

Centre 56 Limited

(A Company Limited by Guarantee)

Trustees' Report and Financial Statements

For the Year Ended 31 March 2023

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 2023

Trustees P Roberts, Chair
Dr M Birkett
L Dixon
A L Russell
J Wood
J Wild (resigned 9 August 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 2023

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 2023 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).

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
L Dixon
A L Russell
J Wood
P Roberts
J Wild - resigned 9 August 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
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Trustees' Report (continued)
For the Year Ended 31 March 2023

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 in Liverpool, which remains one of the most deprived areas in the city area.

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

- Continue to connect with purpose-built refuge provision in the city 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 in the city 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.

Centre 56 Limited
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Trustees' Report (continued)
For the Year Ended 31 March 2023

Strategies and activities for achieving objectives (continued)

- 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 zoo, museum visits and visits to places of interest in the Northwest, for example Liverpool Football Club and the seaside, 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.
- 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

The services both for nursery and afterschool remain popular, with waiting lists in place for each. The Centre also undertook seasonal and wellbeing activities which included:

- Music therapy workshop to improve mental wellbeing available from April 2022.
- A visit to Farmer Teds in April 2022.
- A visit from ZooLab in April 2022.
- Reopening Parents coffee morning from June 2022.
- Problem solving during holiday club in August 2022.
- Family funday supported by the High Sheriff of Merseyside in August 2022.
- Graduation ceremony for the 4-year-old children moving into Primary School in August 2022.
- A visit to Liverpool Football Club in September 2022.
- A visit to Church Farm in October 2022.
- Regular visits to The Reading Room at Calderstones Park from November 2022.
- A visit from The Learning Foundry from December 2022.
- A dedicated volunteer seconded by the John Lewis Partnership in January 2023 to commemorate the Queens Jubilee.
- A visit to Chester Zoo in February 2023.
- A visit to Air Unlimited Liverpool in February 2023.

The nursery was last 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.

Centre 56 Limited
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Trustees' Report (continued)
For the Year Ended 31 March 2023

Achievements and performance (continued)

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

- Liverpool City Council and Homes
- Merseyside Play Action Council
- Eric Wright Charitable Trust
- John Lewis Partnership
- Elanor Rathbone Trust
- Steve Morgan Foundation
- MYST
- Peel Ports
- High Sheriff of Merseyside
- Rise Construction Framework
- Calderstones Park
- Amazon, Kirby
- BBC Radio Merseyside
- The Regenda Group
- Regenda Homes
- M&Y Construction and Maintenance
- The Learning Foundry
- Redwing Living

Financial review

The Centre income totalled £150,913 (2022 - £92,421) for the year. Of this, £100,275 (2022 - £54,063) was received from Liverpool City Council. Income also included £959 gift aid receipt from members of the Regenda group (2022 - £Nil).

Expenditure totalled £466,559 (2022 - £305,542) which resulted in an overall deficit for the year of £315,646 (2022 - £213,121).

At 31 March 2023, the Charity had restricted funds of £18,024 (2022 - £28,890), unrestricted funds of £401,892 (2022 - £706,672) and designated funds of £217,563 (2022 - £253,728).

Centre 56 Limited
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Trustees' Report (continued)
For the Year Ended 31 March 2023

Going concern

The Company's latest Business Plan including sensitivity analysis and stress testing, approved May 2023, 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 inflation and the challenging economic environment 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 2023

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 14 September 2023 and signed on their behalf by:

Mr Paul Roberts
Chair

Centre 56 Limited
(A Company Limited by Guarantee)

Statement of Trustees' Responsibilities
For the Year Ended 31 March 2023

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;
- 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; and
- 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 2023 and of its incoming resources and application of resources for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements of Centre 56 Limited ("the Charitable Company") for the year ended 31 March 2023 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.

Other Companies Act 2006 reporting

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

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:

Non-compliance with laws and regulations

Based on:

- Our understanding of the entity and the industry in which it operates;
- Discussion with management and those charged with governance; and
- Obtaining and understanding of the entity's policies and procedures regarding compliance with laws and regulations

we considered the significant laws and regulations to be FRS102 and UK Law & Tax Legislation.

