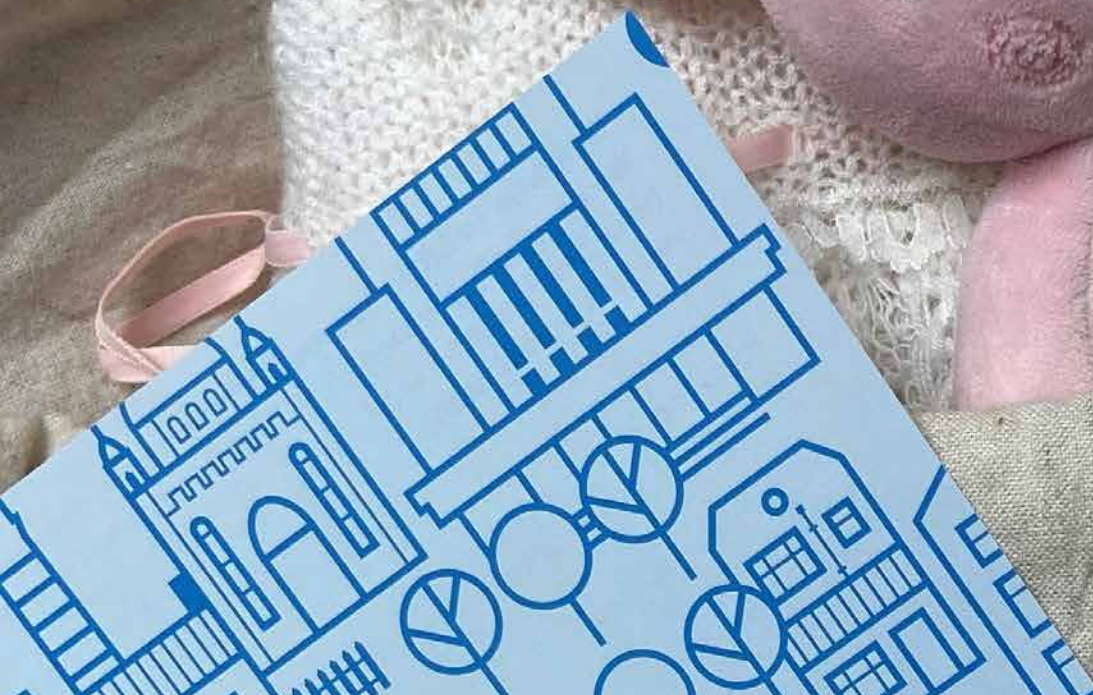


Annual Report and accounts

Little Village



2021





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Welcome

Welcome from our Chair

I'm very proud to present the Little Village annual report and accounts for the year ended 31 December 2021.

2021 marked a significant transition for Little Village, with the departure in February of our much-loved and inspirational founder, Sophia Parker. The highly experienced Sophie Livingstone took over as CEO and it has given me great pleasure to see how she has been able to take the organisation from strength to strength.

The external context in 2021 has again been very challenging, for us as a charity, but most importantly, for the families we support. The amazing Little Village team has responded with commitment, passion and innovation. During the year, we opened a major new site in Brent,

a new satellite in Roehampton and a warehouse space in Watford – enabling us to trial new ways of reaching families. We continued to develop our family liaison programme, providing more support and guidance to families. And we have worked hard to raise the profile of the enormous challenges faced by low-income families, with the highlight being the launch of our 'It Takes a Village' report with the Joseph Rowntree Foundation.



None of this would have been possible without the support of all the different members of the Little Village family – our generous funders, our committed staff and volunteers, the families who we have worked with and all those who have kindly donated their kit, their time and their expertise.

Thank you all.

Olivia Gillan-Bower

Welcome from our CEO

Looking back on 2021, we have seen another year of growth for Little Village as we have responded to increasing need from families. As ever, individual families turn to us for a variety of reasons, but for many the impact of the pandemic continues to loom large, compounded more recently by the increased cost of living and cuts to Universal Credit.

Our response has been to redouble our efforts, expand our work, and give families a platform to talk about their experiences of being trapped in poverty.

We've only been able to do that through growing our 'village' of families, volunteers, donors, supporters and staff. We're so

"...we have responded to increasing need from families."

grateful to them all for standing up to the continued growth of child poverty.

I'm particularly proud of the way in which

our whole team responded to the arrival of Afghan refugees at the end of the summer. On top of our ongoing work, we helped support 800 children in the space of three weeks and played a leading role in the pan-London response to support families with children under five.

We know that the challenge is even greater in 2022 and we hope that many more of you will join us as we tackle it head on.

Sophie Livingstone MBE



The Trustees present their annual report and the audited financial statements for the year ended 31 December 2021. Included within the Trustees' report is the directors' report as required by company law.

Reference and administrative information set out on page 59 forms part of this report. The financial statements comply with current statutory requirements, the memorandum and articles of association and the Statement of Recommended Practice - Accounting and Reporting by Charities: SORP applicable to charities preparing their accounts in accordance with FRS 102 ('Charities SORP').



About Little Village



About Little Village

Who we are

Our vision

Our vision is of thriving communities where families share their pre-loved kit and every child under five has the start in life they deserve.

Our mission

We have three:

1. To ensure families on low incomes with children under five have the support and essentials they need;
2. To work together with parents to fix the systems that trap families in poverty;
3. To inspire families to choose and share pre-loved children's clothes and kit.

What we do

We're a village of support and solidarity for families with children under five in London. We offer preloved kids' clothes, baby essentials and links to key services to families in challenging circumstances such as homelessness, unemployment, low wages or domestic abuse. And we campaign alongside parents to change the systems that create those challenges.

We operate out of four main centres in London (in the boroughs of Wandsworth, Camden, Brent and Southwark), as well as a warehouse situated in Watford. We are powered by an incredible group of over 600 committed volunteers. We've grown to be one of the largest 'baby banks' in the UK, supporting over 17,000 children between our

About Little Village

launch in 2016 and the end of 2021, including over 6,400 children in 2021 alone.

The families who come to Little Village are referred to us by a network of nearly 2,000 professionals from more than 500 organisations, such as midwives, health visitors, social workers and children's centres.

Families can receive items from us either by having them delivered to their homes, or by coming into one of our centres. When clothing and kit are being delivered, our family liaison team will first speak to families over the phone to understand their needs – from what kind of toys their kids like to play with, to what type of buggy might work best for them. Volunteers in our centres use this information to carefully pack delivery boxes with clean and pressed clothes and personally selected items.

When families come into one of our centres, they are welcomed with love and kindness and treated with dignity. Volunteers help them choose the items they need from our extensive stock of high-quality donated clothes, toys, buggies, beds and more. Families can receive new items every three months, as their needs evolve, and are encouraged to donate back to Little Village any items that they have finished using.

Although we call ourselves a 'baby bank', we provide so much more than just high-quality kit to families – at the core of what we do is a desire to build connections across communities and to create opportunities for people to thrive.

We have always argued that our work should not only serve to support families who are struggling, but should also act as a force for change when it comes to the existence of child poverty. We are committed to playing our part in ending child poverty and we believe that every child deserves the best possible start in life.

How we work

We believe in the power of **solidarity**, bringing people together to support each other. We create spaces where everyone can **thrive** – families and their children, our volunteers, our team. We have a passion for **sustainability** and at the heart of everything is the belief that **love** is a force for change in a world where so many of us have to fight for the basics.

The need we respond to

As the cost-of-living crisis hits in the UK, more families than ever before are struggling to make ends meet. Our research in 2021 supported by the Joseph Rowntree Foundation and updated this year showed how 1.3m of the 4.2m children living in poverty in the UK are under five. Half of all children living in poverty have a child under five in the household reflecting the additional costs and constraints young children place on family budgets. This is a situation that is set to get worse: the Resolution Foundation predicts that by 2023/2024, 5.2 million children – an additional 1.1 million – will be living in poverty.

The impact of poverty on the early years is well documented, creating adverse

About Little Village

impacts on physical and mental health, family relationships and attachment, and educational attainment. These impacts have life-long consequences. For the parents of young children, poverty is time consuming, and parents tell us of the complex decisions they have to make to pay essential bills or purchase necessities. Mental health is adversely affected, and vital time that should be spent bonding and supporting young children is stolen by the demands of balancing budgets. Worry about meeting basic needs is often coupled with feelings of isolation and loneliness.

