

YORK CHILDCARE LIMITED

**A company limited by guarantee
and
a registered charity no. 1008566**

ANNUAL REPORT AND FINANCIAL STATEMENTS

for the year ended

31 March 2021

**HPH
Chartered Accountants
54 Bootham
York
YO30 7XZ**



YORK CHILDCARE LIMITED
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021

CONTENTS	<i>page</i>
Report of the Management Board	<i>1 to 13</i>
Auditor's Report	<i>14 to 17</i>
Statement of Financial Activities and Income and Expenditure Account	<i>18</i>
Balance Sheet	<i>19</i>
Cash Flow Statement	<i>20</i>
Notes to the Financial Statements	<i>21 to 30</i>

YORK CHILDCARE LIMITED
REPORT OF THE MANAGEMENT BOARD
FOR THE YEAR ENDED 31 MARCH 2021

The Directors, known as the Management Board (who are also the Trustees of the Charity and whose details are shown in the reference and administrative information section of this report) are pleased to present their Annual Report together with the Financial Statements of the Charity for the year ended 31 March 2021.

The Financial Statements comply with the Charities Act 2011, the Companies Act 2006, the Memorandum and Articles of Association, and Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2015).

The Charity is a Public Benefit Entity.

OBJECTIVES AND ACTIVITIES

Charitable status was awarded on 21 February 1992 because of our company policy to use income generated from our activities for the promotion of financially assisted places in nurseries.

Our activities include supporting Out of School Clubs including those caring for children within deprived post-code areas of York.

Our charitable objectives as an organisation are to provide quality and affordable childcare for children from 6 weeks to 16 years and in particular to support lone parents and those on low income. We achieve this both with the provision of nursery care and the work of supporting Out of School Clubs. We offer Assisted Places to parents who are in receipt of certain state benefits or who apply for a reduction in fees due to personal circumstances to ensure that as wide a group as possible can be considered for financial assistance.

Our Out of School Support Service only works with out of school clubs that are 'not for profit'. The aim is to ensure the clubs are sustainable in the longer term and improve quality standards. A charge is made for the services we provide.

We believe that our activities further our charitable purposes which we provide for the wider public benefit, broadly described as the advancement of education and support for the relief of poverty.

The criteria we use to assess success in the reporting period are:

- That children have benefitted from accessing a wide range of learning opportunities supporting their well-being and general development.
- That children are making good developmental progress towards attaining the goals as defined in the Early Years Foundation Stage, including children who have additional needs.
- That requests for financial assistance to support families where there is an identified need are met with a positive response.
- That a forecasted surplus is achieved or exceeded through setting and monitoring occupancy targets across the nurseries.

YORK CHILDCARE LIMITED
REPORT OF THE MANAGEMENT BOARD
FOR THE YEAR ENDED 31 MARCH 2021 - CONTINUED

- That the satisfaction of parent/guardians is reflected in the nursery provision for their child(ren).
- That budgetary controls and processes are implemented regarding charitable expenditure to maintain our budgetary expectations.

ACHIEVEMENTS AND PERFORMANCE

As Trustees and Directors of York Childcare Limited, we believe that we have complied with the duty in section 17(5) of the Charities Act 2011 to have due regard to public benefit guidance published by the Charity Commission.

The financial assistance we have provided over the last year is detailed on the following pages but can be summarized as follows:

	2021	2020
	£	£
Assisted places including additional support for Funded 2-year-olds and other Children attending under Early Years places	6,483	5,059
Out of School Support Service fees and other costs waived	1,765	5,363
Assisted places for children attending Out of School Clubs Managed by York Childcare Ltd	-	196
	<u>8,248</u>	<u>10,618</u>

Nurseries

The 2020-21 financial year has been one of the most challenging in the history of York Childcare with the Covid-19 pandemic resulting in blanket closures, ad hoc closures, staff absences, insurance claims and a huge change to working practices and parental access to nurseries. We have emerged from the worst of the pandemic, so far, with over £6,000 of donations received, all nurseries still open and are finances stable. The response of parents, guardians and our committed staff particularly has been the reason we have survived to date.

We have continued to operate our nurseries in Clifton, West Bank Park and Scarcroft Green, all of which offer high quality childcare. Our nurseries are inspected by Ofsted in accordance with their schedule of inspections - the results of the latest Ofsted inspections are available on their website at www.ofsted.gov.uk. Ofsted affirm through their reports that York Childcare nurseries “promote continuity of care and learning between the nursery and home” in an environment where the children feel safe.

YORK CHILDCARE LIMITED

REPORT OF THE MANAGEMENT BOARD

FOR THE YEAR ENDED 31 MARCH 2021 - CONTINUED

We believe that one reason our nurseries are of such high quality is the investment in our staff. We value them highly and ensure that they receive full support and training opportunities at our expense to be certain that they keep up to date with good childcare practice. We have access through accredited training providers to help support those staff who wish to improve their qualifications. This investment is also acknowledged in the most recent Ofsted inspection reports.

Working with parents is an important principle of the nurseries. Nursery Forums and nursery information evenings for parents, staff and trustees to meet, are two ways that nursery managers involve parents and keep them informed of general issues.

These forums meet regularly according to the demands of each setting and are often chaired by a parent. Parents have regular contact with the Key Person allocated for their child and keep up to date through attending informal events at the nurseries, such as 'Stay-and-Play' afternoons, although these have been suspended during the pandemic.

Our website remains under constant review and is now a source of information both for new and existing parents and staff. We include news updates on Facebook for each setting which parents can access at any time and our open Facebook page is used for sharing news, marketing and recruitment.

The nursery fees we charge are in line with market prices for quality childcare provision in York. We do not expect our other parents to subsidise or underwrite the costs of offering Assisted Places. The funding of Assisted Places is made possible by the fact that senior management services are provided by our Management Board on an honorary basis at no charge. During the past year our Trustees have provided line management, personnel, accountancy, legal, financial and property advice free of charge.

