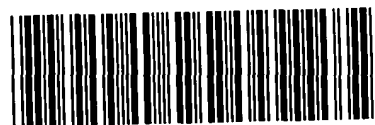


Registered number: 01307825
Charity number: 502933

Centre 56 Limited
(A Company Limited by Guarantee)
Trustees' Report and Financial Statements
For the Year Ended 31 March 2020

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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 2020

Trustees	Dr M Birkett S Harrison G Kelly A L Russell
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	National Westminster Bank 250 Bishopsgate London EC2M 4AA

Centre 56 Limited
(A Company Limited by Guarantee)

Trustees' Report
For the Year Ended 31 March 2020

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 2020 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.

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
G Kelly
A L Russell

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.

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.

Centre 56 Limited
(A Company Limited by Guarantee)

Trustees' Report (continued)
For the Year Ended 31 March 2020

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.
- Work within and support the Local Authorities' Domestic Abuse reduction strategy.

Strategies and activities for achieving objectives

The Centre was successful in 2018 in applying for a 3-year Big Lottery Reaching Communities Grant. This has enabled the Centre to continue to provide high quality childcare services along with a renewed focus on supporting the whole family through courses and activities for adults.

In addition to the award of Big Lottery Grant a new fundraising strategy has increased income with an additional grant towards core costs received from the Garfield Weston Foundation and several smaller grants for projects. A focus of the fundraising strategy is to gradually diversify funding and there has been a focus on increasing individual and corporate donations.

Centre 56 continues to operate from Kirkdale which is one of the most deprived areas in the country. The Centre serves an area that is a hot spot for domestic abuse incidents in Liverpool and there are also significant unemployment, housing and health issues in the local area. This year there has been a continued number of courses and activities offered to parents, and the wider community, including Personal Development, English, Yoga & Mindfulness and Healthy Cookery. Women who have attended these courses have gone on to study at college or volunteer at the Centre. By working closely with the local refuge and other partner organisations in the area Centre 56 continues to support some of the most vulnerable families in the area.

The Trustees have paid due regard to guidance issued by the Charity Commission in deciding what activities the charity should undertake.

Centre 56 Limited
(A Company Limited by Guarantee)

Trustees' Report (continued)
For the Year Ended 31 March 2020

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 the theatre, days out in the countryside, museum visits and visits to places of interest in the North West, 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.

Achievements and performance

The nursery and the after-school club continue to have waiting lists and during the year there has been an increase in the number of adults accessing services and activities at the Centre.

The nursery and after school club continue to be Ofsted registered and a new nursery manager was welcomed into the charity during 2019/20. In December 2018 Ofsted inspected the nursery and after school club and they retained their Good rating.

Over the summer in 2019 we had a well-attended Family Fun Day and went on trips to Formby Pine Woods, Otterspool, Rice Lane Farm, Stanley Park & Blackpool.

Some children and parents enjoyed a Christmas party at Hotel Indigo and all our nursery and after school club children enjoyed celebrations in their groups including a visit from Father Christmas. Over the Christmas period support and generous donations from individuals, the wider community and local organisations meant that each child received toys and a selection box and we were also able to provide gifts for all our parents.

During 2019/20, we worked with Liverpool City Council to host a consultation event called 'The Voice of the Child'. This engagement exercise enabled us to bring together a number of partners across the city to ensure that within the Liverpool Domestic Abuse strategy, the concerns and needs of children were in focus.

The Board of Trustees agreed to fund a chef to provide a hot dinner for the nursery children, plus a hot snack for the after-school children.

The Centre continued to offer work experience placements to various local schools and colleges.

Centre 56 Limited
(A Company Limited by Guarantee)

Trustees' Report (continued)
For the Year Ended 31 March 2020

Achievements and performance (continued)

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

The National Lottery Community Fund
The Garfield Weston Foundation
LCVS Community Impact Fund
The Skelton Charity
The Hemby Trust
Percy Bilton Charity
Masonic Charitable Foundation
Liverpool City Council
Duchy of Lancaster Benevolent Fund
MPAC
Radio City Cash for Kids
Hugh Baird Further Education College
YMCA
Homecooked CIC
Positivity Inc
CHAT
Liverpool Voluntary and Community Services (LVCS)
LFC Foundation
Fountains Childrens Centre
Merseyside Police
Nando's Liverpool One
Construction Impact Framework
HMRC, Liverpool
HM Passport Office, Liverpool
Coop Funeralcare, Walton Vale
Lush, Liverpool
Liverpool Soroptimists International
ISS, The Royal Liverpool Hospital
Hotel Indigo

Financial review

The Centre income totalled £583,828 (2019: £253,129) for the year. Of this, £99,323 (2019: £113,272) was received from Big Lottery Fund and £58,065 (2019: £61,572) from Liverpool City Council. Income also included £400,000 gift aid receipt from members of the Regenda group (2019: £28,270).