Our work meets three key needs. The kit we provide meets fundamental physiological needs – a safe place to sleep; clothes to keep children warm and dry; hygienic means to feed. It enables both parents and children

to thrive by providing stimulus (through toys and books) and through access (a buggy enables a child to access a nursery or children's centre, or enables a parent to get out to meet others and share experiences). And finally, the solidarity, dignity and respect that sit at the heart of how we deliver our services help parents feel that they are not alone, and that they can face some of the challenges of living on a low income.

It is the important combination of not just *what* we provide, but *how* we provide it that makes Little Village's service unique in how it supports families.

Everyone has times in life when they need help, and times in life when they're able to offer help. That's what Little Village is there for.



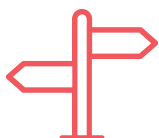
About Little Village

Our strategic objectives



Helping more children

We want to help more children living in poverty by opening more centres (either major hubs or smaller satellites) so that we can serve families right across London.



Offering families broader support

We want to ensure that Little Village offers families more than just 'kit' by also providing emotional support and, if necessary, referrals to other organisations.



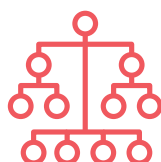
Building our volunteer programme

Volunteers are at the heart of Little Village and our volunteer programme offers people from all backgrounds the opportunity to grow and thrive. We have an explicit focus on developing skills and helping people back into the labour market when this is what they want.



Being a force for change

We believe that every child deserves the best possible start in life. Our focus is on changing unhelpful and damaging attitudes and beliefs towards child poverty as well as campaigning for policy change.



Building a resilient organisation

It is critical that our strategic objectives are supported by a strong and resilient organisation, with sustainable funding, a forward-thinking approach to people management and development, and robust financial and operational systems.



About Little Village



Our values



Solidarity

We bring people together across economic and social divides, united in a shared belief that every parent deserves to give their kids the best possible start in life.



Sustainability

We achieve our mission whilst treading lightly on the planet, joining forces with other parts of the circular economy to reduce waste and promote re-use.



Love

We see love as an action – an act of donating precious baby kit, of volunteering valuable time and of offering solidarity during tough times.



Thriving

This means having a sense of agency, belonging, and hope. And these are the qualities we focus on in how we work as well as what we do.



Achievements of the year



Achievements of the year

Helping more children

We supported 6,463 children in 2021, responding to a total of 4,862 requests for support from 4,042 families. In 2020, as part of our response to Covid, we introduced a hygiene pack offer to support families who were struggling to source such items themselves: we provided 2,151 such packs, representing over one third of the requests we handled in 2020, with the remainder being our traditional 'kit and clothing' fulfilments. In 2021, we have reduced our provision of hygiene packs (1,040 in total) but have fulfilled a larger number of full 'kit and clothing' requests (3,834 in 2021 by comparison with 3,619 in 2020). This work was achieved by operating out of existing centres in Kings Cross (Camden), Battersea, Balham and Southwark. We opened our first satellite site in Roehampton, co-locating with a children's centre, and we launched a new centre in Wembley, the first baby bank in the borough of Brent.

We were also gifted a temporary warehouse space in Watford, something that has long been on our wish list, and which has enabled us to remove 'big kit' such as buggies and cots from our other locations, freeing up much-needed space, as well as to receive large donations of items such as nappies from corporate donors.

In addition to our core work we also responded to the arrival of 16,000 Afghan refugees in August and September under the ARAP programme. We worked as part of the Voluntary and Communities

Achievements of the year

Sector Emergency Partnership (VCSEP) with organisations such as Red Cross and RE:ACT to co-ordinate London's response. During a three-week period we supplied items for 800 children, including clothes, nappies, toiletries, activity packs, travel cots and buggies. This required a seven day a week operation from our sites and complex liaison with local councils and other support charities across London to ensure families in hotels across the capital were adequately supported. There was a huge community reaction meaning we had a high level of stock donated and were able to run a short-term fundraising campaign to cover additional financial expenditure such as transport and staff overtime. We were subsequently asked to become a permanent partner member of VCSEP and our involvement has helped us build our

capacity and learnings for responding to crisis events in future.

Offering families broader support

Over 5,000 calls were made to families in 2021. These calls enable us to ensure the support requested is exactly what the family needs and offer a moment of personal connection and solidarity. It is during these calls that we identify additional needs and signpost on to further resources where needed. We made 274 external referrals to other family support organisations, the Citizen's Advice Bureau, and food banks. Thanks to funding from the Mayor of London, we were able to launch a Signposting and Advice Service in November 2021, putting in place more bespoke support for families as part of our offer.



Above Shelley, a member of our signposting and guidance team.

Achievements of the year

We have also begun to welcome families into our Roehampton satellite and our new Wembley Hub (which has been fitted out as a retail space, thanks to support from Selfridges staff, provided pro bono).

Building our volunteer programme

What we have achieved this year wouldn't have been possible without our incredible volunteers. During the year, 629 volunteers donated over 16,000 hours of their time, a significant increase on 2020, despite challenges such as the end of the furlough scheme leading to the loss of some of our regular volunteers.

We were also really pleased to be able to open a creche at our Kings Cross site on

Fridays during the autumn of 2021, enabling people with young children to volunteer with us. We are hoping to expand this to other sites in 2022.

Being a force for change

Alongside our operational work, we've done a lot to raise the profile of the challenges faced by low-income families.

The Duchess of Cambridge took part in a Zoom call with two of our families to mark our fifth anniversary which was featured in a wide range of publications from The Express to Hello magazine.

Our 'It Takes a Village' report, published in February 2021 with the Joseph Rowntree Foundation, was covered as the lead item on Newsnight and the report's findings were



Above Staff member and supported mum Vicky talks to the Duchess of Cambridge about our work.

Achievements of the year

raised by SNP leader Ian Blackford at Prime Minister's Questions the following day.

Our emergency support for newly arrived Afghan refugees in September was featured in The Times, The One Show on BBC I and BBC London News and radio.

Building a resilient organisation

People

We have strengthened our central staff team, appointing Heads of Fundraising and Advocacy and Communications. We reviewed our operational model in order to reflect on the lessons learned from the Covid operations and the need for a more permanent operational structure. As a result, we restructured our operations staff team at the end of 2021.

Fundraising

Our new Chief Executive and Head of Fundraising led our fundraising work in 2021, supported by a new Fundraising Manager who joined in June. This increased capacity enabled us to build varied and stable funding streams, capitalise on the amazing opportunities we are presented with, and to create and deliver a long term fundraising plan. We ran two successful online giving campaigns using the Big Give platform, helping us to build our individual supporter base, with donations from 864 individuals. Our specific fundraising objectives for 2021 centred on securing new donations from a

mixture of trusts and foundations, corporate donors, and high-net-worth individuals, with a focus on multi-year gifts so that we can better forecast our income, build organisational stability and enable the network to further plan ahead.

We are enormously grateful to all those who have supported us in 2021.

Processes and technology

We continue to work hard to ensure our management processes (for example, project planning, objective setting and review meetings) have kept pace with our organisational growth. We were grateful for the pro-bono support of Bain Consulting during the summer of 2021 to help us review our operating model in the light of both what we learned through Covid and our continued growth. We have continued our technology project which is focused on ensuring that our use of the Salesforce system makes our operations as smooth and efficient as possible.

Governance

We embarked on a journey to diversify our board, launching a process of wider recruitment for new trustees and reviewing our culture and behaviours as a team. We will be continuing the process with more trustee recruitment during 2022 to further diversify and add to our skills base.

Our impact



6,463
children
supported



£2.2m
worth of gifts
(value as new)*



4,862
requests for
support



5,000
delivery journeys



1,659
beds



2,423
coats



721
buggies



11,764
toiletry packs



6,737
packs of nappies



629
volunteers



17,135
volunteer hours



1,977
individual
referral partners

* This represents the 'as new' value of the donated items gifted to families as well as the value of new items bought such as mattresses and hygiene products. This shows what it would have cost families to buy this kit new. The financial statements show the second-hand value of donated goods in line with the Charities SORP.

Financial review

Review of the year

Income and expenditure

The charity's income during 2021 in the form of grants and monetary donations was £2.2m (2020: £1.6m). The single largest source of grant income in 2021 was The National Lottery Community Fund, from whom Little Village received £493k. This grant funds core salary costs in our main sites to deliver our baby bank operations. The majority of the remaining income was received from other grant-making organisations (including trusts and foundations), statutory bodies, corporate donors and individuals.

