

YORK CHILDCARE LTD

England & Wales · Charity number 1008566

Details

Status Registered

Legal form Charitable company

Company number [02476480](#)

Registered 1992-02-20

Register [View on the Charity Commission register](#)

Contact

Address York Childcare Ltd
Pavilion 2000
Amy Johnson Way
York
YO30 4XT

Phone 01904409763

Email clerktrustees@yorkchildcare.co.uk

Website www.yorkchildcare.co.uk

Activities

Objects: TO ADVANCE THE EDUCATION OF CHILDREN BELOW COMPULSORY SCHOOL AGE BY THE PROVISION OF SUPPLEMENTARY DAYCARE FOR CHILDREN TO THE AGE OF 16 YEARS, OF EVERY RACE, GENDER, CULTURE AND RELIGION, WHETHER DISABLED OR OTHERWISE, OR OF LOW INCOME, OR OF POOR CIRCUMSTANCE.

Activities: We provide quality and affordable childcare for children from 6 months to 16 years, and in particular to lone parents and those on low income. We support out of school clubs offering wrap around childcare.

Classification

- **How:** Makes Grants To Individuals, Makes Grants To Organisations, Provides Services, Acts As An Umbrella Or Resource Body
- **What:** Education/training, The Prevention Or Relief Of Poverty
- **Who:** Children/young People, The General Public/mankind

Geography

- City Of York
- North Yorkshire

Finances

| Period end | Income | Expenditure | Assets | Employees |
|------------|------------|-------------|----------|-----------|
| 2025-03-31 | £1,730,089 | £1,667,375 | £266,643 | 63 |
| 2024-03-31 | £1,508,553 | £1,510,668 | £203,930 | 63 |
| 2023-03-31 | £1,370,528 | £1,536,350 | £206,044 | 66 |
| 2022-03-31 | £1,410,761 | £1,297,909 | £371,866 | 66 |
| 2021-03-31 | £1,217,586 | £1,145,370 | £259,014 | 65 |

Trustees

| Name | Role | Appointed |
|----------------------|------|------------|
| Kerstin Kitty Horsey | | 2025-10-20 |
| Laura Steet | | 2024-09-24 |
| Melanie Stubbs | | 2025-10-23 |

YORK CHILDCARE LTD

England & Wales - Charity number 1008566

Accounts

Company Number: 02476480
Charity Number: 1008566

YORK CHILDCARE LIMITED
A company limited by guarantee
TRUSTEES' ANNUAL REPORT
AND
CONSOLIDATED FINANCIAL STATEMENTS
for the year ended
31 March 2025

HPH
Chartered Accountants
54 Bootham
YORK
YO30 7XZ

YORK CHILDCARE LIMITED
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2025

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YORK CHILDCARE LIMITED

REPORT OF THE MANAGEMENT BOARD

FOR THE YEAR ENDED 31 MARCH 2025



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 2025.

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 2019).

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 our settings.

Our activities include supporting Out of School Clubs including those caring for children within deprived postcode 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.



YORK CHILDCARE LIMITED

REPORT OF THE MANAGEMENT BOARD

FOR THE YEAR ENDED 31 MARCH 2025 - CONTINUED

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.
- 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 summarised as follows:

| | 2025 | 2024 |
|-----------------|--------------|---------------|
| | £ | £ |
| Assisted places | <u>4,507</u> | <u>12,844</u> |

The 2025 financial year saw the successful introduction of our nursery management system, Blossom, which has allowed us to have a much clearer overview of the performance of the settings and where we need to target the support. The Director of Operations continues to hold weekly virtual huddles with representatives from the settings which have allowed the settings themselves to have a greater understanding of their performance and allows the team to celebrate in their success. This has been a welcome addition to the operational running of the settings and ensures that the nurseries have accountability and support in a timely manner.



YORK CHILDCARE LIMITED

REPORT OF THE MANAGEMENT BOARD

FOR THE YEAR ENDED 31 MARCH 2025 - CONTINUED

ACHIEVEMENTS AND PERFORMANCE (CONTINUED)

Nurseries

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.

The sharp rises in the National Minimum Wage have continued to present challenges, but through in-depth analysis of staffing structure and costs we have managed to create what we believe to be a fair salary scale and have maintained consistency across our large staff team in terms of recruitment and retention. As in the last few years, and well documented in the media, recruitment in the Early Years’ sector continues to be challenge but we feel we have been able to keep a steady team across York Childcare, primarily due as ever to the tremendous support of parents, guardians and our committed staff.

Investment in our staff continues to be our top priority, as they are key in ensuring standards remain high across all our settings. 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. Through our Support Hub we are able to provide inhouse training and support, keeping costs low but consistent and of the highest quality.

We understand that the relationship between parents, carers and the nurseries is key to ensure we provide a well-rounded and nurturing experience in all aspects of nursery life, encompassing the needs of the children, local community and beyond. To maintain this partnership, parents and carers have regular contact with their nursery and have up to date information specifically for their child available to them throughout the day via the Blossom system, primarily via the Key Person allocated for their child entering photos and information securely onto the portal. We continue to issue regular newsletters to keep everyone up to date with day-to-day nursery life and events, and have regular community events such as fundraising, raffles and having a prominent presence at local fairs and events.

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 a number of factors. 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. Investment income from a legacy is designated for assisted places under the terms of the agreement, and a regular donation comes in via a trust set up by founding members of the York Childcare business.



YORK CHILDCARE LIMITED

REPORT OF THE MANAGEMENT BOARD

FOR THE YEAR ENDED 31 MARCH 2025 - CONTINUED

ACHIEVEMENTS AND PERFORMANCE (CONTINUED)

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. 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.

We are pleased to report that our Assisted Places Scheme helped six families in the last financial year, towards sessions, lunches, snacks and other consumables.

Early Years' Funding from the Government has changed again during this financial year, providing funding subject to certain criteria for a wider age group. From September the funding was expanded to cover 9 months to 2 years for the first time which has had a positive effect on occupancy across our settings. Our staff work with parents to ensure this funding is used effectively across the year and we aim to be as flexible as we are able to be with this. The funding still falls short of the cost of delivering our services, which is why we continue to ask parents for a fair contribution towards meals, snacks and activities, as is the norm across the sector.

All our nurseries have strong links with local schools where the schools cannot provide pre-school nursery care onsite 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 funded pre-school places to a total of 186 (2024: 136) children, and a termly average of 16 (2024: 24) 2-year-olds and 13 (2024: nil) under 2s across the York Childcare family.

All our nurseries work closely with social services and health visitors 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. The nurseries continue to provide childcare for families at IDAS (the Independent Domestic Abuse Service, formerly known as York Women's Refuge) as and when the need arises.

Where possible, we create bespoke SEND care places to ensure those children are able to access the same nurturing and caring environment as their peers. This includes one-to-one support and assisting parents with applications to the Council for Inclusion Funding, available to children with additional needs. We are pleased that Heather's Nursery has been successful in securing this funding to provide support to a family this year, with Scarcroft Green Nursery also supporting a family via the funding.



YORK CHILDCARE LIMITED

REPORT OF THE MANAGEMENT BOARD

FOR THE YEAR ENDED 31 MARCH 2025 - CONTINUED

ACHIEVEMENTS AND PERFORMANCE (CONTINUED)

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 children. Heather's Nursery received funding for 7 children, Scarcroft Green Nursery received funding for 8 children and Joseph's nursery received funding for 1 child. 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 specific resources and play equipment to enhance the learning opportunities for the children and ensure an inclusive experience is had by all.

We continue to work hard on maintaining our settings. This year, amongst other projects, we updated the outdoor area at Heather's to give the children a nicer space with renewed outdoor toys and equipment.

Support Hub

Since becoming a separate trading arm of York Childcare Ltd in 2022, the Out of School Club Support Service continues to go from strength to strength. In an ever-changing climate and due to the fluidity of the childcare market we have reassessed the services provided by the OOSC Support Service and 2025 has seen a rebranding to York Childcare Support Hub. The offer remains the same for existing clubs however we have introduced bespoke packages to meet the needs of all childcare providers. The Hub is still headed up by our Support Services Manager who, having previously worked within the childcare sector at City of York Council continues to build on her skills and extensive knowledge and currently supports four individual clubs and more than 20 trustees. These clubs remain individual charitable entities who have a contractual relationship with the Hub and receive a range of high-quality advice and assistance, including trustee support, quality improvement, training, safeguarding support and updates, payroll and bookkeeping from a dedicated small team based at York Childcare Ltd head office. We make a charge of 10% of monthly turnover which covers all the services we provide, including telephone and email access to the team five days a week. As the clubs are charities, we understand that, even with the financial expertise provided, times can sometimes be hard. Where clubs experience difficulties paying our fee, they can approach the Hub for a short-term reduction in fees as set out in the agreement between the club and the Hub. Where users of the clubs face hardship, the Assisted Places scheme is available in all the settings we support and with the agreement of club trustees is independently financed by each setting.

In all there are approximately 1,500 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 Hub, and the availability of one-to-one support with each club manager ensures not only better outcomes in terms of childcare and Ofsted ratings but helps to build relationships within the community, local schools, the local authority, and York as a whole.

Our annual conference continues to be well attended and we have received some great feedback. Each year we strive to invite the best speakers from across the sector, who can provide workshops and information pertaining to the most current issues faced by the sector. This is a free event for our Services users and is designed to support an increase in quality, knowledge and understanding of varying topics in the York Out of School Club community. It is open to anyone within the sector who wishes to buy a ticket.



YORK CHILDCARE LIMITED

REPORT OF THE MANAGEMENT BOARD

FOR THE YEAR ENDED 31 MARCH 2025 - CONTINUED

ACHIEVEMENTS AND PERFORMANCE (CONTINUED)

Due to demand in the sector, we have introduced York Childcare Training which forms part of the Support Hub. We offer mandatory training such as Paediatric First Aid and Mental Health First Aid, as well as a range of courses designed enable employees and management within the early years' sector to meet the statutory requirements of EYFS 2025 such as Safeguarding, County lines, and bespoke packages are available on request. Although in its early stages take up is gradually increasing and the trustees are pleased to see a healthy number of places booked on all these courses.

Future plans for the Support Hub are to continue to provide the outstanding service to its current Clubs, whilst looking to expand further afield and offer a range of bespoke services and training to more charitable organisations to support the sector to go from strength to strength in York and the surrounding area.

FINANCIAL REVIEW

Reserves Policy

The Trustees carried out their annual review of the level of reserves needed to be held to cover costs in the event of sudden and unforeseen closure. It is our policy that we should have enough cash reserves in the bank to cover payroll, rent and utilities for a month, plus redundancy costs. It is also our policy to retain in designated reserves any significant investments and expenditure we will be required to cover outside of normal activities in the next 12 months or beyond, depending on the level of foreseeable expenditure. Based on the 2025 figures this is approximately £242,000 of which £9,800 is held in designated reserves and includes funds held for day-to-day working capital purposes as described below.

Only in exceptional circumstances can these reserves be spent and must be formally agreed and ratified by the board.

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.

Financial Highlights

As reported above and in previous years, the level of government funding provided for children 9 months and above is set below the cost of delivering the service and the childcare sector continues to operate in challenging conditions, with more 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 we were pleased to end with a surplus of £62,714 (2024: £2,115 deficit). The additional budgetary controls put in place last year continue to be successful and have been backed up by monthly cash flow forecasts.

The Trustees agreed a fee increase with effect from April 2025, taking into consideration the rate of inflation, increased utility costs, increases to the National Minimum Wage and a review of staff salaries. Budget forecasting of 12-15 months will continue to enable us to respond immediately to any variances whilst building up reserves.



YORK CHILDCARE LIMITED

REPORT OF THE MANAGEMENT BOARD

FOR THE YEAR ENDED 31 MARCH 2025 - CONTINUED

FINANCIAL REVIEW (CONTINUED)

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 2025 we had £29,869 (2024: £39,773) tied up in fixed assets. This leaves reserves of £2,614 (2024: £138,355) left as free reserves to support working capital requirements.

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. Most parents comply with the contract, and our cash flow is assisted by the new means of payment of Early Years Funding arranged by local Government.

Early Years Funding 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 25% of estimated funding entitlement by the start of each month, with settlement of the remaining balance in the final payment each term.

This means our income is more evenly spread throughout the financial year, with cashflow covering working capital requirements of the Charity.

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.

During the year under review the nurseries have held various fundraising events. These have included summer fairs, raffles and prize draws and were used for new equipment for the baby room at Joseph’s, free flow area at Heather’s and replacement of older worn out toys at Scarcroft.

Remuneration of Key Management Personnel

The Trustees consider the Board of Trustees, the Director of Operations, 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 Trustee expenses amounting to £15 were reimbursed relating to safeguarding training.

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.



YORK CHILDCARE LIMITED

REPORT OF THE MANAGEMENT BOARD

FOR THE YEAR ENDED 31 MARCH 2025 - CONTINUED

PLANS FOR FUTURE PERIODS

Wrap-around Care

Since the year end we have successfully opened a brand new provision which provides wrap-around care for the children of Hempland Primary School in the Heworth area of York. With grant funding from local Government, we have been able to give a new lease of life to the building, previously used by Hempland Kids Club, and opened in October 2025. Trustees are pleased to report that we have received some lovely feedback already from parents and plan to continue to expand numbers and staffing in the coming months.

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.

We ensure that our staff have access to continuous professional development throughout the year and support those who wish to further their qualifications.

We have set up a Property and Premises team, and plan to continue to ensure our settings are maintained to a high 'Brand Standard'. We are having three windows replaced at Scarcroft which will see a positive effect on warmth in the building over the winter months, and are also updating our allotment to add to the learning opportunities of the children. The improvements to free flow areas at Heather's are underway and we have already seen what a positive impact it has had on staff and children alike. We have already had major roof repairs at Joseph's this year, and, along with extensive redecorating at all settings we are hopeful that future maintenance work will be on an annual cycle to ensure all work required is identified and carried out on a timely basis with as little disruption to the children and staff as possible.

Although the early years funding has been expanded to include younger children now, there is still a need for Assisted Places for families who fall outside this funding, 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.



YORK CHILDCARE LIMITED

REPORT OF THE MANAGEMENT BOARD

FOR THE YEAR ENDED 31 MARCH 2025 - CONTINUED

REFERENCE AND ADMINISTRATIVE INFORMATION

York Childcare operates three day-nurseries known by the users of those settings as Joseph's, Heather's and Scarcroft Green Nurseries. We also have the Support Hub 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 Pavilion 2000, Amy Johnson Way, YORK, YO30 4XT.

All members of the Management Board are Directors and Trustees, and they are also members of the Company. Up to the date of signing this report the Trustees were:

| | |
|--------------|--|
| J M Jenkins | |
| L J Street | Appointed 24 September 2024 |
| D Stafylas | Appointed 15 August 2023; Resigned 1 January 2024 Reappointed 1 July 2024; Resigned 31 January 2025 |
| J M Hickie | Resigned 17 September 2024 |
| S Weatherall | Resigned 31 January 2025 |

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

| | | |
|------------|-----------------------------|-------------------------|
| V Smith | Director of Operations | Head Office |
| C Beadle | Nursery Manager | Heather's Nursery |
| D Whatling | Nursery Manager | Joseph's Nursery |
| E Clapham | Nursery Manager | Scarcroft Green Nursery |
| D Adair | Specialist Services Manager | Head Office |

The Group's agents and advisors were as follows:

| | |
|---------|--|
| Auditor | HPH Chartered Accountants, 54 Bootham, YORK |
| Bankers | HSBC Bank PLC, Parliament Street, YORK Co-operative Bank Online |
| Payroll | HPH Chartered Accountants, 54 Bootham, YORK |



YORK CHILDCARE LIMITED

REPORT OF THE MANAGEMENT BOARD

FOR THE YEAR ENDED 31 MARCH 2025 - 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.

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 2 serving Trustees 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. We continue to seek to recruit new trustees and members and ideally would like to increase numbers to 5 as stated in our Articles of Association. We currently have 2 potential new trustees who are completing their paperwork having been approved by the board, and we hope to have them on board early in the new year.

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 occasion, 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 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 Director of Operations to whom the Nursery Managers report as well as the business management team and who deals with all administration of the organisation. The Director of Operations 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 Director of Operations.

The York Childcare Business Management Team (comprising the HR Manager, the Business Manager, the Finance Manager and the Specialist Services Manager) support the work of the Director of Operations in providing day to day operational support which the nursery managers require.

The Board of Trustees provide line management to the Director of Operations.



YORK CHILDCARE LIMITED

REPORT OF THE MANAGEMENT BOARD

FOR THE YEAR ENDED 31 MARCH 2025 - 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 remain around staff recruitment and retention and the effect on occupancy and income.

RESPONSIBILITIES OF THE MANAGEMENT BOARD

Statement of Trustees' Responsibilities for the Financial Statements

Law applicable to charities in England and Wales requires us as the Trustees of York Childcare Ltd to prepare financial statements for each financial year which give a true and fair view of the charity'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 Trustees requires us to follow best practice and:

- a) select suitable accounting policies and apply them consistently
- b) make judgements and estimates that are reasonable and prudent
- c) state whether applicable accounting standards have been followed, subject to any departures disclosed and explained in the financial statements, and
- d) prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in operation.

As the Trustees, we are responsible for keeping accounting records which disclose with reasonable accuracy the financial position of the charity at any time and which enable us as Trustees to ensure that the financial statements comply with applicable law. As the Trustees, we are also responsible for safeguarding the assets of the charity and for their proper application, and hence for taking reasonable steps for the prevention and detection of fraud.



YORK CHILDCARE LIMITED

REPORT OF THE MANAGEMENT BOARD

FOR THE YEAR ENDED 31 MARCH 2025 - CONTINUED

RESPONSIBILITIES OF THE MANAGEMENT BOARD (CONTINUED)

Members of the Management Board

Members of the Management Board, who are Directors for the purpose of company law and Trustees for the purpose of charity law, who served during the year and up to the date of this report are set out in the reference and administration section.

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.

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 16 December 2025 and signed on its behalf by:

.....

Laura Street

Trustees

YORK CHILDCARE LIMITED**INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES OF YORK CHILDCARE LIMITED
FOR THE YEAR ENDED 31 MARCH 2025****Opinion**

We have audited the group financial statements of York Childcare Limited (the "charitable company") for the year ended 31 March 2025 which comprise consolidated Statement of Financial Activities, consolidated and Charity Balance Sheets, consolidated and Charity Statement of Cash Flows, and notes to the consolidated financial statements, including 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 group's and the charitable company's affairs as at 31 March 2025 and of the group's 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 and 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 group 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.

Other information

The trustees are responsible for the other information contained within the annual report. The other information comprises the information included in the annual report, 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.