We continue to be approached by parents with requests for Assisted Places for their children to have continuity of care whilst they resolve employment issues, often connected with short time working or redundancy, delays in families receiving benefits claimed and with issues surrounding family break-up or health. The expansion of the funding scheme for 2-year-old children has led to a reduction in the number of referrals from professionals (e.g., social workers, health visitors) to our Assisted Places scheme. Requests over recent months have primarily been from the managers of our three nurseries for funding, to enable children to attend nursery all year round when other funding streams only provide for them for the 38 weeks of the year which are 'term time'. We are reacting positively to such requests. Our senior staff are also actively directing parents to this source of funding where they feel that the child would benefit from the nursery care we offer and to pay for nursery meals.

Government funding has continued to provide either 2-year-old Funding for 'hard to reach 2-year-olds' or Early Years Funding for children aged 3 and 4 years and this is of benefit to many families. Early Years Funding currently provides 15 hours per week of nursery education, term time only for all children from the term after their 3rd birthday, and our staff work with parents to ensure that this provision is as flexible as it can be. With effect from September 2017, the Government rolled its scheme nationally to double the number of funded hours per week to 30 for working parents of 3 and 4-year old children.

YORK CHILDCARE LIMITED
REPORT OF THE MANAGEMENT BOARD
FOR THE YEAR ENDED 31 MARCH 2021 - CONTINUED

As the level of funding provided is set below the cost of delivering the service, it was necessary to introduce an additional charge for meals to mitigate losses.

- 9 children attending nursery for their 'free of charge' (FOC) sessions have been provided with a hot meal FOC, funded by our Assisted Places scheme.
- The average number of 'Hard to Reach 2-Year-Old' families we have helped each month was 14 (2020: 12).
- The average number families benefitting from the Assisted Places scheme each month was 5 (2020: 6).

All our nurseries have strong links with local schools where the schools cannot provide pre-school nursery care on site and they work in partnership with the foundation classes at the school to ensure that the children have continuity of childcare. Heather's Nursery acts as the provider of this service to Acomb School and Scarcroft Green Nursery acts as the provider of this service to Scarcroft School. Joseph's Nursery has a wider catchment in the Clifton area of York. We provided this service to total of 137 (2020: 166) children receiving Early Years funding and to an average of 14 (2020: 12) 'hard to reach 2-year olds' a term receiving Early Years funding.

Occupancy at Joseph's, Heather's and Scarcroft Green Nurseries has remained steady.

Although we received no further specific donations to support families at IDAS (the Independent Domestic Abuse Service, formerly known as York Women's Refuge) the nurseries continue to provide childcare for families at IDAS as and when the need arises.

All our nurseries work closely with social services to provide the necessary support to families with an identified social or welfare need. Nursery staff attend planning and support meetings in addition to the ongoing support given through daily interaction with the parents of vulnerable children, some of whom are on the child protection register.

Joseph's Nursery has provided additional support for a child with SEND, with a successful application for 20 hours per week of Inclusion Funding to provide one-to-one support for the child on a part-time basis.

Scarcroft Green Nursery additionally has provided one-to-one support during mealtimes for one child with SEND on a part-time funded basis.

Managers at all three nurseries have received funding known as Early Years Pupil Premium (EYPP) which is allocated by the Local Authority to improve the educational opportunities for disadvantaged 3 and 4-year olds. Heather's Nursery received funding for two children, Scarcroft Green Nursery received funding for four children and Joseph's nursery received funding for two children. Managers are restricted as to how they can spend this money and they must be able to demonstrate how the service or item purchased benefits the recipient. Expenditure has included the purchase of items of equipment to enhance the learning opportunities for the children.

YORK CHILDCARE LIMITED
REPORT OF THE MANAGEMENT BOARD
FOR THE YEAR ENDED 31 MARCH 2021 - CONTINUED

Out of School Support Service

In 2006 the Management Board was approached by an out of school club to provide support for its day-to-day management. In response to this request, the Management Board decided to support out of school provision by using the skills and knowledge gained from the support services previously funded by various grants including support from City of York Council.

With the agreement of each of the out of school club trustees, from September 2018 clubs have been charged 10% of their turnover. This had to be reviewed during the pandemic so that contracts were adjusted to guarantee a minimum charge for each Out of School Club as 10% of turnover for a closed club was £0. Where clubs experience difficulties paying this charge, they may approach York Childcare Ltd and apply for financial support.

We have support agreements with Acomb Out of School Club (trading as Playden), Dunnington Children (trading as Over the Rainbow), Kool Kids Club at Clifton Club, Poppleton Rd OOSC and Dringhouses Out of School Club. These clubs retain their own separate legal identity and have neither been merged nor 'taken over' by York Childcare. Unfortunately, St Barnabas Out of School Club has ceased trading in the last year and therefore its relationship with York Childcare has ended.

In all there are approximately 2,000 families registered with these settings to which before and after school childcare is provided. Due to the demand for childcare in the school holidays, the settings provide childcare during most school holidays. Occupancy levels are high at all the settings signed up to the Support Service. These settings would not continue without the active support and expertise provided by our Support Service.

Over the year it has become clear that there continues to be a demand from some parents for financial support with childcare costs. The Assisted Places scheme model is now available in all the settings we support and with the agreement of club trustees is independently financed by each setting.

FINANCIAL REVIEW

Reserves Policy

The Trustees have carried out a review of the level of reserves needed to sustain the charitable activities. It is our policy that we should have enough cash reserves in the bank to cover three months of payroll, rent and utilities, plus any significant investments on the horizon.

Investment Powers, Policy and Performance

The powers of investment are set out in the governing document. The Trustees have the power to instruct Investment advisers to assist with the investment strategy. No Investment advisers are currently appointed.

YORK CHILDCARE LIMITED
REPORT OF THE MANAGEMENT BOARD
FOR THE YEAR ENDED 31 MARCH 2021 - CONTINUED

Financial Highlights

As reported above and in previous years, the level of government funding provided for 2, 3 and 4 year olds is set below the cost of delivering the service and the childcare sector continues to operate in challenging conditions, with some of our competitors in York going out of business during the year.