Total expenditure for the year was £1.3m (2020: £914k), excluding the value of donated goods which were passed on to our beneficiary families. Staff costs continued to be our most significant expense at £666k (2020: £437k) and these increased as we added to our staff count (with an increase from 12 to 18 on an FTE basis) as our operations expanded. Other costs associated with our growth included an increase in accommodation expenses which stood at £159k (2020: £62k) and IT consultancy at £53k which funded further work on our Salesforce

database to aid operational logistics (2020: nil).

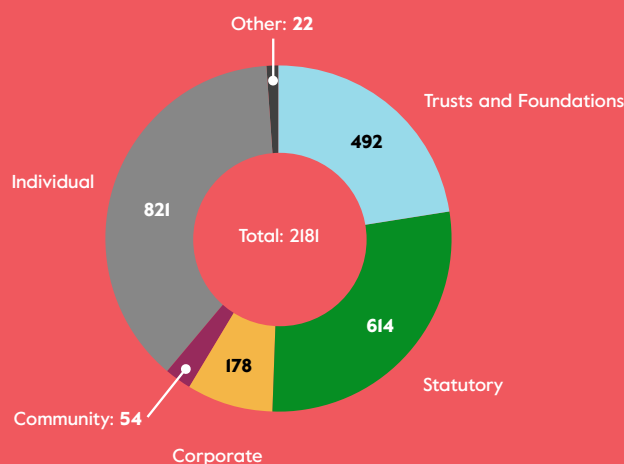
The four-year trend shown below summarises total income and expenditure, including restricted and unrestricted funds. The value of donated goods that Little Village has passed to families is excluded (refer to 'Donations in kind' below for further information). The value of donated services is also excluded.

Donations in kind

In line with best practice according to the Charities SORP,

the value of donated goods given out during the year is also included in these accounts. Specifically, they are recognised in both income and expenditure, at the same amount, when they are distributed to beneficiary families rather than when they are received by Little Village. No balance sheet value is assigned to any second-hand donated items that are held at the year-end. Where goods have been donated to Little Village as brand new, items held at the year-end are reflected as stock on the balance sheet to the extent that the value is material.

2021 Monetary income



£'000	2018	2019	2020	2021
Income (excluding donated goods/services)	340	394	1,636	2,181
Expenditure (excluding donated goods)	(212)	(398)	(914)	(1,311)
Surplus/(deficit)	128	(4)	722	967
Total reserves (unrestricted and restricted)	188	184	906	1,873

Financial review

At 31 December 2021, brand new donated items amounting to £24,100 were included in stock on the balance sheet (refer to note 16 to the accounts).

To value second-hand donated goods for the purposes of the income and expenditure disclosures, we take a second-hand market value estimate of each type of item. Baby clothing is valued on the basis of bundles, reflecting both how they would typically be sold second hand, and the way in which we distribute bundled clothing to families. Brand new items donated to Little Village are reflected in income and expenditure based on the 'as new' value.

Donated services are recognised in our accounts as income and expenditure where they are services we would have needed to procure anyway. Where donated services are of a higher quality (and therefore higher value) than we would have ordinarily paid for, we have accounted for them at the value we would have been willing to pay. Services such as the consultancy support we received from Bain Consulting (mentioned below) are not reflected in the accounts because we would have been unable to pay for an equivalent service unless it had been given pro-bono.

Significant events affecting financial performance and financial position during the year

The Covid 19 pandemic and restrictions continued to influence Little Village's operations during

2021, with our delivery-based model continuing for the year in most of our sites. This has meant costs such as delivery and essential toiletries have continued in 2021. Delivery costs made up £47k of our expenditure (2020: £39k) and toiletries £88k (2020: £158k). However, with restrictions easing during the second half of the year, we were able to take advantage of support from Bain Consulting to reflect on the lessons learned from this temporary operating model, as well as surveying families to ascertain what support model they would prefer from Little Village (i.e. delivery or in-person choice of items). The response was a mixture of the two, and so our strategy and operating model have been adapted in response to this feedback.

Reserves

The Trustees continually monitor the charity's financial position and specifically review its required level of reserves each year. This review takes into account the types of income and the risks and uncertainties associated with each; the level of fixed costs including salaries and property rent; variable costs associated with providing our services; the needs of the families whom we support; the funds required to achieve our strategic goals; and any one-off expenditure planned in the foreseeable future.

At the end of 2020, the Trustees agreed to designate a portion (£150k) of the charity's unrestricted reserves towards the costs of upgrading our premises

and IT infrastructure. However, our expenditure on premises and systems during 2021 was met without needing to access this designated fund, and the Trustees have agreed that it should be retained at the end of 2021 to support our continuing requirements in these areas.

The Trustees have also decided to designate a further portion of the charity's unrestricted reserves at the end of 2021 for the purpose of meeting staff costs for the roles that are critical to our provision of front-line services. As noted elsewhere in this report, Little Village has strengthened its staff team through recruitment, and payroll costs have increased by more than 50% year-on-year. We are mindful that the fundraising environment is likely to become increasingly challenging at a time when more families look to us for help. The Trustees therefore believe that allocating £500k as a new designated fund to support staff costs is an appropriate way to help safeguard Little Village's services.

The Trustees have agreed that the minimum level of general unrestricted reserves should be sufficient to cover our fixed and variable costs for a period of between three and six months (amounting to between £483k and £967k). As at 31 December 2021, general unrestricted reserves, excluding the designated funds, stood at £1,172k. Held within this figure is the target minimum balance described above. The Trustees are comfortable with holding reserves above our minimum level in the context of

a challenging economic and fundraising environment. It is our intention that the surplus amount will enable us to invest in our capacity to support more families over the coming years.

Movements on unrestricted and restricted reserves for the financial year are summarised below. Further analyses can be found in notes 21 to 23 of the financial statements.

Going concern

The social and economic repercussions of the Covid-19 pandemic will continue to be felt for some time to come, meaning that Little Village is operating in a generally uncertain environment. The principal risk that Little Village faces is our ability to sustain the level of income needed to support the ever-increasing number of families who seek our help. Taking these factors into account, the Trustees have reviewed the level of reserves currently held, along with the budgeted income and

expenditure, and have concluded that the charity's funds will be sufficient to sustain its activities for a period of at least twelve months from the date of finalising these accounts. Accordingly, the accounts have been prepared on a going concern basis.

A broader discussion on the risks and uncertainties that Little Village faces, and the management of those risks, is set out below in the next section 'Structure, governance and management'.

Investment policy

In addition to the balance held in the charity's current accounts, cash is placed in short and medium term interest-bearing deposits with UK incorporated banks, in order to maximise the charity's interest income while at the same time diversifying its exposure to individual institutions. The maturity of deposits is determined having regard to the charity's predicted level and timing of outgoings. The

Trustees currently do not consider other forms of investment to be appropriate.

£'000	Unrestricted funds		Restricted funds	Total
	General	Designated		
Brought forward 1 January 2021	688	150	68	906
Net income/(expenditure) for the year	944	-	23	967
Transfer between funds (see note 21)	40		(40)	
Transfer to Designated Fund	(500)	500		
Carried forward 31 December 2021	1,172	650	51	1,873

Structure, governance and management

Structure, governance and management

Governance

The organisation is a charitable incorporated organisation (CIO), registered as a charity on 18 October 2016.

The charity was established under a Memorandum of Association which established the objects and powers of the charitable company and is governed under its Articles of Association.

In the event of winding-up, members of the charity have no liability to contribute to its assets and no personal responsibility for settling its debts and liabilities. The Trustees are members of the charity but this entitles them only to voting rights. The Trustees have no beneficial interest in the charity.

Appointment and induction of Trustees

Roles are openly advertised and Trustees are recruited through an interview process led by nominated members of the Board. New Trustees receive an induction programme which includes meetings with key members of the management team, a briefing pack and a site visit. All Trustees commit to volunteering with Little Village at least once a quarter so that they have a good understanding of the work that the charity does.