YORK CHILDCARE LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES OF YORK CHILDCARE LIMITED FOR THE YEAR ENDED 31 MARCH 2025

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 trustees' report, which includes the directors' report prepared for the purposes of company law, for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the directors' report included within the trustees' report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In light of the knowledge and understanding of the group and the charitable company and their environment obtained in the course of the audit, we have not identified material misstatements in the directors' report included within the trustees' report.

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

- the parent company has not kept adequate accounting records; or
- the parent company 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 Trustees Annual Report.

Responsibilities of trustees

As explained more fully in the trustees' responsibilities statement set out on pages 11 to 12, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

YORK CHILDCARE LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES OF YORK CHILDCARE LIMITED FOR THE YEAR ENDED 31 MARCH 2025

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

Auditor's responsibilities for the audit of the financial statements

We have been appointed as auditor under section 151 of the Charities Act 2011 and under the Companies Act 2006 and report in accordance with the Acts and relevant regulations made or having effect thereunder.

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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). 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. The laws and regulations we considered in this context were Ofsted, Health and Safety legislation, Employment legislation, Charity Commission regulations and General Data Protection Regulation (GDPR).
- 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 also considered the opportunities and incentives that may exist within the charitable company for fraud.
- 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.

YORK CHILDCARE LIMITED

**INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES OF YORK CHILDCARE LIMITED
FOR THE YEAR ENDED 31 MARCH 2025**

In response to the risk of irregularities and non-compliance with laws and regulations and risk of fraud, we designed procedures which included but were not limited to: sample testing on the posting of journals, timing of recognition of income, review of trustee's minutes and any correspondence with regulators.

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. We are not responsible for preventing fraud and cannot be expected to detect all fraud.

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, and to the charitable company'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 charitable company's members and 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 charitable company, the charitable company's members as a body and the charitable company's trustees 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

23 December 2025

HPH is eligible for appointment as auditor of the charity by virtue of its eligibility for appointment as auditor of a company under section 1212 of the Companies Act 2006.

YORK CHILDCARE LIMITED
CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES
FOR THE YEAR ENDED 31 MARCH 2025

| | Note | Unrestricted Funds £ | Restricted Funds £ | Endowment Funds £ | Total 31 March 2025 £ | Total 31 March 2024 £ |
|--------------------------------------|------|----------------------------|--------------------------|-------------------------|--------------------------------|--------------------------------|
| Income and endowments from: | | | | | | |
| Donations and legacies | 2 | 5,593 | - | - | 5,593 | 2,862 |
| Charitable activities | 3 | 1,592,670 | 15,877 | - | 1,608,547 | 1,398,638 |
| Income from other trading activities | 6 | 111,748 | - | - | 111,748 | 103,151 |
| Investments | 4 | - | - | 4,201 | 4,201 | 3,902 |
| Total income | | 1,710,011 | 15,877 | 4,201 | 1,730,089 | 1,508,553 |
| Expenditure on: | | | | | | |
| Other trading activities | 6 | 88,794 | - | - | 88,794 | 79,172 |
| Charitable activities | 7 | 1,561,263 | 17,318 | - | 1,578,581 | 1,431,496 |
| Total expenditure | | 1,650,057 | 17,318 | - | 1,667,375 | 1,510,668 |
| Net income/(expenditure) | | 59,954 | (1,441) | 4,201 | 62,714 | (2,115) |
| Transfers between funds | | 4,201 | - | (4,201) | - | - |
| Net movement in funds | | 64,155 | (1,441) | - | 62,714 | (2,115) |
| Reconciliation of funds: | | | | | | |
| Total funds brought forward | 13 | 178,128 | 2,205 | 23,596 | 203,929 | 206,044 |
| Total funds carried forward | | £ 242,283 | £ 764 | £ 23,596 | £ 266,643 | £ 203,929 |

The notes on pages 20 to 31 form part of these financial statements

YORK CHILDCARE LIMITED
CONSOLIDATED AND CHARITY BALANCE SHEETS
AS AT 31 MARCH 2025

Company Registration Number: 02476480

| | Note | Consolidated | | Charity only | |
|---|------|----------------|----------------|----------------|----------------|
| | | 2025 | 2024 | 2025 | 2024 |
| | | £ | £ | £ | £ |
| Fixed assets | | | | | |
| Tangible fixed assets | 9 | 29,869 | 39,773 | 29,869 | 39,773 |
| Investment in subsidiary | 10 | - | - | 1 | 1 |
| | | 29,869 | 39,773 | 29,870 | 39,774 |
| Current assets | | | | | |
| Debtors | 11 | 67,715 | 99,220 | 68,607 | 86,598 |
| Bank balances and cash | 20 | 275,130 | 161,161 | 250,714 | 136,953 |
| | | 342,845 | 260,381 | 319,321 | 223,551 |
| Creditors: amounts falling due within one year | | | | | |
| Creditors | 12 | 106,071 | 96,225 | 82,548 | 59,396 |
| Net current assets | | 236,774 | 164,156 | 236,773 | 164,155 |
| Total assets less current liabilities | | 266,643 | 203,929 | 266,643 | 203,929 |
| Net assets | | 266,643 | 203,929 | 266,643 | 203,929 |
| Funds | | | | | |
| Unrestricted | | | | | |
| Undesignated | | 232,483 | 178,128 | 232,483 | 178,128 |
| Designated | | 9,800 | - | 9,800 | - |
| Restricted | | | | | |
| Restricted | | 764 | 2,205 | 764 | 2,205 |
| Endowment | | 23,596 | 23,596 | 23,596 | 23,596 |
| Total Funds | 13 | 266,643 | 203,929 | 266,643 | 203,929 |

The notes on pages 20 to 31 form part of these financial statements.

Approved by the Board on 16 December 2025 and signed on its behalf by:

Laura Street

Laura Street
Directors and Trustees

YORK CHILDCARE LIMITED
CONSOLIDATED AND CHARITY STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 MARCH 2025

| | | Consolidated | | Charity only | |
|---|------|---------------------|-----------------|---------------------|-----------------|
| | | 2025 | 2024 | 2025 | 2024 |
| | | £ | £ | £ | £ |
| | Note | | | | |
| Net cash provided by operating activities | 19 | 113,969 | (47,453) | 113,761 | (51,807) |
| Change in cash and cash equivalents in the reporting period | | <u>113,969</u> | <u>(47,453)</u> | <u>113,761</u> | <u>(51,807)</u> |
| Cash and cash equivalents at beginning of the reporting period | | 161,161 | 208,614 | 136,953 | 188,760 |
| Cash and cash equivalents at end of the reporting period | 20 | <u>£275,130</u> | <u>£161,161</u> | <u>£250,714</u> | <u>£136,953</u> |

The notes on pages 20 to 31 form part of these financial statements.

YORK CHILDCARE LIMITED
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2025

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 Pavilion 2000, Amy Johnson Way, YORK, YO30 4XT.

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 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 CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 31 MARCH 2025

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 as 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 CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 31 MARCH 2025

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

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 CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 31 MARCH 2025

| | Unrestricted Funds £ | Restricted Funds £ | Endowment Funds £ | Total 2025 £ | Total 2024 £ |
|----------------------------------|----------------------------|--------------------------|-------------------------|--------------------|--------------------|
| 2. DONATIONS AND LEGACIES | | | | | |
| Donations and covenants | £ 5,593 | £ - | £ - | £ 5,593 | £ 2,862 |

In 2024 no donations and legacies related to Restricted Funds.

| | Unrestricted Funds £ | Restricted Funds £ | Endowment Funds £ | Total 2025 £ | Total 2024 £ |
|---------------------------------|----------------------------|--------------------------|-------------------------|--------------------|--------------------|
| 3. CHARITABLE ACTIVITIES | | | | | |
| Nursery fees | 1,583,117 | 3,686 | - | 1,586,803 | 1,394,335 |
| Out of school support services | - | - | - | - | 48 |
| Grants receivable | 6,600 | 12,191 | - | 18,791 | 1,500 |
| Other income | 2,953 | - | - | 2,953 | 2,755 |
| | <u>£ 1,592,670</u> | <u>£ 15,877</u> | <u>£ -</u> | <u>£ 1,608,547</u> | <u>£ 1,398,638</u> |

In 2024 no income from charitable activities related to Restricted Funds.

| | Unrestricted Funds £ | Restricted Funds £ | Endowment Funds £ | Total 2025 £ | Total 2024 £ |
|-----------------------------|----------------------------|--------------------------|-------------------------|--------------------|--------------------|
| 4. INVESTMENT INCOME | | | | | |
| Bank interest receivable | £ - | £ - | £ 4,201 | £ 4,201 | £ 3,902 |

In 2024 £3,902 related to Endowment Funds.

5. NET INCOME FOR THE YEAR

| Net income for the year is stated after charging: | | 2025 £ | 2024 £ |
|---|----------------|-------------------|-------------------|
| Depreciation | | 8,661 | 9,349 |
| Rent on short leaseholds | | 84,363 | 58,155 |
| Auditor's remuneration | audit | 5,400 | 4,725 |
| | other services | 7,688 | 8,519 |
| | | <u> </u> | <u> </u> |

YORK CHILDCARE LIMITED
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 31 MARCH 2025

6. INCOME FROM COMMERCIAL TRADING OPERATIONS AND INVESTMENT IN TRADING SUBSIDIARY

The charity owns the whole of the issued share capital of York Childcare Support Hub Ltd (formerly York Childcare Out of School Club Support Service Ltd), which was incorporated on 30 March 2022 in the United Kingdom (company number 14013880) and pays its taxable profit to the charity by corporate gift aid. A summary of the trading results which have been consolidated on a line by line basis is shown below.

| | Year end to 31 March 2025 £ | Year end to 31 March 2024 £ |
|--|--|--|
| Summary profit and loss account: | | |
| Turnover | 111,748 | 103,151 |
| Administration expenses | (88,794) | (79,172) |
| Profit for the financial period | <u>22,954</u> | <u>23,979</u> |
| Corporate gift aid distribution to parent charity | (22,954) | (23,979) |
| | <u> </u> | <u> </u> |
| Retained profit carried forward | <u> </u> - | <u> </u> - |
| The assets and liabilities of the subsidiary were: | | |
| Current assets | 46,479 | 60,809 |
| Current liabilities | (46,479) | (60,809) |
| | <u> </u> | <u> </u> |
| | <u> </u> - | <u> </u> - |
| Aggregate share capital and reserves | <u> </u> - | <u> </u> - |

After adjusting for intercompany transactions upon consolidation, the income from trading activities was £111,748 (2024 - £103,151) and expenditure was £111,748 (2024 - £103,151).

YORK CHILDCARE LIMITED
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 31 MARCH 2025

7. CHARITABLE ACTIVITIES EXPENDITURE

| | Unrestricted Funds £ | Restricted Funds £ | Endowment Funds £ | Total 2025 £ | Total 2024 £ |
|--|----------------------------|--------------------------|-------------------------|--------------------|--------------------|
| Nurseries | | | | | |
| Grants paid as Assisted Places | 4,508 | - | - | 4,508 | 12,844 |
| Other costs | 1,407,396 | 17,318 | - | 1,424,714 | 1,275,066 |
| Office and governance costs | 149,359 | - | - | 149,359 | 143,586 |
| | <u>£ 1,561,263</u> | <u>£ 17,318</u> | <u>£ -</u> | <u>£ 1,578,581</u> | <u>£ 1,431,496</u> |

In 2024 £214 of expenditure related to Restricted Funds.

8. EMPLOYEE INFORMATION

| | | |
|--|--------------------|--------------------|
| The aggregate payroll costs of the Charitable Company for the year are as follows: | 2025 £ | 2024 £ |
| Salaries | 1,129,675 | 1,007,765 |
| Social security costs | 67,882 | 61,563 |
| Pension costs | 18,587 | 17,514 |
| | <u>£ 1,216,144</u> | <u>£ 1,086,842</u> |
| Average number of employees for the period | No. | No. |
| Nursery staff | 55 | 54 |
| Office staff | 6 | 6 |
| Out of school service staff | 2 | 3 |
| | <u>63</u> | <u>63</u> |

No employees were paid emoluments amounting to £60,000 or more (2024 - none).

Included in the above figures are 24 (2024 - 24) 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 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, open to all staff, 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 £169,431 (2024 - £191,688).

YORK CHILDCARE LIMITED
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 31 MARCH 2025

9. TANGIBLE FIXED ASSETS

Consolidated and Charity

| | Leasehold alterations | Nursery equipment | OOSMS equipment | Total |
|-----------------------|-----------------------|-------------------|-----------------|---------|
| <u>Cost</u> | £ | £ | £ | £ |
| At 1 April 2024 | 270,331 | 187,904 | 899 | 459,134 |
| Additions | - | - | - | - |
| Disposals | (4,783) | - | - | (4,783) |
| At 31 March 2025 | 265,548 | 187,904 | 899 | 454,351 |
| <u>Depreciation</u> | | | | |
| At 1 April 2024 | 232,298 | 186,164 | 899 | 419,361 |
| Charge for year | 8,177 | 484 | - | 8,661 |
| Disposals | (3,540) | - | - | (3,540) |
| At 31 March 2025 | 236,935 | 186,648 | 899 | 424,482 |
| <u>Net Book Value</u> | | | | |
| At 31 March 2025 | 28,613 | 1,256 | - | 29,869 |
| At 31 March 2024 | 38,033 | 1,740 | - | 39,773 |

All fixed assets held are for charitable use. £Nil (2024 - £816) related to Restricted Funds.
 Note 15 Operating lease commitments sets out the terms of the leases.

10. INVESTMENTS

The charity's investment is in its wholly owned trading subsidiary York Childcare Support Hub Ltd (formerly York Childcare Out of School Club Support Service Ltd), whose share capital was acquired for £1 on 30 March 2022.

11. DEBTORS

| | Consolidated | | Charity | |
|---|--------------|----------|----------|----------|
| | 2025 | 2024 | 2025 | 2024 |
| | £ | £ | £ | £ |
| Income debtors | 43,358 | 81,387 | 27,029 | 49,402 |
| Other debtors | 1,808 | 318 | 1,807 | 317 |
| Prepayments and accrued income | 22,549 | 17,515 | 16,817 | 12,900 |
| Amounts due from subsidiary undertaking | - | - | 22,954 | 23,979 |
| | £ 67,715 | £ 99,220 | £ 68,607 | £ 86,598 |

In 2024 no debtors related to Restricted Funds.

YORK CHILDCARE LIMITED
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 31 MARCH 2025

12. CREDITORS - amounts falling due within one year

| | Consolidated | | Charity | |
|---------------------------------------|---------------------|-----------------|-----------------|-----------------|
| | 2025 | 2024 | 2025 | 2024 |
| | £ | £ | £ | £ |
| Trade creditors | 24,142 | 35,573 | 6,992 | 6,335 |
| Fees and bonds paid in advance | 44,003 | 16,641 | 44,003 | 16,641 |
| Taxation and social security | 22,067 | 23,011 | 16,854 | 17,898 |
| Accruals | 11,819 | 12,027 | 10,659 | 9,549 |
| Other creditors | 4,040 | 8,973 | 4,040 | 8,973 |
| | <u>£ 106,071</u> | <u>£ 96,225</u> | <u>£ 82,548</u> | <u>£ 59,396</u> |
| Fees and bonds paid in advance | | | | |
| Brought forward balance | 16,641 | 45,616 | 16,641 | 45,616 |
| Deferred in the year | 44,003 | - | 44,003 | - |
| Released in the year | (16,641) | (28,975) | (16,641) | (28,975) |
| | <u>£ 44,003</u> | <u>£ 16,641</u> | <u>£ 44,003</u> | <u>£ 16,641</u> |

In 2024 no creditors related to Restricted Funds.

13. FUNDS**Consolidated and charity**

| | As at 01/04/2024 | Income | Expenditure | Transfers | As at 31/03/2025 |
|--|---------------------|--------------------|---------------------|------------|---------------------|
| | £ | £ | £ | £ | £ |
| Unrestricted: | | | | | |
| Undesignated | 178,128 | 1,621,217 | (1,561,263) | (5,599) | 232,483 |
| Designated - Windows Replacement - SGN | - | - | - | 9,800 | 9,800 |
| Restricted: | | | | | |
| Capital Access Grant - SGN | 816 | - | (816) | - | - |
| Green Spaces - SGN | 1,389 | - | (625) | - | 764 |
| EYPP Funding | - | 4,385 | (4,385) | - | - |
| IDACI Funding | - | 7,806 | (7,806) | - | - |
| SEN/Inclusion Funding | - | 3,686 | (3,686) | - | - |
| Endowment | 23,596 | 4,201 | - | (4,201) | 23,596 |
| Total funds | <u>£ 203,929</u> | <u>£ 1,641,295</u> | <u>£(1,578,581)</u> | <u>£ -</u> | <u>£ 266,643</u> |

YORK CHILDCARE LIMITED
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 31 MARCH 2025

13. FUNDS (continued)**Consolidated and charity**

| | As at 01/04/2023 £ | Income £ | Expenditure £ | Transfers £ | As at 31/03/2024 £ |
|----------------------------|--------------------------|--------------------|----------------------|----------------|--------------------------|
| Unrestricted: | | | | | |
| Undesignated | 181,103 | 1,425,479 | (1,431,282) | 2,828 | 178,128 |
| Restricted: | | | | | |
| Capital Access Grant - SGN | 1,007 | - | (191) | - | 816 |
| Green Spaces - SGN | 338 | - | (23) | 1,074 | 1,389 |
| Endowment | 23,596 | 3,902 | - | (3,902) | 23,596 |
| Total funds | £ 206,044 | £ 1,429,381 | £ (1,431,496) | £ - | £ 203,929 |

Purposes of the funds and transfers between funds**Unrestricted designated funds**

The Window Replacement Fund is for replacement of three windows at Scarcroft Nursery. The windows will be replaced in the year ended 31 March 2026.

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 Green Spaces funds were received by Scarcroft Green Nursery to spend on the allotment area.

IDACI funding is given to areas of York identified as deprived according to postcodes.

EYPP funding is given to children of families meeting certain criteria around income and benefits. This money is to ensure the children have the same opportunities as their peers and can go towards play equipment, resources and staff costs.

SEN and Inclusion funding is applied for by the nursery manager in conjunction with the parents, and is restricted money, specifically for the name child, and is gain to help fund additional toys and resources to support the identified needs of the child.

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.

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 £4,201 (2024 - £3,902) was transferred to the Unrestricted Fund in accordance with the terms of the endowment to fund Assisted Nursery Places.