The entity is also subject to laws and regulations where the consequence of non-compliance could have a material effect on the amount or disclosures in the financial statements, for example through the imposition of fines or litigations. We identified such laws and regulations to be health and safety legislation etc.

Our procedures in respect of the above included:

- Review of minutes of meeting of those charged with governance for any instances of non-compliance with laws and regulations;
- Review of correspondence with regulatory and tax authorities for any instances of non-compliance with laws and regulations;
- Review of financial statement disclosures and agreeing to supporting documentation; and
- Review of legal expenditure accounts to understand the nature of expenditure incurred.

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)

Fraud

We assessed the susceptibility of the financial statements to material misstatement, including fraud. Our risk assessment procedures included:

- Enquiry with management and those charged with governance regarding any known or suspected instances of fraud;
- Obtaining an understanding of the entity's policies and procedures relating to:
 - Detecting and responding to the risks of fraud; and
 - Internal controls established to mitigate risks related to fraud.
- Review of minutes of meeting of those charged with governance for any known or suspected instances of fraud;
- Discussion amongst the engagement team as to how and where fraud might occur in the financial statements; and
- Performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud.

Based on our risk assessment, we considered the areas most susceptible to fraud to be management's incentives and opportunities for fraudulent manipulation in relation to posting inappropriate journal entries to revenue as well as timing of the recognition of other income items.

Our procedures in respect of the above included:

- Testing a sample of journal entries throughout the year, which met a defined risk criteria, by agreeing to supporting documentation;
- Assessing significant estimates made by management for bias; and
- Selecting a sample of income around the year end and assessing whether the income has been recognised in the correct period.

We also communicated relevant identified laws and regulations and potential fraud risks to all engagement team members and remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.

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.

Centre 56 Limited
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Independent Auditor's Report to the Members of Centre 56 Limited (continued)

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.

Hamid Ghafoor (Senior Statutory Auditor)
For and on behalf of BDO LLP, Statutory Auditor
Liverpool, UK

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 2023

	Note	Unrestricted funds 2023 £	Restricted funds 2023 £	Total funds 2023 £	Total funds 2022 £
Income from:					
Grants and donations	4	23,334	-	23,334	9,432
Charitable activities	5	-	123,746	123,746	82,169
Investments	6	3,833	-	3,833	820
Total income		27,167	123,746	150,913	92,421
Expenditure on:					
Charitable activities	7	331,947	134,612	466,559	305,542
Total expenditure		331,947	134,612	466,559	305,542
Net movement in funds		(304,780)	(10,866)	(315,646)	(213,121)
Reconciliation of funds:					
Total funds brought forward	14	706,672	28,890	735,562	948,683
Net movement in funds	14	(304,780)	(10,866)	(315,646)	(213,121)
Total funds carried forward		401,892	18,024	419,916	735,562

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

The notes on pages 16 to 30 form part of these financial statements.

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

Balance Sheet
As at 31 March 2023

	Note	2023 £	2022 £
Fixed assets			
Tangible assets	11	26,074	7,639
		<u>26,074</u>	<u>7,639</u>
Current assets			
Debtors	12	9,248	4,929
Cash at bank and in hand		441,079	837,950
		<u>450,327</u>	<u>842,879</u>
Current liabilities			
Creditors: amounts falling due within one year	13	(56,485)	(114,956)
Net current assets		<u>393,842</u>	<u>727,923</u>
Total assets less current liabilities		<u>419,916</u>	<u>735,562</u>
Total net assets	15	<u>419,916</u>	<u>735,562</u>
Charity funds			
Restricted funds	14	18,024	28,890
Unrestricted funds	14	401,892	706,672
Total funds		<u>419,916</u>	<u>735,562</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 14 September 2023 and signed on their behalf by:

Mr Paul Roberts
Chair

The notes on pages 16 to 30 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 2023

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), 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 financial statements are prepared in GBP and rounded to the nearest £.

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 2023 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 2023

2. Accounting policies (continued)

2.3 Going concern

The Company's latest Business Plan including sensitivity analysis and stress testing, approved May 2023, 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 inflation and the challenging economic environment 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.