In 2020, the Board decided there was a need to recruit new Trustees with more diverse backgrounds and with lived experience of childhood poverty. A Trustee recruitment

process was launched in the first quarter of 2021 and three new trustees were appointed in June, bringing a range of skills as well as lived experience to the Board. The Trustee induction process was reviewed along with other aspects of the charity's general governance arrangements, making it more comprehensive and suitable for Trustees who have no prior Board experience. Trustees took part in two board culture sessions focused on building an inclusive board culture.

All Board members participate in an annual review and objective setting process, led by the Chair of Trustees. Trustees are appointed for a three-year term with the option to renew for one further three-year term.

Organisational structure and decision making

The Board of Trustees has collective responsibility for everything that the charity does, including the legal responsibility to ensure it is controlled and properly managed. The Board delegates responsibility for operational management to the Chief Executive. The Chief Executive leads the senior management team to develop plans, policies and processes following the Board's advice and approval. As at 31 December 2021, the rest of the senior management team comprised a Head of Programmes, a Head of Operations, a Head of People, a Head of Finance, a Head of Fundraising and a Head of Advocacy and Communications.

The Board of Trustees is responsible for the strategic direction of the charity and meets quarterly together with the Chief Executive and senior management team to review progress and to ensure the charity is on track to meet its objectives. The Board has two sub-committees: Finance and Fundraising and a Remuneration committee (these meet quarterly and annually, respectively).

Remuneration policy

All Trustees give their time voluntarily and receive no benefits from the charity. Any expenses reclaimed from the charity are set out in note 12 to the accounts.

In setting salaries, Little Village strives to pay at a competitive level within the sector and considers changes in the cost of living/inflation and changes to roles and responsibilities. The charity also takes into account the need to remain prudent so that salary costs are sustainable both at the current time and in the future. All employees are paid at least the London living wage as defined by the Living Wage Foundation.

The Board of Trustees reviews and agrees the annual remuneration of the Chief Executive and agrees the remuneration level of senior staff, in conjunction with the Chief Executive.

Little Village is committed to creating roles that enable people to balance purpose-driven work with other priorities in life.

Structure, governance and management

Equity, diversity and inclusion

We are working towards a goal where our staff team, volunteers and Trustees fully reflect and are representative of the diversity and difference in the lived experiences of the families we support and where individual differences and contributions are truly recognised and valued.

When recruiting for a new staff role, we continue to follow two commitments, namely to disclose the salary and not to require a university degree. We are committed to removing bias within the recruitment process and we continue to trial new approaches in pursuit of this objective.

We remain committed to flexible working and a majority of our staff work part time. In 2021 we experimented with advertising roles as either part- or full-time in order to maximise the appeal of working at Little Village to the broadest possible range of candidates, which has led to the appointment of some full-time staff members to our team.

Building on our work with the Board, during 2022 we will review our current EDI practices and create a vision and action plan for the future.

Volunteers

The Trustees are grateful for the enormous contribution made by Little Village volunteers across a variety of roles (typically collecting donations, sorting and packing them, making deliveries, liaising with families). The charity is truly powered by its incredible

volunteers and they are one of Little Village's most critical and valuable assets. There were 629 active volunteers during 2021.

Fundraising

Fundraising was led by the Head of Fundraising with significant involvement from the Chief Executive. We did not receive any complaints about our fundraising. We keep up to date with changing regulation and ensure we comply with it by changing processes if needed. We are a member of the Fundraising Regulator and our Head of Fundraising has reviewed our fundraising policy, with a new Ethical Fundraising Policy being approved by the Board in December 2021. We understand our duty to protect vulnerable people and people's privacy and do not engage in any intrusive methods of raising funds.

Principal risks and uncertainties

The charity has a risk register in place which sets out key risks (covering governance, financial, operational, external and reputational, legal and compliance risk) and how they are managed. The risk register is formally reviewed annually by the Board but noted on a quarterly basis at each Board meeting.

The Trustees and Chief Executive have identified the following as key risks facing Little Village:

- A breach of the charity's safeguarding policy. This is mitigated by ensuring that all staff, volunteers

and Trustees receive safeguarding training and that a safeguarding briefing is given at the beginning of volunteering sessions;

- A shortfall in income. This risk is managed by having forward planning around fundraising and diversifying fundraising streams. In addition, there is regular monitoring of financial performance throughout the year so that mitigating measures can be put in place, if needed;
- Loss of key staff or Trustees. This is mitigated by having a clear business continuity plan for each key area to include deputies for key roles/ areas and by developing a People Strategy which includes performance management and development. A Trustee review programme is also in place;
- The impact of any adverse external events which would have an impact on the ability to deliver the service;
- The loss of one of the key sites that Little Village operates from. This is mitigated by ensuring that the charity has sufficient capacity and flexibility at other sites to provide temporary cover if needed.

Policies

Policies for all relevant areas are maintained, including safeguarding (adult and child), health and safety, data protection, conflicts of interest,

Structure, governance and management

finance and fraud. Policies are reviewed annually and approved by the board.

Public benefit

The Trustees have referred to the guidance contained in the Charity Commission's general guidance on public benefit when reviewing the charity's aims and objectives and in planning its future activities. In particular, the Trustees consider how planned activities will contribute to the aims and objectives that have been set.

Related parties

We work in partnership with a wide range of organisations, such as Citizen's Advice, Home-Start and statutory services such as midwifery teams, health visitors and local authorities. We have no related parties or related party transactions.

Our plans for the future

It is clear that the need for Little Village's work is not going to diminish during 2022. Families have told us that due to the rising cost of living, together with the removal of the Universal Credit uplift in autumn 2021 and continued high housing and childcare costs, 2022 is looking even more challenging.

Following feedback from families we've supported, we will retain direct deliveries to people unable to travel to us due to distance or circumstances, but we are also keen to start welcoming families back into our hubs more regularly, enabling them to receive the warm Little Village interaction that so many have appreciated over the past five years, along with the ability to choose items for their children themselves.

During 2022 we will open a new Little Village hub in Tooting, South London, replacing our temporary Battersea operation, and a new operation in Hackney, in partnership with Guinness Partnership, the Boiler House Spaces community organisation, and Sal's Shoes.

We will also continue to draw attention, alongside families affected, to the challenges faced when living in poverty with young children, particularly in the context of a growing cost of living crisis. This will include gathering evidence from baby banks across the UK, enabling us collectively to tell a national story about the impact of child poverty and the needs that baby banks are meeting. We will also explore baby banks' interest in creating a more formal national network.



Above Stock in our Battersea hub, ready to be packed for families.



Thank you

Thank you

It takes a village

It really does take a village to make our work happen – families, volunteers, referral partners, donors of baby kit, financial supporters and our incredible staff team – all working together to ensure children and their families have what they need to thrive.

We are so grateful to everyone who has helped us make an incredibly challenging year one of our most impactful to date. That has only been possible through an extraordinary collective effort. We look forward to growing our village in 2022 and beyond.

We would be lost without the 629 volunteers who kindly gave us 17,135 hours of their time in 2021. Powered by this amazing team, they sort, pack, bundle, deliver and call and help us with all manner of challenges.

Thank you to our 1,977 referral partners who work tirelessly to make sure families get the support they need and take the time to complete our referral form. Although not in our hubs, there are many consultants and companies who volunteer their expertise pro bono or at a very friendly charity rate. This year we would like to thank Ark, Bain Consulting, BYM Capital, Big Yellow Storage, BusinessPAYE, Herbert Smith Freehills, Savills, and Selfridges.

We would also like to thank those companies that have supported with donations from their own profits or



Above Mayor of London, Sadiq Khan, and Tooting MP Dr Rosena Allin Khan visit our Balham hub.

Thank you

donated and/or gifted us beautiful stock so incredibly generously this year, including Pampers and Milton, and many other small businesses who pass on special items for us to gift on. If you have ever visited one of our hubs, you will understand why we are so grateful to our lovely landlords, building managers and cleaners. Thank you, Somers Town Community Associations, BYM Capital, Eastwood Children's Centre in Roehampton, Realstar, Uncle, and St Marks United Reform Church.

Thank you to all the existing and new trust, foundations and statutory partnerships who have supported us with core and project funding and made introductions to new organisations. As a group you bring long term stability to the organisation. Special thanks to AKO Foundation, Ajaz.com, Ark, Belvedere Trust, Christopher A. Holder, Department for Digital, Culture, Media and Sport's Community Match Challenge, Edward Gosling Foundation, Greater London Authority, Haringey Council, Joseph Rowntree Foundation, Mr. Wissam Al Mana, Peter Stebbings Memorial Charity, Regents Place Community Fund and The National Lottery Community Fund. We were particularly proud to have been awarded funding by a community panel of residents with experience of Camden's inequality through Camden Giving's participatory funding model.

