operations are provided in the Trustees Report.

2. Accounting policies

2.1 Basis of preparation of financial statements

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), the Companies Act 2006 and the Charities Act 2011.

Centre 56 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 principal accounting policies adopted, judgements and key sources of estimation uncertainty in the preparation of the financial statements are as follows:

2.2 Financial Reporting Standard 102 - reduced disclosure exemptions

The Charity has taken advantage of the following disclosure exemptions in preparing these financial statements, as permitted by FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland".

- The requirements of Section 7 Statement of Cash Flows;
- The requirements of Section 11 Financial Instruments paragraphs 11.41(b), 11.41(c), 11.41(e), 11.41(f), 11.42, 11.44 to 11.45, 11.47, 11.48(a)(iii), 11.48(a)(iv), 11.48(b) and 11.48(c); and
- The requirements of Section 33 Related Party Disclosures paragraph 33.7.

This information is included in the consolidated financial statements of Regenda Group as at 31 March 2022 and these financial statements may be obtained from its registered office: The Foundry, 42 Henry Street, Liverpool, L1 5AY.

Centre 56 Limited

(A Company Limited by Guarantee)

Notes to the Financial Statements For the Year Ended 31 March 2022

2. Accounting policies (continued)

2.3 Going concern

The Company's latest Business Plan including sensitivity analyses and stress testing, approved May 2022, demonstrates that the Company has sufficient cash facilities in place to meet all liabilities as they fall due for a period of at least 12 months from the approval of these financial statements.

After a thorough review considering the impact of Covid-19 on all assets, liabilities and commitments, management has identified that the main risk comes from a reduction in fundraising activity. The stress testing performed includes modelling the impact of a potential reduction in fundraising income over the next 5 years.

The management team monitor this risk through the production of monthly management accounts and updates on subsidiary performance are also provided to the parent Board at each Board meeting. To mitigate this risk, Trustees have designated existing reserves to develop a growth strategy over the next 18 months which looks at increasing corporate donations and legacy giving.

Based on the above, the Board has a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future, being a period of at least twelve months after the date on which the report and financial statements are signed.

2.4 Income

All income is accounted for on a receivable basis. Any grants whose use is restricted by the grant or to some future accounting period are accounted for as deferred income until the restriction has been satisfied.

Income from investments represents interest from bank deposits. Interest on funds held on deposit is recognised when receivable and the amount can be measured reliably by the Charity, this is normally upon notification of the interest paid or payable by the bank.

Any voluntary income received by way of donations and gifts is included in full in the Statement of Financial Activities when receivable. The value of services provided by volunteers is not included, and there have been no volunteers in the past year due to COVID-19.

Payments received from the government for furloughed employees are a form of grant. This grant money is receivable as compensation for expenses already incurred, and where this is not in respect of future related costs, is recognised in income in the period in which it becomes receivable and the related expense is incurred.

2.5 Expenditure

All expenditure is included in the accounts on the accruals basis and includes attributable irrecoverable VAT.

Governance costs are those costs that relate to the general running and strategic management of the charity as opposed to those associated with the day to day management and charitable activities.

Centre 56 Limited

(A Company Limited by Guarantee)

Notes to the Financial Statements For the Year Ended 31 March 2022

2. Accounting policies (continued)

2.6 Interest receivable

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the Charity; this is normally upon notification of the interest paid or payable by the institution with whom the funds are deposited.

2.7 Taxation

As a registered charity the Charity is generally exempt from Corporation Tax and Capital Gains Tax on its charitable activities, but not from VAT. Irrecoverable VAT is included in the cost of those items to which it relates.

2.8 Tangible fixed assets and depreciation

Tangible fixed assets are initially recognised at cost. After recognition, under the cost model, tangible fixed assets are measured at cost less accumulated depreciation and any accumulated impairment losses. All costs incurred to bring a tangible fixed asset into its intended working condition should be included in the measurement of cost.

Depreciation is charged so as to allocate the cost of tangible fixed assets less their residual value over their estimated useful lives, on a reducing balance basis.

Depreciation is provided on the following basis:

Fixtures, fittings & equipment	-	25%
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The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in the Statement of Financial Activities.

2.9 Debtors

Trade and other debtors are recognised at the settlement amount after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due.

2.10 Cash at bank and in hand

Cash at bank and in hand includes cash and short-term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

2.11 Creditors

Liabilities are recognised when there is an obligation at the Balance Sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably.

