

Childhood First

healing hurt minds

3547839

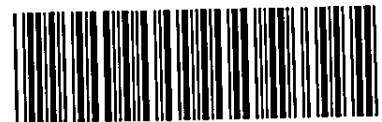
Childhood First (South) Limited
(a company limited by guarantee)

Formerly Peper Harow (South) Ltd

Report of the Council of Management
and Financial Statements

Year Ended 31 March 2008

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COMPANIES HOUSE

BDO

BDO Stoy Hayward
Chartered Accountants

CHILDHOOD FIRST (SOUTH) LIMITED

(a company limited by guarantee)
(Formerly Peper Harow (South) Limited)

Annual report and financial statements for the year ended 31 March 2008

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CHILDHOOD FIRST (SOUTH) LIMITED

(a company limited by guarantee)
(Formerly Peper Harow (South) Limited)

Report of the Council of Management for the year ended 31 March 2008

Report of the Management Council

The Council Members, who are also directors of the charitable company for the purposes of the Companies Act 1985, present their annual report and the audited financial statements for the year ended 31st March 2008. The Council Members have adopted the provisions of the Statement of Recommended Practice (SORP 2005) in preparing the annual report and financial statements.

Reference and Administrative details of the Charity, its Council Members and Advisers

Charity name: Childhood First (South) Ltd (formerly Peper Harow (South) Ltd)

Working name: Childhood First

Charity Registration number: 286909

Company Registration number: 3547839

Registered Office and operational address:

Station House, 150 Waterloo Road, London, SE1 8SB

Management Council

The Council Members (directors of the company) during the year were.

Mr A H Isaacs (resigned 19th September 2007)

Mrs E Eskenzi (resigned 19th September 2007)

Keith Miller (appointed 19th September 2007)

Mr J Pethick

Ms E M Szwed

Penny Treadwell (appointed 19th September 2007)

Company Secretary: Mr M C O'Kelly

Treasurer: Mr S J M Lyon

Auditors

BDO Stoy Hayward LLP, 2 City Place, Beehive Ring Road, Gatwick, West Sussex, RH6 0PA

Bankers

Coutts & Co, 440 Strand, London WC2R 0QS

HSBC Bank plc, 83 Sidcup High Street, Sidcup, Kent, DA14 6DN

Solicitors

Stephenson Harwood, 1 St Paul's Churchyard, London, EC4M 8SH

CHILDHOOD FIRST (SOUTH) LIMITED

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Report of the Council of Management for the year ended 31 March 2008 (continued)

Fuller details, including notes on the reserves policy, are given in the report and consolidated financial statements of the parent company, Childhood First (formerly the Peper Harow Foundation).

Structure, Governance and Management

Childhood First (South) Limited was incorporated as a company limited by guarantee under company number 3547839 on 17 April 1998 under the name Startbeam Limited. It changed its name to Peper Harow (South) Limited on 26 February 1999 and then to Childhood First (South) Ltd on 16th July 2008. It is also registered as a charity (number 286909) under the umbrella of Childhood First, its sole member. It is governed by Memorandum and Articles of Association.

Childhood First appoints the members of the Management Council.

Management is delegated to the Community Director, who reports to the Chief Executive of Childhood First

Risk Management

The Board of Childhood First has assessed the major risks to which the charity is exposed, in the context of the overall organisation, in particular those related to the operations and finances, and the Trustees believe that systems are in place to mitigate our exposure to the major risks

Major risks and the actions which are taken to mitigate these risks include:

- Shortfall in statutory income The fees have been reviewed and are based on breaking even at average occupancy levels. There is also a greater emphasis in better marketing, both in terms of advertising and direct contact with Local Authorities, to ensure a steady stream of referrals and adequate numbers of children at any time;
- Recruitment and retention of appropriate skilled staff Terms and conditions have been reviewed and amended, and a system of appraisals and training is in place,
- Non-compliance with regulations. Policies are in place which ensure compliance with the Children's Homes regulations, with monthly inspections Systems are in place to ensure recommendations from OFSTED (formerly CSCI) reports are acted on in a timely way; and
- Residential properties continue to meet the needs of the children and young people Refurbishment programmes are in place and the suitability of the size of establishments are considered.

Objects and Activities

The aims of Childhood First (South) Limited are:

- To promote and further the care, treatment, education and rehabilitation of children and young people who are psychologically and emotionally disturbed; and
- To provide for the rehabilitation and care of such children by the provision of fostering and family support services.