In response we continued to apply tight financial controls during the last year and were pleased to end with a surplus of £72,216 (2020: £65,139). The additional budgetary controls put in place in the year have been successful and have been continued throughout the current financial period. We have also benefitted from a successful insurance claim cushioning the financial blow of reduced trading due to Covid.

The Trustees agreed a fee increase with effect from April 2020, to bring fees in line with local competitors, and a limit on staff appointments within regulatory requirements to ensure we remain in a secure financial position. The restructure of the office function and staffing has also proved effective and continues to be monitored. Budget forecasting of 12-15 months will continue to enable us to respond immediately to any variances whilst building up reserves.

Details of our Unrestricted Reserves

The Charity Commission definition of free reserves is "Unrestricted undesignated funds less the book value of Fixed Assets". At any time, an organisation of this size has reserves tied up in the fixed assets it needs to operate. At 31 March 2021 we had £68,132 (2020: £76,366) tied up in fixed assets. This leaves reserves of £130,304 (2020: £84,717) left as free reserves to support working capital requirements.

A designated fund of £35,000 has been set aside for the roof repairs need for Heather's Nursery.

Our contracts with parents require them to settle their nursery fees at the start of each month so that we have sufficient funds to pay staff at the end of the month. Many parents comply with the contract, but our cash flow is affected by the means of payment arranged by Government.

Early Years Funding is available for 3 and 4-year olds and Funding for hard-to-reach-2 -year-olds and provides funded nursery care for 38 weeks of the normal school year. Our claims are made at the start of each academic term to the City of York Council. The Council makes payments of 85% of estimated funding entitlement within 4 weeks of the start of term, with settlement of the remaining balance by the next half term.

We have a payroll supporting more than 50 staff and we have the confidence to ensure that we can make salary payments in full at the month end even if there are cash flow problems.

From these items alone, during the last year we needed working capital, or free reserves, of at least £85,000.

We are pleased to see that through tight monitoring and striving to find efficiencies during the period reserves are back up to the level required.

YORK CHILDCARE LIMITED
REPORT OF THE MANAGEMENT BOARD
FOR THE YEAR ENDED 31 MARCH 2021 - CONTINUED

Fundraising

Under the terms of its Memorandum (clause 3 (iii) A), York Childcare is open to receiving and raising funds for the benefit of the children attending the nurseries and their families.

Trustees are committed to benefitting children and families directly by providing financial support in response to need through the Assisted Places scheme. Trustees are grateful to one local charity for an annual donation of £1,000 towards the scheme, which is supplemented by discretionary funds allocated by trustees. These funds have been identified as representing the benefit in kind provided by Trustees for their (pro-bono) contributions to York Childcare. In the current circumstances, Trustees will also seek funds from additional sources for the scheme.

Fundraising events are also held by the individual nurseries, though these have been constrained by Covid. Typically proceeds are raised to benefit the individual nursery and another chosen charitable cause.

Remuneration of Key Management Personnel

The Trustees consider the Board of Trustees, the CEO, the Specialist Services Manager and the three Nursery Managers as comprising the key management personnel of the charity, in charge of directing and controlling the charity and running and operating the charity on a day-to-day basis.

All Trustees give of their time freely and no Trustee remuneration was paid in the year and no Trustee expenses were claimed.

The pay of the Charity's senior managers is reviewed annually and normally increased in accordance with average earnings. There is no formal bench-marking policy, but the remuneration set is fair and in line with that paid for similar roles within the private, voluntary and independent nursery sector in York.

PLANS FOR FUTURE PERIODS

Nurseries

We continue to believe that the key to quality childcare is in employing the best staff and in ensuring that their training and support continues during their employment with us.

YORK CHILDCARE LIMITED
REPORT OF THE MANAGEMENT BOARD
FOR THE YEAR ENDED 31 MARCH 2021 - CONTINUED

We are continuing to ensure that our staff attend in-house training at least twice a year to help them apply the latest initiatives in early years care and education. In addition, the group of staff with a higher level of qualifications fulfil additional responsibilities to improve the quality and variety of care and education at all three settings. An enhancement to salary has been introduced for staff who are the appointed 'graduate leaders' at each setting in conjunction with the additional associated responsibilities. This also fulfils part of our retention strategy to enable us to keep the staff we have supported through years of training. In March 2019, Trustees introduced a programme of Froebel training across each of the nurseries and subsequently developed Froebel child-centred pedagogy to all settings, aiming to provide the highest quality of childcare.

There is still a need for Assisted Places for families who fall outside the Government funding nets and for short term assistance to enable employment opportunities to be taken. There are also short-term requests (e.g., where family income has fallen due to unforeseen circumstances) and we are supportive of these requests for Assisted Places so that the impact of the situation does not fall on the children of the family.

We shall continue to seek further funds to support the Assisted Places for families at IDAS (formerly the York Women's Refuge). However, if we cannot find additional funding, we shall continue to support the places using our own reserves.

Covid 19

When national lockdown occurred in March 2020 due to Covid 19, Joseph's Nursery remained open, providing a limited service for the children of keyworkers for all three nurseries. With a limited staff team, the company made use of the Coronavirus Job Retention Scheme and rotated staff between work and furlough. Heather's and Scarcroft Green Nurseries reopened in June. As our insurance cover provided for business interruption, we submitted a claim which the insurers accepted. This cover expired at the point of renewal in December 2020 and no cover for Covid 19 will be provided beyond that date.

Our income has been significantly affected by the lockdown in March 2020 and consequently operating on a reduced capacity until September 2020. An operational risk assessment was developed in March 2020 which has been updated on a monthly basis: this included strategies to mitigate the impact of future closures by ensuring that children are cared for in separate groups with minimal crossover between staff wherever possible. We will continue to make use of financial assistance schemes provided by the government (e.g., the extension of the CJRS and in appointing apprentices to fill staffing vacancies).