Expenditure totalled £336,814 (2019: £204,382) which resulted in an overall surplus for the year of £247,014 (2019: £48,747).

COVID-19

Practical guidelines published by the Government have been followed to ensure services provided by Centre 56 are delivered as safe as possible. Robust guidelines and associated procedures have been produced to enable the safe remobilisation of services. The team continue to operate and engage with the remobilisation creatively with resilience and professionalism. The nursery is now fully open to all children, however, they operate a system of 2 separate groups or 'bubbles' to manage the risk of transmission in addition to ongoing compliance regarding PPE and physical adjustments to the building on expert advice. The after-school club remains closed, reflecting the closure of the schools, however a series of activities are planned each day over the summer to engage children who would normally be in attendance.

Centre 56 Limited
(A Company Limited by Guarantee)

Trustees' Report (continued)
For the Year Ended 31 March 2020

Going concern

The Company's latest Business Plan including sensitivity analyses and stress testing, approved September 2020, 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 which is likely to be impacted by Covid-19. 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. That said, a cautious approach to expending the charity's resources will be taken until the full impact of the pandemic is clearly understood.

Based on this position 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. During the whole of the year unrestricted reserves were at least this amount, the balance at 31 March 2020 being £348k, but with the uncertainty in funding this may not be the case going forward.
- A redundancy fund was set up in previous years following uncertainty about the future of the charity. The fund has now been released into general reserves now that Centre 56 have joined the Regenda Group as well as securing National Lottery funding for the next three years.
- 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.

Centre 56 Limited
(A Company Limited by Guarantee)

Trustees' Report (continued)
For the Year Ended 31 March 2020

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.

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.

This report was approved by order of the board of Trustees on 3rd September 2020.

Michael R. Birkett

Dr M R Birkett
Chair of the Board of Trustees

Centre 56 Limited
(A Company Limited by Guarantee)

Statement of trustees' responsibilities
For the Year Ended 31 March 2020

The Trustees are responsible for preparing the Annual report and the financial statements in accordance with applicable law and regulations.

Company law requires the Trustees to prepare financial statements for each financial year in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). 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 the incoming resources and application of resources, including the income and expenditure, of the charity 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 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 AUDITORS' REPORT TO THE TRUSTEES OF CENTRE 56 LIMITED

Opinion

We have audited the financial statements of Centre 56 Limited ("the Charitable Company") for the year ended 31 March 2020 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).

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 2020 and of its incoming resources and application of resources for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the Charitable Company in accordance with the ethical requirements relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the Trustees' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the Trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the Charitable Company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Centre 56 Limited
(A Company Limited by Guarantee)

INDEPENDENT AUDITORS' REPORT TO THE TRUSTEES OF CENTRE 56 LIMITED (CONTINUED)

Other information

The other information comprises the information included in the Annual Report, other than the financial statements and our auditor's report thereon. The other information comprises the Annual Report. The Trustees are responsible for the other information.

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

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

We have nothing to report in this regard.

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 are included in the Trustees' Report, has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the 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 prepare the financial statements in accordance with the small companies regime and 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 AUDITORS' REPORT TO THE TRUSTEES 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.

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.

BDO LLP

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

Date: 17 September 2020

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 THE INCOME AND EXPENDITURE ACCOUNT)

For the Year Ended 31 March 2020

	Note	Unrestricted funds 2020 £	Restricted funds 2020 £	Total funds 2020 £	Total funds 2019 £
Income from:					
Grants and donations	4	409,378	-	409,378	42,408
Charitable activities	5	-	174,430	174,430	210,693
Investments	6	20	-	20	28
Total income		409,398	174,430	583,828	253,129
Expenditure on:					
Charitable activities	7	170,214	166,600	336,814	204,382
Total expenditure		170,214	166,600	336,814	204,382
Net income		239,184	7,830	247,014	48,747
Transfers between funds	14	41,189	(41,189)	-	-
Net movement in funds		280,373	(33,359)	247,014	48,747
Reconciliation of funds:					
Total funds brought forward		67,851	46,189	114,040	65,293
Net movement in funds		280,373	(33,359)	247,014	48,747
Total funds carried forward	14	348,224	12,830	361,054	114,040

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

The notes on pages 14 to 27 form part of these financial statements.