CHILDHOOD FIRST (SOUTH) LIMITED

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Notes forming part of the financial statements for the year ended 31 March 2008 (cont)

Activities

Childhood First (South) Limited runs a residential therapeutic centre at Greenfields House in Kent, for up to 10 children aged 5 to 12, and Greenfields School, where the children from Greenfields House and up to 5 day pupils receive an education.

Achievements and performance

Greenfields House and School continued to provide a high level of support for the children placed with them, as evidenced by external reports during the year. A lack of referrals meant low numbers of children, though numbers did increase towards the end of the year at both the House and School, with eight children resident and five additional day pupils.

Financial review

Low numbers of children at the House and School for most of the year meant there was a substantial deficit of expenditure over Local Authority income.

However the parent charitable company, Childhood First, gave a donation to cover the annual deficit and the deficit brought forward. The number of children at the house and school, and number of referrals, gives cause for optimism for the future.

The future

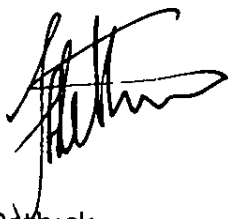
Childhood First (South) Limited will continue to provide residential therapeutic care and education.

Auditors

All of the current directors have taken all the steps that they ought to have taken to make themselves aware of any information needed by the Charitable Company's auditors for the purpose of their audit and to establish that the auditors are aware of that information. The directors are not aware of any relevant audit information of which the auditors are unaware.

A resolution to re-appoint BDO Stoy Hayward LLP as auditors will be proposed at the next annual general meeting.

On behalf of the Council of Management



Jan Pethick
Council Member

17th September 2008

CHILDHOOD FIRST (SOUTH) LIMITED

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Statement of Responsibilities of the Members of the Council

The Members of the Council (who are the directors of the company) are responsible for preparing the annual report and the financial statements in accordance with applicable law and United Kingdom Generally Accepted Accounting Practice.

Company law requires the Council Members to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charitable company and of the surplus or deficit of the charitable company for that period. In preparing these financial statements, the Council Members are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent,
- state whether applicable accounting standards and the statement of recommended practice 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 charitable company will continue in operation

The Members of the Council are responsible for the keeping of proper accounting records which disclose with reasonable accuracy at any time the financial position of the charitable company and which enable them to ensure that the financial statements comply with the Companies Act 1985 and the. They have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the charitable company and to prevent and detect fraud and other irregularities

CHILDHOOD FIRST (SOUTH) LIMITED

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Report of the independent auditors

To the Members of the Council of Childhood First (South) Limited

We have audited the financial statements of Childhood First (South) Limited for the year ended 31 March 2008 which comprise the statement of financial activities, the balance sheet and the related notes. These financial statements have been prepared under the accounting policies set out therein.

Respective responsibilities of the Members of the Council and auditors

The Members of the Council's responsibilities for preparing the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) are set out in Statement of Responsibilities of the Members of the Council.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

We report to you our opinion as to whether the financial statements give a true and fair view and have been properly prepared in accordance with the Companies Act 1985 and whether the information given in the Council of Managements' report is consistent with those financial statements. We also report to you if, in our opinion, the charitable company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding Trustees' remuneration and other transactions is not disclosed.

We read the Report of the Members of the Council and consider the implications for our report if we become aware of any apparent misstatements within it.

Our report has been prepared pursuant to the requirements of the Companies Act 1985 and for no other purpose. No person is entitled to rely on this report unless such a person is a person entitled to rely upon this report by virtue of and for the purpose of the Companies Act 1985 or has been expressly authorised to do so by our prior written consent. Save as above, we do not accept responsibility for this report to any other person or for any other purpose and we hereby expressly disclaim any and all such liability.

Basis of audit opinion

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgments made by the Members of the Council in the preparation of the financial statements, and of whether the accounting policies are appropriate to the charitable company's circumstances, consistently applied and adequately disclosed.