YORK CHILDCARE LIMITED
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 31 MARCH 2025

14. ANALYSIS OF NET ASSETS BETWEEN FUNDS

| | Unrestricted Undesignated Funds £ | Designated Funds £ | Restricted Funds £ | Endowment Funds £ | Total Funds £ |
|-----------------------|--|--------------------------|--------------------------|-------------------------|---------------------|
| Consolidated | | | | | |
| Tangible fixed assets | 29,869 | - | - | - | 29,869 |
| Current assets | 308,685 | 9,800 | 764 | 23,596 | 342,845 |
| Current liabilities | (106,071) | - | - | - | (106,071) |
| At 31 March 2025 | <u>£ 232,483</u> | <u>£ 9,800</u> | <u>£ 764</u> | <u>£ 23,596</u> | <u>£ 266,643</u> |
| Tangible fixed assets | 38,957 | - | 816 | - | 39,773 |
| Current assets | 235,396 | - | 1,389 | 23,596 | 260,381 |
| Current liabilities | (96,225) | - | - | - | (96,225) |
| At 31 March 2024 | <u>£ 178,128</u> | <u>£ -</u> | <u>£ 2,205</u> | <u>£ 23,596</u> | <u>£ 203,929</u> |
| Charity only | | | | | |
| Tangible fixed assets | 29,870 | - | - | - | 29,870 |
| Current assets | 285,161 | 9,800 | 764 | 23,596 | 319,321 |
| Current liabilities | (82,548) | - | - | - | (82,548) |
| At 31 March 2025 | <u>£ 232,483</u> | <u>£ 9,800</u> | <u>£ 764</u> | <u>£ 23,596</u> | <u>£ 266,643</u> |
| Tangible fixed assets | 38,958 | - | 816 | - | 39,774 |
| Current assets | 198,566 | - | 1,389 | 23,596 | 223,551 |
| Current liabilities | (59,396) | - | - | - | (59,396) |
| At 31 March 2024 | <u>£ 178,128</u> | <u>£ -</u> | <u>£ 2,205</u> | <u>£ 23,596</u> | <u>£ 203,929</u> |

15. OPERATING LEASE COMMITMENTS

| | | |
|--|------------------|------------------|
| The total future value of minimum lease payments is as | 2025 | 2024 |
| | £ | £ |
| Within one year | 63,637 | 70,822 |
| Within two to five years | 126,480 | 171,888 |
| After more than five years | 56,901 | 74,409 |
| | <u>£ 247,018</u> | <u>£ 317,119</u> |

The amount of non-cancellable operating lease payments recognised as an expense during the period was £84,363 (2024 - £58,155).

YORK CHILDCARE LIMITED
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 31 MARCH 2025

16. TRANSACTIONS WITH DIRECTORS, TRUSTEES AND RELATED PARTIES

No remuneration and benefits were received by any directors or trustees during the year in respect of their services to the Charitable Company. Trustee's expenses amounting to £15 were reimbursed relating to safeguarding training. There are no other related party transactions (2024 - none).

17. 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.

18. 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.

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

| | Consolidated | | Charity | |
|---|------------------|-------------------|------------------|-------------------|
| | 2025 | 2024 | 2025 | 2024 |
| | £ | £ | £ | £ |
| Net income for the reporting period | 62,714 | (2,115) | 62,714 | (2,115) |
| Depreciation of tangible fixed assets | 8,661 | 9,349 | 8,661 | 9,349 |
| Loss on disposal of tangible fixed assets | 1,243 | - | 1,243 | - |
| Decrease/(increase) in debtors | 31,505 | (27,739) | 17,991 | (22,734) |
| Increase /(decrease) in creditors | 9,846 | (26,948) | 23,152 | (36,307) |
| <i>Net cash provided by / (used in) operating activities</i> | £ 113,969 | £ (47,453) | £ 113,761 | £ (51,807) |

20. ANALYSIS OF CASH AND CASH EQUIVALENTS

| | Consolidated | | Charity | |
|--|------------------|------------------|------------------|------------------|
| | 2025 | 2024 | 2025 | 2024 |
| | £ | £ | £ | £ |
| Cash at bank and in hand | 275,130 | 161,161 | 250,714 | 136,953 |
| Total cash and cash equivalents | £ 275,130 | £ 161,161 | £ 250,714 | £ 136,953 |

YORK CHILDCARE LIMITED
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 31 MARCH 2025

21. ANALYSIS OF CHANGES IN NET DEBT

| | At 01/04/2024 £ | Cash-flows £ | At 31/03/2025 £ |
|--------------------------|-----------------------|------------------|-----------------------|
| Charity only | | | |
| Cash at bank and in hand | 136,953 | 113,761 | 250,714 |
| | <u>£ 136,953</u> | <u>£ 113,761</u> | <u>£ 250,714</u> |
| Consolidated | | | |
| Cash at bank and in hand | 161,161 | 113,969 | 275,130 |
| | <u>£ 161,161</u> | <u>£ 113,969</u> | <u>£ 275,130</u> |

22. COMPARATIVE STATEMENT OF FINANCIAL ACTIVITIES

| | Unrestricted Funds £ | Restricted Funds £ | Endowment Funds £ | 31 March 2024 £ |
|--------------------------------------|----------------------------|--------------------------|-------------------------|-----------------------|
| Income and endowments from: | | | | |
| Donations and legacies | 2,862 | - | - | 2,862 |
| Charitable activities | 1,398,638 | - | - | 1,398,638 |
| Income from other trading activities | 103,151 | - | - | 103,151 |
| Investments | - | - | 3,902 | 3,902 |
| Total income | <u>1,504,651</u> | <u>-</u> | <u>3,902</u> | <u>1,508,553</u> |
| Expenditure on: | | | | |
| Other trading activities | 79,172 | - | - | 79,172 |
| Charitable activities | 1,431,282 | 214 | - | 1,431,496 |
| Total expenditure | <u>1,510,454</u> | <u>214</u> | <u>-</u> | <u>1,510,668</u> |
| Net income | (5,803) | (214) | 3,902 | (2,115) |
| Transfers between funds | 2,828 | 1,074 | (3,902) | - |
| Net movement in funds | <u>(2,975)</u> | <u>860</u> | <u>-</u> | <u>(2,115)</u> |
| Reconciliation of funds: | | | | |
| Total funds brought forward | 181,103 | 1,345 | 23,596 | 206,044 |
| Total funds carried forward | <u>£ 178,128</u> | <u>£ 2,205</u> | <u>£ 23,596</u> | <u>£ 203,929</u> |

YORK CHILDCARE LTD

England & Wales - Charity number 1008566

Accounts

Company Number: 02476480
Charity Number: 1008566

YORK CHILDCARE LIMITED
A company limited by guarantee
TRUSTEES' ANNUAL REPORT
AND
CONSOLIDATED FINANCIAL STATEMENTS
for the year ended
31 March 2024

HPH
Chartered Accountants
54 Bootham
YORK
YO30 7XZ

YORK CHILDCARE LIMITED
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2024

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YORK CHILDCARE LIMITED

REPORT OF THE MANAGEMENT BOARD

FOR THE YEAR ENDED 31 MARCH 2024



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 2024.

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 2019).

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 postcode 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.



YORK CHILDCARE LIMITED

REPORT OF THE MANAGEMENT BOARD

FOR THE YEAR ENDED 31 MARCH 2024 - CONTINUED

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.
- 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:

| | 2024 | 2023 |
|---|-----------------|----------------|
| | £ | £ |
| Assisted places including additional support for Funded 2-year-olds and other Children attending under Early Years places | 12,844 <hr/> | 9,457 <hr/> |



YORK CHILDCARE LIMITED

REPORT OF THE MANAGEMENT BOARD

FOR THE YEAR ENDED 31 MARCH 2024 - CONTINUED

The end of 2023-24 saw our new Director of Operations completing her first year in the role. The board are pleased with the work that has been undertaken in the last financial year and are excited to see what the next year will bring. There are plans underway for further development of the settings and the introduction of our nursery management system, Blossom has allowed us to have a much clearer overview of the performance of the settings and where we need to target the support. The Director of Operations has introduced weekly virtual huddles with representatives from the nursery settings which have allowed the settings themselves to have a greater understanding of their performance and allows the team to celebrate in their success. This has been a welcome addition to the operational running of the settings and ensures that the nurseries have accountability and support in a timely manner.

Nurseries

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.

A number of external factors have had a significant impact on our operations throughout 2023-24. Continued increases in fuel costs, inflation and rises in the National Minimum Wage have presented constant challenges to deal with, and it is well documented in the media that recruitment in the Early Years sector continues to be challenge. We have worked hard on recruitment and have been pleased to be able to keep all nurseries running at their full operational hours during this period.

Despite the above factors all nurseries are still open, our finances stable, primarily due (as they were last year and many years previously) to the tremendous support of parents, guardians and our committed staff.

We continue to work hard on maintaining our settings and have spent £15,979 over the last year on maintenance and resources such as new flooring the pre-school room at our Scarcroft Green Nursery.

We continue to 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 year has seen us change our training provider to one that has a focus on early years providers and allows closer mentorship for the students and the managers. In reviewing staff salaries this year, we have begun to review the benefits that we offer to staff; this will be a piece of ongoing work into the next financial year and we aim to involve the staff in this process as much as possible.



YORK CHILDCARE LIMITED

REPORT OF THE MANAGEMENT BOARD

FOR THE YEAR ENDED 31 MARCH 2024 - CONTINUED

We understand that the relationship between parents, carers and the nurseries is key to ensure we provide a well-rounded and nurturing experience in all aspects of nursery life, encompassing the needs of the children, local community and beyond. To maintain this partnership, parents and carers have regular contact with their nursery, primarily through the Key Person allocated for their child but also keep up to date through attending informal events at the nurseries, such as 'Stay-and-Play' afternoons, and regular newsletters to keep everyone up to date with day-to-day nursery life and events. This has been further supported with the introduction of our nursery management system, Blossom, as it allows parents to share key moments directly with the team and their child's key person.

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. 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. This was provided for an average of 8 families across all our settings.

Government funding has continued to provide either 2-year-old Funding (subject to certain criteria: <https://www.gov.uk/help-with-childcare-costs/free-childcare-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 30 hours for working parents. Our staff work with parents to ensure that this provision is as flexible as it can be. As the level of funding provided continues to be set below the cost of delivering the service, additional charges are made for meals, activities and equipment to mitigate losses, as mirrored across the sector.



YORK CHILDCARE LIMITED

REPORT OF THE MANAGEMENT BOARD

FOR THE YEAR ENDED 31 MARCH 2024 - CONTINUED

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 136 (2023: 123) children receiving Early Years funding and to an average of 24 (2023: 11) 2-year-olds a term receiving Early Years funding.

Occupancy at Joseph’s, Heather’s and Scarcroft Green Nurseries has remained steady throughout the year.

All our nurseries work closely with social services and health visitors 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. The nurseries continue to provide childcare for families at IDAS (the Independent Domestic Abuse Service, formerly known as York Women’s Refuge) as and when the need arises.

Joseph’s Nursery has provided additional support for 1 child with SEND, with a successful application for 15 hours per week of Inclusion Funding to provide one-to-one support for the children on a part-time basis.

Scarcroft Green Nursery additionally has provided one-to-one support for 1 child with SEND, with a successful application for 5 hours per week of Inclusion Funding to provide one-to-one support for the children 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. This was broken down as follows

| | | |
|--------|---------------------|----|
| SGN | | |
| Summer | (April – July) 2023 | X7 |
| Autumn | (Sept – Dec) 2023 | X4 |
| Spring | (Jan – April) 2024 | X4 |
| JN | | |
| Summer | (April – July) 2023 | X1 |
| Autumn | (Sept – Dec) 2023 | X2 |
| Spring | (Jan – April) 2024 | X1 |
| HN | | |
| Summer | (April – July) 2023 | X4 |
| Autumn | (Sept – Dec) 2023 | X3 |
| Spring | (Jan – April) 2024 | X3 |

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 specific resources and play equipment to enhance the learning opportunities for the children and ensure an inclusive experience is had by all.



YORK CHILDCARE LIMITED

REPORT OF THE MANAGEMENT BOARD

FOR THE YEAR ENDED 31 MARCH 2024 - CONTINUED

Out of School Support Service

Since its birth in 2006 the Out of School Club Support Service has gone from strength to strength. Having previously worked within the childcare sector at City of York Council, our Support Services Manager has built on her skills and extensive knowledge and currently supports five individual clubs and more than 20 trustees. These clubs remain individual charitable entities who have a contractual relationship with our Support Service and receive a range of high-quality advice and assistance, including trustee support, quality improvement, training, safeguarding support and updates, payroll and bookkeeping from a dedicated small team based at York Childcare Ltd head office. We make a charge of 10% of monthly turnover which covers all the services we provide, including telephone access to our support service staff team five days a week. As the clubs are charities, we understand that, even with the financial expertise provided, times can sometimes be hard. Where clubs experience difficulties paying our fee, they can approach York Childcare Ltd for a short-term reduction in fees as set out in the agreement between the club and the Service. Where users of the clubs face hardship, the Assisted Places scheme is available in all the settings we support and with the agreement of club trustees is independently financed by each setting.

In all there are approximately 1,500 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, and the availability of one-to-one support with each club manager ensures not only better outcomes in terms of childcare and Ofsted ratings but helps to build relationships within the community, local schools, the local authority, and York as a whole.

Due to its continuing success, we have moved the Service into a separate trading company, known as York Childcare Out of School Club Support Service Ltd. Future plans for the company are to continue to provide the outstanding service to its current Clubs, whilst looking to expand further afield and offer a range of bespoke services to more charitable organisations to support the sector to go from strength to strength in York and the surrounding area.

Following its successful inception in 2018, we will be hosting another Out of School Club sector conference in 2024 providing National Keynote Speakers from across the sector, workshops and information pertaining to the sector. This is a free event for our Services users and is designed to support an increase in quality, knowledge and understanding of varying topics in the York Out of School Club community.



YORK CHILDCARE LIMITED

REPORT OF THE MANAGEMENT BOARD

FOR THE YEAR ENDED 31 MARCH 2024 - CONTINUED

FINANCIAL REVIEW

Reserves Policy

The Trustees carried out their annual review of the level of reserves needed to be held in order to cover costs in the event of sudden and unforeseen closure. It is our policy that we should have enough cash reserves in the bank to cover payroll, rent and utilities for a month, plus redundancy costs. It is also our policy to retain in designated reserves any significant investments and expenditure we will be required to cover outside of normal activities in the next 12 months or beyond, depending on the level of foreseeable expenditure. Based on the 2024 figures, and with no capital or other significant expenditure on the horizon, this is approximately £100,000. This is held within unrestricted reserves and is on top of funds held for day-to-day working capital purposes as described below.

Only in exceptional circumstances can these reserves be spent and must be formally agreed and ratified by the board.

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.

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 we were pleased to end with a minimal deficit of £2,115 which is a near breakeven position (Deficit 2023 £165,822). The additional budgetary controls put in place last year continue to be successful and have been backed up by monthly cash flow forecasts.

The Trustees agreed a fee increase with effect from April 2024, taking into consideration the rate of inflation, increased utility costs, increases to the National Minimum Wage and a review of staff salaries. Budget forecasting of 12-15 months will continue to enable us to respond immediately to any variances whilst building up reserves.



YORK CHILDCARE LIMITED

REPORT OF THE MANAGEMENT BOARD

FOR THE YEAR ENDED 31 MARCH 2024 - CONTINUED

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 2024 we had £39,773 (2023: £49,122) tied up in fixed assets. This leaves reserves of £138,355 (2023: £131,981) left as free reserves to support working capital requirements.

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 2-, 3- and 4-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 £100,000.

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 £2,000 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 the frequency of these has been constrained this year due to staff shortages. Typically proceeds are raised to benefit the individual nursery and another chosen charitable cause. Scarcroft Green nursery celebrated its 20th anniversary this year and held a summer fair which raised £608, a very impressive amount!



YORK CHILDCARE LIMITED

REPORT OF THE MANAGEMENT BOARD

FOR THE YEAR ENDED 31 MARCH 2024 - CONTINUED

Remuneration of Key Management Personnel

The Trustees consider the Board of Trustees, the Director of Operations, 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.

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.

We ensure that our staff have access to continuous professional development throughout the year and support those who wish to further their qualifications. .

Reviewing staff benefits will be a priority for the next financial year, as will a focus on prioritizing staff retention and recruitment; plans include the introduction of recruitment open days at settings, and developing relationships with our local Jobcentre to ensure that they are up to date with our current vacancies and can support suitable jobseekers to consider York Childcare Ltd as a future employee.

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.



YORK CHILDCARE LIMITED

REPORT OF THE MANAGEMENT BOARD

FOR THE YEAR ENDED 31 MARCH 2024 - CONTINUED

REFERENCE AND ADMINISTRATIVE INFORMATION

York Childcare operates three day nurseries 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.

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.

| | |
|--------------|---|
| S Weatherall | 2021 |
| J M Jenkins | Appointed 15 August 2023 |
| L J Street | Appointed 24 September 2024 |
| D Stafylas | Appointed 15 August 2023; Resigned 1 January 2024; Reappointed 1 July 2024 |
| J M Hickie | Appointed 15 August 2023; Resigned 17 September 2024 |
| R Welch | Resigned 30 April 2023 |
| C H Jenkins | Resigned 29 February 2024 |
| J M Plummer | Resigned 31 March 2024 |

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

| | | |
|-------------|-----------------------------|-------------------------|
| V Smith | Director of Operations | Head Office |
| A Wheatland | Nursery Manager | Heather's Nursery |
| D Whatling | Nursery Manager | Joseph's Nursery |
| J Brandt | Nursery Manager | Scarcroft Green Nursery |
| D Adair | Specialist Services Manager | Head Office |

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 |



YORK CHILDCARE LIMITED

REPORT OF THE MANAGEMENT BOARD

FOR THE YEAR ENDED 31 MARCH 2024 - 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 3 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 3 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 occasion, 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 Director of Operations to whom the Nursery Managers report as well as the business management team and who deals with all administration of the organisation. The Director of Operations 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 Director of Operations.

The York Childcare Business Management Team (comprising the HR Manager, the Business Manager, the Finance Manager and the Specialist Services Manager) support the work of the Director of Operations in providing day to day operational support which the nursery managers require.

The Board of Trustees provide line management to the Director of Operations.



YORK CHILDCARE LIMITED

REPORT OF THE MANAGEMENT BOARD

FOR THE YEAR ENDED 31 MARCH 2024 - 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 remain around staff recruitment and retention and the effect on occupancy and income. With inflation rising and unemployment being particularly low it has become harder and harder to recruit staff 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

Law applicable to charities in England and Wales requires us as the Trustees of York Childcare Ltd to prepare financial statements for each financial year which give a true and fair view of the charity'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 Trustees requires us to follow best practice and:

- a) select suitable accounting policies and apply them consistently
- b) make judgements and estimates that are reasonable and prudent
- c) state whether applicable accounting standards have been followed, subject to any departures disclosed and explained in the financial statements, and
- d) prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in operation.