Although most of our parents have returned there is evidence that some families have modified their working arrangements and some continue to work from home; however, as this can be difficult with young children in the house, we believe that families will continue to require childcare. In accordance with government guidelines and with our charitable objectives we have prioritised offering childcare places to vulnerable children in addition to key worker children when places are limited. Government funding for two, three and four year old children has continued during closure and when children cannot attend for Covid-19 reasons and will continue to do so.

YORK CHILDCARE LIMITED
REPORT OF THE MANAGEMENT BOARD
FOR THE YEAR ENDED 31 MARCH 2021 - CONTINUED

Our supply chain experienced minimal impact: additional PPE has not been required in large quantities as it is not considered a necessity when working with young children. We believe that we have not yet felt the full impact of Covid 19 and Trustees continue to monitor the financial impact.

Out of School Support Service

We shall continue the work with out of school clubs, putting in place support agreements and strengthening settings' existing voluntary committees. During the year trustees have been recruited for each of the clubs, and club trustees and managers are aware of the ongoing need to ensure sufficient number of Trustees to fulfil the regulatory requirements to ensure their longer-term future.

Future work with settings that may request support must be closely monitored and evaluated to ensure that resources are not overstretched. Financial sustainability must continue to be of prime consideration when offering the support service to new settings.

Covid 19

At the announcement of the National Lock Down all the OOSCs closed on the 27 March 2021. However, the work of the OOSC Support Service Manager continued and significantly increased, providing essential support to the club trustees including in particular furlough, grant funding opportunities and changes in legislation due to Covid19. For these reasons, it was necessary for YC to introduce a minimum monthly charge which has also by agreement been incorporated into the agreements with each club. All clubs were able to reopen and have operated within a restricted framework due to Covid 19. These clubs would not have been able to do so without the continued support of the OOSC Support Service.

Management Board

In December 2019, the Chair of the Board of Trustees Jo Armistead retired from this position. The decision was taken to share the responsibility of being Chair on a rotational basis, with each of the appointed Trustees accepting responsibility for Chairing scheduled meetings. There have been no other changes to the Board of Trustees, with each Trustee continuing to bring specific valuable expertise to the Management Board.

We continue to look for new members of the Management Board with appropriate specialist skills.

REFERENCE AND ADMINISTRATIVE INFORMATION

York Childcare operates three, day nurseries and known by the users of those settings as Joseph's, Heather's and Scarcroft Green Nurseries. We also operate an Out of School Support Service to support and facilitate out of school care in the York area.

The Company registration number is 02476480 and the Charity registration number is 1008566. The registered office is the principal office sited at The Pavilion, Rawcliffe Lane, York, YO30 6NP.

YORK CHILDCARE LIMITED
REPORT OF THE MANAGEMENT BOARD
FOR THE YEAR ENDED 31 MARCH 2021 - CONTINUED

REFERENCE AND ADMINISTRATIVE INFORMATION – continued

All members of the Management Board are Directors and Trustees, and they are also members of the Company. They are listed below with the last year of reappointment.

C H Jenkins	Company Secretary	2014
D L Turner		2018 appointed 25 April 2018
M D Richardson		2018 appointed 16 May 2018
R Welch		2018 appointed 19 December 2018
J M Plummer		2019 appointed 17 April 2019
K A Armstrong		2019 appointed 19 June 2019. Resigned May 2021.

At the date of this report the senior members of the organisation were as follows:

K Mawson	CEO	
S Drury	Nursery Manager	Heathers Nursery
D Whatling	Nursery Manager	Josephs Nursery
J Brandt	Nursery Manager	Scarcroft Green Nursery
D Adair	Specialist Services Manager	

The company's agents and advisors were as follows:

Auditor	HPH, Chartered Accountants, 54 Bootham, York
Bankers	HSBC Bank plc, Parliament Street York
Payroll	HPH, Chartered Accountants, 54 Bootham, York
Accountant	Anna Frost from July 2017

YORK CHILDCARE LIMITED
REPORT OF THE MANAGEMENT BOARD
FOR THE YEAR ENDED 31 MARCH 2021 - CONTINUED

STRUCTURE GOVERNANCE AND MANAGEMENT

York Childcare Limited is a company limited by guarantee and has no share capital. The Memorandum and Articles of Association dated 2 March 1990 govern the company and its officers. All members of the Management Board are Directors and Trustees, and they are also members of the company.

At the AGM 2017 the Management Board adopted Model Articles for private companies limited by guarantee. In accordance with the Articles of Association, members of the Management Board (the Trustees of the Charity) retire by rotation every three years. New members of the Management Board are appointed by advertising vacancies and interested parties are invited to attend meetings with the existing Board who take into account the balance of skills needed to provide effective management. The Board follows the procedures recommended by the Charity Commission for the induction of new Trustees.

The maximum number of members of the Company is 25 and liability of each member is limited to such amounts as may be required but not exceeding £1. There are 7 members at the date of this report.

The Management Board is the name given to the Trustees of the charity and the Board of Directors who manage York Childcare Limited. There are at present 6 serving members each with a specific skill that adds value to the organisation. At present, they meet monthly at a formal Board meeting to make such decisions as are required.

The wide range of our Trustees' skill base is used on a regular basis so that matters concerning personnel, accounting, legal, property, early education and childcare issues, IT, banking, marketing and general management are all dealt with. None of the Board receives nor asks for any reward for the services they provide as Trustees. On occasions services are obtained from organisations with whom the Board are connected. Those services are provided at open market under contract tender conditions. In some instances, where the services are clearly provided at a discounted value, then a decision whether or not to accept is made by Trustees not connected with the organisation.

The day-to-day management of the organisation is under the responsibility of the CEO to whom the Nursery Managers report and who deals with all administration of the organisation. The CEO reports directly to the Board.

The Specialist Services Manager deals with all work involving Out of School Clubs and provides specialist support to nurseries when needed and reports to the CEO.

The CEO and Specialist Services Manager are supported by a team of administrative staff. The Board of Trustees provide line management to the CEO.