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Notes to the Financial Statements For the Year Ended 31 March 2022

2. Accounting policies (continued)

2.12 Financial instruments

The Charity only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value.

2.13 Employee benefits

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received. Termination benefits are recognised immediately as an expense when the Charity is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

2.14 Pensions

The Charity operates a defined contribution pension scheme and the pension charge represents the amounts payable by the Charity to the fund in respect of the year.

2.15 Fund accounting

Unrestricted funds can be spent freely in support of the charity's purpose.

Designated funds are part of the unrestricted funds which trustee have earmarked for a project or use, without restricting or committing the funds legally.

Restricted funds fall outside the definition of reserves, these may be funds that are restricted by the donor for use on a project or purpose.

Investment income, gains and losses are allocated to the appropriate fund.

3. Critical accounting estimates and areas of judgement

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Critical accounting estimates and assumptions:

The Charity makes estimates and assumptions concerning the future. The resulting accounting estimates and assumptions will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

Critical areas of judgement:

Tangible fixed assets are depreciated over their useful lives taking into account residual values, where appropriate. The actual lives of the assets and residual values are assessed annually.

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Notes to the Financial Statements
For the Year Ended 31 March 2022

4. Income from donations and legacies

	Unrestricted funds 2022 £	Total funds 2022 £	Total funds 2021 £
Donations and gifts	9,432	9,432	10,148
Gift Aid from members of the Regenda group	-	-	650,000
Total 2022	<u>9,432</u>	<u>9,432</u>	<u>660,148</u>
Total 2021	<u>660,148</u>	<u>660,148</u>	

5. Income from charitable activities

	Restricted funds 2022 £	Total funds 2022 £
Liverpool City Council	54,063	54,063
Big Lottery Fund	-	-
Masonic	5,000	5,000
Other grants	-	-
LIV Char VHOF	5,058	5,058
Liverpool Citysafe	6,500	6,500
Community Foundation	-	-
Bauer Radio S C	4,048	4,048
Merseyside Play	-	-
Medicash	-	-
Rathbone	2,500	2,500
Steve Morgan Foundation	-	-
Screwfix Foundation	5,000	5,000
Total 2022	<u>82,169</u>	<u>82,169</u>

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Notes to the Financial Statements
For the Year Ended 31 March 2022

5. Income from charitable activities (continued)

	Unrestricted funds 2021 £	Restricted funds 2021 £	Total funds 2021 £
Big Lottery Fund	-	101,789	101,789
Liverpool City Council	-	60,647	60,647
Masonic	5,000	-	5,000
Other grants	7,412	-	7,412
LIV Char VHOF	-	-	-
Liverpool Citysafe	-	-	-
Community Foundation	-	2,977	2,977
Bauer Radio S C	-	1,680	1,680
Merseyside Play	-	3,804	3,804
Medicash	-	5,000	5,000
Rathbone	-	5,000	5,000
Steve Morgan Foundation	-	15,000	15,000
Screwfix Foundation	-	-	-
Total 2021	12,412	195,897	208,309

6. Investment income

	Unrestricted funds 2022 £	Total funds 2022 £	Total funds 2021 £
Bank interest	820	820	213

Investment income in the current and prior year was unrestricted.

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Notes to the Financial Statements
For the Year Ended 31 March 2022

7. Analysis of expenditure by activities

	Activities undertaken directly 2022 £	Support costs 2022 £	Total funds 2022 £
Expenditure on charitable activities	198,490	107,052	305,542

	Activities undertaken directly 2021 £	Support costs 2021 £	Total funds 2021 £
Expenditure on charitable activities	200,594	80,447	281,041

Analysis of direct costs

	Charitable activities 2022 £	Total funds 2022 £	Total funds 2021 £
Staff costs	140,936	140,936	134,021
Depreciation	2,196	2,196	2,827
Agency staff and recruitment	7,889	7,889	17,664
Nursery fees and outings	26,079	26,079	20,547
Premises	21,390	21,390	25,535
	<u>198,490</u>	<u>198,490</u>	<u>200,594</u>

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Notes to the Financial Statements
For the Year Ended 31 March 2022

7. Analysis of expenditure by activities (continued)

Analysis of support costs

	Charitable Activities 2022 £	Total funds 2022 £	Total funds 2021 £
Staff costs	80,037	80,037	53,273
Premises	6,690	6,690	4,501
Facilities management	6,889	6,889	7,026
Other costs	13,436	13,436	15,647
	<u>107,052</u>	<u>107,052</u>	<u>80,447</u>

Total expenditure on charitable activities for the year was £305,542 (2021 - £281,041) of which £217,014 (2021 - £170,214) was unrestricted and £88,528 (2021 - £173,478) was restricted.