Centre 56 Limited
(A Company Limited by Guarantee)

Balance Sheet
as at the 31 March 2020

Company registered number: 01307825

	Note	2020 £	2020 £	2019 £	2019 £
Fixed assets					
Tangible assets	11		12,662		389
			<u>12,662</u>		<u>389</u>
Current assets					
Debtors	12	1,175	-	-	-
Cash at bank and in hand		364,137	215,977		
		<u>365,312</u>	<u>215,977</u>		
Creditors: amounts falling due within one year	13	(16,920)	(102,326)		
Net current assets			<u>348,392</u>		<u>113,651</u>
Total assets less current liabilities			<u>361,054</u>		<u>114,040</u>
Total net assets			<u><u>361,054</u></u>		<u><u>114,040</u></u>
Charity funds					
Restricted funds	14		12,830		46,189
Unrestricted funds	14		348,224		67,851
Total funds			<u><u>361,054</u></u>		<u><u>114,040</u></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 03 September 2020 and signed on their behalf by:

Michael R. Birkett

Dr M R Birkett
Chair of the Board of Trustees

The notes on pages 14 to 27 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 2020

1. General information

Centre 56 is a 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 2020 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 2020

2. Accounting policies (continued)

2.3 Going concern

The Company's latest Business Plan including sensitivity analyses and stress testing, approved September 2020, 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 which is likely to be impacted by Covid-19. 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. That said, a cautious approach to expending the charity's resources will be taken until the full impact of the pandemic is clearly understood.

Based on this position 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.

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.

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.

Centre 56 Limited
(A Company Limited by Guarantee)

Notes to the Financial Statements
For the Year Ended 31 March 2020

2. Accounting policies (continued)

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%
--------------------------------	---	-----

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.

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.

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2. Accounting policies (continued)

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 are available to spend on activities that further any of the purposes of Charity.

Designated funds are unrestricted funds of the charity which the trustees have decided at their discretion to set aside to use for a specific purpose.

Restricted funds have been provided to the Charity for particular purposes, and it is the policy of the board of trustees to carefully monitor the application of those funds in accordance with the restrictions placed upon them.

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.

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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4. Income from donations and legacies

	Unrestricted funds 2020 £	Total funds 2020 £	Total funds 2019 £
Donations and gifts	9,270	9,270	13,348
Gift Aid from members of the Regenda group	400,000	400,000	28,270
Other donations	108	108	790
Total 2020	409,378	409,378	42,408
Total 2019	42,408	42,408	

5. Income from charitable activities

	Restricted funds 2020 £	Total funds 2020 £
Big Lottery Fund	99,323	99,323
Liverpool City Council	58,065	58,065
Masonic	5,000	5,000
Other grants	12,042	12,042
Total 2020	174,430	174,430

	Unrestricted funds 2019 £	Restricted funds 2019 £	Total funds 2019 £
Big Lottery Fund	-	113,272	113,272
Liverpool City Council	-	61,572	61,572
Garfield Weston	20,000	-	20,000
Duchy of Lancaster	-	5,000	5,000
Other grants	-	10,849	10,849
Total 2019	20,000	190,693	210,693

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6. Investment income

	Unrestricted funds 2020 £	Total funds 2020 £	Total funds 2019 £
Bank interest	20	20	28

Investment income in the current and prior year was unrestricted.

7. Analysis of expenditure by activities

	Activities undertaken directly 2020 £	Support costs 2020 £	Total funds 2020 £
Expenditure on charitable activities	177,976	158,838	336,814

	Activities undertaken directly 2019 £	Support costs 2019 £	Total funds 2019 £
Expenditure on charitable activities	172,327	32,055	204,382

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7. Analysis of expenditure by activities (continued)

Analysis of direct costs

	Total funds 2020 £	Total funds 2019 £
Staff costs	122,836	131,462
Depreciation	2,049	130
Agency staff and recruitment	22,323	7,186
Nursery fees and outings	12,276	13,119
Premises	14,038	10,986
Other costs	4,454	9,444
	<u>177,976</u>	<u>172,327</u>

Analysis of support costs

	Total funds 2020 £	Total funds 2019 £
Staff costs	17,250	16,912
Premises	9,278	11,621
Corporate services	107,063	-
Facilities management	6,565	-
Other costs	18,682	3,522
	<u>158,838</u>	<u>32,055</u>

Total expenditure on charitable activities for the year was £336,814 (2019 - £204,382) of which £170,214 (2019 - £15,459) was unrestricted and £166,600 (2019 - £188,923) 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.