YORK CHILDCARE LIMITED
REPORT OF THE MANAGEMENT BOARD
FOR THE YEAR ENDED 31 MARCH 2021 - CONTINUED

RISK MANAGEMENT

The Trustees have examined the principal areas of the Charity's operations and considered the major risks, which may arise in each of these areas. In the opinion of the Trustees the Charity has established resources and review systems, which, under normal conditions, should allow the risks, identified by them to be mitigated to an acceptable level in its day-to-day operations.

The principal risks identified in the 2020 - 2021 financial year remain around staff-retention and covid closure risks and the effect on income. With inflation rising and unemployment being particularly low it has become harder and harder to recruit into childcare as many leave the industry or look elsewhere for higher pay.

RESPONSIBILITIES OF THE MANAGEMENT BOARD

Statement of Trustees' Responsibilities for the Financial Statements

Company and Charity Law require the Directors and Trustees (known as the management board) to prepare financial statements for each financial year which give a true and fair view of the charitable company's financial activities during the year and of its financial position at the end of the year. In preparing financial statements giving a true and fair view, our responsibility as the management board requires us to follow best practice and:

- select suitable accounting policies and apply them consistently
- make judgements and estimates that are reasonable and prudent
- state whether applicable accounting standards have been followed, subject to any 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 operation.

The Directors and Trustees (known as the management board) are responsible for keeping accounting records which disclose with reasonable accuracy at any time the financial position of the charitable company and to enable them to ensure that the financial statements comply with Companies Act 2006 and applicable charity law. They are also responsible for safeguarding the assets of the charitable company by taking reasonable steps for the prevention and detection of fraud or other irregularities.

In accordance with company law, as the company's directors, we certify that:

- so far as we are aware there is no relevant audit information of which the Company's Auditor is unaware, and
- as the Directors of the company we have taken all the steps that we ought to have taken in order to make ourselves aware of any relevant audit information and to establish that the Charity's Auditor is aware of that information.

YORK CHILDCARE LIMITED
REPORT OF THE MANAGEMENT BOARD

FOR THE YEAR ENDED 31 MARCH 2021 - CONTINUED

The Trustees are responsible for the maintenance and integrity of the charity 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.

Auditor

HPH, Chartered Accountants will be nominated at the Annual General Meeting for reappointment and have expressed their willingness to continue in that capacity.

Approved by the Management Board on 8 December 2021 and signed on its behalf by:



M Richardson
Trustee

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF YORK CHILDCARE LIMITED

Opinion

We have audited the financial statements of York Childcare Limited for the year ended 31 March 2021 which comprise the Statement of Financial Activities, the Balance Sheet, the Cash Flow Statement and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 March 2021 and of its incoming resources and application of resources, including its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the charitable company in accordance with the ethical requirements 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.

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.

HPH
Chartered Accountants

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF YORK CHILDCARE LIMITED

Other information

The trustees are responsible for the other information contained within the Report of the Management Board. The other information comprises the information included in the Report of the Management Board, 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 this gives rise to 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.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion based on the work undertaken in the course of our audit:

- the information given in the Report of the Management Board, 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 included within the Report of the Management Board has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the directors' report included within the Report of the Management Board.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the trustees were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies exemption in preparing the Report of the Management Board.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF YORK CHILDCARE LIMITED

Responsibilities of the trustees

As explained more fully in the Management Board's responsibilities statement set out on pages 12 and 13, 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 controls as the trustees determine is necessary to enable the preparation of the financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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:

We obtained an understanding of the legal and regulatory frameworks within which the company operates, focusing on those laws and regulations that have a direct effect on the determination of material amounts and disclosures in the financial statements. The laws and regulations we considered in this context were the Companies Act 2006 together with the Charities SORP (FRS102) 2019. We assessed the required compliance with these laws and regulations as part of our audit procedures on the related financial statement items.

In addition, we considered provisions of other laws and regulations that do not have a direct effect on the financial statements but compliance with which might be fundamental to the charitable company's ability to operate or to avoid a material penalty. We also considered the opportunities and incentives that may exist within the charitable company for fraud. The laws and regulations we considered in this context for the UK operations were The Childcare Act 2006, Food Hygiene regulations, Health and Safety Legislation, Employment legislation, Charity Commission regulations and General Data Protection Regulation (GDPR).

HPH
Chartered Accountants

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF YORK CHILDCARE LIMITED

Auditing standards limit the required audit procedures to identify non-compliance with these laws and regulations to enquiry of the Trustees and other management and inspection of regulatory and legal correspondence, if any.

We identified the greatest risk of material impact on the financial statements from irregularities, including fraud, to be the override of controls by management and income recognition. Our audit procedures to respond to these risks included enquiries of management about their own identification and assessment of the risks of irregularities, sample testing on the posting of journals and detailed substantive testing on the completeness of income.

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. We are not responsible for preventing non-compliance and cannot be expected to detect non-compliance with all laws and regulations.

These inherent limitations are particularly significant in the case of misstatement resulting from fraud as this may involve sophisticated schemes designed to avoid detection, including deliberate failure to record transactions, collusion or the provision of intentional misrepresentations.

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.

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.

.....
Sarah Wearing (Senior Statutory Auditor)

For and on behalf of HPH, Statutory Auditor
54 Bootham
York
YO30 7XZ

8 December 2021

YORK CHILDCARE LIMITED

**STATEMENT OF FINANCIAL ACTIVITIES
AND INCOME AND EXPENDITURE ACCOUNT**

FOR THE YEAR ENDED 31 MARCH 2021

		Unrestricted Funds £	Restricted Funds £	Endowment Funds £	Total 31 March 2021 £	Total 31 March 2020 £
	Note					
Income and endowments from:						
Donations and legacies	2	13,852	-	-	13,852	3,702
Charitable activities	3	1,203,607	-	-	1,203,607	1,257,325
Investments	4	-	-	127	127	413
Total income		1,217,459	-	127	1,217,586	1,261,440
Expenditure on:						
Charitable activities	6	1,145,233	137	-	1,145,370	1,196,301
Total expenditure		1,145,233	137	-	1,145,370	1,196,301
Net income/(expenditure)	5	72,226	(137)	127	72,216	65,139
Transfers between funds		127	-	(127)	-	-
Net movement in funds		72,353	(137)	-	72,216	65,139
Reconciliation of funds:						
Total funds brought forward		161,083	2,119	23,596	186,798	121,659
Total funds carried forward		£ 233,436	£ 1,982	£ 23,596	£ 259,014	£ 186,798

