

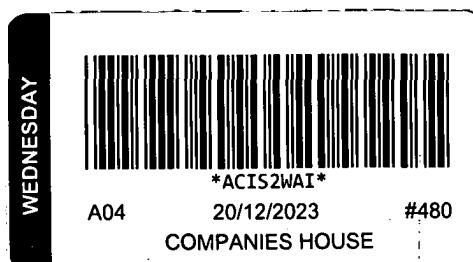


Childhood First (South) Limited

(A company limited by guarantee)

Report and Financial Statements
Year Ended 31 March 2023

Company number: 03547839



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Childhood First (South) Limited Annual Report and Accounts 2022/23

Trustees' Report

The Trustees, who are also directors of the charitable company for the purposes of the Companies Act 2006, present their annual report and the audited financial statements for the year ended 31 March 2023. The annual report and the audited financial statements have been prepared in accordance with the Charities Act 2011, the Companies Act 2006, the Financial Reporting Standard 102 ("FRS102") and the Statement of Recommended Practices (SORP 2019).

Reference and administrative details of the Charity, its Trustees and advisers

Charity name

Childhood First (South) Limited

Working name

Childhood First

Charity registration number 286909

Company registration number 03547839

Registered Office and operational address

210 Borough High Street, London SE1 1JX

Board of Trustees

The Trustees (directors of the company) during the year (and after the year-end) were:

Ms Henrietta Hughes (Chair)
Ms Sarah Scarratt
Mr. George Viney

Company Secretary

Michael Joseph

Senior Management team

Gary Yexley (Chief Executive)
Michael Joseph (Finance & Corporate Services Director)
Lace Jackson (Clinical Director)
Dan Lansley (Business Development Director)
Laura Park (Director of Compliance and Performance) to 4 August 2023
Robyn Bartram (Residential Services Director)

Auditors

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

Bankers

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

Fuller details are given in the report and consolidated financial statements of the parent charitable company, the Institute of Integrated Systemic Therapy (IIST).

Trustees' Report

Structure, governance and management

Childhood First (South) Limited was incorporated as a company limited by guarantee under company number 03547839 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) Limited on 22 July 2008. It is also registered as a charity (number 286909) under the umbrella of IIST, its sole member. It is governed by a Memorandum and Articles of Association.

IIST appoints the Trustees. Management is delegated to the Community Director, who reports to the Chief Executive of IIST.

Remuneration policy

Remuneration for all staff including the senior management team is set by the Chief Executive. The Chair sets the salary of the Chief executive. The aim is to ensure rates of pay remain competitive to attract the right calibre of staff within the resources available.

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.

The company runs three residential therapeutic centres in Kent:

- Greenfields House with a capacity of ten children aged 5 to 12.
- The Gables with a capacity of eight children aged 11-14.
- Oakwood with a capacity of four children aged 13 to 18.

It also runs Greenfields School, where the children from Greenfields House receive an education.

At the start of the year, the company set a target to achieve an Ofsted rating of Good for all the homes and the school, and to have average combined occupancy of 15.7 children.

Public Benefit

The Trustees review the charity's aims and objectives annually, looking both at the planned activities for the coming year and the progress against plans for the previous year. The Trustees have referred to the Charity Commission general guidance on public benefit when reviewing the aims and objectives and have considered how our activities meet the needs of our beneficiaries.

Places are open to children and young people from all over the UK, with the Local Authorities meeting the cost of the placement.

As the costs of the placements are met by the Local Authorities no child or young person is denied the opportunity to benefit on account of their own, or their family's ability to meet any fees due.

Due to the intensive and specialised nature of the work, the comparatively long period of time over which it needs to be implemented and the size of the residential community the number of children and young people who directly benefit is relatively small. However, the opportunity is open to all those who are eligible, as identified by Local Authority Children's Services, and whom the community believes can benefit from the services.

Trustees' Report

Strategic report

Achievements and performance

We measure our impact in relation to Children's Care Home Regulations in the following areas:

- The protection of children.
- Quality and purpose of including children's wishes and feelings.
- Engaging with the wider system to ensure children's needs are met including education.
- Enjoyment and achievements including positive relationships.

We also measure the progress made the children in therapeutic terms.

Our three communities, Greenfields, The Gables and Oakwood continued to provide a high level of impact and support for the children and we achieved an average of 15.7 placements against a budgeted average of 16.0 with an average occupancy level of 71%.

Overall these results were therefore broadly in line with budgeted occupancy levels set at the start of the year.