From start-ups to established powerhouses, all shapes and sizes of companies have supported Little Village this year. Some

have donated a percentage of their profit, others donated some of their incredible stock, volunteered, ran donation drives, chose us as their charity of the year and rallied behind our appeals. Special thanks to Brotherton Real Estate, Raise Your Hands and Sam Knows.

Every year the children and their parents at the schools that support us always astound us with a new brilliant fundraising event and we are bowled over by their energy and enthusiasm. This year we were also the very lucky beneficiaries of a charity partnership at Thomas's and Rocket productions who have kept up the fundraising momentum and many have also come to our hubs and volunteered – thank you.

Thank you to those people and organisations who have helped us share the story of the families we've supported with respect and care. Special thanks to Bounty and our friends at the Joseph Rowntree Foundation including Grace Hetherington, Carla Cebula and Joseph Elliott. And then finally, an enormous thank you to the huge number of individuals that made donations ranging from £10 to £200k or raised funds through a hardcore personal challenge. We heavily rely on your regular and one-off donations and we know that often you are also someone who has volunteered or donated kit as well. Although we aren't able to name you all here, you know who you are and so do we and every single one of you has made a difference this year.

Statement of Trustees' responsibilities

Statement of Trustees' responsibilities

The Trustees are responsible for preparing the Trustees' annual report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Charity law requires the Trustees to prepare financial statements for each financial year which 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 Charities SORP
- Make judgements and estimates that are reasonable and prudent
- State whether applicable UK Accounting Standards and statements of recommended practice 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 operation

The Trustees are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the charitable group 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 charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

In so far as the Trustees are aware:

- There is no relevant audit information of which the charity's auditors are unaware
- The Trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information


Statement of Trustees' responsibilities

The Trustees are responsible for the maintenance and integrity of the corporate and financial information included on the charity's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Auditors

Third Sector Accountancy Limited were re-appointed as the charity's auditors during the year and have expressed their willingness to continue in that capacity.

The Trustees' annual report has been approved by the Trustees and signed on their behalf by



17 / 06 / 2022

Olivia Gillan-Bower, Chair

Financial statements

Year ended 31 December 2021
Little Village
Charity number 1169735

Independent auditor's report

Independent auditor's report to the Trustees of Little Village

Opinion

We have audited the financial statements of Little Village (the 'charity') for the year ended 31 December 2021 which comprise the Statement of Financial Activities, the Balance Sheet, the Statement of Cash Flows 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 charity's affairs as at 31 December 2021 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 Charities Act 2011.

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 charity in accordance with the ethical requirements that are 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

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.

Independent auditor's report

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

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters in relation to which the Charities (Accounts and Reports) Regulations 2008 requires us to report to you if, in our opinion:

- the information given in the financial statements is inconsistent in any material respect with the Trustees' report; or
- the charity has not kept adequate accounting records; or
- the financial statements are not in agreement with the accounting records and returns; or
- we have not received all the information and explanations we require for our audit.

Independent auditor's report

Responsibilities of Trustees

As explained more fully in the Trustees' responsibilities statement set out on page 29, the Trustees 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 charity'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 charity 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 section 144 of the Charities Act 2011 and report in accordance with regulations made under Section 154 of that Act.

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.

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.

Capability of the audit in detecting irregularities, including fraud

Based on our understanding of the group and environment in which it operates, we identified the principal risks of non-compliance with laws and regulations related to pension legislation, tax legislation, employment legislation, health and safety legislation, and other legislation specific to the area in which the charity operates, and we

Independent auditor's report

considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the preparation of the financial statements such as the reporting requirements under the Charities SORP and FRS102, and the Charities Act 2011.

We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls), and determined that the principal risks were related to the pressure on management to achieve particular results. Audit procedures performed by the engagement team included:

- Review of policies and training records;
- Discussions with management including consideration of known or suspected instances of non-compliance;
- Evaluating management's controls designed to prevent and detect irregularities;
- Identifying and testing journal entries; and
- Challenging assumptions and judgments made by management.

There are inherent limitations in the audit procedures described above 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 would become aware of it. Also, 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 or intentional misrepresentations, or through collusion.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Independent auditor's report

Use of the audit report

This report is made solely to the charity's Trustees, as a body, in accordance with Part 4 of the Charities (Accounts and Reports) Regulations 2008. Our audit work has been undertaken so that we might state to the charity's Trustees 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 charity and the charity's Trustees as a body for our audit work, for this report, or for the opinions we have formed.

Third Sector Accountancy Limited

17 / 06 / 2022

Third Sector Accountancy Limited, Statutory Auditor
Holyoake House
Hanover Street
Manchester
M60 0AS

Third Sector Accountancy Limited is eligible to act as an auditor in terms of section 1212 of the Companies Act 2006.

Statement of financial activities

Statement of Financial Activities (including Income and Expenditure account) for the year ended 31 December 2021

		Unrestricted funds	Restricted funds	Total funds 2021	Unrestricted funds	Restricted funds	Total funds 2020
Note		£	£	£	£	£	£
Income from:							
Donations and legacies	3	1,044,002	1,065,881	2,109,883	755,608	815,612	1,571,220
Donated goods for beneficiaries	3	574,319	-	574,319	514,476	-	514,476
Donated services	3	72,423	-	72,423	-	-	-
Charitable activities	4	-	67,847	67,847	-	63,904	63,904
Other trading activities	5	1,283	-	1,283	282	-	282
Investments	6	2,303	-	2,303	1,086	-	1,086
Total income		<u>1,694,330</u>	<u>1,133,728</u>	<u>2,828,058</u>	<u>1,271,452</u>	<u>879,516</u>	<u>2,150,968</u>
Expenditure on:							
Raising funds	7	20,850	81,921	102,771	8,799	57,524	66,323
Charitable activities	8	730,071	1,028,357	1,758,428	581,616	780,552	1,362,168
Total expenditure		<u>750,921</u>	<u>1,110,278</u>	<u>1,861,199</u>	<u>590,415</u>	<u>838,076</u>	<u>1,428,491</u>
Net income/ (expenditure) for the year	10	943,409	23,450	966,859	681,037	41,440	722,477
Transfer between funds	21	40,192	(40,192)	-	-	-	-
Net movement in funds for the year		<u>983,601</u>	<u>(16,724)</u>	<u>966,859</u>	<u>681,037</u>	<u>41,440</u>	<u>722,477</u>
Reconciliation of funds							
Total funds brought forward		838,426	68,044	906,470	157,389	26,604	183,993
Total funds carried forward		<u><u>1,822,027</u></u>	<u><u>51,302</u></u>	<u><u>1,873,329</u></u>	<u><u>838,426</u></u>	<u><u>68,044</u></u>	<u><u>906,470</u></u>

The statement of financial activities includes all gains and losses recognised in the year. All income and expenditure derive from continuing activities.

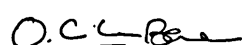
Balance sheet

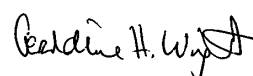
Balance sheet as at 31 December 2021

	Note	2021 £	2021 £	2020 £	2020 £
Fixed assets					
Tangible assets	15		50,165		720
Total fixed assets			50,165		720
Current assets					
Stock	16	41,295		-	
Debtors	17	65,888		36,065	
Cash at bank and in hand	18	1,761,853		1,001,785	
Total current assets		1,869,036		1,037,850	
Liabilities					
Creditors: amounts falling due in less than one year	19	(45,872)		(132,100)	
Net current assets			1,823,164		905,750
Total assets less current liabilities			1,873,329		906,470
Net assets			1,873,329		906,470
The funds of the charity:					
Restricted income funds	21		51,302		68,044
Unrestricted income funds	22		1,822,027		838,426
Total charity funds			1,873,329		906,470

The notes on pages 41 to 57 form part of these accounts.