The notes on pages 21 to 30 form part of these financial statements

YORK CHILDCARE LIMITED

BALANCE SHEET AT 31 MARCH 2021

Company Registration Number: 02476480

		Unrestricted Funds	Restricted Funds	Endowment Funds	Year ended 31 March 2021	Year ended 31 March 2020
		£	£	£	£	£
Fixed assets	Note					
Tangible fixed assets	8	66,150	1,982	-	68,132	75,366
Current assets						
Debtors	9	28,471	-	-	28,471	43,735
Bank balances and cash	17	272,770	-	23,596	296,366	187,261
		301,241	-	23,596	324,837	230,996
Creditors: amounts falling due within one year						
Creditors	10	133,955	-	-	133,955	119,564
		133,955	-	-	133,955	119,564
Net current assets		167,286	-	23,596	190,882	111,432
Net assets		£ 233,436	£ 1,982	£ 23,596	£ 259,014	£ 186,798
Funds						
Unrestricted						
Undesignated		198,436	-	-	198,436	161,083
Designated		35,000	-	-	35,000	-
Restricted						
Restricted		-	1,982	-	1,982	2,119
Endowment		-	-	23,596	23,596	23,596
Total Funds	11	£ 233,436	£ 1,982	£ 23,596	£ 259,014	£ 186,798

The accounts have been prepared in accordance with the provisions applicable to small companies subject to the small companies regime under the Companies Act 2006 and are for circulation to members of the company.

The notes on pages 21 to 30 form part of these financial statements.

Approved by the Board on 8 December 2021 and signed on its behalf by:



M Richardson
Director and Trustee

YORK CHILDCARE LIMITED
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 MARCH 2021

		2021 £	2020 £
Net cash provided by operating activities	Note 16	111,196	48,600
Cash flow from investing activities:			
Purchase of tangible fixed assets		(2,091)	(2,945)
Net cash provided used in investing activities		(2,091)	(2,945)
Change in cash and cash equivalents in the reporting period		109,105	45,655
Cash and cash equivalents at beginning of the reporting period		187,261	141,606
Cash and cash equivalents at end of the reporting period	17	£296,366	£187,261

The notes on pages 21 to 30 form part of these financial statements.

YORK CHILDCARE LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021

1. ACCOUNTING POLICIES

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

a) Legal entity

York Childcare Limited is regulated by the Charity Commission (1008566), limited by guarantee and is registered in England and Wales. The address of the registered office and principle place of business is The Pavilion, Rawcliffe Lane, York, YO30 6NP.

b) 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 Republic of Ireland (FRS 102) (effective 1 January 2019) - (Charities SORP (FRS 102)), and the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

York Childcare Limited meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy note(s).

c) Preparation of the accounts on a going concern basis

The financial statements have been prepared on a going concern basis. This assertion is supported by budgets and forecasts, together with the on-going monitoring of the impact of the pandemic by the board detailed in the Report of the Management Board. The directors and trustees, having considered the foregoing and having made due enquiries, continue to adopt the going concern basis in preparing the financial statements which assumes that the charitable company will continue in operation for the foreseeable future.

d) Income recognition

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.

e) Donated services and facilities

Donated professional and other 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).

On receipt, donated professional and other 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.

There have been no donated professional or other services received during the year.

YORK CHILDCARE LIMITED

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED

FOR THE YEAR ENDED 31 MARCH 2021

1. ACCOUNTING POLICIES (continued)

f) 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.

Costs of charitable activities include those costs incurred by the charity in the delivery of its activities and services for its beneficiaries. Costs relating to a particular activity are allocated directly as set out in note 6.

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

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 activities. These costs have been allocated to expenditure on charitable activities.

g) Fund accounting

Unrestricted funds are funds which are available for use at the discretion of the trustees in furtherance of the general objectives of the charity.

Designated funds are funds set aside by trustees out of unrestricted general funds for specific future purposes or projects.

Restricted and Endowment funds are funds which are used in accordance with specific restrictions imposed by donors.

h) Tangible fixed assets and depreciation

Tangible fixed assets are included in the financial statements at their historical cost (in the case of donated assets, at their fair value at the date of acquisition). Tangible fixed assets are capitalised when the cost exceeds £1,000.

Depreciation of tangible fixed assets is provided at the following annual rates in order to write off each asset over its estimated useful life:

Leasehold alterations	over the term of the lease
Fixtures, fittings and equipment	over 10 years
Nursery equipment	over 5 years
Computer equipment	over 3 years

i) Pension scheme

The cost of providing pension benefits is charged to the SOFA on the basis of employer contributions accruing in the period.

j) Operating leases

Rentals payable under operating leases are charged on a straight line basis over the lease term.

k) 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.

YORK CHILDCARE LIMITED

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED

FOR THE YEAR ENDED 31 MARCH 2021

1. ACCOUNTING POLICIES (continued)

l) Cash at bank and in hand

Cash at bank and cash in hand includes cash and short term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

m) 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.

n) Financial instruments

The trust 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.

o) Government Grants

The government has made the following grants available to the charitable company which have been recognised as income using the accrual model.

Coronavirus Job Retention Scheme

Grant income is recognised when the conditions for receipt have been met and there is reasonable assurance that the grant will be received. It is then recognised in income on a systematic basis over the periods in which the entity recognises the related costs for which the grant is intended to compensate, except where the grant is compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the entity with no future related costs in which case it is recognised as income in the period in which it becomes receivable.

YORK CHILDCARE LIMITED

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED

FOR THE YEAR ENDED 31 MARCH 2021

	Unrestricted Funds £	Restricted Funds £	Endowment Funds £	Total 2021 £	Total 2020 £
2. DONATIONS AND LEGACIES					
Donations and covenants	£ 13,852	£ -	£ -	£ 13,852	£ 3,702

Donations received during the year were from S and C Shepherd Charity (£2,000) and various smaller donations.