All three communities have received Ofsted ratings of Good. They were Greenfields in November 2022, The Gables in May 2022 and Oakwood in February 2023.

Financial review

The company made a small trading deficit of £148k during this year (2022: deficit £497k). This is made up of an increase of income of £423k to £5,010k (2022: £4,587k) and an increase in costs of £73k to £5,158k (2022: £5,084k). This reduction in deficit is driven almost wholly by the high occupation levels in two of the homes and incremental price increases.

Risk management

The Board of IIST 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 manage our exposure to the major risks.

Major risks and the actions which are taken to manage 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. Consideration has been given to overall pay and reward in order to manage the risk of high turnover of specialist staff. We also have a system of appraisals and training in place to support staff development and retention;
- 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 reports are acted on in a timely way;

Trustees' Report

Strategic Report (continued)

- 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; and
- cyber risk. This is addressed in an ongoing basis through systems upgrade, vulnerability testing, training and rolling capital investment in new technology.

The future

We anticipate an upturn in occupancy levels at The Gables this year which we expect to generate greater income and we will be investing in more staff to meet that increased service demand. We will also be investing in quality improvement in line with our five-year strategic plan.

Reserves policy

The net assets have reduced by £148k and now stand at £756k (2022: £904k) at the balance sheet date. There is £9k of restricted funds (2022: £nil). Adjusting for the net book value of fixed assets, free reserves are £712k (2022: £859k).

Free reserves are required:

- to provide working capital to manage fluctuations in its cash flow;
- to provide protection against a serious disruption to its communities;
- to provide protection against a decline in the market for our services;
- to expand the development of our service quality and provision; and
- to provide capital growth for imminent developments.

The reserves policy does not define the level of free reserves required but trustees make an assessment each year based on market and operating circumstances and the levels of spending required to meet operational and strategic plans.

Going Concern

The charitable company has a high demand for its services and there is little counterparty risk as customers are all Local Authorities. Cash flow is provided by the parent company via intercompany facilities and is available on demand. The parent has sufficient resources and cash flow to be considered a going concern. Trustees are satisfied that there are no material uncertainties related to events or conditions that cast significant doubt upon the entity's ability to continue as a going concern.

Fundraising

Section 162a of the Charities Act 2011 requires us to make a statement regarding fundraising activities. Childhood First (South) Limited does not undertake any fundraising activities and does not use any professional fundraisers of commercial participators or any third parties to solicit donations. We are therefore not subject to any regulatory scheme or relevant codes of practice. We have not received any complaints in relation to fundraising activities nor do we consider it necessary to design specific procedures to monitor such activities in the current year or in the prior year. Fundraising for the charity is undertaken by the parent company. A policy on fundraising is therefore provided in those financial statements.

Trustees' Report

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 LLP as auditors will be proposed at the next annual general meeting.

In preparing this trustees' report, advantage has been taken of the small companies' exemption.

On behalf of the Board of Trustees

A handwritten signature in black ink, appearing to read 'H Hughes', written in a cursive style.

Henrietta Hughes
Trustee

12 December 2023

Statement of responsibilities of the Trustees

Trustees' responsibilities

The Trustees (who are also the directors of the charity for the purposes of company law) are responsible for preparing the Report of the Trustees 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;
- observe the methods and principles in the applicable Charities SORP;
- 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; 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, the Charities (Accounts and Reports) Regulations 2008, and the provisions of the Trust deed. 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.

Financial statements are published on the charity's website in accordance with legislation in the United Kingdom governing the preparation and dissemination of financial statements, which may vary from legislation in other jurisdictions. The maintenance and integrity of the charity's website is the responsibility of the trustees. The trustees' responsibility also extends to the ongoing integrity of the financial statements contained therein.

Independent auditor's report

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 Childhood First (South) 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 related 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.

Other information

The Trustees are responsible for the other information. The other information comprises the information included in the report and financial statements, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. 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 themselves. 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.

Independent auditor's report (continued)

Other information (continued)

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 are included in the Trustees' Report, have 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 Trustees' 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 by the Charitable Company, or returns adequate for our audit have not been received from branches not visited by us; or
- the Charitable Company 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.

Responsibilities of Trustees

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

In preparing the financial statements, the Trustees are responsible for assessing the 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.

Independent auditor's report (continued)

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

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 Charitable Company and the sector in which it operates, discussion with management and those charged with governance and obtaining and understanding of the Charitable Company's policies and procedures regarding compliance with laws and regulations we considered the significant laws and regulations to be the Companies Act 2006, the Charities Act 2011 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).