Support costs have been allocated as incurred against the provision of nursery care which is the charities primary activity.

Governance costs are centralised across the Group.

Regenda Limited charges the charity for a range of services including Governance as part of the recharge for Corporate Services.

This is included in expenditure on charitable activities.

8. Auditor's remuneration

	2022 £	2021 £
Fees payable to the Charity's auditor for the audit of the Charity's annual accounts	3,720	3,000
Fees payable to the Charity's auditor in respect of: All non-audit services not included above	<u>1,800</u>	<u>-</u>

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Notes to the Financial Statements
For the Year Ended 31 March 2022

9. Staff costs

	2022	2021
	£	£
Wages and salaries	201,382	171,067
Social security costs	14,050	10,709
Contribution to defined contribution pension schemes	5,541	5,518
	220,973	187,294

The average number of persons employed by the Charity during the year was as follows:

	2022	2021
	No.	No.
Nursery staff	8	8
Management and administration	2	3
	10	11

No employee received remuneration amounting to more than £60,000 in either year.

Key management personnel of the charity comprise the trustees, Nursery and Deputy Nursery Managers and Fundraising Manager. The total employee benefits of the key management personnel were £93,369 (2021 - £104,448).

10. Trustees' remuneration and expenses

During the year, no trustees received any remuneration or other benefits (2021 - £NIL).

During the year ended 31 March 2022, no trustee expenses have been incurred (2021 - £NIL).

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Notes to the Financial Statements
For the Year Ended 31 March 2022

11. Tangible fixed assets

	Fixtures, fittings & equipment £
Cost	
At 1 April 2021	39,359
At 31 March 2022	<u>39,359</u>
Depreciation	
At 1 April 2021	29,524
Charge for the year	2,196
At 31 March 2022	<u>31,720</u>
Net book value	
At 31 March 2022	<u>7,639</u>
At 31 March 2021	<u>9,835</u>

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Notes to the Financial Statements
For the Year Ended 31 March 2022

12. Debtors

	2022	2021
	£	£
Due within one year		
Amounts owed by group undertakings	249	-
Other debtors	321	-
Prepayments	4,359	3,436
	4,929	3,436
	4,929	3,436

Amounts owed by group undertakings are interest free and repayable on demand.

13. Creditors: Amounts falling due within one year

	2022	2021
	£	£
Trade creditors	4,325	507
Amounts owed to group undertakings	96,837	3,311
Other taxation and social security	-	1,142
Accruals and other creditors	13,794	15,092
	114,956	20,052
	114,956	20,052

Amounts owed to group undertakings are interest free and repayable on demand.

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Notes to the Financial Statements
For the Year Ended 31 March 2022

14. Statement of funds

Statement of funds - current year

	Balance at 1 April 2021 £	Income £	Expenditure £	Balance at 31 March 2022 £
Unrestricted funds				
Designated funds				
Growth fund	295,195	-	(41,467)	253,728
General funds				
General Funds - all funds	618,239	10,252	(175,547)	452,944
Total Unrestricted funds	913,434	10,252	(217,014)	706,672
Restricted funds				
Liverpool City Council	-	54,063	(54,063)	-
Big Lottery Fund	19,320	-	(19,320)	-
Masonic	-	5,000	(1,250)	3,750
Rathbone	2,471	2,500	(4,971)	-
Steve Morgan Foundation	8,458	-	(1,009)	7,449
Medicash	5,000	-	-	5,000
Bauer Radio S C	-	4,048	(3,005)	1,043
LIV Char VHOF	-	5,058	(4,009)	1,049
Screwfix Foundation	-	5,000	-	5,000
Liverpool Citysafe	-	6,500	(901)	5,599
Total Restricted funds	35,249	82,169	(88,528)	28,890
Total of funds	948,683	92,421	(305,542)	735,562

Centre 56 Limited
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Notes to the Financial Statements
For the Year Ended 31 March 2022