In 2020 no donations and legacies related to Restricted Funds.

	Unrestricted Funds £	Restricted Funds £	Endowment Funds £	Total 2021 £	Total 2020 £
3. CHARITABLE ACTIVITIES					
Nursery fees	987,029	-	-	987,029	1,169,996
Out of school management services	54,927	-	-	54,927	82,648
Government grants - CJRS scheme	90,968	-	-	90,968	2,681
Grants receivable	-	-	-	-	2,000
Other income	70,683	-	-	70,683	-
	<u>£ 1,203,607</u>	<u>£ -</u>	<u>£ -</u>	<u>£ 1,203,607</u>	<u>£ 1,257,325</u>

Grants received in the 2020 were from Best Practice Network towards early years' staff training costs and expenses.

In 2020 no income from charitable activities related to Restricted Funds.

	Unrestricted Funds £	Restricted Funds £	Endowment Funds £	Total 2021 £	Total 2020 £
4. INVESTMENTS					
Bank interest receivable	£ -	£ -	£ 127	£ 127	£ 413

In 2020 £413 related to Endowment Funds.

5. NET INCOME FOR THE YEAR

Net income for the year is stated after charging:		2021 £	2020 £
Depreciation		9,325	10,231
Rent on short leaseholds		63,037	61,130
Auditor's remuneration	audit	3,960	2,550
	other services	4,313	3,988

YORK CHILDCARE LIMITED

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED

FOR THE YEAR ENDED 31 MARCH 2021

6. TOTAL EXPENDITURE

	Staff costs £	Direct costs £	Allocated costs £	Total 2021 £	Total 2020 £
Nurseries					
Grants paid as Assisted Places	-	-	6,483	6,483	5,059
Other costs	770,782	210,089	-	980,871	1,022,958
Out of school management services					
Other costs	50,435	10,799	-	61,234	63,870
Out of school services					
Grants paid to clubs	-	-	1,765	1,765	5,559
Office and governance costs	87,562	3,495	3,960	95,017	98,855
	<u>£ 908,779</u>	<u>£ 224,383</u>	<u>£ 12,208</u>	<u>£ 1,145,370</u>	<u>£ 1,196,301</u>

In 2020 £341 of expenditure related to Restricted Funds.

7. EMPLOYEE INFORMATION

The aggregate payroll costs of the Charitable Company for the period are as follows:

	2021 £	2020 £
Salaries	847,463	872,470
Social security costs	47,640	48,333
Pension costs	13,676	15,267
	<u>£ 908,779</u>	<u>£ 936,070</u>

Average number of employees for the period

	No	No
Nursery staff	59	64
Office staff	4	4
Out of school service staff	2	2
	<u>65</u>	<u>70</u>

During the year no employees were paid emoluments amounting to £60,000 or more (2020 - none).

Included in the above figures are 29 (2020 - 31) part-time employees, working less than 37.5 hours per week. It is not possible to calculate the number of full-time equivalent staff because of the variable hours worked during the year by the part-time employees.

The charity administers contributions to a stakeholder pension scheme open to all staff and contributes 2% of gross pay for employees who have joined the scheme. In addition the charity has in place a Workplace pension scheme with NEST and employer contributions are currently made at the rate of 3% of gross pay for eligible employees who have joined the scheme.

The key management personnel of the charity, comprise the Management Board, the CEO, the Out of School Service Manager and the three Nursery Managers. The total employee benefits of the key management personnel of the charity were £159,365 (2020 - £161,486).

YORK CHILDCARE LIMITED

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED

FOR THE YEAR ENDED 31 MARCH 2021

8. TANGIBLE FIXED ASSETS	Leasehold alterations	Nursery equipment	OOSMS equipment	Total
<u>Cost</u>	£	£	£	£
At 1 April 2020	270,331	185,813	899	457,043
Additions	-	2,091	-	2,091
At 31 March 2021	270,331	187,904	899	459,134
<u>Depreciation</u>				
At 1 April 2020	198,555	182,223	899	381,677
Charge for year	8,463	862	-	9,325
At 31 March 2021	207,018	183,085	899	391,002
<u>Net Book Value</u>				
At 31 March 2021	£ 63,313	£ 4,819	£ -	£ 68,132
At 31 March 2020	£ 71,776	£ 3,590	£ -	£ 75,366

All fixed assets held are for charitable use. £1,982 (2020 - £2,119) related to Restricted Funds.

Note 12 Operating lease commitments sets out the terms of the leases.

	2021 £	2020 £
9 DEBTORS		
Income debtors	15,520	27,140
Other debtors	1,473	3,867
Prepayments and accrued income	11,478	12,728
	<u>£ 28,471</u>	<u>£ 43,735</u>

In 2020 no debtors related to Restricted Funds.

10. CREDITORS - amounts falling due within one year

Trade creditors	9,650	1,955
Fees and bonds paid in advance	79,416	91,556
Taxation and social security	12,583	10,433
Accruals	26,432	6,162
Other creditors	5,874	9,458
	<u>£ 133,955</u>	<u>£ 119,564</u>
Fees and bonds paid in advance		
Brought forward balance	91,556	99,155
Deferred in the year	7,430	11,796
Released in the year	(19,570)	(19,395)
Carried forward balance	<u>£ 79,416</u>	<u>£ 91,556</u>

In 2020 no creditors related to Restricted Funds.