As the Trustees, we are responsible for keeping accounting records which disclose with reasonable accuracy the financial position of the charity at any time and which enable us as Trustees to ensure that the financial statements comply with applicable law. As the Trustees, we are also responsible for safeguarding the assets of the charity and for their proper application, and hence for taking reasonable steps for the prevention and detection of fraud.



YORK CHILDCARE LIMITED

REPORT OF THE MANAGEMENT BOARD

FOR THE YEAR ENDED 31 MARCH 2024 - CONTINUED

RESPONSIBILITIES OF THE MANAGEMENT BOARD

Members of the Management Board

Members of the Management Board, who are Directors for the purpose of company law and Trustees for the purpose of charity law, who served during the year and up to the date of this report are set out in the reference and administration section.

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.

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 19 December 2024 and signed on its behalf by:

Dimitrios Stafylas

Sarah Weatherall

.....
Dimitrios Stafylas, Jennifer Jenkins and Sarah Weatherall

Trustees

YORK CHILDCARE LIMITED**INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES OF YORK CHILDCARE LIMITED
FOR THE YEAR ENDED 31 MARCH 2024****Opinion**

We have audited the financial statements of York Childcare Limited (the "charitable company") for the year ended 31 March 2024 which comprise consolidated Statement of Financial Activities, consolidated and Charity Balance Sheets, consolidated and Charity Statement of Cash Flows, and notes to the consolidated financial statements, including significant accounting. 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 group's and the charitable company's affairs as at 31 March 2024 and of the group's 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 and 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 group 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.

Other information

The trustees are responsible for the other information contained within the annual report. The other information comprises the information included in the annual report, 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.

YORK CHILDCARE LIMITED**INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES OF YORK CHILDCARE LIMITED
FOR THE YEAR ENDED 31 MARCH 2024**

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 trustees' report, which includes the directors' report prepared for the purposes of company law, for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the directors' report included within the trustees' report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In light of the knowledge and understanding of the group and the charitable company and their environment obtained in the course of the audit, we have not identified material misstatements in the directors' report included within the trustees' report.

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

- the parent company has not kept adequate accounting records; or
- the parent company 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 Trustees Annual Report.

Responsibilities of trustees

As explained more fully in the trustees' responsibilities statement set out on pages 12 to 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 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.

YORK CHILDCARE LIMITED**INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES OF YORK CHILDCARE LIMITED
FOR THE YEAR ENDED 31 MARCH 2024**

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

Auditor's responsibilities for the audit of the financial statements

We have been appointed as auditor under section 151 of the Charities Act 2011 and under the Companies Act 2006 and report in accordance with the Acts and relevant regulations made or having effect thereunder.

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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). 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. The laws and regulations we considered in this context were Ofsted, Health and Safety legislation, Employment legislation, Charity Commission regulations and General Data Protection Regulation (GDPR).
- 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 also considered the opportunities and incentives that may exist within the charitable company for fraud.
- 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.

YORK CHILDCARE LIMITED

**INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES OF YORK CHILDCARE LIMITED
FOR THE YEAR ENDED 31 MARCH 2024**

In response to the risk of irregularities and non-compliance with laws and regulations and risk of fraud, we designed procedures which included but were not limited to: sample testing on the posting of journals, timing of recognition of income, review of trustee's minutes and any correspondence with regulators.

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. We are not responsible for preventing fraud and cannot be expected to detect all fraud.

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, and to the charitable company'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 charitable company's members and 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 charitable company, the charitable company's members as a body and the charitable company's trustees as a body, for our audit work, for this report, or for the opinions we have formed.

Sarah Wearing

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

For and on behalf of HPH, Statutory Auditor

54 Bootham
YORK
YO30 7XZ

19 December 2024

HPH is eligible for appointment as auditor of the charity by virtue of its eligibility for appointment as auditor of a company under section 1212 of the Companies Act 2006.

YORK CHILDCARE LIMITED
CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES
FOR THE YEAR ENDED 31 MARCH 2024

| | | Unrestricted Funds £ | Restricted Funds £ | Endowment Funds £ | Total 31 March 2024 £ | Total 31 March 2023 £ |
|--------------------------------------|------|----------------------------|--------------------------|-------------------------|--------------------------------|--------------------------------|
| | Note | | | | | |
| Income and endowments from: | | | | | | |
| Donations and legacies | 2 | 2,862 | - | - | 2,862 | 2,144 |
| Charitable activities | 3 | 1,398,638 | - | - | 1,398,638 | 1,277,663 |
| Income from other trading activities | 6 | 103,151 | - | - | 103,151 | 89,718 |
| Investments | 4 | - | - | 3,902 | 3,902 | 1,003 |
| Total income | | 1,504,651 | - | 3,902 | 1,508,553 | 1,370,528 |
| Expenditure on: | | | | | | |
| Other trading activities | 6 | 79,172 | - | - | 79,172 | 73,893 |
| Charitable activities | 7 | 1,431,282 | 214 | - | 1,431,496 | 1,462,457 |
| Total expenditure | | 1,510,454 | 214 | - | 1,510,668 | 1,536,350 |
| Net income/(expenditure) | | (5,803) | (214) | 3,902 | (2,115) | (165,822) |
| Transfers between funds | | 2,828 | 1,074 | (3,902) | - | - |
| Net movement in funds | | (2,975) | 860 | - | (2,115) | (165,822) |
| Reconciliation of funds: | | | | | | |
| Total funds brought forward | 13 | 181,103 | 1,345 | 23,596 | 206,044 | 371,866 |
| Total funds carried forward | | £ 178,128 | £ 2,205 | £ 23,596 | £ 203,929 | £ 206,044 |

The notes on pages 21 to 32 form part of these financial statements

YORK CHILDCARE LIMITED
CONSOLIDATED AND CHARITY BALANCE SHEETS
AS AT 31 MARCH 2024

Company Registration Number: 02476480


| | Note | Consolidated | | Charity only | |
|---|------|------------------|------------------|------------------|------------------|
| | | 2024 | 2023 | 2024 | 2023 |
| | | £ | £ | £ | £ |
| Fixed assets | | | | | |
| Tangible fixed assets | 9 | 39,773 | 49,122 | 39,773 | 49,122 |
| Investment in subsidiary | 10 | - | - | 1 | 1 |
| | | 39,773 | 49,122 | 39,774 | 49,123 |
| Current assets | | | | | |
| Debtors | 11 | 99,220 | 71,481 | 86,598 | 63,864 |
| Bank balances and cash | 20 | 161,161 | 208,614 | 136,953 | 188,760 |
| | | 260,381 | 280,095 | 223,551 | 252,624 |
| Creditors: amounts falling due within one year | | | | | |
| Creditors | 12 | 96,225 | 123,173 | 59,396 | 95,703 |
| Net current assets | | 164,156 | 156,922 | 164,155 | 156,921 |
| Total assets less current liabilities | | 203,929 | 206,044 | 203,929 | 206,044 |
| Net assets | | £ 203,929 | £ 206,044 | £ 203,929 | £ 206,044 |
| Funds | | | | | |
| Unrestricted | | | | | |
| Undesignated | | 178,128 | 181,103 | 178,128 | 181,103 |
| Designated | | - | - | - | - |
| Restricted | | | | | |
| Restricted | | 2,205 | 1,345 | 2,205 | 1,345 |
| Endowment | | 23,596 | 23,596 | 23,596 | 23,596 |
| Total Funds | 13 | £ 203,929 | £ 206,044 | £ 203,929 | £ 206,044 |

The notes on pages 21 to 32 form part of these financial statements.

Approved by the Board on 19 December 2024 and signed on its behalf by:

Dimitrios Stafylas
Dimitrios Stafylas
Directors and Trustees


Jennifer Jenkins


Sarah Weatherall

YORK CHILDCARE LIMITED
CONSOLIDATED AND CHARITY STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 MARCH 2024

| | Note | Consolidated | | Charity only | |
|---|------|-----------------|-----------------|-----------------|-----------------|
| | | 2024 £ | 2023 £ | 2024 £ | 2023 £ |
| Net cash provided by operating activities | 19 | (47,453) | (160,343) | (51,807) | (180,197) |
| Change in cash and cash equivalents in the reporting period | | (47,453) | (160,343) | (51,807) | (180,197) |
| Cash and cash equivalents at beginning of the reporting period | | 208,614 | 368,957 | 188,760 | 368,957 |
| Cash and cash equivalents at end of the reporting period | 20 | <u>£161,161</u> | <u>£208,614</u> | <u>£136,953</u> | <u>£188,760</u> |

The notes on pages 21 to 32 form part of these financial statements.

YORK CHILDCARE LIMITED
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2024

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 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 CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 31 MARCH 2024

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

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 CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 31 MARCH 2024

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 CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 31 MARCH 2024

| | Unrestricted Funds £ | Restricted Funds £ | Endowment Funds £ | Total 2024 £ | Total 2023 £ |
|----------------------------------|----------------------------|--------------------------|-------------------------|--------------------|--------------------|
| 2. DONATIONS AND LEGACIES | | | | | |
| Donations and covenants | £ 2,862 | £ - | £ - | £ 2,862 | £ 2,144 |

Donations received during the year were from The Sylvia and Colin Sheperd Charitable Trust (£2,000) and various donations.

In 2023 no donations and legacies related to Restricted Funds.

| | Unrestricted Funds £ | Restricted Funds £ | Endowment Funds £ | Total 2024 £ | Total 2023 £ |
|---------------------------------|----------------------------|--------------------------|-------------------------|--------------------|--------------------|
| 3. CHARITABLE ACTIVITIES | | | | | |
| Nursery fees | 1,394,335 | - | - | 1,394,335 | 1,269,078 |
| Out of school support services | 48 | - | - | 48 | 233 |
| Grants receivable | 1,500 | - | - | 1,500 | 4,500 |
| Other income | 2,755 | - | - | 2,755 | 3,852 |
| | <u>£ 1,398,638</u> | <u>£ -</u> | <u>£ -</u> | <u>£ 1,398,638</u> | <u>£ 1,277,663</u> |

In 2023 no income from charitable activities related to Restricted Funds.

| | Unrestricted Funds £ | Restricted Funds £ | Endowment Funds £ | Total 2024 £ | Total 2023 £ |
|-----------------------------|----------------------------|--------------------------|-------------------------|--------------------|--------------------|
| 4. INVESTMENT INCOME | | | | | |
| Bank interest receivable | £ - | £ - | £ 3,902 | £ 3,902 | £ 1,003 |

In 2023 £1,003 related to Endowment Funds.

5. NET INCOME FOR THE YEAR

| | | |
|---|-----------|-----------|
| Net income for the year is stated after charging: | 2024 £ | 2023 £ |
| Depreciation | 9,349 | 9,470 |
| Rent on short leaseholds | 58,155 | 61,149 |
| Auditor's remuneration | 4,725 | 4,500 |
| audit other services | 8,519 | 5,748 |

YORK CHILDCARE LIMITED
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 31 MARCH 2024

6. INCOME FROM COMMERCIAL TRADING OPERATIONS AND INVESTMENT IN TRADING

The charity owns the whole of the issued share capital of York Childcare Out of School Club Support Service Ltd , which was incorporated on 30 March 2022 in the United Kingdom (company number 14013880) and pays its taxable profit to the charity by corporate gift aid. A summary of the trading results which have been consolidated on a line by line basis is shown below.

| | Year end to 31 March 2024 £ | Period to 31 March 2023 £ |
|--|--|--|
| Summary profit and loss account: | | |
| Turnover | 103,151 | 89,718 |
| Administration expenses | <u>(79,172)</u> | <u>(73,893)</u> |
| Profit for the financial period | 23,979 | 15,825 |
| Corporate gift aid distribution to parent charity | <u>(23,979)</u> | <u>(15,825)</u> |
| Retained profit carried forward | <u>-</u> | <u>-</u> |
| The assets and liabilities of the subsidiary were: | | |
| Current assets | 60,809 | 43,293 |
| Current liabilities | <u>(60,809)</u> | <u>(43,293)</u> |
| | <u>-</u> | <u>-</u> |
| Aggregate share capital and reserves | <u>-</u> | <u>-</u> |

After adjusting for intercompany transactions upon consolidation, the income from trading activities was £103,151 (2023 - £89,718) and expenditure was £103,151 (2023 - £89,718).

YORK CHILDCARE LIMITED
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 31 MARCH 2024

7. CHARITABLE ACTIVITIES EXPENDITURE

| | Unrestricted Funds £ | Restricted Funds £ | Endowment Funds £ | Total 2024 £ | Total 2023 £ |
|--|----------------------------|--------------------------|-------------------------|--------------------|--------------------|
| Nurseries | | | | | |
| Grants paid as Assisted Places | 12,844 | - | - | 12,844 | 9,457 |
| Other costs | 1,274,852 | 214 | - | 1,275,066 | 1,336,865 |
| Out of school services | | | | | |
| Grants paid to clubs | - | - | - | - | - |
| Office and governance costs | 143,586 | - | - | 143,586 | 116,135 |
| | <u>£ 1,431,282</u> | <u>£ 214</u> | <u>£ -</u> | <u>£ 1,431,496</u> | <u>£ 1,462,457</u> |

In 2023 £739 of expenditure related to Restricted Funds.

8. EMPLOYEE INFORMATION

| | | |
|--|--------------------|--------------------|
| The aggregate payroll costs of the Charitable Company for the year are as follows: | 2024 £ | 2023 £ |
| Salaries | 1,007,765 | 997,750 |
| Social security costs | 61,563 | 58,264 |
| Pension costs | 17,514 | 14,993 |
| | <u>£ 1,086,842</u> | <u>£ 1,071,007</u> |
| Average number of employees for the period | No. | No. |
| Nursery staff | 54 | 60 |
| Office staff | 6 | 4 |
| Out of school service staff | 3 | 2 |
| | <u>63</u> | <u>66</u> |

No employees were paid emoluments amounting to £60,000 or more (2023 - none) .

Included in the above figures are 24 (2023 - 29) 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 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, open to all staff, 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 £191,688 (2023 - £194,372).

YORK CHILDCARE LIMITED
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 31 MARCH 2024

9. TANGIBLE FIXED ASSETS**Consolidated and Charity**

| | Leasehold alterations | Nursery equipment | OOSMS equipment | Total |
|-----------------------|--------------------------|----------------------|--------------------|----------|
| <u>Cost</u> | £ | £ | £ | £ |
| At 1 April 2023 | 270,331 | 187,904 | 899 | 459,134 |
| Additions | - | - | - | - |
| At 31 March 2024 | 270,331 | 187,904 | 899 | 459,134 |
| <u>Depreciation</u> | | | | |
| At 1 April 2023 | 223,944 | 185,169 | 899 | 410,012 |
| Charge for year | 8,354 | 995 | - | 9,349 |
| At 31 March 2024 | 232,298 | 186,164 | 899 | 419,361 |
| <u>Net Book Value</u> | | | | |
| At 31 March 2024 | £ 38,033 | £ 1,740 | £ - | £ 39,773 |
| At 31 March 2023 | £ 46,387 | £ 2,735 | £ - | £ 49,122 |

All fixed assets held are for charitable use £816 (2023 - £1,007) related to Restricted Funds.
Note 15 Operating lease commitments sets out the terms of the leases.

10. INVESTMENTS

The charity's investment is in its wholly owned trading subsidiary York Childcare Out of School Club Support Service Ltd, whose share capital was acquired for £1 on 30 March 2022.

11. DEBTORS

| | Consolidated | | Charity | |
|---|---------------------|----------|----------------|----------|
| | 2024 | 2023 | 2024 | 2023 |
| | £ | £ | £ | £ |
| Income debtors | 81,387 | 57,252 | 49,402 | 36,329 |
| Other debtors | 318 | 367 | 317 | 35 |
| Prepayments and accrued income | 17,515 | 13,862 | 12,900 | 11,675 |
| Amounts due from subsidiary undertaking | - | - | 23,979 | 15,825 |
| | £ 99,220 | £ 71,481 | £ 86,598 | £ 63,864 |

In 2023 no debtors related to Restricted Funds.

YORK CHILDCARE LIMITED
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 31 MARCH 2024

12. CREDITORS - amounts falling due within one year

| | Consolidated | | Charity | |
|---------------------------------------|---------------------|------------------|-----------------|-----------------|
| | 2024 | 2023 | 2024 | 2023 |
| | £ | £ | £ | £ |
| Trade creditors | 35,573 | 24,523 | 6,335 | 5,636 |
| Fees and bonds paid in advance | 16,641 | 45,616 | 16,641 | 45,616 |
| Taxation and social security | 23,011 | 22,167 | 17,898 | 20,384 |
| Accruals | 12,027 | 22,118 | 9,549 | 15,318 |
| Other creditors | 8,973 | 8,749 | 8,973 | 8,749 |
| | <u>£ 96,225</u> | <u>£ 123,173</u> | <u>£ 59,396</u> | <u>£ 95,703</u> |
| Fees and bonds paid in advance | | | | |
| Brought forward balance | 45,616 | 45,565 | 45,616 | 45,565 |
| Deferred in the year | - | 11,753 | - | 11,753 |
| Released in the year | (28,975) | (11,702) | (28,975) | (11,702) |
| | <u>£ 16,641</u> | <u>£ 45,616</u> | <u>£ 16,641</u> | <u>£ 45,616</u> |

In 2023 no creditors related to Restricted Funds.

13. FUNDS

Consolidated and charity

| | As at 01/04/2023 | Income | Expenditure | Transfers | As at 31/03/2024 |
|----------------------------|---------------------|--------------------|---------------------|------------|---------------------|
| | £ | £ | £ | £ | £ |
| Unrestricted: | | | | | |
| Undesignated | 181,103 | 1,425,479 | (1,431,282) | 2,828 | 178,128 |
| Designated - Roof Repairs | - | - | - | - | - |
| Restricted: | | | | | |
| Capital Access Grant - SGN | 1,007 | - | (191) | - | 816 |
| Green Spaces - SGN | 338 | - | (23) | 1,074 | 1,389 |
| Endowment | 23,596 | 3,902 | - | (3,902) | 23,596 |
| Total funds | <u>£ 206,044</u> | <u>£ 1,429,381</u> | <u>£(1,431,496)</u> | <u>£ -</u> | <u>£ 203,929</u> |

YORK CHILDCARE LIMITED
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 31 MARCH 2024

13. FUNDS (continued)

Consolidated and charity

| | As at 01/04/2022 £ | Income £ | Expenditure £ | Transfers £ | As at 31/03/2023 £ |
|-------------------------------|--------------------------|--------------------|----------------------|----------------|--------------------------|
| Unrestricted: | | | | | |
| Undesignated | 268,205 | 1,295,632 | (1,365,493) | (17,241) | 181,103 |
| Designated - Roof Repairs | 77,981 | - | (96,225) | 18,244 | - |
| Restricted: | | | | | |
| Capital Access Grant - SGN | 1,708 | - | (701) | - | 1,007 |
| Green Spaces - SGN | 376 | - | (38) | - | 338 |
| Endowment | 23,596 | 1,003 | - | (1,003) | 23,596 |
| Total funds | £ 371,866 | £ 1,296,635 | £ (1,462,457) | £ - | £ 206,044 |

Purposes of the funds and transfers between funds

Unrestricted designated funds

The Roof Repairs Fund is for repair of Heather's Nursery roof. This was repaired in the year ended 31 March 2023.