The charitable company 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 the Employment Act 2002, Data Protection Act 2018, Bribery Act 2010, and Health and Safety legislation.

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; and
- review of financial statement disclosures and agreeing to supporting documentation; and
- review of legal expenditure accounts to understand the nature of expenditure incurred.

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 charitable company'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 override of controls and income recognition.

Our procedures in respect of the above included:

- we tested the appropriateness of journals meeting specific risk criteria;
- assessed the judgements and assumptions used in the production of the financial statements for indication of potential bias; and
- tested a sample of income assessing income recognition to confirm that this has been recognised in accordance with the Charities SORP 2019.

Independent auditor's report (continued)

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

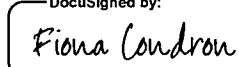
We also communicated relevant identified laws and regulations and potential fraud risks to all engagement team members and remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.

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.

Use of our report

This report is made solely to the Charitable Company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Charitable Company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Charitable Company and the Charitable Company's members as a body, for our audit work, for this report, or for the opinions we have formed.

DocuSigned by:

BC8C15A11E97446...
Fiona Condron (Senior Statutory Auditor)
For and on behalf of BDO LLP, Statutory Auditor
Gatwick, UK
Date: 15 December 2023

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

Childhood First (South) Limited Annual Report and Accounts 2022/23

Statement of financial activities for the year ended 31 March 2023

	Note	Unrestricted Funds £	Restricted funds £	2023 Total £	2022 Total £
Income and endowments					
Donations and legacies		-	22,193	22,193	14,932
Charitable activities		4,981,043	-	4,981,043	4,565,308
Other incoming resources		6,350	-	6,350	7,034
Total		4,987,393	22,193	5,009,586	4,587,274
Expenditure					
Charitable activity					
Residential therapeutic care		5,144,912	13,028	5,157,940	5,084,716
Total expenditure	2	5,144,912	13,028	5,157,940	5,084,716
Net movement in funds	3	(157,519)	9,165	(148,354)	(497,442)
Funds balances at 1 April		904,613	-	904,613	1,402,055
Funds balances at 31 March		747,094	9,165	756,259	904,613

The statement of financial activities includes all gains and losses recognised in the year.

All transactions are derived from continuing operations. Further details on comparatives are in note 12.

The notes on pages 13 to 20 form part of these financial statements.

Childhood First (South) Limited Annual Report and Accounts 2022/23

Balance Sheet at 31 March 2023

	Note	2023		2022	
		£	£	£	£
Fixed assets					
Tangible assets	5		35,286		45,750
Current assets					
Debtors	6	958,718		1,070,129	
Cash at bank and in hand		59,732		52,513	
		1,018,450		1,122,642	
Creditors: amounts falling due within one year	7	(297,477)		(263,779)	
Net current assets			720,973		858,863
Net assets			756,259		904,613
Funds	10				
Unrestricted funds			747,094		904,613
Restricted funds			9,165		-
			756,259		904,613

These financial statements have been prepared in accordance with the provisions acceptable to companies subject to the small companies' regime under part 15 of the Companies Act 2006, and in accordance with the provisions of FRS102 Section 1A - small entities.

The financial statements were approved and authorised for issue by the Board of Trustees on 12 December 2023 and were signed on its behalf by:



Henrietta Hughes
Trustee

The notes on pages 13 to 20 form part of these financial statements.

Notes to the financial statements

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.

Basis of preparation

Childhood First (South) Limited is a charitable company incorporated in England & Wales under the Companies Act 2006. The address of the registered office is on the Trustee's Report and the nature of the charity's operations and its aims and objectives are set out in the trustees report. The financial statements have been prepared under the historic cost convention as modified by the valuation of investments in accordance with FRS 102, the Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland, and in accordance with SORP 2019.

Judgement and key sources of estimation uncertainty

The trustees are satisfied that there are no material judgements and estimates used in the production of the financial statements.

Going concern

The company has a high demand for its services and there is little counterparty risk as customers are all Local Authorities. Surplus company cash is held as an intercompany balance with the parent company and is available on demand. The parent has sufficient resources to be considered a going concern. Accordingly, the company accounts are prepared on a going concern basis. Trustees are satisfied that there are no material uncertainties related to events or conditions that cast significant doubt upon the entity's ability to continue as a going concern.