14. Statement of funds (continued)

Statement of funds - prior year

	Balance at 1 April 2020 £	Income £	Expenditure £	Transfers in/out £	Balance at 31 March 2021 £
Unrestricted funds					
Designated funds					
Designated Funds - all funds	280,373	-	(18,424)	33,246	295,195
General funds					
General Funds - all funds	67,851	672,773	(89,139)	(33,246)	618,239
Total Unrestricted funds	348,224	672,773	(107,563)	-	913,434
Restricted funds					
Liverpool City Council	-	60,647	(60,647)	-	-
Big Lottery Fund	2,750	101,789	(85,219)	-	19,320
Other grants	10,080	-	(10,080)	-	-
Rathbone	-	5,000	(2,529)	-	2,471
Steve Morgan Foundation	-	15,000	(6,542)	-	8,458
Medicash	-	5,000	-	-	5,000
Community Foundation	-	2,977	(2,977)	-	-
Bauer Radio S C	-	1,680	(1,680)	-	-
Merseyside Play	-	3,804	(3,804)	-	-
	12,830	195,897	(173,478)	-	35,249
Total of funds	361,054	868,670	(281,041)	-	948,683

Centre 56 Limited (A Company Limited by Guarantee)

Notes to the Financial Statements For the Year Ended 31 March 2022

14. Statement of funds (continued)

Unrestricted general funds

Funds which are available for use or retention at the discretion of the directors, in accordance with the Charity's objects.

Unrestricted designated funds

The Trustees have chosen to redesignate a number of reserves during the year which support the growth and long term sustainability of the charity.

Restricted funds

Liverpool City Council - early years funding depending on age and circumstances of children.

Other grants - funding for family activities and nursery playground equipment.

Big Lottery – to provide high quality childcare services and support to families through courses and activities for adults.

Masonic – funding specifically for away days and providing fun activities for families.

Rathbone - funding for school holiday activities.

Steve Morgan Foundation - emergency fund so that services could continue during the pandemic.

Medicash - emergency fund received so that services could continue during the pandemic.

Community Foundation - violence reduction programme, funding music therapy sessions.

Bauer Radio S C - to provide food support during lockdown.

Merseyside Play - fund to provide food provisions.

LIV Char VHOF - the funding enables us to provide a holiday club that provides structured and creative activities such as outdoor play, arts and crafts, music and games, sports and science activities and many more. The aim of the club is to support children to take part in a range of physical activities daily to support their understanding of the importance of and duration of physical activity that is required each day and the negative impact of sedentary behaviour on children in their age group. Its purpose is also to ensure that all children who receive free school meals still receive a healthy meal/breakfast/snack each day. All children taking part receive a healthy range of meals, snacks and drinks daily. We also plan at least one trip/outing. This enables socially isolated children to enjoy and experience things that other children do which supports their cultural capital.

Screwfix Foundation - support projects that will fix, repair, maintain and improve properties and community facilities specifically for those in need within the UK.

Liverpool Citysafe - funding the parental activities such as coffee mornings, drop in sessions, health and wellbeing sessions and family events/trips that will help to develop friendships and strengthen parental relationships, reduce the amount of time parents may have to stay in a conflict situation (at home), provide a means of therapy through relaxation, yoga, pampering sessions. Also developing communication skills, access to services and even careers support.

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Notes to the Financial Statements
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15. Analysis of net assets between funds

Analysis of net assets between funds - current year

	Unrestricted funds 2022 £	Restricted funds 2022 £	Total funds 2022 £
Tangible fixed assets	7,639	-	7,639
Current assets	813,989	28,890	842,879
Creditors due within one year	(114,956)	-	(114,956)
Total	706,672	28,890	735,562

Analysis of net assets between funds - prior year

	Unrestricted funds 2021 £	Restricted funds 2021 £	Total funds 2021 £
Tangible fixed assets	9,835	-	9,835
Current assets	923,651	35,249	958,900
Creditors due within one year	(20,052)	-	(20,052)
Total	913,434	35,249	948,683

16. Related party transactions

The Charity is a wholly owned subsidiary of Regenda Group and has taken advantage of the available exemption conferred by section 33.1A of FRS 102 not to disclose transactions with wholly owned group members.

17. Controlling party

The Charity's immediate and ultimate parent company is Regenda Limited, a company incorporated in England and Wales with the registered office of The Foundry, 42 Henry Street, Liverpool, L1 SAY.

As at 31 March 2022, the largest and smallest group in which the results are consolidated is that headed by Regenda Limited. The consolidated accounts of the company are available to the public and may be obtained from its registered office: The Foundry, 42 Henry Street, Liverpool, L1 SAY. No other group accounts include the results of the Charity.