Approved by the Trustees and signed on their behalf by:





Olivia Gillan-Bower (Chair)

Geraldine Wright (Treasurer)

17 / 06 / 2022

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Statement of cash flows

Statement of Cash Flows for the year ending 31 December 2021

	Note	2021 £	2020 £
Cash provided by/(used in) operating activities	25	811,922	811,295
<i>Cash flows from investing activities:</i>			
Dividends, interest, and rents from investments		2,303	1,086
Purchase of tangible fixed assets		(54,157)	-
Cash provided by/(used in) investing activities		(51,854)	1,086
Increase/(decrease) in cash and cash equivalents in the year		760,068	812,381
Cash and cash equivalents at the beginning of the year		1,001,785	189,404
Cash and cash equivalents at the end of the year		1,761,853	1,001,785

Notes to the accounts for the year ended 31 December 2021

I. Accounting policies

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

a. Basis of preparation

The financial statements have been prepared in accordance with *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 the Republic of Ireland (FRS 102)* issued in October 2019 (“Charities SORP (FRS 102)”), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

Little Village meets the definition of a public benefit entity under FRS102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy note.

The financial statements are presented in sterling which is the functional currency of the charity and rounded to the nearest £ sterling.

b. Judgments and estimates

The Trustees have made no key judgments which have a significant effect on the accounts.

The Trustees do not consider that there are any sources of estimation uncertainty at the reporting date that have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities within the next reporting period.

c. Preparation of the accounts on a going concern basis

The Trustees consider that there are no material uncertainties about the charitable company’s ability to continue as a going concern.

Notes to the accounts

The Trustees have considered the level of funds held and the expected level of income and expenditure for 12 months from authorising these financial statements. Having successfully adapted the operation to incorporate Covid restrictions the charity is able to continue to support and serve the needs of its beneficiaries at an even enhanced level. The budgeted income and expenditure is sufficient with the level of reserves of the charity to be able to continue as a going concern. Please refer to further comments in the trustees' annual report.

d. Income

Income is recognised when the charity has entitlement to the funds, any performance conditions attached to the item(s) of income have been met, it is probable that the income will be received and the amount can be measured reliably.

Income from government and other grants, whether 'capital' grants or 'revenue' grants, is recognised when the charity has entitlement to the funds, any performance conditions attached to the grants have been met, it is probable that the income will be received and the amount can be measured reliably and is not deferred.

Income received in advance of a provision of a specified service is deferred until the criteria for income recognition are met.

e. Donated services, facilities, and goods

Donated professional services and donated facilities are recognised as income when the charity has control over the item, any conditions associated with the donated item have been met, the receipt of economic benefit from the use by the charity of the item is probable and that economic benefit can be measured reliably. In accordance with the Charities SORP (FRS 102), general volunteer time is not recognised; refer to the Trustees' Annual Report for more information about their contribution.

On receipt, donated professional services and donated facilities are recognised on the basis of the value of the gift to the charity which is the amount the charity would have been willing to pay to obtain services or facilities of equivalent economic benefit on the open market; a corresponding amount is then recognised in expenditure in the period of receipt.

The charity received a wide range of donations from the general public of second hand baby and children's clothing, cots, buggies and various other types of goods needed for babies and young children. All these donations are passed on to families in need free of charge. These donations were valued at an estimated second hand value recorded

both as income (£574,319) and expenditure (£550,219) in the accounts. The second hand value of these gifts is recognised in the accounts when they are distributed to the beneficiary. The stock of second hand goods is not recognised in the accounts because it would be impractical to record this information, and the costs of attempting to do so would outweigh any benefit to the users of the accounts or the charity.

f. 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 bank.

g. 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 are donations which the donor has specified are to be solely used for particular areas of the charity's work or for specific projects being undertaken by the charity.

h. Expenditure and irrecoverable VAT

Expenditure is recognised once there is a legal or constructive obligation to make a payment to a third party, it is probable that settlement will be required and the amount of the obligation can be measured reliably. Expenditure is classified under the following activity headings:

- Costs of raising funds comprise the costs of a fundraiser, fundraising events, marketing, merchandise and website costs, and their associated support costs.
- Expenditure on charitable activities includes the costs of operating baby and young children's clothing banks undertaken to further the purposes of the charity and their associated support costs.
- Other expenditure represents those items not falling into any other heading.

Irrecoverable VAT is charged as a cost against the activity for which the expenditure was incurred.

Notes to the accounts

i. Allocation of support costs

Support costs are those functions that assist the work of the charity but do not directly undertake charitable activities. Support costs include back office costs, finance, personnel, payroll and governance costs which support the charity's programmes and activities. These costs have been allocated between cost of raising funds and expenditure on charitable activities. The bases on which support costs have been allocated are set out in note 9.

j. Operating leases

Operating leases are leases in which the title to the assets, and the risks and rewards of ownership, remain with the lessor. Rental charges are charged on a straight line basis over the term of the lease.

k. Tangible fixed assets

Individual fixed assets costing £1,000 or more are capitalised at cost and are depreciated over their estimated useful economic lives on a straight line basis as follows:

Leasehold improvements	over 10 years
Furniture, fixtures and fittings	20% – 33%
Computer equipment	33%

l. Stock

Stock is included at cost. In general, cost is determined on a first in, first out basis. Provision is made where necessary for obsolete, slow moving, and defective stocks. Donated items of stock are recognised at fair value which is the amount the charity would have been willing to pay for the items on the open market.

m. Debtors

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

n. Cash at bank and in hand

Cash at bank and cash in hand includes cash and short term highly liquid investments with a range of fixed term deposits up to 12 months only.

o. Creditors and provisions

Creditors and provisions are recognised where the charity has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors and provisions are normally recognised at their settlement amount after allowing for any trade discounts due.

p. 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 with the exception of bank loans which are subsequently measured at amortised cost using the effective interest method.

q. Pensions

Employees of the charity are entitled to join a defined contribution 'money purchase' scheme. The charity's contribution is restricted to the contributions disclosed in note II. Outstanding contributions at the year end were £7,017 which were paid in full by 7th February 2022. The costs of the defined contribution scheme are included within support and governance costs and allocated to the funds of the charity using the methodology set out in note 9.

2. Legal status of the charity

The charity is a charitable incorporated organisation registered with the Charity Commission and has no share capital. The registered office address is disclosed on page 59.

3. Income from donations and legacies

	Unrestricted £	Restricted £	Total 2021 £	Unrestricted £	Restricted £	Total 2020 £
Donations and grants	1,044,002	1,065,881	2,109,883	755,608	815,612	1,571,220
Donated goods for beneficiaries	574,319	-	574,319	514,476	-	514,476
Donated services	72,423	-	72,423	-	-	-
Total	1,690,744	1,065,881	2,756,625	1,270,084	815,612	2,085,696

Please see the Trustees Annual Report for detail on the donated services.

Notes to the accounts

4. Income from charitable activities

	Unrestricted £	Restricted £	Total 2021 £	Unrestricted £	Restricted £	Total 2020 £
Ark / Department for Digital, Culture, Media and Sport	-	67,847	67,847	-	57,154	57,154
Camden Giving Covid-19 Emergency Fund	-	-	-	-	6,000	6,000
The Hampstead Wells & Campden Trust	-	-	-	-	750	750
Total	-	67,847	67,847	-	63,904	63,904

5. Income from other trading activities

	Unrestricted £	Restricted £	Total 2021 £	Unrestricted £	Restricted £	Total 2020 £
Clothes recycling	1,283	-	1,283	282	-	282
Total	1,283	-	1,283	282	-	282

6. Investment income

	Unrestricted £	Restricted £	Total 2021 £	Unrestricted £	Restricted £	Total 2020 £
Income from bank deposits	2,303	-	2,303	1,086	-	1,086
	2,303	-	2,303	1,086	-	1,086

Notes to the accounts

7. Cost of raising funds

	Unrestricted £	Restricted £	Total 2021 £	Unrestricted £	Restricted £	Total 2020 £
Staff costs	-	61,303	61,303	-	14,599	14,599
Fundraiser's fees	2,100	11,375	13,475	-	29,433	29,433
Donation/online fees	5,432	-	5,432	4,967	627	5,594
Sponsored event costs	3,018	-	3,018	1,727	-	1,727
Marketing	5,385	1,281	6,666	897	56	953
Website costs	2,567	720	3,287	721	10,848	11,569
Investment management costs	1,001	-	1,001	350	-	350
Governance costs (see note 9)	595	1,156	1,751	-	488	488
Support costs (see note 9)	752	6,086	6,838	137	1,473	1,610
	<u>20,850</u>	<u>81,921</u>	<u>102,771</u>	<u>8,799</u>	<u>57,524</u>	<u>66,323</u>