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 Green Spaces funds were received by Scarcroft Green Nursery to spend on the allotment area.

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.

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 £3,902 (2023 - £1,003) was transferred to the Unrestricted Fund in accordance with the terms of the endowment to fund Assisted Nursery Places.

YORK CHILDCARE LIMITED
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 31 MARCH 2024

14. ANALYSIS OF NET ASSETS BETWEEN FUNDS

| | Unrestricted Undesignated Funds £ | Designated Funds £ | Restricted Funds £ | Endowment Funds £ | Total Funds £ |
|-----------------------|--|--------------------------|--------------------------|-------------------------|---------------------|
| Consolidated | | | | | |
| Tangible fixed assets | 38,065 | - | 816 | - | 38,881 |
| Current assets | 235,396 | - | 1,389 | 23,596 | 260,381 |
| Current liabilities | (96,225) | - | - | - | (96,225) |
| At 31 March 2024 | <u>£ 177,236</u> | <u>£ -</u> | <u>£ 2,205</u> | <u>£ 23,596</u> | <u>£ 203,037</u> |
| Tangible fixed assets | 47,414 | - | 1,007 | - | 48,421 |
| Current assets | 256,161 | - | 338 | 23,596 | 280,095 |
| Current liabilities | (123,173) | - | - | - | (123,173) |
| At 31 March 2023 | <u>£ 180,402</u> | <u>£ -</u> | <u>£ 1,345</u> | <u>£ 23,596</u> | <u>£ 205,343</u> |
| Charity only | | | | | |
| Tangible fixed assets | 38,767 | - | 816 | - | 39,583 |
| Current assets | 198,566 | - | 1,389 | 23,596 | 223,551 |
| Current liabilities | (59,396) | - | - | - | (59,396) |
| At 31 March 2024 | <u>£ 177,937</u> | <u>£ -</u> | <u>£ 2,205</u> | <u>£ 23,596</u> | <u>£ 203,738</u> |
| Tangible fixed assets | 48,116 | - | 1,007 | - | 49,123 |
| Current assets | 228,690 | - | 338 | 23,596 | 252,624 |
| Current liabilities | (95,703) | - | - | - | (95,703) |
| At 31 March 2023 | <u>£ 181,103</u> | <u>£ -</u> | <u>£ 1,345</u> | <u>£ 23,596</u> | <u>£ 206,044</u> |

15. OPERATING LEASE COMMITMENTS

| The total future value of minimum lease payments is as | 2024 £ | 2023 £ |
|--|------------------|------------------|
| Within one year | 70,822 | 63,467 |
| Within two to five years | 171,888 | 214,299 |
| After more than five years | 74,409 | 69,997 |
| | <u>£ 317,119</u> | <u>£ 347,763</u> |

The amount of non-cancellable operating lease payments recognised as an expense during the period was £58,155 (2023 - £61,149).

YORK CHILDCARE LIMITED
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 31 MARCH 2024

16. 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 (2023 - none).

17. 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.

18. 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.

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

| | Consolidated | | Charity | |
|---|-------------------|--------------------|-------------------|--------------------|
| | 2024 | 2023 | 2024 | 2023 |
| | £ | £ | £ | £ |
| Net income for the reporting period | (2,115) | (165,822) | (2,115) | (165,822) |
| Depreciation of tangible fixed assets | 9,349 | 9,470 | 9,349 | 9,470 |
| Decrease/(increase) in debtors | (27,739) | (37,831) | (22,734) | (30,214) |
| Increase /(decrease) in creditors | (26,948) | 33,840 | (36,307) | 6,369 |
| <i>Net cash provided by / (used in) operating activities</i> | £ (47,453) | £ (160,343) | £ (51,807) | £ (180,197) |

20. ANALYSIS OF CASH AND CASH EQUIVALENTS

| | Consolidated | | Charity | |
|--|------------------|------------------|------------------|------------------|
| | 2024 | 2023 | 2024 | 2023 |
| | £ | £ | £ | £ |
| Cash at bank and in hand | 161,161 | 208,614 | 136,953 | 188,760 |
| Total cash and cash equivalents | £ 161,161 | £ 208,614 | £ 136,953 | £ 188,760 |

YORK CHILDCARE LIMITED
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 31 MARCH 2024

21. ANALYSIS OF CHANGES IN NET DEBT

| | At 01/04/2023 £ | Cash-flows £ | At 31/03/2024 £ |
|--------------------------|-----------------------|-------------------|-----------------------|
| Charity only | | | |
| Cash at bank and in hand | 188,760 | (51,807) | 136,953 |
| | <u>£ 188,760</u> | <u>£ (51,807)</u> | <u>£ 136,953</u> |
| Consolidated | | | |
| Cash at bank and in hand | 208,614 | (47,453) | 161,161 |
| | <u>£ 208,614</u> | <u>£ (47,453)</u> | <u>£ 161,161</u> |

22. COMPARATIVE STATEMENT OF FINANCIAL ACTIVITIES

| | Unrestricted Funds £ | Restricted Funds £ | Endowment Funds £ | 31 March 2023 £ |
|--------------------------------------|----------------------------|--------------------------|-------------------------|-----------------------|
| Income and endowments from: | | | | |
| Donations and legacies | 2,144 | - | - | 2,144 |
| Charitable activities | 1,277,663 | - | - | 1,277,663 |
| Income from other trading activities | 89,718 | - | - | 89,718 |
| Investments | - | - | 1,003 | 1,003 |
| Total income | <u>1,369,525</u> | <u>-</u> | <u>1,003</u> | <u>1,370,528</u> |
| Expenditure on: | | | | |
| Other trading activities | 73,893 | - | - | 73,893 |
| Charitable activities | 1,461,718 | 739 | - | 1,462,457 |
| Total expenditure | <u>1,535,611</u> | <u>739</u> | <u>-</u> | <u>1,536,350</u> |
| Net income | (166,086) | (739) | 1,003 | (165,822) |
| Transfers between funds | 1,003 | - | (1,003) | - |
| Net movement in funds | <u>(165,083)</u> | <u>(739)</u> | <u>-</u> | <u>(165,822)</u> |
| Reconciliation of funds: | | | | |
| Total funds brought forward | 346,186 | 2,084 | 23,596 | 371,866 |
| Total funds carried forward | <u>£ 181,103</u> | <u>£ 1,345</u> | <u>£ 23,596</u> | <u>£ 206,044</u> |

*The following pages do not form part of the statutory financial statements
and contain unaudited information*

YORK CHILDCARE LIMITED
CHARITY ONLY - DETAILED INCOME AND EXPENDITURE ACCOUNT
FOR THE YEAR ENDED 31 MARCH 2024

| | 2024 | 2023 |
|---------------------------------------|--------------------|--------------------|
| | £ | £ |
| INCOME | | |
| Donations | 2,862 | 2,144 |
| Nursery fees | 1,394,335 | 1,269,078 |
| Out of school support services | 48 | 233 |
| Grants receivable | 1,500 | 4,500 |
| Other income | 2,755 | 3,852 |
| | <hr/> | <hr/> |
| | 1,401,500 | 1,279,807 |
| Gift Aid distribution from subsidiary | 23,979 | 15,825 |
| Bank interest receivable | 3,902 | 1,003 |
| | <hr/> | <hr/> |
| TOTAL INCOME | £ 1,429,381 | £ 1,296,635 |
| | <hr/> <hr/> | <hr/> <hr/> |

YORK CHILDCARE LIMITED
CHARITY ONLY - DETAILED INCOME AND EXPENDITURE ACCOUNT - continued
FOR THE YEAR ENDED 31 MARCH 2024

| | 2024 | | 2023 | |
|---------------------------------------|---------|-------------|---------|-------------|
| | £ | £ | £ | £ |
| TOTAL INCOME - brought forward | | 1,429,381 | | 1,296,635 |
| Direct charitable expenditure | | | | |
| Nurseries | | | | |
| Payroll and staff costs | 953,605 | | 964,253 | |
| Advertising and marketing | 16,365 | | 8,626 | |
| Bank charges | 1,274 | | 1,409 | |
| Books and publications | 47 | | 266 | |
| Cleaning contracts | 24,022 | | 20,203 | |
| Computer costs | 4,954 | | 4,121 | |
| Consumables | 39,696 | | 35,545 | |
| CRB/DBS checks | 1,217 | | 1,013 | |
| Depreciation | 8,664 | | 8,773 | |
| Discounts | 51,666 | | 31,868 | |
| Leases | 7,247 | | 8,202 | |
| Insurances | 15,416 | | 13,201 | |
| Medical costs | 3,872 | | 3,357 | |
| Miscellaneous expenses | 540 | | 319 | |
| Ofsted annual inspection fees | 661 | | 660 | |
| Paid grants - assisted places | 12,844 | | 9,457 | |
| Photocopying | 5,066 | | 4,599 | |
| Postage | - | | 13 | |
| Professional fees - accountancy | 271 | | 8,517 | |
| Professional fees - legal | 1,596 | | 558 | |
| Professional fees - payroll bureau | 8,519 | | 5,748 | |
| Rates | 6,279 | | 7,240 | |
| Rent | 58,155 | | 61,149 | |
| Repairs and maintenance | 19,929 | | 96,225 | |
| Staff uniforms | 1,389 | | 2,250 | |
| Stationery | 1,593 | | 846 | |
| Subscriptions | 7,544 | | 2,497 | |
| Telephone and internet | 6,059 | | 5,364 | |
| Toys and play items | 4,818 | | 4,736 | |
| Training | 3,983 | | 10,611 | |
| Travel | 610 | | 263 | |
| Utilities | 20,009 | | 24,433 | |
| | | (1,287,910) | | (1,346,322) |
| NET INCOME - carried forward | | £ 141,471 | | £ (49,687) |

YORK CHILDCARE LIMITED
CHARITY ONLY - DETAILED INCOME AND EXPENDITURE ACCOUNT - continued
FOR THE YEAR ENDED 31 MARCH 2024

| | 2024 | | 2023 | |
|--------------------------------------|----------------|------------------|----------------|--------------------|
| | £ | £ | £ | £ |
| NET INCOME - brought forward | | 141,471 | | (49,687) |
| Office & governance costs | | | | |
| Payroll and staff costs | 133,237 | | 106,754 | |
| Consumables | 290 | | 98 | |
| Insurances | 3,243 | | 3,056 | |
| Depreciation | 685 | | 697 | |
| Photocopying | 1,353 | | 997 | |
| Postage | 53 | | 33 | |
| Professional fees - audit | 4,725 | | 4,500 | |
| | <u>143,586</u> | | <u>116,135</u> | |
| | | <u>(143,586)</u> | | <u>(116,135)</u> |
| NET INCOME / (DEFICIT) | | <u>£ (2,115)</u> | | <u>£ (165,822)</u> |

YORK CHILDCARE LTD

England & Wales - Charity number 1008566

Accounts

Company Number: 02476480
Charity Number: 1008566

YORK CHILDCARE LIMITED
A company limited by guarantee
TRUSTEES' ANNUAL REPORT
AND
CONSOLIDATED FINANCIAL STATEMENTS
for the year ended
31 March 2023

HPH
Chartered Accountants
54 Bootham
YORK
YO30 7XZ

YORK CHILDCARE LIMITED
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023

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YORK CHILDCARE LIMITED
REPORT OF THE MANAGEMENT BOARD
FOR THE YEAR ENDED 31 MARCH 2023

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 2023.

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.
- 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.

YORK CHILDCARE LIMITED
REPORT OF THE MANAGEMENT BOARD
FOR THE YEAR ENDED 31 MARCH 2023 - CONTINUED

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:

| | 2023 | 2022 |
|---|--------------------|--------------------|
| | £ | £ |
| Assisted places including additional support for Funded 2-year-olds and other Children attending under Early Years places | 9,457 | 6,990 |
| Out of School Support Service fees and other costs waived | - | 526 |
| | <hr/> £9,457 <hr/> | <hr/> £7,516 <hr/> |

The start of 2023 marked the retirement of Karen Mawson, CEO of York Childcare Ltd. Karen dedicated over 20 years of service to the organization and will be very much missed by staff, colleagues, children and their families. With the retirement of Karen, we redeveloped the job description of CEO, and have recruited a full-time Director of Operations. Victoria Smith joined us in May and comes from a strong background in early education and business, having co-owned a private day nursery and teaching at both college and university levels. We look forward to working with Victoria moving forward.

Nurseries

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.

A number of external factors have had a significant impact on our operations throughout 2022-23. Increases in fuel costs, inflation and rises in the National Minimum Wage have presented constant challenges to deal with, and it is well documented in the media that recruitment in the Early Years sector reached an all-time low during this period. We have really felt the impact of this, and due to staffing shortages offered reduced operating hours across all nursery settings at points in the year.

Despite the above factors all nurseries are still open, our finances stable, primarily due (as they were last year) to the tremendous support of parents, guardians and our committed staff.

YORK CHILDCARE LIMITED

REPORT OF THE MANAGEMENT BOARD

FOR THE YEAR ENDED 31 MARCH 2023 - CONTINUED

After months of planning, we are pleased to have completed major works that were required at Heather's Nursery early in the financial year, undertaking a full re-roofing of the premises followed by extensive redecoration and general updating of the setting. This has been financed by designated funds set aside over three years. Staff have been commended for how well they managed the disruption that this caused, with minimal impact on operating hours or families relating to this. The new roof and associated refresh of the building has provided a boost to staff morale during a period of difficulty surrounding recruitment at the setting.

We continue to 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. In reviewing staff salaries this year, we have begun to review the benefits that we offer to staff; this will be a piece of ongoing work into the next financial year.

We understand that the relationship between parents, carers and the nurseries is key to ensure we provide a well-rounded and nurturing experience in all aspects of nursery life, encompassing the needs of the children, local community and beyond. To maintain this partnership, parents and carers have regular contact with their nursery, primarily through the Key Person allocated for their child but also keep up to date through attending informal events at the nurseries, such as 'Stay-and-Play' afternoons, and regular newsletters to keep everyone up to date with day-to-day nursery life and events.

Our website was updated this year, and provides a fresh and revitalised 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 support 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. 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.

- 12 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 2-Year-Old funded families we have helped each month was 11 (2022: 14).
- The average number families benefitting from the Assisted Places scheme each month was 6 (2022: 6).

Government funding has continued to provide either 2-year-old Funding (subject to certain criteria: <https://www.gov.uk/help-with-childcare-costs/free-childcare-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 30 hours for working parents. Our staff work with parents to ensure that this provision is as flexible as it can be. As the level of funding provided continues to be set below the cost of delivering the service, additional charges are made for meals, activities and equipment to mitigate losses, as mirrored across the sector.

YORK CHILDCARE LIMITED

REPORT OF THE MANAGEMENT BOARD

FOR THE YEAR ENDED 31 MARCH 2023 - CONTINUED

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 123 (2022: 130) children receiving Early Years funding and to an average of 11 (2022: 14) 2-year-olds a term receiving Early Years funding.

Occupancy at Joseph's, Heather's and Scarcroft Green Nurseries has remained steady despite the temporary closures that were made due to staffing issues across each setting.

All our nurseries work closely with social services and health visitors 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. The nurseries continue to provide childcare for families at IDAS (the Independent Domestic Abuse Service, formerly known as York Women's Refuge) as and when the need arises.

Joseph's Nursery has provided additional support for 2 children with SEND, with a successful application for 15 hours per week of Inclusion Funding to provide one-to-one support for the children on a part-time basis.

Scarcroft Green Nursery additionally has provided one-to-one support for 2 children with SEND, with a successful application for 4 hours per week of Inclusion Funding to provide one-to-one support for the children 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 5 children, Scarcroft Green Nursery received funding for 6 children and Joseph's nursery received funding for 2 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 specific resources and play equipment to enhance the learning opportunities for the children and ensure an inclusive experience is had by all.

Out of School Support Service

Since its birth in 2006 the Out of School Club Support Service has gone from strength to strength. Having previously worked within the childcare sector at City of York Council, our Support Services Manager has built on her skills and extensive knowledge and currently supports five individual clubs and more than 20 trustees. These clubs remain individual charitable entities who have a contractual relationship with our Support Service and receive a range of high-quality advice and assistance, including trustee support, quality improvement, training, safeguarding support and updates, payroll and bookkeeping from a dedicated small team based at York Childcare Ltd head office. We make a charge of 10% of monthly turnover which covers all the services we provide, including telephone access to our support service staff team five days a week. As the clubs are charities, we understand that, even with the financial expertise provided, times can sometimes be hard. Where clubs experience difficulties paying our fee, they can approach York Childcare Ltd for a short-term reduction in fees as set out in the agreement between the club and the Service. Where users of the clubs face hardship, the Assisted Places scheme is available in all the settings we support and with the agreement of club trustees is independently financed by each setting.

YORK CHILDCARE LIMITED
REPORT OF THE MANAGEMENT BOARD
FOR THE YEAR ENDED 31 MARCH 2023 - CONTINUED

In all there are approximately 1,500 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, and the availability of one-to-one support with each club manager ensures not only better outcomes in terms of childcare and Ofsted ratings but helps to build relationships within the community, local schools, the local authority, and York as a whole.

Due to its continuing success, we have moved the Service into a separate trading company, known as York Childcare Out of School Club Support Service Ltd. Future plans for the company are to continue to provide the outstanding service to its current Clubs, whilst looking to expand further afield and offer a range of bespoke services to more charitable organisations to support the sector to go from strength to strength in York and the surrounding area.

Following its successful inception in 2018, we will be hosting another Out of School Club sector conference in 2023 providing National Keynote Speakers from across the sector, workshops and information pertaining to the sector. This is a free event for our Services users and is designed to support an increase in quality, knowledge and understanding of varying topics in the York Out of School Club community. We hope to make this an annual event.

FINANCIAL REVIEW

Reserves Policy

The Trustees carried out their annual review of the level of reserves needed to be held in order to cover costs in the event of sudden and unforeseen closure. It is our policy that we should have enough cash reserves in the bank to cover payroll, rent and utilities for a month, plus redundancy costs. It is also our policy to retain in designated reserves any significant investments and expenditure we will be required to cover outside of normal activities in the next 12 months or beyond, depending on the level of foreseeable expenditure. Based on the 2023 figures, and with no capital or other significant expenditure on the horizon, this is approximately £100,000. This is held within unrestricted reserves and is on top of funds held for day-to-day working capital purposes as described below.