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

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 2023

2. Accounting policies (continued)

2.6 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.

2.7 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.

2.8 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.

2.9 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.

2.10 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.

2.11 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.

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Notes to the Financial Statements
For the Year Ended 31 March 2023

2. Accounting policies (continued)

2.12 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.

2.13 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.

2.14 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 2023

4. Income from donations and legacies

	Unrestricted funds 2023 £	Total funds 2023 £	Total funds 2022 £
Donations and gifts	22,375	22,375	9,432
Gift Aid from members of the Regenda group	959	959	-
Total 2023	<u>23,334</u>	<u>23,334</u>	<u>9,432</u>
Total 2022	<u>9,432</u>	<u>9,432</u>	

Donations income in the current and prior year was unrestricted.

5. Income from charitable activities

	Restricted funds 2023 £	Total funds 2023 £	Total funds 2022 £
Liverpool City Council	100,275	100,275	54,063
Screwfix Foundation	-	-	5,000
Masonic	-	-	5,000
LIV Char VHOF	-	-	5,058
Liverpool Citysafe	-	-	6,500
Bauer Radio S C	12,451	12,451	4,048
Merseyside Play	-	-	-
Rathbone	5,000	5,000	2,500
Steve Morgan Foundation	5,000	5,000	-
360 Rise	1,020	1,020	-
Total 2023	<u>123,746</u>	<u>123,746</u>	<u>82,169</u>

Total income from charitable activities was £123,746 (2022 - £82,169) of which £Nil (2022 - £Nil) was unrestricted and £123,746 (2022 - £82,169) was restricted.

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Notes to the Financial Statements
For the Year Ended 31 March 2023

6. Investment income

	Unrestricted funds 2023 £	Total funds 2023 £	Total funds 2022 £
Bank interest	3,833	3,833	820

Investment income in the current and prior year was unrestricted.

7. Analysis of expenditure by activities

	Activities undertaken directly 2023 £	Support costs 2023 £	Total funds 2023 £
Expenditure on charitable activities	248,624	217,935	466,559

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

Total expenditure on charitable activities for the year was £466,559 (2022 - £305,542) of which £331,947 was unrestricted (2022 - £217,014) and £134,612 was restricted (2022 - 88,528).

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Notes to the Financial Statements
For the Year Ended 31 March 2023

7. Analysis of expenditure by activities (continued)

Analysis of direct costs

	Charitable activities 2023 £	Total funds 2023 £	Total funds 2022 £
Staff costs	173,300	173,300	140,936
Depreciation	6,026	6,026	2,196
Agency staff and recruitment	3,589	3,589	7,889
Nursery fees and outings	42,666	42,666	26,079
Premises	23,043	23,043	21,390
	<u>248,624</u>	<u>248,624</u>	<u>198,490</u>

Analysis of support costs

	Charitable Activities 2023 £	Total funds 2023 £	Total funds 2022 £
Staff costs	65,721	65,721	80,037
Premises	9,672	9,672	6,690
Facilities management	7,975	7,975	6,889
Other costs	134,567	134,567	13,436
	<u>217,935</u>	<u>217,935</u>	<u>107,052</u>

Total expenditure on charitable activities for the year was £466,559 (2022 - £305,542) of which £331,947 was unrestricted (2022 - £217,014) and £134,612 was restricted (2022 - 88,528).

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.

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Notes to the Financial Statements
For the Year Ended 31 March 2023

8. Auditor's remuneration

	2023	2022
	£	£
Fees payable to the Charity's auditor for the audit of the Charity's annual accounts	3,870	3,720
Fees payable to the Charity's auditor in respect of: All non-audit services not included above	1,650	1,800
	<u><u> </u></u>	<u><u> </u></u>

9. Staff costs

	2023	2022
	£	£
Wages and salaries	217,562	201,382
Social security costs	14,820	14,050
Contribution to defined contribution pension schemes	6,639	5,541
	<u><u>239,021</u></u>	<u><u>220,973</u></u>

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

	2023	2022
	No.	No.
Nursery staff	12	8
Management and administration	1	2
	<u><u>13</u></u>	<u><u>10</u></u>

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 £80,859 (2022 - £93,369).