YORK CHILDCARE LIMITED

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED

FOR THE YEAR ENDED 31 MARCH 2021

11. FUNDS	As at 01/04/2020 £	Income £	Expenditure £	Transfers £	As at 31/03/2021 £
Unrestricted:					
Undesignated	161,083	1,217,459	(1,145,233)	(34,873)	198,436
Designated - Roof Repairs	-	-	-	35,000	35,000
Restricted:					
Capital Access Grant - SGN	2,119	-	(137)	-	1,982
Endowment	23,596	127	-	(127)	23,596
Total funds	£ 186,798	£ 1,217,586	£(1,145,370)	£ -	£ 259,014
	As at 01/04/2019 £	Income £	Expenditure £	Transfers £	As at 31/03/2020 £
Unrestricted:					
Undesignated	95,462	1,261,027	(1,195,960)	554	161,083
Designated - Assisted Places Fund	141	-	-	(141)	-
Restricted:					
Capital Access Grant - SGN	2,460	-	(341)	-	2,119
Endowment	23,596	413	-	(413)	23,596
Total funds	£ 121,659	£ 1,261,440	£(1,196,301)	£ -	£ 186,798

Purposes of the funds and transfers between funds

Unrestricted designated funds

The Roof Repairs Fund is for repair of Heather's Nursery roof. This is expected to be repaired in the year ended 31 March 2022.

The Assisted Places Fund is to assist families at Out of School Clubs which are supported by the OOSC Management Service. If we cannot find external funding we shall support the places from our own reserves.

Restricted funds

The Capital Access Grants are grants funded under the Early Years Foundation Scheme initiative. These grants are for equipment purchases approved by City of York Council. The expenditure reflects the amount written off on the same basis as the depreciation rate of the fixed asset or the actual expenditure if the item is not capitalised.

The balances of the Restricted funds are held in either liquid assets or are held as fixed assets where that was the purpose of the fund.

YORK CHILDCARE LIMITED

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED

FOR THE YEAR ENDED 31 MARCH 2021

11. FUNDS (continued)

Endowment fund

The terms of the endowment are that investment income be used towards the cost of Assisted Places at the nurseries. The Trustees have the power to invest and are permitted to make use of the investment funds as security for borrowings for development purposes. The endowment is currently invested in a cash deposit account in order to provide security for borrowings in connection with Scarcroft Green Nursery.

The Endowment income £127 (2020 - £413) was transferred to the Unrestricted Fund in accordance with the terms of the endowment to fund Assisted Nursery Places.

12. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Unrestricted Undesignated Funds £	Designated Funds £	Restricted Funds £	Endowment Funds £	Total Funds £
Tangible fixed assets	66,150	-	1,982	-	68,132
Current assets	266,241	35,000	-	23,596	324,837
Current liabilities	(133,955)	-	-	-	(133,955)
At 31 March 2021	<u>£ 198,436</u>	<u>£ 35,000</u>	<u>£ 1,982</u>	<u>£ 23,596</u>	<u>£ 259,014</u>

	Unrestricted Undesignated Funds £	Designated Funds £	Restricted Funds £	Endowment Funds £	Total Funds £
Tangible fixed assets	73,247	-	2,119	-	75,366
Current assets	207,400	-	-	23,596	230,996
Current liabilities	(119,564)	-	-	-	(119,564)
At 31 March 2020	<u>£ 161,083</u>	<u>£ -</u>	<u>£ 2,119</u>	<u>£ 23,596</u>	<u>£ 186,798</u>

YORK CHILDCARE LIMITED
NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 31 MARCH 2021

13. OPERATING LEASE COMMITMENTS

	2021	2020
	£	£
The total future value of minimum lease payments		
Within one year	22,889	22,889
Within two to five years	48,694	71,168
	<u>£ 71,583</u>	<u>£ 94,057</u>

The amount of non-cancellable operating lease payments recognised as an expense during the period was £46,674 (2020 - £46,674).

14. TRANSACTIONS WITH DIRECTORS, TRUSTEES AND RELATED PARTIES

No remuneration, benefits or expenses were received by any directors or trustees during the year in respect of their services to the Charitable Company. There are no other related party transactions (2020 - none).

15. CONSTITUTION

York Childcare Limited is a company limited by guarantee, number 02476480. In the event of the Charitable Company being wound up, the liability of the members is limited to one pound.

16. TAXATION

As a registered charity, York Childcare Limited is exempt from the tax on income falling within sections 466 to 493 of the Corporation Tax Act 2010 to the extent that this is applied to its charitable objects. No tax charges have arisen in the Company.

17. RECONCILIATION OF NET INCOME TO NET CASH FLOW FROM OPERATING ACTIVITIES

	2021	2020
	£	£
Net income for the reporting period	72,216	65,139
Depreciation of tangible fixed assets	9,325	10,231
Loss on disposal of tangible fixed assets	-	221
Decrease in debtors	15,264	5,796
Increase / (Decrease) in creditors	14,391	(32,787)
Net cash provided by operating activities	<u>£ 111,196</u>	<u>£ 48,600</u>

YORK CHILDCARE LIMITED

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED

FOR THE YEAR ENDED 31 MARCH 2021

18. ANALYSIS OF CASH AND CASH EQUIVALENTS	2021	2020
	£	£
Cash at bank and in hand	296,366	187,261
Total cash and cash equivalents	£ 296,366	£ 187,261

19. ANALYSIS OF CHANGES IN NET DEBT	At	Cash-flows	At
	01/04/2020	£	31/03/2021
	£	£	£
Cash at bank and in hand	187,261	109,105	296,366
	£ 187,261	£ 109,105	£ 296,366

20. COMPARATIVE STATEMENT OF FINANCIAL ACTIVITIES

	Unrestricted	Restricted	Endowment	31 March
	Funds	Funds	Funds	2020
	£	£	£	£
Income and endowments from:				
Donations and legacies	3,702	-	-	3,702
Charitable activities	1,257,325	-	-	1,257,325
Investments	-	-	413	413
Total income	1,261,027	-	413	1,261,440
Expenditure on:				
Charitable activities	1,195,980	341	-	1,196,321
Total expenditure	1,195,980	341	-	1,196,321
Net income / (expenditure)	65,047	(341)	413	65,119
Transfers between funds	413	-	(413)	-
Net movement in funds	65,460	(341)	-	65,119
Reconciliation of funds:				
Total funds brought forward	95,603	2,460	23,596	121,659
Total funds carried forward	£ 161,063	£ 2,119	£ 23,596	£ 186,778