8. Analysis of expenditure on charitable activities

	Total 2021 £	Total 2020 £
Staff costs	536,587	383,298
Other staff costs	14,639	6,133
Volunteer costs	442	790
Accommodation	158,716	61,594
Donated goods for beneficiaries	550,219	514,476
Bought goods for beneficiaries	185,850	247,379
Consumables	17,096	16,719
Consulting and freelance	52,383	17,226
Insurance	2,306	2,009
Legal expenses	13,423	-
IT Consultancy	52,911	-
Delivery and collection costs	46,761	39,230
Travel	687	377
Depreciation	4,712	1,237
Sundry costs	46,513	16,619
Governance costs (see note 9)	15,330	12,821
Support costs (see note 9)	59,853	42,260
	<u>1,758,428</u>	<u>1,362,168</u>
Restricted expenditure	<u>1,028,357</u>	<u>780,552</u>
Unrestricted expenditure	<u>730,071</u>	<u>581,616</u>
	<u>1,758,428</u>	<u>1,362,168</u>

Notes to the accounts

9. Analysis of governance and support costs

	Basis of apportionment	Support £	Governance £	Total 2021 £	Support £	Governance £	Total 2020 £
Staff costs	Staff costs	55,597	12,281	67,878	31,660	7,050	38,710
Subscriptions	Staff costs	6,113	-	6,113	2,038	-	2,038
Consulting/Freelance	Staff costs	-	-	-	5,836	1,459	7,295
Database expense	Staff costs	4,981	-	4,981	4,096	-	4,096
Audit fees	Staff costs	-	3,600	3,600	-	3,600	3,600
Accountancy services	Staff costs	-	1,200	1,200	240	1,200	1,440
		<u>66,691</u>	<u>17,081</u>	<u>83,772</u>	<u>43,870</u>	<u>13,309</u>	<u>57,179</u>
Support and governance costs are allocated to Cost of Raising Funds and Charitable Activities in proportion to the staff time spent on those activities.							
Fundraising		6,838	1,751	8,589	1,610	488	2,098
Charitable activities		59,853	15,330	75,183	42,260	12,821	55,081
		<u>66,691</u>	<u>17,081</u>	<u>83,772</u>	<u>43,870</u>	<u>13,309</u>	<u>57,179</u>

10. Net income/(expenditure) for the year

This is stated after charging/(crediting):	2021 £	2020 £
Depreciation	4,712	1,237
Auditor's remuneration - audit fees	3,600	3,600
Auditor's remuneration - accountancy fees	1,200	1,440
	<u> </u>	<u> </u>

II. Staff costs

Staff costs during the year were as follows:	2021 £	2020 £
Wages and salaries	612,024	402,023
Social security costs	41,571	26,660
Pension costs	12,173	7,924
	<u>665,768</u>	<u>436,607</u>
Allocated as follows:		
Cost of raising funds	61,303	14,599
Charitable activities	536,587	383,298
Support costs	55,597	31,660
Governance costs	12,281	7,050
	<u>665,768</u>	<u>436,607</u>

No employees received employee benefits in excess of £60,000 (2020: Nil).

The average number of staff employed during the period was 33 (2020: 24).

The average full time equivalent number of staff employed during the period was 18 (2020: 12).

The key management personnel of the charity comprise the trustees and the Chief Executive Officer, Head of Programmes, Head of Operations, Head of Finance, Head of People, Head of Fundraising and Head of Advocacy and Communications. The total employee benefits of the key management personnel of the charity were £235,204 (2020: £149,734).

12. Trustee remuneration and expenses, and related party transactions

Neither the management committee nor any persons connected with them received any remuneration or reimbursed expenses during the year (2020: Nil).

Aggregate donations from related parties were £2,825 (2020: £2,500).

There are no donations from related parties which are outside the normal course of business and no restricted donations from related parties.

Notes to the accounts

No Trustee or other person related to the charity had any personal interest in any contract or transaction entered into by the charity, including guarantees, during the year (2020: nil).

13. Government grants

The government grants recognised in the accounts were as follows:	2021 £	2020 £
The National Lottery Community Fund	493,125	493,125
HS2 Camden fund	33,333	33,333
Southwark Borough Council - Common Purpose	-	1,250
Wandsworth Borough Council	4,680	4,680
Ark / Department for Digital, Culture, Media and Sport	67,847	57,154
Coronavirus Job Retention Scheme	2,113	9,560
DWP Access To Work	13,611	-
Greater London Authority - Advice In Community	5,231	-
Haringey Council	9,950	-
	<u>629,890</u>	<u>599,102</u>

There were no unfulfilled conditions and contingencies attaching to the grants.

14. Corporation tax

The charity is exempt from tax on income and gains falling within Chapter 3 of Part II of the Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992 to the extent that these are applied to its charitable objects. No tax charges have arisen in the charity.

15. Fixed assets: tangible assets

Cost	Leasehold improvements £	Fixtures and fittings £	Computer equipment £	Total £
At 1 January 2021	-	1,027	2,684	3,711
Additions	45,810	8,347	-	54,157
At 31 December 2021	<u>45,810</u>	<u>9,374</u>	<u>2,684</u>	<u>57,868</u>
Depreciation				
At 1 January 2021	-	770	2,221	2,991
Charge for the year	3,436	813	463	4,712
At 31 December 2021	<u>3,436</u>	<u>1,583</u>	<u>2,684</u>	<u>7,703</u>
Net book value				
At 31 December 2021	<u>42,374</u>	<u>7,791</u>	<u>-</u>	<u>50,165</u>
At 31 December 2020	<u>-</u>	<u>257</u>	<u>463</u>	<u>720</u>

16. Stock

	2021 £	2020 £
New items donated	24,100	-
New items purchased	<u>17,195</u>	<u>-</u>
	<u>41,295</u>	<u>-</u>

Stock items comprise mattresses, toiletries and nappies.

17. Debtors

	2021 £	2020 £
Grants receivable	-	21,527
Other debtors	590	126
Prepayments and accrued income	<u>65,298</u>	<u>14,412</u>
	<u>65,888</u>	<u>36,065</u>

Notes to the accounts

18. Cash at bank and in hand

	2021 £	2020 £
Short term deposits	405,471	404,909
Cash at bank and in hand	1,356,382	596,876
	<u>1,761,853</u>	<u>1,001,785</u>

19. Creditors: amounts falling due within one year

	2021 £	2020 £
Trade creditors	13,866	22,771
Other creditors and accruals	15,743	9,127
Deferred income	-	91,581
Taxation and social security costs	16,263	8,621
	<u>45,872</u>	<u>132,100</u>

20. Deferred income

	2021 £	2020 £
Deferred grant brought forward	91,581	-
Grant received	-	91,581
Released to income from charitable activities	(91,581)	-
Deferred grant carried forward	<u>-</u>	<u>91,581</u>

Notes to the accounts

21. Analysis of movements in restricted funds

	Balance at 1 January 2021 £	Income £	Expenditure £	Transfers £	Balance at 31 December 2021 £
All sites					
The National Lottery Community Fund	22,317	493,125	(514,333)	(992)	117
Ark / Department for Digital, Culture, Media and Sport	701	67,847	(68,548)	-	-
Anonymous donor 1	5,698	121,500	(106,255)	(20,943)	-
Anonymous donor 2	5,698	121,500	(106,255)	(20,943)	-
Tides Foundation / BlackRock	5,830	3,671	(5,831)	-	3,670
Greater London Authority - Advice In Community	-	5,230	(7,916)	2,686	-
Global's Make Some Noise (Global Charities)	-	30,000	(30,000)	-	-
Haringey Council	-	9,950	(9,950)	-	-
The Elba Charitable Foundation	-	125,000	(125,000)	-	-
The Hollyhock Charitable Foundation	-	30,000	(29,332)	-	668
The Joseph Rowntree Foundation	-	40,000	(39,970)	-	30
The Peter Stebbings Memorial Charity	-	5,000	(5,000)	-	-
Donations					
Powerscourt Estate	-	300	(272)	-	28
Blevin Franks	-	1,275	(1,275)	-	-
Anonymous donor 3	-	30,000	-	-	30,000
Camden Site					
HS2 Camden Fund	16,526	33,333	(34,018)	-	15,841
Two Magpies Fund	8,185	-	(8,185)	-	-
The Morris Charitable Trust	-	2,240	(1,292)	-	948
The Regents Place Community Foundation	-	9,077	(9,077)	-	-
Southwark Site					
Southwark Borough Council - Common Purpose	1,250	-	(1,250)	-	-
Wimbledon / Eastwood Site					
London Borough of Wandsworth	1,839	4,680	(6,519)	-	-
Total	68,044	1,133,728	(1,110,278)	(40,192)	51,302

Note concerning transfers between funds

The transfers are mainly related to spending restricted funds on lease improvements. The costs have been capitalised and are amortised over the 10 year lease period.