10. Trustees' remuneration and expenses

During the year, no Trustees received any remuneration or other benefits (2022 - £Nil).

During the year ended 31 March 2023, no Trustee expenses have been incurred (2022 - £Nil).

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Notes to the Financial Statements
For the Year Ended 31 March 2023

11. Tangible fixed assets

	Fixtures, fittings & equipment £
Cost	
At 1 April 2022	39,359
Additions	24,461
At 31 March 2023	<u>63,820</u>
Depreciation	
At 1 April 2022	31,720
Charge for the year	6,026
At 31 March 2023	<u>37,746</u>
Net book value	
At 31 March 2023	<u>26,074</u>
At 31 March 2022	<u>7,639</u>

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Notes to the Financial Statements
For the Year Ended 31 March 2023

12. Debtors

	2023	2022
	£	£
Due within one year		
Amounts owed by group undertakings	-	249
Other debtors	2,057	321
Prepayments	7,191	4,359
	<u>9,248</u>	<u>4,929</u>

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

13. Creditors: Amounts falling due within one year

	2023	2022
	£	£
Trade creditors	10,548	4,325
Amounts owed to group undertakings	20,833	96,837
Other creditors	1,126	-
Accruals and deferred income	23,978	13,794
	<u>56,485</u>	<u>114,956</u>

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 2023

14. Statement of funds

Statement of funds - current year

	Balance at 1 April 2022 £	Income £	Expenditure £	Balance at 31 March 2023 £
Unrestricted funds				
Designated funds				
Growth fund	253,728	-	(36,165)	217,563
General funds				
Unrestricted - general	452,944	27,167	(295,782)	184,329
Total Unrestricted funds	706,672	27,167	(331,947)	401,892
Restricted funds				
Liverpool City Council	-	100,275	(100,275)	-
Masonic	3,750	-	(3,750)	-
Rathbone	-	5,000	(5,000)	-
Steve Morgan Foundation	7,449	5,000	(4,425)	8,024
Medicash	5,000	-	-	5,000
Bauer Radio S C	1,043	-	(1,043)	-
LIV Char VHOF	1,049	12,451	(13,500)	-
Screwfix Foundation	5,000	-	-	5,000
Liverpool Citysafe	5,599	-	(5,599)	-
360 Rise	-	1,020	(1,020)	-
Total Restricted funds	28,890	123,746	(134,612)	18,024
Total of funds	735,562	150,913	(466,559)	419,916

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Notes to the Financial Statements
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14. Statement of funds (continued)

Statement of funds - prior 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
	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 2023

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
For the Year Ended 31 March 2023

14. Statement of funds (continued)

360 Rise - community investment grant support, provide Christmas food parcels, for 34 families that Centre 56 supports.

15. Analysis of net assets between funds

Analysis of net assets between funds - current year

	Unrestricted funds 2023 £	Restricted funds 2023 £	Total funds 2023 £
Tangible fixed assets	26,074	-	26,074
Current assets	432,303	18,024	450,327
Creditors due within one year	(56,485)	-	(56,485)
Total	401,892	18,024	419,916

Analysis of net assets between funds - prior 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

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Notes to the Financial Statements
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16. Related party transactions

Redwing Living Limited, a company under common control, incurred costs of £293 (2022 - £Nil) from Centre 56. The creditor at year end was £293 (2022 - £Nil).

M&Y (Regenda Partnership) Limited, a company under common control, charged income of £1,445 (2022 - £1,340) to Centre 56. The creditor at year end was £962 (2022 - £2,407).

Regenda Limited, the parent company, incurred costs of £74,852 (2022 - £92,078) from Centre 56. The creditor at year end was £19,577 (2022 - £94,430).

Petrus Community, a company under common control, incurred costs of £124 (2022 - £2,666) from Centre 56. The debtor at year end was £Nil (2022 - £124).

The Learning Foundry Limited, a company under common control, incurred costs of £125 (2022 - £125) from Centre 56. The debtor at year end was £Nil (2022 - £125).

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 2023, 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.