Only in exceptional circumstances can these reserves be spent and must be formally agreed and ratified by the board.

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.

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.

The charity has also spent over £96k this year on roof repairs most of this money had been designated in the prior year with only £18k being spent from free reserves. Overall this has led to the deficit of £165,822 made in the year (Surplus 2022: £112,852). The additional budgetary controls put in place last year continue to be successful and have been backed up by monthly cash flow forecasts.

YORK CHILDCARE LIMITED
REPORT OF THE MANAGEMENT BOARD
FOR THE YEAR ENDED 31 MARCH 2023 - CONTINUED

The Trustees agreed a fee increase with effect from April 2023, taking into consideration the rate of inflation, increased utility costs, increases to the National Minimum Wage and a review of staff salaries. 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 2023 we had £49,122 (2022: £58,593) tied up in fixed assets. This leaves reserves of £131,981 (2022: £211,320) left as free reserves to support working capital requirements.

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 2-, 3- and 4-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 £100,000.

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 £2,000 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 the frequency of these has been constrained this year due to staff shortages. Typically proceeds are raised to benefit the individual nursery and another chosen charitable cause. Scarcroft Green nursery will be celebrating its 20th anniversary in September 2023; a fundraising event and party is planned for this.

Remuneration of Key Management Personnel

The Trustees consider the Board of Trustees, the Director of Operations, 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 Trustee expenses amounting to £13 were claimed for ID checking at the bank.

YORK CHILDCARE LIMITED

REPORT OF THE MANAGEMENT BOARD

FOR THE YEAR ENDED 31 MARCH 2023 - CONTINUED

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.

We 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. We continue to offer an enhancement to salaries for staff who are the appointed 'graduate leaders' at each setting in conjunction with the additional associated responsibilities.

Reviewing staff benefits will be a priority for the next financial year, as will a focus on prioritizing staff retention and recruitment; plans include the introduction of recruitment open days at settings, and developing relationships with our local Jobcentre to ensure that they are up to date with our current vacancies and can support suitable jobseekers to consider York Childcare Ltd as a future employer.

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.

REFERENCE AND ADMINISTRATIVE INFORMATION

York Childcare operates three day nurseries 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.

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 |
| R Welch | | Resigned 30 April 2023 |
| J M Plummer | | 2019 |
| S Weatherall | | 2021 |
| J M Jenkins | | 2023 appointed 15 August 2023 |
| D Stafylas | | 2023 appointed 15 August 2023 |
| J M Hickie | | 2023 appointed 15 August 2023 |

YORK CHILDCARE LIMITED
REPORT OF THE MANAGEMENT BOARD
FOR THE YEAR ENDED 31 MARCH 2023 - CONTINUED

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

| | | |
|-------------|-----------------------------|-------------------------|
| V Smith | Director of Operations | Head Office |
| A Wheatland | Nursery Manager | Heather's Nursery |
| D Whatling | Nursery Manager | Joseph's Nursery |
| J Brandt | Nursery Manager | Scarcroft Green Nursery |
| D Adair | Specialist Services Manager | Head Office |

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 |

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 6 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 occasion, 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.

YORK CHILDCARE LIMITED
REPORT OF THE MANAGEMENT BOARD
FOR THE YEAR ENDED 31 MARCH 2023 - CONTINUED

The day-to-day management of the organisation is under the responsibility of the Director of Operations to whom the Nursery Managers report and who deals with all administration of the organisation. The Director of Operations 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 Director of Operations.

The York Childcare Business Management Team (comprising the HR Manager, the Business Manager, the Finance Manager and the Specialist Services Manager) support the work of the Director of Operations in providing day to day operational support which the nursery managers require.

The Board of Trustees provide line management to the Director of Operations.

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 remain around staff recruitment and retention and the effect on occupancy and income. With inflation rising and unemployment being particularly low it has become harder and harder to recruit staff 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

Law applicable to charities in England and Wales requires us as the Trustees of York Childcare Ltd to prepare financial statements for each financial year which give a true and fair view of the charity'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 Trustees requires us to follow best practice and:

- a) select suitable accounting policies and apply them consistently
- b) make judgements and estimates that are reasonable and prudent
- c) state whether applicable accounting standards have been followed, subject to any departures disclosed and explained in the financial statements, and
- d) prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in operation.

As the Trustees, we are responsible for keeping accounting records which disclose with reasonable accuracy the financial position of the charity at any time and which enable us as Trustees to ensure that the financial statements comply with applicable law. As the Trustees, we are also responsible for safeguarding the assets of the charity and for their proper application, and hence for taking reasonable steps for the prevention and detection of fraud.

YORK CHILDCARE LIMITED
REPORT OF THE MANAGEMENT BOARD
FOR THE YEAR ENDED 31 MARCH 2023 - CONTINUED

RESPONSIBILITIES OF THE MANAGEMENT BOARD

Members of the Management Board

Members of the Management Board, who are Directors for the purpose of company law and Trustees for the purpose of charity law, who served during the year and up to the date of this report are set out in the reference and administration section.

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.

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 6 December 2023 and signed on its behalf by:

Trustee

YORK CHILDCARE LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES OF YORK CHILDCARE LIMITED FOR THE YEAR ENDED 31 MARCH 2023

Opinion

We have audited the financial statements of York Childcare Limited (the "charitable company") for the year ended 31 March 2023 which comprise consolidated Statement of Financial Activities, consolidated and Charity Balance Sheets, consolidated and Charity Statement of Cash Flows, and notes to the consolidated financial statements, including significant accounting. 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 group's and the charitable company's affairs as at 31 March 2023 and of the group's 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 and 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 group 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.

Other information

The trustees are responsible for the other information contained within the annual report. The other information comprises the information included in the annual report, 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.

YORK CHILDCARE LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES OF YORK CHILDCARE LIMITED FOR THE YEAR ENDED 31 MARCH 2023

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 trustees' report, which includes the directors' report prepared for the purposes of company law, for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the directors' report included within the trustees' report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In light of the knowledge and understanding of the group and the charitable company and their environment obtained in the course of the audit, we have not identified material misstatements in the directors' report included within the trustees' report.

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

- the parent company has not kept adequate accounting records; or
- the parent company 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 Trustees Annual Report.

Responsibilities of trustees

As explained more fully in the trustees' responsibilities statement set out on pages 9 to 10, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using

YORK CHILDCARE LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES OF YORK CHILDCARE LIMITED FOR THE YEAR ENDED 31 MARCH 2023

the going concern basis of accounting unless the trustees either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

We have been appointed as auditor under section 151 of the Charities Act 2011 and under the Companies Act 2006 and report in accordance with the Acts and relevant regulations made or having effect thereunder

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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 charity 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 Charities Act 2011, the Statement of Recommended Practice, employment laws, health and safety legislation and Food Safety and Hygiene Regulations.
- We identified the greatest risk of material impact on the financial statements from irregularities, including fraud, to be the override of controls by management, related party transactions and income recognition. Our audit procedures to respond to these risks included enquiries of trustees and management about their own identification and assessment of the risks of irregularities, sample testing on the posting of journals, review of trustee minutes and reviewing accounting estimates for biases.
- 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.

YORK CHILDCARE LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES OF YORK CHILDCARE LIMITED FOR THE YEAR ENDED 31 MARCH 2023

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, and to the charitable company'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 charitable company's members and 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 charitable company, the charitable company's members as a body and the charitable company's trustees as a body, for our audit work, for this report, or for the opinions we have formed.

HPH, Chartered Accountants

Statutory Auditor

54 Bootham

YORK

YO30 7XZ

6 December 2023

HPH Accountants LLP is eligible for appointment as auditor of the charity by virtue of its eligibility for appointment as auditor of a company under section 1212 of the Companies Act 2006.

YORK CHILDCARE LIMITED
CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES
FOR THE YEAR ENDED 31 MARCH 2023

| | Note | Unrestricted Funds £ | Restricted Funds £ | Endowment Funds £ | Total 31 March 2023 £ | Total 31 March 2022 £ |
|--------------------------------------|------|----------------------------|--------------------------|-------------------------|--------------------------------|--------------------------------|
| Income and endowments from: | | | | | | |
| Donations and legacies | 2 | 2,144 | - | - | 2,144 | 2,391 |
| Charitable activities | 3 | 1,277,663 | - | - | 1,277,663 | 1,408,330 |
| Income from other trading activities | 6 | 89,718 | - | - | 89,718 | - |
| Investments | 4 | - | - | 1,003 | 1,003 | 40 |
| Total income | | 1,369,525 | - | 1,003 | 1,370,528 | 1,410,761 |
| Expenditure on: | | | | | | |
| Other trading activities | 6 | 73,893 | - | - | 73,893 | - |
| Charitable activities | 7 | 1,461,718 | 739 | - | 1,462,457 | 1,297,909 |
| Total expenditure | | 1,535,611 | 739 | - | 1,536,350 | 1,297,909 |
| Net income/(expenditure) | | (166,086) | (739) | 1,003 | (165,822) | 112,852 |
| Transfers between funds | | 1,003 | - | (1,003) | - | - |
| Net movement in funds | | (165,083) | (739) | - | (165,822) | 112,852 |
| Reconciliation of funds: | | | | | | |
| Total funds brought forward | 13 | 346,186 | 2,084 | 23,596 | 371,866 | 259,014 |
| Total funds carried forward | | £ 181,103 | £ 1,345 | £ 23,596 | £ 206,044 | £ 371,866 |

The notes on pages 18 to 29 form part of these financial statements

YORK CHILDCARE LIMITED
CONSOLIDATED AND CHARITY BALANCE SHEETS
AS AT 31 MARCH 2023

Company Registration Number: 02476480

| | Note | Consolidated | | Charlty only | |
|---|------|---------------------|-----------|---------------------|-----------|
| | | 2023 | 2022 | 2023 | 2022 |
| | | £ | £ | £ | £ |
| Fixed assets | | | | | |
| Tangible fixed assets | 9 | 49,122 | 58,592 | 49,122 | 58,592 |
| Investment in subsidiary | 10 | - | - | 1 | 1 |
| | | 49,122 | 58,592 | 49,123 | 58,593 |
| Current assets | | | | | |
| Debtors | 11 | 71,481 | 33,650 | 63,864 | 33,650 |
| Bank balances and cash | 21 | 208,614 | 368,957 | 188,760 | 368,957 |
| | | 280,095 | 402,607 | 252,624 | 402,607 |
| Creditors: amounts falling due within one year | | | | | |
| Creditors | 12 | 123,173 | 89,333 | 95,703 | 89,334 |
| | | 156,922 | 313,274 | 156,921 | 313,273 |
| Net current assets | | | | | |
| | | 206,044 | 371,866 | 206,044 | 371,866 |
| Total assets less current liabilities | | | | | |
| | | £ 206,044 | £ 371,866 | £ 206,044 | £ 371,866 |
| Net assets | | | | | |
| Funds | | | | | |
| Unrestricted | | | | | |
| Undesignated | | 181,103 | 268,205 | 181,103 | 268,205 |
| Designated | | - | 77,981 | - | 77,981 |
| Restricted | | | | | |
| Restricted | | 1,345 | 2,084 | 1,345 | 2,084 |
| Endowment | | 23,596 | 23,596 | 23,596 | 23,596 |
| | | £ 206,044 | £ 371,866 | £ 206,044 | £ 371,866 |
| Total Funds | 13 | £ 206,044 | £ 371,866 | £ 206,044 | £ 371,866 |

The notes on pages 18 to 29 form part of these financial statements.

Approved by the Board on 6 December 2023 and signed on its behalf by:

Director and Trustee

YORK CHILDCARE LIMITED
CONSOLIDATED AND CHARITY STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 MARCH 2023

| | | Consolidated | | Charity only | |
|---|------|---------------------|-------------|---------------------|-------------|
| | | 2023 | 2022 | 2023 | 2022 |
| | | £ | £ | £ | £ |
| | Note | | | | |
| Net cash provided by operating activities | 20 | (160,343) | 72,591 | (180,197) | 72,592 |
| Cash flow from investing activities: | | | | | |
| Purchase of tangible fixed assets | | - | - | - | (1) |
| Net cash provided used in investing activities | | - | - | - | (1) |
| Change in cash and cash equivalents in the reporting period | | (160,343) | 72,591 | (180,197) | 72,591 |
| Cash and cash equivalents at beginning of the reporting period | | 368,957 | 296,366 | 368,957 | 296,366 |
| Cash and cash equivalents at end of the reporting period | 21 | £208,614 | £368,957 | £188,760 | £368,957 |

The notes on pages 18 to 29 form part of these financial statements.

YORK CHILDCARE LIMITED
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023

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 CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 31 MARCH 2023

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 CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 31 MARCH 2023

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

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 CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 31 MARCH 2023

| | Unrestricted Funds £ | Restricted Funds £ | Endowment Funds £ | Total 2023 £ | Total 2022 £ |
|----------------------------------|----------------------------|--------------------------|-------------------------|--------------------|--------------------|
| 2. DONATIONS AND LEGACIES | | | | | |
| Donations and covenants | £ 2,144 | £ - | £ - | £ 2,144 | £ 2,391 |

Donations received during the year were from The Sylvia and Colin Sheperd Charitable Trust (£2,000) and various donations.

In 2022 no donations and legacies related to Restricted Funds.

| | Unrestricted Funds £ | Restricted Funds £ | Endowment Funds £ | Total 2023 £ | Total 2022 £ |
|---------------------------------|----------------------------|--------------------------|-------------------------|--------------------|--------------------|
| 3. CHARITABLE ACTIVITIES | | | | | |
| Nursery fees | 1,269,078 | - | - | 1,269,078 | 1,266,421 |
| Out of school support services | 233 | - | - | 233 | 78,846 |
| Grants receivable | 4,500 | - | - | 4,500 | 13,720 |
| Other income | 3,852 | - | - | 3,852 | 49,343 |
| | <u>£ 1,277,663</u> | <u>£ -</u> | <u>£ -</u> | <u>£ 1,277,663</u> | <u>£ 1,408,330</u> |

In 2022 no income from charitable activities related to Restricted Funds.

| | Unrestricted Funds £ | Restricted Funds £ | Endowment Funds £ | Total 2023 £ | Total 2022 £ |
|-----------------------------|----------------------------|--------------------------|-------------------------|--------------------|--------------------|
| 4. INVESTMENT INCOME | | | | | |
| Bank interest receivable | £ - | £ - | £ 1,003 | £ 1,003 | £ 40 |

In 2022 £40 related to Endowment Funds.

5. NET INCOME FOR THE YEAR

| | 2023 £ | 2022 £ |
|---|-----------|-----------|
| Net income for the year is stated after charging: | | |
| Depreciation | 9,470 | 9,325 |
| Rent on short leaseholds | 61,149 | 63,037 |
| Auditor's remuneration | 4,500 | 3,960 |
| audit | | |
| other services | 5,748 | 4,313 |

YORK CHILDCARE LIMITED
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 31 MARCH 2023

6. INCOME FROM COMMERCIAL TRADING OPERATIONS AND INVESTMENT IN TRADING

The charity owns the whole of the issued share capital of York Childcare Out of School Club Support Service Ltd , which was incorporated on 30 March 2022 in the United Kingdom (company number 14013880) and pays its taxable profit to the charity by corporate gift aid. A summary of the trading results which have been consolidated on a line by line basis is shown below.

| | Period to 31 March 2023 £ | Period to 31 March 2022 £ |
|--|--|--|
| Summary profit and loss account: | | |
| Turnover | 89,718 | - |
| Administration expenses | (73,893) | - |
| Profit for the financial period | <u>15,825</u> | <u>-</u> |
| Corporate gift aid distribution to parent charity | (15,825) | - |
| Retained profit carried forward | <u>-</u> | <u>-</u> |
| The assets and liabilities of the subsidiary were: | | |
| Current assets | 43,293 | 1 |
| Current liabilities | (43,293) | - |
| | <u>-</u> | <u>1</u> |
| Aggregate share capital and reserves | <u>-</u> | <u>1</u> |

After adjusting for intercompany transactions upon consolidation, the income from trading activities was £89,718 (2022 - n/a) and expenditure was £89,718 (2022 - n/a).

YORK CHILDCARE LIMITED
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 31 MARCH 2023

7. CHARITABLE ACTIVITIES EXPENDITURE

| | Unrestricted Funds £ | Restricted Funds £ | Endowment Funds £ | Total 2023 £ | Total 2022 £ |
|--|----------------------------|--------------------------|-------------------------|--------------------|--------------------|
| Nurseries | | | | | |
| Grants paid as Assisted Places | 9,457 | - | - | 9,457 | 6,990 |
| Other costs | 1,336,126 | 739 | - | 1,336,865 | 1,126,469 |
| Out of school support services | | | | | |
| Other costs | - | - | - | - | 66,183 |
| Out of school services | | | | | |
| Grants paid to clubs | - | - | - | - | 526 |
| Office and governance costs | 116,135 | - | - | 116,135 | 97,741 |
| | <u>£ 1,461,718</u> | <u>£ 739</u> | <u>£ -</u> | <u>£ 1,462,457</u> | <u>£ 1,297,909</u> |

In 2022 £1,398 of expenditure related to Restricted Funds.

8. EMPLOYEE INFORMATION

| | | |
|--|--------------------|--------------------|
| The aggregate payroll costs of the Charitable Company for the period are as follows: | 2023 £ | 2022 £ |
| Salaries | 997,750 | 951,734 |
| Social security costs | 58,264 | 53,072 |
| Pension costs | 14,993 | 14,061 |
| | <u>£ 1,071,007</u> | <u>£ 1,018,867</u> |
| Average number of employees for the period | No. | No. |
| Nursery staff | 60 | 60 |
| Office staff | 4 | 4 |
| Out of school service staff | 2 | 2 |
| | <u>66</u> | <u>66</u> |

No employees were paid emoluments amounting to £60,000 or more (2022 - none) .

Included in the above figures are 29 (2022 - 29) 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 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, open to all staff, 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 £194,372 (2022 - £176,692).

YORK CHILDCARE LIMITED
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 31 MARCH 2023

9. TANGIBLE FIXED ASSETS

Consolidated and Charity

| | Leasehold alterations £ | Nursery equipment £ | OOSMS equipment £ | Total £ |
|-----------------------|-------------------------------|---------------------------|-------------------------|------------|
| <u>Cost</u> | | | | |
| At 1 April 2022 | 270,331 | 187,904 | 899 | 459,134 |
| Additions | - | - | - | - |
| At 31 March 2023 | 270,331 | 187,904 | 899 | 459,134 |
| <u>Depreciation</u> | | | | |
| At 1 April 2022 | 215,481 | 184,162 | 899 | 400,542 |
| Charge for year | 8,463 | 1,007 | - | 9,470 |
| At 31 March 2023 | 223,944 | 185,169 | 899 | 410,012 |
| <u>Net Book Value</u> | | | | |
| At 31 March 2023 | £ 46,387 | £ 2,735 | £ - | £ 49,122 |
| At 31 March 2022 | £ 54,850 | £ 3,742 | £ - | £ 58,592 |

All fixed assets held are for charitable use £1,007 (2022 - £1,708) related to Restricted Funds.
 Note 14 Operating lease commitments sets out the terms of the leases.