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8. Auditor's remuneration

	2020 £	2019 £
Fees payable to the Charity's auditor for the audit of the Charity's annual accounts	<u>2,900</u>	<u>2,550</u>

9. Staff costs

	2020 £	2019 £
Wages and salaries	129,746	139,660
Social security costs	7,364	7,110
Contribution to defined contribution pension schemes	2,976	1,604
	<u>140,086</u>	<u>148,374</u>

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

	2020 No.	2019 No.
Nursery staff	7	9
Management and administration	3	2
	<u>10</u>	<u>11</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. The total employee benefits of the key management personnel were £43,968 (2019 - £54,320).

10. Trustees' remuneration and expenses

During the year, no trustees received any remuneration or other benefits (2019 - £Nil).

During the year ended 31 March 2020, no trustee expenses have been incurred (2019 - £Nil).

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11. Tangible fixed assets

	Fixtures, fittings & equipment £
Cost	
At 1 April 2019	25,037
Additions	14,322
At 31 March 2020	<u>39,359</u>
Depreciation	
At 1 April 2019	24,648
Charge for the year	2,049
At 31 March 2020	<u>26,697</u>
Net book value	
At 31 March 2020	<u><u>12,662</u></u>
At 31 March 2019	<u><u>389</u></u>

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12. Debtors

	2020 £	2019 £
Due within one year		
Trade debtors	200	-
Prepayments	975	-
	<u>1,175</u>	<u>-</u>

13. Creditors: Amounts falling due within one year

	2020 £	2019 £
Trade creditors	2,456	-
Amounts owed to group undertakings	3,375	96,959
Other taxation and social security	981	1,332
Accruals and other creditors	10,108	4,035
	<u>16,920</u>	<u>102,326</u>

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

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14. Statement of funds

Statement of funds - current year

	Balance at 1 April 2019 £	Income £	Expenditure £	Transfers in/out £	Balance at 31 March 2020 £
Unrestricted funds					
Designated funds					
Growth fund	-	-	-	280,373	280,373
General funds					
Unrestricted - general	67,851	409,398	(170,214)	(239,184)	67,851
Total Unrestricted funds	67,851	409,398	(170,214)	41,189	348,224
Restricted funds					
Liverpool City Council	-	58,065	(58,065)	-	-
Liverpool Football Club	41,189	-	-	(41,189)	-
Duchy of Lancaster	5,000	-	(5,000)	-	-
Big Lottery Fund	-	99,323	(96,573)	-	2,750
Masonic	-	5,000	(5,000)	-	-
Other grants	-	12,042	(1,962)	-	10,080
	46,189	174,430	(166,600)	(41,189)	12,830
Total of funds	114,040	583,828	(336,814)	-	361,054

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14. Statement of funds (continued)

Statement of funds - prior year

	Balance at 1 April 2018 £	Income £	Expenditure £	Balance at 31 March 2019 £
Unrestricted funds				
Unrestricted - general	20,874	62,436	(15,459)	67,851
	<u>20,874</u>	<u>62,436</u>	<u>(15,459)</u>	<u>67,851</u>
Restricted funds				
Family Support	-	113,252	(113,252)	-
Liverpool City Council	-	61,592	(61,592)	-
Liverpool Football Club	41,189	-	-	41,189
Duchy of Lancaster	-	5,000	-	5,000
Big Lottery Fund	3,230	10,849	(14,079)	-
	<u>44,419</u>	<u>190,693</u>	<u>(188,923)</u>	<u>46,189</u>
Total of funds	<u><u>65,293</u></u>	<u><u>253,129</u></u>	<u><u>(204,382)</u></u>	<u><u>114,040</u></u>

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Notes to the Financial Statements
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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

Family Support - funding specifically for away days and fun activities for families.

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

Liverpool Football Club - for improvements on the outside area of Centre 56. During the year permission was granted for funds provided for improvements on the outside area of Centre 56 to be reallocated in accordance with charitable objectives. This has been reflected as a transfer in funds.

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

Duchy of Lancaster - funding towards garden equipment for Centre 56.

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.

15. Analysis of net assets between funds

Analysis of net assets between funds - current period

	Unrestricted funds 2020 £	Restricted funds 2020 £	Total funds 2020 £
Tangible fixed assets	12,662	-	12,662
Current assets	352,482	12,830	365,312
Creditors due within one year	(16,920)	-	(16,920)
Total	348,224	12,830	361,054

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15. Analysis of net assets between funds (continued)

Analysis of net assets between funds - prior period

	Unrestricted funds 2019 £	Restricted funds 2019 £	Total funds 2019 £
Tangible fixed assets	389	-	389
Current assets	169,788	46,189	215,977
Creditors due within one year	(102,326)	-	(102,326)
Total	67,851	46,189	114,040

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 2020, 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.