CHILDHOOD FIRST (SOUTH) LIMITED

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Report of the independent auditors (*continued*)

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

Opinion

In our opinion:

- the financial statements give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the charitable company's affairs as at 31 March 2008 and of the incoming resources and application of resources, including its income and expenditure for the year then ended;
- the financial statements have been properly prepared in accordance with the Companies Act 1985; and
- the information given in the Report of the Council of Management is consistent with the financial statements

BDO Stoy Hayward LLP

BDO STOY HAYWARD LLP
*Chartered Accountants and
Registered Auditors*
Gatwick

Date: *29/7/08*

CHILDHOOD FIRST (SOUTH) LIMITED

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Statement of financial activities for the year ended 31 March 2008

	Note	Unrestricted funds 2008 £	Restricted funds 2008 £	Year ended 31 March 2008 £	Year ended 31 March 2007 £
Income and expenditure					
Incoming resources					
Incoming resources from generated funds					
Voluntary income		645,103	10,890	655,993	33,021
Bank interest		13	-	13	137
Incoming resources from charitable activities					
Local authority fees		1,123,711	-	1,123,711	1,241,584
Other incoming resources		538	-	538	9,008
Total incoming resources		1,769,365	10,890	1,780,255	1,283,750
Resources expended					
Cost of generating funds		-	-	-	-
Charitable activities:					
Provision of services to children		1,349,432	18,008	1,367,440	1,337,686
Governance costs		5,040	-	5,040	3,724
Total resources expended	2	1,354,472	18,008	1,372,480	1,341,410
Net incoming/ (outgoing) resources for the year	3	414,893	(7,118)	407,775	(57,660)
Balances b/f at 1 April 2007		(414,893)	14,971	(399,922)	(342,642)
Balance c/f at 31 March 2008		-	7,853	7,853	(399,922)

No statement of total recognised gains and losses has been produced, as all reserve movements are shown in the statement of financial activities.

All transactions are derived from continuing operations

The notes on pages 8 to 16 form part of these financial statements.

CHILDHOOD FIRST (SOUTH) LIMITED

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Balance sheet at 31 March 2008

	Note	2008 £	2008 £	2007 £	2007 £
Fixed assets					
Tangible assets	5		4,853		14,971
Current assets					
Debtors	6	302,592		217,263	
Cash at bank and in hand		7,190		61,113	
		309,782		278,376	
Creditors: amounts falling due within one year	7	(306,782)		(693,269)	
Net current assets/ (liabilities)			3,000		(414,893)
Net assets/(liabilities)			7,853		(399,922)
Capital reserves					
Unrestricted funds	11		-		(414,893)
Restricted funds	11		7,853		14,971
			7,853		(399,922)

The financial statements were approved and authorised for issue by the Council of Management on 17th September 2008 and were signed on its behalf by:


Jan Pethick
Council member

The notes on pages 9 to 16 form part of these financial statements.

CHILDHOOD FIRST (SOUTH) LIMITED

(a company limited by guarantee)
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Notes forming part of the financial statements for the year ended 31 March 2008

1 Accounting policies

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the charitable company's financial statements

a) Basis of preparation

The financial statements have been prepared under the historic cost convention and in accordance with the Charities Commission Statement of Recommended Practice "Accounting and Reporting by Charities" issued in March 2005, and applicable accounting standards.

These financial statements have been prepared on the basis that the charitable company can continue as a going concern. For this basis to apply, the charitable company is dependent upon the continued support that its parent company has undertaken to provide for the foreseeable future.

b) Fixed assets and depreciation

Fixed assets are stated at cost less depreciation. Items costing less than £1,000 are not capitalised. Depreciation is provided to write off the cost of each asset over its estimated useful economic life by equal annual instalments as follows

Furniture, fittings, tools and equipment	- 20% per annum
Motor vehicles	- 33% per annum

c) Income and expenses

Expenses, rental income and fees are accounted for on an accruals basis. Donations are accounted for when received. Legacies are accounted for when received or if, before receipt, there is sufficient evidence as to the certainty of the receipt and value of the legacy.

d) Allocation of expenses.

- Costs of generating funds comprise the costs associated with attracting voluntary income,
- Charitable expenditure comprises those costs incurred by the charitable company in the delivery of its activities and services for its beneficiaries. It includes both costs that can be allocated directly to such activities and those costs of an indirect nature necessary to support them; and
- Governance costs include those costs associated with meeting the constitutional and statutory requirements of the charitable company.

CHILDHOOD FIRST (SOUTH) LIMITED

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Notes forming part of the financial statements for the year ended 31 March 2008 (cont)

1 Accounting policies (continued)

e) Funds.