Disclosure exemptions

In preparing the separate financial statements of the charity, advantage has been taken of the following disclosure exemptions available in FRS 102:

- the requirements of section 11 Financial Instruments paragraph 11.39 to 11.48A;
- the requirements of section 33 Related Party Disclosures paragraph 33.7; and
- the requirements of paragraph 1.12(b) in not preparing a Statement of Cash Flows on the basis that this is included in the consolidated financial statements.

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

Income

Fee income is recognised in line with the delivery of the related service, with fee income spread evenly over the period of a child's placement. Payments received in advance of the associated placement are deferred. Donations are accounted for when received. Legacies are accounted for when received or if, before receipt, there is sufficient evidence to entitlement of the receipt and value of the legacy.

Notes to the financial statements (continued)

1. Accounting policies (continued)

Expenses

Expenses are accounted for on an accruals basis.

Allocation of expenses

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.

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.

Operating leases

Annual rentals are charged to the statement of financial activities on a straight-line basis over the term of the lease.

Pension costs

A number of employees belong to the Teacher's Pension 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.

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.

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.

Cash and cash equivalents

Cash and cash equivalents are near cash items with a similar risk profile to cash and can be accessed within three months.

Notes to the financial statements (continued)

2. Analysis of total expenditure

Charitable activities

	2023 Unrestricted £	2023 Restricted £	2023 Total £	2022 Total £
Provisions of services to children				
Staff costs	3,026,185	13,028	3,039,213	2,959,949
Other staff related costs	167,613	-	167,613	199,313
Consultants	2,687	-	2,687	6,392
Travel costs	86,259	-	86,259	69,067
Administration	94,236	-	94,236	112,905
Premises	346,612	-	346,612	285,124
Household	69,277	-	69,277	97,259
Provisions	71,139	-	71,139	90,108
Education	47,744	-	47,744	71,444
Personal care	34,593	-	34,593	41,155
Social activities	129,777	-	129,777	91,015
Other costs	15,322	-	15,322	19,206
Depreciation	24,459	-	24,459	20,367
Governance costs	15,000	-	15,000	8,400
Bank charges	367	-	367	390
Insurance, legal fees	106,285	-	106,285	86,364
Management charge	907,357	-	907,357	926,258
Total expenditure	5,144,912	13,028	5,157,940	5,084,716

Further details on comparatives are in note 12.

3. Net (deficit) for the year

	2023 £	2022 £
Net (deficit) for the year is stated after charging:		
Auditors' remuneration	15,000	8,400
Depreciation of tangible fixed assets	24,459	20,367
Rent payable		
- Land and buildings	244,600	244,600

Notes to the financial statements (continued)

4. Staff numbers and costs

The average number of persons employed by the charitable company during the year was 90 (2022: 88). The aggregate payroll costs of these persons were as follows:

	2023	2022
	£	£
Wages and salaries	2,625,742	2,588,117
Social security costs	254,937	221,124
Other pension costs	158,534	150,708
	<u>3,039,213</u>	<u>2,959,949</u>

No payments or remuneration, or reimbursement of expenses, were made to trustees during the year (2022 - none).

No employees received emoluments greater than £60,000 for the year (2022 - none). The combined remuneration of the senior management team in this company was nil as these costs are fully paid to the parent charity.

5. Tangible fixed assets

	Fixtures	Motor Vehicles	Total
	£	£	£
<i>Cost</i>			
At 1 April 2022	80,970	122,983	203,953
Additions	-	13,995	13,995
	<u>80,970</u>	<u>136,978</u>	<u>217,948</u>
At 31 March 2023	<u>80,970</u>	<u>136,978</u>	<u>217,948</u>
<i>Depreciation</i>			
At 1 April 2022	48,806	109,397	158,203
Charge for year	16,195	8,264	24,459
	<u>65,001</u>	<u>117,661</u>	<u>182,662</u>
At 31 March 2023	<u>65,001</u>	<u>117,661</u>	<u>182,662</u>
Net book value at 1 April 2022	32,164	13,587	45,750
Net book value at 31 March 2023	<u>15,969</u>	<u>19,317</u>	<u>35,286</u>

Notes to the financial statements (continued)

6. Debtors

	2023 £	2022 £
Trade debtors	281,912	203,337
Amount owed by parent company	676,806	866,792
	<u>958,718</u>	<u>1,070,129</u>

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

Amounts owed by parent company is repayable to the company on demand.