10. INVESTMENTS

The charity's investment is in its wholly owned trading subsidiary York Childcare Out of School Club Support Service Ltd, whose share capital was acquired for £1 on 30 March 2022.

11. DEBTORS

| | Consolidated | | Charity | |
|---|---------------------|-----------|----------------|-----------|
| | 2023 £ | 2022 £ | 2023 £ | 2022 £ |
| Income debtors | 57,252 | 20,181 | 36,329 | 20,181 |
| Other debtors | 367 | 164 | 35 | 164 |
| Prepayments and accrued income | 13,862 | 13,305 | 11,675 | 13,305 |
| Amounts due from subsidiary undertaking | - | - | 15,825 | - |
| | £ 71,481 | £ 33,650 | £ 63,864 | £ 33,650 |

In 2022 no debtors related to Restricted Funds.

YORK CHILDCARE LIMITED
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 31 MARCH 2023

12. CREDITORS - amounts falling due within one year

| | Consolidated | | Charity | |
|---------------------------------------|---------------------|-----------------|-----------------|-----------------|
| | 2023 | 2022 | 2023 | 2022 |
| | £ | £ | £ | £ |
| Trade creditors | 24,523 | 10,534 | 5,636 | 10,534 |
| Fees and bonds paid in advance | 45,616 | 45,565 | 45,616 | 45,565 |
| Taxation and social security | 22,167 | 13,593 | 20,384 | 13,593 |
| Accruals | 22,118 | 11,316 | 15,318 | 11,316 |
| Other creditors | 8,749 | 8,325 | 8,749 | 8,326 |
| | <u>£ 123,173</u> | <u>£ 89,333</u> | <u>£ 95,703</u> | <u>£ 89,334</u> |
| Fees and bonds paid in advance | | | | |
| Brought forward balance | 45,565 | 79,416 | 45,565 | 79,416 |
| Deferred in the year | 11,753 | 6,565 | 11,753 | 6,565 |
| Released in the year | (11,702) | (40,416) | (11,702) | (40,416) |
| Carried forward balance | <u>£ 45,616</u> | <u>£ 45,565</u> | <u>£ 45,616</u> | <u>£ 45,565</u> |

In 2022 no creditors related to Restricted Funds.

13. FUNDS

Consolidated and charity

| | As at 01/04/2022 | Income | Expenditure | Transfers | As at 31/03/2023 |
|----------------------------|---------------------|--------------------|----------------------|------------|---------------------|
| | £ | £ | £ | £ | £ |
| Unrestricted: | | | | | |
| Undesignated | 268,205 | 1,295,632 | (1,365,493) | (17,241) | 181,103 |
| Designated - Roof Repairs | 77,981 | - | (96,225) | 18,244 | - |
| Restricted: | | | | | |
| Capital Access Grant - SGN | 1,708 | - | (701) | - | 1,007 |
| Green Spaces - SGN | 376 | - | (38) | - | 338 |
| Endowment | 23,596 | 1,003 | - | (1,003) | 23,596 |
| Total funds | <u>£ 371,866</u> | <u>£ 1,296,635</u> | <u>£(1,462,457)</u> | <u>£ -</u> | <u>£ 206,044</u> |

YORK CHILDCARE LIMITED
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 31 MARCH 2023

13. FUNDS (continued)

Consolidated and charity

| | As at 01/04/2021 £ | Income £ | Expenditure £ | Transfers £ | As at 31/03/2022 £ |
|-------------------------------|--------------------------|--------------------|----------------------|----------------|--------------------------|
| Unrestricted: | | | | | |
| Undesignated | 198,436 | 1,409,221 | (1,293,986) | (45,466) | 268,205 |
| Designated - Roof Repairs | 35,000 | - | (2,525) | 45,506 | 77,981 |
| Restricted: | | | | | |
| Capital Access Grant - SGN | 1,982 | - | (274) | - | 1,708 |
| Green Spaces - SGN | - | 1,500 | (1,124) | - | 376 |
| Endowment | 23,596 | 40 | - | (40) | 23,596 |
| Total funds | <u>£ 259,014</u> | <u>£ 1,410,761</u> | <u>£(1,297,909)</u> | <u>£ -</u> | <u>£ 371,866</u> |

Purposes of the funds and transfers between funds

Unrestricted designated funds

The Roof Repairs Fund is for repair of Heather's Nursery roof. This was repaired in the year ended 31 March 2023.

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 Green Spaces funds were received by Scarcroft Green Nursery to spend on the allotment area.

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.

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 £1,003 (2022 - £40) was transferred to the Unrestricted Fund in accordance with the terms of the endowment to fund Assisted Nursery Places.

YORK CHILDCARE LIMITED
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 31 MARCH 2023

15. ANALYSIS OF NET ASSETS BETWEEN FUNDS

| | Unrestricted Undesignated Funds £ | Designated Funds £ | Restricted Funds £ | Endowment Funds £ | Total Funds £ |
|-----------------------|--|--------------------------|--------------------------|-------------------------|---------------------|
| Consolidated | | | | | |
| Tangible fixed assets | 47,414 | - | 1,007 | - | 48,421 |
| Current assets | 256,161 | - | 338 | 23,596 | 280,095 |
| Current liabilities | (123,173) | - | - | - | (123,173) |
| At 31 March 2023 | <u>£ 180,402</u> | <u>£ -</u> | <u>£ 1,345</u> | <u>£ 23,596</u> | <u>£ 205,343</u> |
| Charity only | | | | | |
| Tangible fixed assets | 48,116 | - | 1,007 | - | 49,123 |
| Current assets | 228,690 | - | 338 | 23,596 | 252,624 |
| Current liabilities | (95,703) | - | - | - | (95,703) |
| At 31 March 2023 | <u>£ 181,103</u> | <u>£ -</u> | <u>£ 1,345</u> | <u>£ 23,596</u> | <u>£ 206,044</u> |
| Tangible fixed assets | 56,885 | - | 1,708 | - | 58,593 |
| Current assets | 300,654 | 77,981 | 376 | 23,596 | 402,607 |
| Current liabilities | (89,334) | - | - | - | (89,334) |
| At 31 March 2022 | <u>£ 268,205</u> | <u>£ 77,981</u> | <u>£ 2,084</u> | <u>£ 23,596</u> | <u>£ 371,866</u> |

16. OPERATING LEASE COMMITMENTS

| The total future value of minimum lease payments is as | 2023 | 2022 |
|--|------------------|------------------|
| | £ | £ |
| Within one year | 63,467 | 62,871 |
| Within two to five years | 214,299 | 234,206 |
| After more than five years | 69,997 | 113,558 |
| | <u>£ 347,763</u> | <u>£ 410,635</u> |

The amount of non-cancellable operating lease payments recognised as an expense during the period was £61,149 (2022 - £63,037).

YORK CHILDCARE LIMITED
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 31 MARCH 2023

16. 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 (2022- none).

18. 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.

19. 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.

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

| | Consolidated | | Charity | |
|--|--------------------|-----------------|--------------------|-----------------|
| | 2023 | 2022 | 2023 | 2022 |
| | £ | £ | £ | £ |
| Net income for the reporting period | (165,822) | 112,852 | (165,822) | 112,852 |
| Depreciation of tangible fixed assets | 9,470 | 9,540 | 9,470 | 9,540 |
| Decrease/(increase) in debtors | (37,831) | (5,179) | (30,214) | (5,179) |
| Increase /(decrease) in creditors | 33,840 | (44,622) | 6,369 | (44,621) |
| Net cash provided by operating activities | £ (160,343) | £ 72,591 | £ (180,197) | £ 72,592 |

21. ANALYSIS OF CASH AND CASH EQUIVALENTS

| | Consolidated | | Charity | |
|--|------------------|------------------|------------------|------------------|
| | 2023 | 2022 | 2023 | 2022 |
| | £ | £ | £ | £ |
| Cash at bank and in hand | 208,614 | 368,957 | 181,103 | 368,957 |
| Total cash and cash equivalents | £ 208,614 | £ 368,957 | £ 181,103 | £ 368,957 |

YORK CHILDCARE LIMITED
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 31 MARCH 2023

22. ANALYSIS OF CHANGES IN NET DEBT

| | At 01/04/2022 £ | Cash-flows £ | At 31/03/2023 £ |
|--------------------------|-----------------------|--------------------|-----------------------|
| Charity only | | | |
| Cash at bank and in hand | 368,957 | (180,197) | 188,760 |
| | <u>£ 368,957</u> | <u>£ (180,197)</u> | <u>£ 188,760</u> |
| Consolidated | | | |
| Cash at bank and in hand | - | - | 208,614 |
| | <u>£ -</u> | <u>£ -</u> | <u>£ 208,614</u> |

23. COMPARATIVE STATEMENT OF FINANCIAL ACTIVITIES

| | Unrestricted Funds £ | Restricted Funds £ | Endowment Funds £ | 31 March 2022 £ |
|------------------------------------|----------------------------|--------------------------|-------------------------|-----------------------|
| Income and endowments from: | | | | |
| Donations and legacies | 2,391 | - | - | 2,391 |
| Charitable activities | 1,406,830 | 1,500 | - | 1,408,330 |
| Investments | - | - | 40 | 40 |
| Total income | <u>1,409,221</u> | <u>1,500</u> | <u>40</u> | <u>1,410,761</u> |
| Expenditure on: | | | | |
| Charitable activities | 1,296,511 | 1,398 | - | 1,297,909 |
| Total expenditure | <u>1,296,511</u> | <u>1,398</u> | <u>-</u> | <u>1,297,909</u> |
| Net income | 112,710 | 102 | 40 | 112,852 |
| Transfers between funds | 40 | - | (40) | - |
| Net movement in funds | <u>112,750</u> | <u>102</u> | <u>-</u> | <u>112,852</u> |
| Reconciliation of funds: | | | | |
| Total funds brought forward | 233,436 | 1,982 | 23,596 | 259,014 |
| Total funds carried forward | <u>£ 346,186</u> | <u>£ 2,084</u> | <u>£ 23,596</u> | <u>£ 371,866</u> |

YORK CHILDCARE LTD

England & Wales - Charity number 1008566

Accounts

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 2022

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

YORK CHILDCARE LIMITED
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022

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YORK CHILDCARE LIMITED
REPORT OF THE MANAGEMENT BOARD
FOR THE YEAR ENDED 31 MARCH 2022

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 2022.

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 postcode 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.

YORK CHILDCARE LIMITED

REPORT OF THE MANAGEMENT BOARD

FOR THE YEAR ENDED 31 MARCH 2022 - CONTINUED

- That a forecasted surplus is achieved or exceeded through setting and monitoring occupancy targets across the nurseries.
- 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:

| | 2022 | 2021 |
|---|--------------|--------------|
| | £ | £ |
| Assisted places including additional support for Funded 2-year-olds and other Children attending under Early Years places | 6,990 | 6,483 |
| Out of School Support Service fees and other costs waived | 526 | 1,765 |
| | <hr/> £7,516 | <hr/> £8,248 |

Nurseries

The 2021-22 financial year saw us emerge from the Covid-19 pandemic however it still had a major impact on the way we operate. We experienced occasional ad hoc closures and staff absences, due to self-isolation requirements, and are adapting to changes in working practices (both within nurseries and society in general). All nurseries are still open, our finances stable, primarily due (as they were last year) to the tremendous support of parents, guardians and our committed staff.

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 2022 - 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.

YORK CHILDCARE LIMITED

REPORT OF THE MANAGEMENT BOARD

FOR THE YEAR ENDED 31 MARCH 2022 - CONTINUED

Government funding has continued to provide either 2-year-old Funding (subject to certain criteria: <https://www.gov.uk/help-with-childcare-costs/free-childcare-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. 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.

- 14 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 2-Year-Old funded families we have helped each month was 14 (2021: 14).
- The average number families benefitting from the Assisted Places scheme each month was 6 (2021: 5).

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 130 (2021: 137) children receiving Early Years funding and to an average of 14 (2021: 14) 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 and health visitors 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 2 children with SEND, with a successful application for 15 hours per week of Inclusion Funding to provide one-to-one support for the children on a part-time basis.

Scarcroft Green Nursery additionally has provided one-to-one support for 2 children with SEND, with a successful application for 4 hours per week of Inclusion Funding to provide one-to-one support for the children on a part-time funded basis.

YORK CHILDCARE LIMITED

REPORT OF THE MANAGEMENT BOARD

FOR THE YEAR ENDED 31 MARCH 2022 - CONTINUED

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. Heathers Nursery received funding for 5 children, Scarcroft Green Nursery received funding for 6 children and Joseph's nursery received funding for 2 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.

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.

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. With the agreement of each of the out of school club trustees, from September 2018 clubs have been charged 10% of their turnover.-Where clubs experience difficulties paying this charge, they may approach York Childcare Ltd and apply for financial support.

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.

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. Based on 2022 figures, this would be approximately £258,600.

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 2022 - 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 £112,852 (2021: £72,216). 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 2021, 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 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 2022 we had £58,593 (2021: £68,132) tied up in fixed assets. This leaves reserves of £211,320 (2021: £132,286) left as free reserves to support working capital requirements. We are therefore under the level of reserves needed, by £47,280.

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 2-, 3- and 4-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 of at least £85,000.

YORK CHILDCARE LIMITED
REPORT OF THE MANAGEMENT BOARD
FOR THE YEAR ENDED 31 MARCH 2022 - 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 2022 - 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

The nurseries still felt the impact of the Covid-19 during the last financial year. Instances of Covid sickness amongst staff, as well as holidays deferred from prior periods, put pressure on ratios and in a few instances led to ad-hoc closures of settings.

Outlined in the previous year's report was evidence that working arrangements had changed and parents/carers were continuing to work from home. This is still the case however we still see significant requirements for childcare from families. 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.

Out of School Support Service

During the year it has become apparent that the popularity and high regard of the support service will see our income rise to a level at which we feel is now appropriate to separate off into a new subsidiary company. On 30th March 2022 York Childcare Out Of School Club Support Service Limited was formed.

We shall continue the work with out of school clubs, putting in place support agreements and strengthening settings' existing voluntary committees.

YORK CHILDCARE LIMITED

REPORT OF THE MANAGEMENT BOARD

FOR THE YEAR ENDED 31 MARCH 2022 - CONTINUED

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.

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 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.

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 |
| M D Richardson | | resigned 14 July 2022 |
| R Welch | | 2018 appointed 19 December 2018 |
| J M Plummer | | 2019 appointed 17 April 2019 |
| S Weatherall | | 2021 appointed 16 June 2021 |
| D L Turner | | resigned 16 March 2022 |

YORK CHILDCARE LIMITED
REPORT OF THE MANAGEMENT BOARD
FOR THE YEAR ENDED 31 MARCH 2022 - CONTINUED

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

| | | |
|------------|-----------------------------|-------------------------|
| K Mawson | CEO | |
| L McKeown | 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 2022 - 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 4 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 York Childcare Business Management Team (comprising the HR Coordinator, the Business Manager and the Specialist Services Manager) support the work of the CEO in providing day to day operational support which the nursery managers require.

The Board of Trustees provide line management to the CEO.

YORK CHILDCARE LIMITED
REPORT OF THE MANAGEMENT BOARD
FOR THE YEAR ENDED 31 MARCH 2022 - 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

Law applicable to charities in England and Wales requires us as the Trustees of York Childcare Ltd to prepare financial statements for each financial year which give a true and fair view of the charity'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 Trustees requires us to follow best practice and:

- a) select suitable accounting policies and apply them consistently
- b) make judgements and estimates that are reasonable and prudent
- c) state whether applicable accounting standards have been followed, subject to any departures disclosed and explained in the financial statements, and
- d) prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in operation.

As the Trustees, we are responsible for keeping accounting records which disclose with reasonable accuracy the financial position of the charity at any time and which enable us as Trustees to ensure that the financial statements comply with applicable law. As the Trustees, we are also responsible for safeguarding the assets of the charity and for their proper application, and hence for taking reasonable steps for the prevention and detection of fraud.

RESPONSIBILITIES OF THE MANAGEMENT BOARD

Members of the Management Board

Members of the Management Board, who are Directors for the purpose of company law and Trustees for the purpose of charity law, who served during the year and up to the date of this report are set out in the reference and administration section.

YORK CHILDCARE LIMITED
REPORT OF THE MANAGEMENT BOARD
FOR THE YEAR ENDED 31 MARCH 2022 - CONTINUED

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.

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 7 December 2022 and signed on its behalf by:

R Welch
Director and 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 2022 which comprise Statement of Financial Activities, the Balance Sheet, the Cash Flow Statement and notes to the financial statements, including 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 2022 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.

Other information

The trustees are responsible for the other information contained within the annual report. The other information comprises the information included in the annual report, 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.

HPH

Chartered Accountants

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

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 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.

Responsibilities of trustees

As explained more fully in the Management Board's responsibilities statement set out on pages 1 to 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 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.

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

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 Statement of Recommended Practice (FRS102). 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. The laws and regulations we considered in this context were Childcare Act 2006, Health and Safety legislation, Employment legislation, Charity Commission regulations and General Data Protection Regulation (GDPR).
- 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 also considered the opportunities and incentives that may exist within the charitable company for fraud.
- 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.

HPH

Chartered Accountants

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

In response to the risk of irregularities and non-compliance with laws and regulations and risk of fraud, we designed procedures which included but were not limited to: sample testing on the posting of journals, timing of recognition of income, review of trustee's minutes and any correspondence with regulators, and review of accounting estimates.

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. We are not responsible for preventing fraud and cannot be expected to detect all fraud.