- **Unrestricted funds**
These represent funds which can be expended as the trustees see fit, in accordance with the charitable objects of the group
- **Restricted income funds**
These represent income received which can only be expended for the purpose specified by the donor.

f) Leases

Where assets are financed by leasing agreements that give rights approximating to ownership ('finance leases'), the assets are treated as if they had been purchased outright. The amount capitalised is the present value of the minimum lease payments payable during the lease term. The corresponding leasing commitments are shown as amounts payable to the lessor. Depreciation on the relevant assets is charged to the statement of financial activities.

Lease payments are analysed between capital and interest components so that the interest element of the payment is charged to the statement of financial activities over the period of the lease and represents a constant proportion of the balance of capital repayments outstanding. The capital part reduces the amounts payable to the lessor.

All other leases are treated as operating leases. Their annual rentals are charged to the statement of financial activities on a straight-line basis over the term of the lease.

g) Pension costs

- A number of employees belong to the Teacher's Superannuation Scheme, which is a defined benefit scheme. As it is not possible to identify the charitable company's share of the underlying assets and liabilities in the scheme on a consistent and reasonable basis, contributions are charged to the income and expenditure account as they are paid; and
- Employees who are not eligible to belong to the above scheme may belong to a group personal pension plan operated by the charitable company's parent undertaking. The assets of this plan are held separately from those of the charitable company in an independently administered fund. The amount charged to the income and expenditure account represents the contribution payable to the plan in respect of the accounting period.

h) Cash flow statement

Under the Charities Commission Statement of Recommended Practice and the Companies Act, the charitable company is exempt from the requirement to prepare a cash flow statement on the grounds that it is consolidated in the financial statements of its ultimate parent charitable company.

CHILDHOOD FIRST (SOUTH) LIMITED

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Notes forming part of the financial statements for the year ended 31 March 2008 (cont)

2 Analysis of total resources expended

Costs are allocated directly to the provision of services to children or to governance costs

Charitable activities	Total 2008 £	Total 2007 £
Provision of services to children		
Staff costs	854,838	826,365
Consultants	103,688	96,064
Travel costs	10,138	10,431
Administration	19,676	15,802
Premises	125,772	130,025
Household	16,259	12,887
Provisions	23,042	21,857
Education	5,234	10,606
Personal care	9,663	11,996
Social activities	16,685	19,168
Other costs	4,596	6,818
Depreciation	10,118	10,118
Interest payable	1	79
Bank charges	178	320
Insurance, legal fees	24,116	22,809
Contribution to parent company costs	143,436	142,341
		—
Total cost of provision of services to children	1,367,440	1,337,686
Governance costs		
Audit fees	5,040	3,274
Total governance costs	5,040	3,274
Total resources expended	1,372,480	1,341,410

CHILDHOOD FIRST (SOUTH) LIMITED

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Notes forming part of the financial statements for the year ended 31 March 2008 (cont)

3 Net incoming/(outgoing) resources

	2008	2007
Net incoming/(outgoing) resources for the year is stated after charging	£	£
Auditors' remuneration	5,040	3,274
Depreciation of tangible fixed assets	10,118	10,118
Rentals payable under operating leases.		
Land and buildings	61,800	60,000
Other	4,042	2,990
Trustees professional indemnity insurance	2,125	2,418
	<hr/>	<hr/>

4 Staff numbers and costs

The average number of persons employed by the charitable company during the year was 36 (2007 - 35).

	2008	2007
The aggregate payroll costs of these persons were as follows.	£	£
Wages and salaries	678,426	677,182
Social security costs	59,820	59,489
Other pension costs	33,796	30,313
	<hr/>	<hr/>
	772,042	766,984
	<hr/>	<hr/>

No payments or remuneration, or reimbursement of expenses, were made to Members of the Council of Management during the year (2007 - £Nil).

No employees received emoluments greater than £60,000 for the year (2007 - £Nil).

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Notes forming part of the financial statements for the year ended 31 March 2008 (cont)

5 Tangible fixed assets

	Motor vehicles £	Total £
<i>Cost</i>		
At 1 April 2007	30,354	30,354
Additions	-	-
Disposals	-	-
	<hr/>	<hr/>
At 31 March 2008	30,354	30,354
	<hr/>	<hr/>
<i>Depreciation</i>		
At 1 April 2007	15,383	15,383
Charge for year	10,118	10,118
Disposals	-	-
	<hr/>	<hr/>
At 31 March 2008	25,501	25,501
	<hr/>	<hr/>
<i>Net book value</i>		
At 31 March 2008	4,853	4,853
	<hr/>	<hr/>
At 31 March 2007	14,971	14,971
	<hr/>	<hr/>

6 Debtors

	2008 £	2007 £
Trade debtors	284,808	215,152
Amount owed by parent company	12,583	-
Prepayments and accrued income	5,201	2,111
	<hr/>	<hr/>
	302,592	217,263
	<hr/>	<hr/>

All amounts shown under debtors fall due for payment within one year.