7. Creditors: amounts falling due within one year

	2023 £	2022 £
Taxation and social security	63,018	58,435
Other creditors	52,614	63,593
Accruals and deferred income	18,316	14,950
Trade creditors	163,529	126,801
	<u>297,477</u>	<u>263,779</u>

8. Pension scheme

a) Surrey Pension Scheme

The Surrey scheme was exited during the year and settled by the parent company IIST.

b) 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 years, 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 TPS was as at 31 March 2012. The value of notional assets (estimated future contributions together with the proceeds from the notional investments held at the valuation date) was £176 billion and had aggregate scheme liabilities of £191 billion, leaving a deficit of £15 billion. The valuation determined the contribution rates on the basis of a fifteen- year recovery timeframe for this deficit.

From 2015 the total scheme contribution was determined to be 26% with employee contributions of 9.6% and employer contributions of 16.4%. Of the employer contributions, 10.8% were normal contributions and 5.8% was identified to cover past service deficits.

Total TPS employer pension contributions recognised as an expense during the year were £50,803 (2022 - £43,901). There were outstanding contributions of £11,950 due at the end of the financial year (2022 - £5,713).

Notes to the financial statements (continued)

8. Pension scheme (continued)

c) Group Personal Pension Plan

A Group Personal Pension Plan exists for employees who are not eligible to be part of the above schemes. 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 £107,731 (2022: £112,681).

There were outstanding contributions of £17,198 due at the end of the financial year (2022: £15,726).

9. Related party disclosures

There are no related party transactions which require disclosure.

10. Analysis of net assets between funds

	Unrestricted Funds £	Restricted Funds £	Total Funds £
Fund balances at 31 March 2023 are represented by:			
Tangible fixed assets	35,286	-	35,286
Current assets	1,009,285	9,165	1,018,450
Current liabilities	(297,477)	-	(297,477)
	<u>747,094</u>	<u>9,165</u>	<u>756,259</u>

Details on prior year comparatives are in note 12.

11 Statement of funds

The charity's funds consist of the following material funds:

	Balance at 1 April 2022 £	Income for the year £	Expenditure for the year £	Balance at 31 March 2023 £
Unrestricted funds	904,613	4,987,393	(5,144,912)	747,094
Restricted funds	-	22,193	(13,028)	9,165
	<u>904,613</u>	<u>5,009,586</u>	<u>(5,157,940)</u>	<u>756,259</u>
Total				

Notes to the financial statements (continued)

12. Comparatives relating to 2022

12a) Statement of financial activities

	Unrestricted funds £	Restricted Funds £	Total £
Income and endowments			
Donations and legacies	-	14,932	14,932
Charitable activities	4,565,308	-	4,565,308
Other incoming resources	7,034	-	7,034
Total	4,572,342	14,932	4,587,274
Expenditure			
Residential therapeutic care	5,069,784	14,932	5,084,716
Net (expenditure)	(497,442)	-	(497,442)
Balances at 1 April 2021	1,402,055	-	1,402,055
Balance at 31 March 2022	904,613	-	904,613

12b) Analysis of total expenditure

	2022 Unrestricted £	2022 Restricted £	2022 Total £
Provisions of services to children			
Staff costs	2,945,017	14,932	2,959,949
Other staff costs	199,313	-	199,313
Consultants	6,392	-	6,392
Travel costs	69,067	-	69,067
Administration	112,905	-	112,905
Premises	285,124	-	285,124
Household	97,259	-	97,259
Provisions	90,108	-	90,108
Education	71,444	-	71,444
Personal care	41,155	-	41,155
Social activities	91,015	-	91,015
Other costs	19,206	-	19,206
Depreciation	20,367	-	20,367
Governance costs	8,400	-	8,400
Bank charges	390	-	390
Insurance, legal fees	86,364	-	86,364
Management charge	926,258	-	926,258
Total expenditure	5,069,784	14,932	5,084,716

Notes to the financial statements (continued)

12. Comparatives relating to 2022 (continued)

12c) Analysis of net assets between funds

	Unrestricted Funds £	Restricted Funds £	Total Funds £
Fund balances at 31 March 2022 are represented by:			
Tangible fixed assets	45,749	-	45,749
Current assets	1,122,641	-	1,122,642
Current liabilities	(263,777)	-	(263,777)
	<u>904,613</u>	<u>-</u>	<u>904,613</u>

13. Ultimate holding company

The charitable company's controlling party and immediate and ultimate holding charitable company is the Institute of Integrated Systemic Therapy (IIST), a charitable company incorporated in England and Wales (company number 01708301). Control is exercised by common trustees and executive with the ultimate holding company.

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