Notes to the accounts

Comparative period

	Balance at 1 January 2020 £	Income £	Expenditure £	Transfers £	Balance at 31 December 2020 £
All sites					
The National Lottery Community Fund	-	493,125	(470,808)	-	22,317
Ark / Department for Digital, Culture, Media and Sport	-	57,154	(56,453)	-	701
Global's Make Some Noise (Global Charities)	-	20,000	(20,000)	-	-
Anonymous donor 1	-	68,500	(62,802)	-	5,698
Anonymous donor 2	-	68,500	(62,802)	-	5,698
The Joseph Rowntree Foundation	-	31,549	(31,549)	-	-
Tides Foundation / BlackRock	-	8,987	(3,157)	-	5,830
Easho Wishlist	-	14,933	(14,933)	-	-
Xmas 2020 campaign	-	53,765	(53,765)	-	-
Camden Site					
Camden Giving	3,882	1,989	(5,871)	-	-
HS2 Camden Fund	16,667	33,334	(33,475)	-	16,526
Crick Community Chest, The Francis Crick Institute	1,055	-	(1,055)	-	-
Camden Giving Covid-19 Emergency Fund	-	6,000	(6,000)	-	-
Two Magpies Fund	-	15,000	(6,815)	-	8,185
The Hampstead Wells & Campden Trust	-	750	(750)	-	-
Southwark Site					
Southwark Borough Council - Common Purpose	-	1,250	-	-	1,250
Wimbledon / Eastwood Site					
Wimbledon Foundation Community Fund	5,000	-	(5,000)	-	-
London Borough of Wandsworth	-	4,680	(2,841)	-	1,839
Total	26,604	879,516	(838,076)	-	68,044

Notes to the accounts

Name of restricted fund	Description, nature and purposes of the fund
All sites	
The National Lottery Community Fund	Grant for staff costs at all sites and specific other costs at HQ.
Ark / Department for Digital, Culture, Media and Sport	Support 2500 children - provisions needed to keep them clean, clothed and warm.
Greater London Authority - Advice In Community	Funding for signposting programme.
Global's Make Some Noise (Global Charities)	Warehouse development, satellite sites and hubs, support core costs/overheads.
Haringey Council	Provision of hygiene essentials and kit.
The Elba Charitable Foundation	Providing emergency supplies and pre-loved kit for babies and young children across London.
The Hollyhock Charitable	Organisational costs for supporting newborns.
Anonymous donor 1	Operation and development of Little Village.
Anonymous donor 2	Operation and development of Little Village.
The Joseph Rowntree Foundation	Funding for advocacy programme.
The Peter Stebbings Memorial Charity	Organisational costs for supporting newborns.
Tides Foundation / BlackRock	Towards Virtual Village project.
Powerscourt Estate	Funding for Facebook adverts.
Blevin Franks	For mattresses.
Anonymous donor 3	For the "Young Mums" project.
Camden Site	
HS2 Camden Fund	Restricted to Camden, support communities during HS2 development and strengthen sense of place.
Two Magpies Fund	Towards Volunteer Development Manager post (Camden).
The Morris Charitable Trust	For safe sleeping solutions for families in Islington.
The Regents Place Community Foundation	Core grant to help support the organisation to recover from the pandemic, funding restricted to Camden Little Village.
Southwark Site	
Southwark Borough Council - Common Purpose	Grant for projects which support healthier and more engaged communities.
Wimbledon/Eastwood Site Wandsworth Borough Council	Towards costs for Eastwood Satellite operation.

Notes to the accounts

22. Analysis of movements in unrestricted funds

	Balance at 1 January 2021 £	Income £	Expenditure £	Transfers £	Balance at 31 December 2021 £
General fund	688,426	1,694,330	(750,921)	(459,808)	1,172,027
Designated fund (premises and IT)	150,000	-	-	-	150,000
Designated fund (staff costs)	-	-	-	500,000	500,000
	<u>838,426</u>	<u>1,694,330</u>	<u>(750,921)</u>	<u>40,192</u>	<u>1,822,027</u>

Transfers comprise £40,192 transferred from restricted to unrestricted funds (please refer to note 21) and £500,000 allocated to designated funds.

Comparative period

	Balance at 1 January 2020 £	Income £	Expenditure £	Transfers £	Balance at 31 December 2020 £
General fund	157,389	1,301,048	(620,011)	(150,000)	688,426
Designated fund	-	-	-	150,000	150,000
	<u>157,389</u>	<u>1,301,048</u>	<u>(620,011)</u>	<u>-</u>	<u>838,426</u>

Name of unrestricted fund

Description, nature and purposes of the fund

General fund

The free reserves after allowing for all designated funds

Designated fund

- To upgrade premises and IT infrastructure (£150k)
- To safeguard staff costs (£500k)

Notes to the accounts

23. Analysis of net assets between funds

	General fund £	Designated funds £	Restricted funds £	Total 2021 £
Tangible fixed assets	50,165	-	-	50,165
Net current assets/(liabilities)	1,121,862	650,000	51,302	1,823,164
Total	1,172,027	650,000	51,302	1,873,329

Comparative period

	General fund £	Designated funds £	Restricted funds £	Total 2020 £
Tangible fixed assets	720	-	-	720
Net current assets/(liabilities)	687,706	150,000	68,044	905,750
Total	688,426	150,000	68,044	906,470

24. Operating lease commitments

During the year the charity entered into a 10 year premises lease for its Brent site. There was no premium payable and the annual rental payment is £1.

25. Reconciliation of net movement in funds to net cash flow from operating activities

	2021 £	2020 £
Net income/(expenditure) for the year	966,859	722,477
Adjustments for:		
Depreciation charge	4,712	1,237
Dividends, interest and rents from investments	(2,303)	(1,086)
Decrease/(increase) in stock	(41,295)	-
Decrease/(increase) in debtors	(29,823)	(32,733)
Increase/(decrease) in creditors	(86,228)	121,400
Net cash provided by/(used in) operating activities	811,922	811,295

Reference and administrative information

Reference and administrative information

Charity number	1169735
Registered office and operational address	144-146 Tooting High Street, London SW17 0RT
Trustees	<p>The Trustees who served during the year and up to the date of this report were as follows:</p> <p>Olivia Gillan-Bower, Chair</p> <p>Geraldine Wright, Treasurer</p> <p>Helen Murphy, Secretary</p> <p>Caley Eldred</p> <p>Marcia Holmes (appointed 21 June 2021)</p> <p>Nijma Khan (resigned 22 September 2021)</p> <p>Mary Kuhn (resigned 24 March 2021)</p> <p>Alan Lally Francis (appointed 21 June 2021)</p> <p>Jennie Lucas</p> <p>Katharine Sacks-Jones (appointed 21 June 2021)</p>
Key management	<p>Sophia Parker, Chief Executive (resigned 12 February 2021)</p> <p>Sophie Livingstone MBE, Chief Executive (appointed 8 February 2021)</p> <p>Rebecca Wilson, Head of Programmes</p> <p>Emily Compston, Head of Operations</p> <p>Clare Hill, Head of People</p> <p>Aniq Read, Head of Finance</p> <p>Nadine Adamski, Head of Fundraising (appointed 15 March 2021, resigned 12 May 2022)</p> <p>Sophia Moreau, Head of Advocacy and Communications (appointed 21 June 2021)</p>
Bankers	<p>Santander UK plc, Bridle Road, Bootle, Merseyside L30 4GB</p> <p>HSBC UK Bank plc, 1 Centenary Square, Birmingham B1 1HQ</p>
Auditors	Third Sector Accountancy Limited, Holyoake House, Hanover Street, Manchester M60 0AS.



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