CHILDHOOD FIRST (SOUTH) LIMITED

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Notes forming part of the financial statements for the year ended 31 March 2008 (cont)

7 Creditors: amounts falling due within one year

	2008	2007
	£	£
Amounts owed to parent undertaking	-	381,549
Taxation and social security	15,324	16,130
Other creditors	34,142	32,659
Accruals and deferred income	257,316	262,931
	<hr/>	<hr/>
	306,782	693,269
	<hr/>	<hr/>

8 Pension scheme

a) Teachers' Pension Scheme

A number of the charitable company's employees are members of the Teachers' Pension Scheme (TPS). The TPS is a statutory, contributory defined benefit scheme administered by the Teacher's Pension Agency, an executive agency of the Department for Education and Employment.

Not less than every four year, with a supporting interim valuation in between, the Government Actuary (GA), using normal actuarial principles, conducts a formal actuarial review of the TSS. The aim of the review is to specify the level of future contributions.

The last valuation of the TSS was for the period 1 April 2001 to 31 March 2004. The GA's report of October 2006 revealed that the total liabilities of the Scheme (pensions currently in payment and the estimated costs of future benefits) amounted to £166,500 millions. The value of assets (estimated future contributions together with the proceeds from the notional investments held at the valuation date) was £163,240 millions. The assumed real rate of return is 3.5% in excess of prices and 2.0% in excess of earnings. The rate of real earnings growth is assumed to be 1.5%. The assumed gross rate of return is 6.5%.

As from 1st January 2007 the standard contribution has been assessed at 19.75%, plus a supplementary contribution rate of 0.75% (to balance assets and liabilities as required by the regulations within 15 years), giving a rate of 20.5%. Employers pay contributions of 14.1% of salary and employees pay 6.4%.

Total pension costs during the year were £20,645 (2007 - £17,579). There were outstanding contributions of £4,465 due at the end of the financial year (2007 - £2,891).

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Notes forming part of the financial statements for the year ended 31 March 2008 (cont)

b) Group Personal Pension Plan

A Group Personal Pension Plan exists for employees who are not eligible to be part of the above scheme. This is a defined contribution scheme.

The pension charge for the year represents contributions payable by the charitable company to the fund and amounted to £13,151 (2007 - £13,046).

There were outstanding contributions of £1,974 due at the end of the financial year (2007 - £946).

9 Commitments

Annual commitments under non-cancellable operating leases at 31 March 2008 were as follows.

	Land and buildings 2008 £	Other 2008 £	Land and buildings 2007 £	Other 2007 £
Leased assets which expire:				
Within one year	61,800	-	60,000	-
Two to five years	-	4,042	-	2,990
	<hr/>	<hr/>	<hr/>	<hr/>
	61,800	4,042	60,000	2,990
	<hr/>	<hr/>	<hr/>	<hr/>

10 Related party disclosures

The charitable company has taken advantage of the exemption conferred by FRS 8, "Related party disclosures" not to disclose transactions with members of the group headed by the Childhood First on the grounds that at least 90% of the voting rights in the charitable company are controlled within that group and the charitable company is included in those consolidated financial statements.

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Notes forming part of the financial statements for the year ended 31 March 2008 (cont)

11 Analysis of net assets between funds

Fund balances at 31 March 2008 are represented by

Group	Unrestricted funds	Restricted funds	Total funds
	£	£	£
Tangible fixed assets	-	4,853	4,853
Current assets	306,782	3,000	309,782
Current liabilities	(306,782)		(306,782)
	<hr/>	<hr/>	<hr/>
	-	7,853	7,853
	<hr/>	<hr/>	<hr/>

12 Ultimate holding company

The charitable company's controlling party and immediate and ultimate holding charitable company is Childhood First, a charitable company incorporated in England and Wales

Copies of the consolidated financial statements of Childhood First are available from Companies House.