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 7ZX

7 December 2022

YORK CHILDCARE LIMITED
STATEMENT OF FINANCIAL ACTIVITIES
AND INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 MARCH 2022

| | Note | Unrestricted Funds £ | Restricted Funds £ | Endowment Funds £ | Total 31 March 2022 £ | Total 31 March 2021 £ |
|------------------------------------|------|----------------------------|--------------------------|-------------------------|--------------------------------|--------------------------------|
| Income and endowments from: | | | | | | |
| Donations and legacies | 2 | 2,391 | - | - | 2,391 | 13,852 |
| Charitable activities | 3 | 1,406,830 | 1,500 | - | 1,408,330 | 1,203,607 |
| Investments | 4 | - | - | 40 | 40 | 127 |
| Total income | | 1,409,221 | 1,500 | 40 | 1,410,761 | 1,217,586 |
| Expenditure on: | | | | | | |
| Charitable activities | 6 | 1,296,511 | 1,398 | - | 1,297,909 | 1,145,370 |
| Total expenditure | | 1,296,511 | 1,398 | - | 1,297,909 | 1,145,370 |
| Net income/(expenditure) | | 112,710 | 102 | 40 | 112,852 | 72,216 |
| Transfers between funds | | 40 | - | (40) | - | - |
| Net movement in funds | | 112,750 | 102 | - | 112,852 | 72,216 |
| Reconciliation of funds: | | | | | | |
| Total funds brought forward | 12 | 233,436 | 1,982 | 23,596 | 259,014 | 186,798 |
| Total funds carried forward | | £ 346,186 | £ 2,084 | £ 23,596 | £ 371,866 | £ 259,014 |

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

YORK CHILDCARE LIMITED
BALANCE SHEET AT 31 MARCH 2022
Company Registration Number: 02476480

| | | Unrestricted Funds | Restricted Funds | Endowment Funds | Year ended 31 March 2022 | Year ended 31 March 2021 |
|---|------|-----------------------|---------------------|--------------------|--------------------------------|--------------------------------|
| | | £ | £ | £ | £ | £ |
| | Note | | | | | |
| Fixed assets | | | | | | |
| Tangible fixed assets | 8 | 56,884 | 1,708 | - | 58,592 | 68,132 |
| Investment in subsidiary | 9 | 1 | - | - | 1 | - |
| | | <u>56,885</u> | <u>1,708</u> | <u>-</u> | <u>58,593</u> | <u>68,132</u> |
| Current assets | | | | | | |
| Debtors | 10 | 33,650 | - | - | 33,650 | 28,471 |
| Bank balances and cash | 19 | 344,985 | 376 | 23,596 | 368,957 | 296,366 |
| | | <u>378,635</u> | <u>376</u> | <u>23,596</u> | <u>402,607</u> | <u>324,837</u> |
| Creditors: amounts falling due within one year | | | | | | |
| Creditors | 11 | 89,334 | - | - | 89,334 | 133,955 |
| | | <u>289,301</u> | <u>376</u> | <u>23,596</u> | <u>313,273</u> | <u>190,882</u> |
| Net current assets | | | | | | |
| | | <u>346,186</u> | <u>2,084</u> | <u>23,596</u> | <u>371,866</u> | <u>259,014</u> |
| Total assets less current liabilities | | | | | | |
| | | <u>£ 346,186</u> | <u>£ 2,084</u> | <u>£ 23,596</u> | <u>£ 371,866</u> | <u>£ 259,014</u> |
| Funds | | | | | | |
| Unrestricted | | | | | | |
| Undesignated | | 268,205 | - | - | 268,205 | 198,436 |
| Designated | | 77,981 | - | - | 77,981 | 35,000 |
| Restricted | | | | | | |
| Restricted | | - | 2,084 | - | 2,084 | 1,982 |
| Endowment | | - | - | 23,596 | 23,596 | 23,596 |
| Total Funds | 12 | <u>£ 346,186</u> | <u>£ 2,084</u> | <u>£ 23,596</u> | <u>£ 371,866</u> | <u>£ 259,014</u> |

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 7 December 2022 and signed on its behalf by:

R Welch
Director and Trustee

YORK CHILDCARE LIMITED
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 MARCH 2022

| | | 2022 £ | 2021 £ |
|---|------------|-----------------|-----------------|
| Net cash provided by operating activities | Note 17 | 72,592 | 111,196 |
| Cash flow from investing activities: | | | |
| Purchase of tangible fixed assets | | (1) | (2,091) |
| Net cash provided used in investing activities | | <u>(1)</u> | <u>(2,091)</u> |
| Change in cash and cash equivalents in the reporting period | | 72,591 | 109,105 |
| Cash and cash equivalents at beginning of the reporting period | | 296,366 | 187,261 |
| Cash and cash equivalents at end of the reporting period | 19 | <u>£368,957</u> | <u>£296,366</u> |

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 2022

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 2022

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 2022

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 2022

| | Unrestricted Funds £ | Restricted Funds £ | Endowment Funds £ | Total 2022 £ | Total 2021 £ |
|----------------------------------|----------------------------|--------------------------|-------------------------|--------------------|--------------------|
| 2. DONATIONS AND LEGACIES | | | | | |
| Donations and covenants | £ 2,391 | £ - | £ - | £ 2,391 | £ 13,852 |

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

In 2021 no donations and legacies related to Restricted Funds.

| | Unrestricted Funds £ | Restricted Funds £ | Endowment Funds £ | Total 2022 £ | Total 2021 £ |
|-----------------------------------|----------------------------|--------------------------|-------------------------|--------------------|--------------------|
| 3. CHARITABLE ACTIVITIES | | | | | |
| Nursery fees | 1,266,421 | - | - | 1,266,421 | 987,029 |
| Out of school management services | 78,846 | - | - | 78,846 | 54,927 |
| Government grants - CJRS scheme | - | - | - | - | 90,968 |
| Grants receivable | 12,220 | 1,500 | - | 13,720 | - |
| Other income | 49,343 | - | - | 49,343 | 70,683 |
| | <u>£ 1,406,830</u> | <u>£ 1,500</u> | <u>£ -</u> | <u>£ 1,408,330</u> | <u>£ 1,203,607</u> |

In 2021 no income from charitable activities related to Restricted Funds.

| | Unrestricted Funds £ | Restricted Funds £ | Endowment Funds £ | Total 2022 £ | Total 2021 £ |
|-----------------------------|----------------------------|--------------------------|-------------------------|--------------------|--------------------|
| 4. INVESTMENT INCOME | | | | | |
| Bank interest receivable | £ - | £ - | £ 40 | £ 40 | £ 127 |

In 2021 £127 related to Endowment Funds.

5. NET INCOME FOR THE YEAR

Net income for the year is stated after charging:

| | 2022 £ | 2021 £ |
|--------------------------|-----------|-----------|
| Depreciation | 9,540 | 9,325 |
| Rent on short leaseholds | 63,037 | 63,037 |
| Auditor's remuneration | 4,662 | 3,960 |
| audit other services | 4,309 | 4,313 |

YORK CHILDCARE LIMITED
NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 31 MARCH 2022

6. TOTAL EXPENDITURE

| | Staff costs £ | Direct costs £ | Allocated costs £ | Total 2022 £ | Total 2021 £ |
|--|--------------------|-------------------|----------------------|--------------------|--------------------|
| Nurseries | | | | | |
| Grants paid as Assisted Places | - | - | 6,990 | 6,990 | 6,483 |
| Other costs | 876,154 | 250,315 | - | 1,126,469 | 980,871 |
| Out of school management services | | | | | |
| Other costs | 53,870 | 12,313 | - | 66,183 | 61,234 |
| Out of school services | | | | | |
| Grants paid to clubs | - | - | 526 | 526 | 1,765 |
| Office and governance costs | | | | | |
| | 88,843 | 4,236 | 4,662 | 97,741 | 95,017 |
| | <u>£ 1,018,867</u> | <u>£ 266,864</u> | <u>£ 12,178</u> | <u>£ 1,297,909</u> | <u>£ 1,145,370</u> |

In 2021 £137 of expenditure related to Restricted Funds.

7. EMPLOYEE INFORMATION

| The aggregate payroll costs of the Charitable Company for the period are as follows: | 2022 £ | 2021 £ |
|--|--------------------|------------------|
| Salaries | 951,734 | 847,463 |
| Social security costs | 53,072 | 47,640 |
| Pension costs | 14,061 | 13,676 |
| | <u>£ 1,018,867</u> | <u>£ 908,779</u> |

| Average number of employees for the period | No. | No. |
|---|-----------|-----------|
| Nursery staff | 60 | 59 |
| Office staff | 4 | 4 |
| Out of school service staff | 2 | 2 |
| | <u>66</u> | <u>65</u> |

During the year no employees were paid emoluments amounting to £60,000 or more (2021 - none) .

Included in the above figures are 29 (2021 - 29) 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 £176,692 (2021 - £159,365).

YORK CHILDCARE LIMITED
NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 31 MARCH 2022

| 8. TANGIBLE FIXED ASSETS | Leasehold alterations | Nursery equipment | OOSMS equipment | Total |
|---------------------------------|--------------------------|----------------------|--------------------|----------|
| | £ | £ | £ | £ |
| <u>Cost</u> | | | | |
| At 1 April 2021 | 270,331 | 187,904 | 899 | 459,134 |
| Additions | - | - | - | - |
| At 31 March 2022 | 270,331 | 187,904 | 899 | 459,134 |
| <u>Depreciation</u> | | | | |
| At 1 April 2021 | 207,018 | 183,085 | 899 | 391,002 |
| Charge for year | 8,463 | 1,077 | - | 9,540 |
| At 31 March 2022 | 215,481 | 184,162 | 899 | 400,542 |
| <u>Net Book Value</u> | | | | |
| At 31 March 2022 | £ 54,850 | £ 3,742 | £ - | £ 58,592 |
| At 31 March 2021 | £ 63,313 | £ 4,819 | £ - | £ 68,132 |

All fixed assets held are for charitable use. £1,708 (2021 - £1,982) related to Restricted Funds.
Note 14 Operating lease commitments sets out the terms of the leases.

9. INVESTMENTS

The charity's investment is in its wholly owned trading subsidiary York Childcare Out of School Club Support Service Ltd, whose share capital was acquired for £1 on 30 March 2022.

| 10. DEBTORS | 2022 | 2021 |
|--------------------------------|----------|----------|
| | £ | £ |
| Income debtors | 20,181 | 15,520 |
| Other debtors | 164 | 1,473 |
| Prepayments and accrued income | 13,305 | 11,478 |
| | £ 33,650 | £ 28,471 |

In 2021 no debtors related to Restricted Funds.

11. CREDITORS - amounts falling due within one year

| | | |
|---------------------------------------|----------|-----------|
| Trade creditors | 10,534 | 9,650 |
| Fees and bonds paid in advance | 45,565 | 79,416 |
| Taxation and social security | 13,593 | 12,583 |
| Accruals | 11,316 | 26,432 |
| Other creditors | 8,326 | 5,874 |
| | £ 89,334 | £ 133,955 |
| Fees and bonds paid in advance | | |
| Brought forward balance | 79,416 | 91,556 |
| Deferred in the year | 6,565 | 7,430 |
| Released in the year | (40,416) | (19,570) |
| Carried forward balance | £ 45,565 | £ 79,416 |

In 2021 no creditors related to Restricted Funds.

YORK CHILDCARE LIMITED
NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 31 MARCH 2022

12. FUNDS

| | As at 01/04/2021 £ | Income £ | Expenditure £ | Transfers £ | As at 31/03/2022 £ |
|----------------------------|--------------------------|--------------------|----------------------|----------------|--------------------------|
| Unrestricted: | | | | | |
| Undesignated | 198,436 | 1,409,221 | (1,293,986) | (45,466) | 268,205 |
| Designated - Roof Repairs | 35,000 | - | (2,525) | 45,506 | 77,981 |
| Restricted: | | | | | |
| Capital Access Grant - SGN | 1,982 | - | (274) | - | 1,708 |
| Green Spaces - SGN | - | 1,500 | (1,124) | - | 376 |
| Endowment | 23,596 | 40 | - | (40) | 23,596 |
| Total funds | £ 259,014 | £ 1,410,761 | £(1,297,909) | £ - | £ 371,866 |
| | 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 |

Purposes of the funds and transfers between funds

Unrestricted designated funds

The Roof Repairs Fund is for repair of Heather's Nursery roof. This was repaired in the year ended 31 March 2023.

YORK CHILDCARE LIMITED
NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 31 MARCH 2022

12. FUNDS (continued)

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 Green Spaces funds were received by Scarcroft Green Nursery to spend on the allotment area.

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.

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 £40 (2021 - £127) was transferred to the Unrestricted Fund in accordance with the terms of the endowment to fund Assisted Nursery Places.

13. ANALYSIS OF NET ASSETS BETWEEN FUNDS

| | Unrestricted Undesignated Funds £ | Designated Funds £ | Restricted Funds £ | Endowment Funds £ | Total Funds £ |
|-----------------------|--|--------------------------|--------------------------|-------------------------|---------------------|
| Tangible fixed assets | 56,885 | - | 1,708 | - | 58,593 |
| Current assets | 300,654 | 77,981 | 376 | 23,596 | 402,607 |
| Current liabilities | (89,334) | - | - | - | (89,334) |
| At 31 March 2022 | <u>£ 268,205</u> | <u>£ 77,981</u> | <u>£ 2,084</u> | <u>£ 23,596</u> | <u>£ 371,866</u> |
| | 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> |

YORK CHILDCARE LIMITED
NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 31 MARCH 2022

14. OPERATING LEASE COMMITMENTS

| | | |
|--|-------------|-------------|
| The total future value of minimum lease payments is as | 2022 | 2021 |
| | £ | £ |
| Within one year | 71,625 | 45,363 |
| Within two to five years | 222,873 | 89,896 |
| After more than five years | 65,024 | 48,694 |
| | <hr/> | <hr/> |
| | £ 359,522 | £ 183,953 |
| | <hr/> <hr/> | <hr/> <hr/> |

The amount of non-cancellable operating lease payments recognised as an expense during the period was £63,037 (2021 - £46,674).

15. 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 (2021 - none).

16. 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.

17. 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.

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

| | | |
|--|-------------|-------------|
| | 2022 | 2021 |
| | £ | £ |
| Net income for the reporting period | 112,852 | 72,216 |
| Depreciation of tangible fixed assets | 9,540 | 9,325 |
| Decrease/(increase) in debtors | (5,179) | 15,264 |
| Increase /(decrease) in creditors | (44,621) | 14,391 |
| | <hr/> | <hr/> |
| Net cash provided by operating activities | £ 72,592 | £ 111,196 |
| | <hr/> <hr/> | <hr/> <hr/> |

YORK CHILDCARE LIMITED
NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 31 MARCH 2022

| 19. ANALYSIS OF CASH AND CASH EQUIVALENTS | 2022 | 2021 |
|--|------------------|------------------|
| | £ | £ |
| Cash at bank and in hand | 368,957 | 296,366 |
| Total cash and cash equivalents | £ 368,957 | £ 296,366 |

| 20. ANALYSIS OF CHANGES IN NET DEBT | At 01/04/2021 | Cash-flows | At 31/03/2022 |
|--|------------------|-----------------|------------------|
| | £ | £ | £ |
| Cash at bank and in hand | 296,366 | 72,591 | 368,957 |
| | £ 296,366 | £ 72,591 | £ 368,957 |

21. COMPARATIVE STATEMENT OF FINANCIAL ACTIVITIES

| | Unrestricted Funds £ | Restricted Funds £ | Endowment Funds £ | 31 March 2021 £ |
|------------------------------------|----------------------------|--------------------------|-------------------------|-----------------------|
| Income and endowments from: | | | | |
| Donations and legacies | 13,852 | - | - | 13,852 |
| Charitable activities | 1,203,607 | - | - | 1,203,607 |
| Investments | - | - | 127 | 127 |
| Total income | 1,217,459 | - | 127 | 1,217,586 |
| Expenditure on: | | | | |
| Charitable activities | 1,145,233 | 137 | - | 1,145,370 |
| Total expenditure | 1,145,233 | 137 | - | 1,145,370 |
| Net income / (expenditure) | 72,226 | (137) | 127 | 72,216 |
| Transfers between funds | 127 | - | (127) | - |
| Net movement in funds | 72,353 | (137) | - | 72,216 |
| Reconciliation of funds: | | | | |
| Total funds brought forward | 161,083 | 2,119 | 23,596 | 186,798 |
| Total funds carried forward | £ 233,436 | £ 1,982 | £ 23,596 | £ 259,014 |

*The following pages do not form part of the statutory financial statements
and contain unaudited information*

YORK CHILDCARE LIMITED
DETAILED INCOME AND EXPENDITURE ACCOUNT
FOR THE YEAR ENDED 31 MARCH 2022

| | 2022 | 2021 |
|-----------------------------------|--------------------|--------------------|
| | £ | £ |
| INCOME | | |
| Nursery fees | 1,266,421 | 987,029 |
| Out of school management services | 78,846 | 54,927 |
| Grants receivable | 13,720 | - |
| Government grants - CJRS scheme | - | 90,968 |
| Donations | 2,391 | 13,852 |
| Other income | 49,343 | 70,683 |
| | 1,410,721 | 1,217,459 |
| | | |
| Bank interest receivable | 40 | 127 |
| | £ 1,410,761 | £ 1,217,586 |
| TOTAL INCOME | £ 1,410,761 | £ 1,217,586 |

YORK CHILDCARE LIMITED
DETAILED INCOME AND EXPENDITURE ACCOUNT - continued
FOR THE YEAR ENDED 31 MARCH 2022

| | 2022 | | 2021 | |
|---|---------|-------------|---------|-----------|
| | £ | £ | £ | £ |
| TOTAL INCOME - brought forward | | 1,410,761 | | 1,217,586 |
| Direct charitable expenditure | | | | |
| Nurseries | | | | |
| Payroll and staff costs | 876,154 | | 770,782 | |
| Advertising and marketing | 10,835 | | 6,436 | |
| Bad debts | 212 | | 1,305 | |
| Bank charges | 2,239 | | 3,260 | |
| Books and publications | 228 | | 21 | |
| Cleaning contracts | 19,518 | | 15,599 | |
| Computer costs | 5,189 | | 3,070 | |
| Consumables | 28,625 | | 19,967 | |
| CRB/DBS checks | 1,101 | | 973 | |
| Depreciation | 8,773 | | 8,945 | |
| Discounts | 14,800 | | 8,544 | |
| Franking machine lease | 8,756 | | 7,578 | |
| Insurances | 12,237 | | 8,756 | |
| Medical costs | 3,182 | | 3,424 | |
| Membership fees | 637 | | 364 | |
| Miscellaneous expenses | 333 | | 1,390 | |
| Ofsted annual inspection fees | 675 | | 660 | |
| Paid grants - assisted places | 6,990 | | 6,483 | |
| Photocopying | 4,908 | | 4,049 | |
| Postage | 8 | | (54) | |
| Professional fees - accountancy | 6,363 | | 6,219 | |
| Professional fees - audit | - | | - | |
| Professional fees - legal | - | | 13 | |
| Professional fees - payroll bureau | 4,309 | | 4,313 | |
| Profit and loss on disposal of fixed assets | - | | - | |
| Rates | 1,913 | | - | |
| Rent | 61,130 | | 61,130 | |
| Repairs and maintenance | 15,611 | | 15,152 | |
| Staff uniforms | 2,207 | | 1,875 | |
| Stationery | 1,152 | | 624 | |
| Subscriptions | 2,096 | | 2,008 | |
| Telephone and internet | 5,504 | | 4,699 | |
| Toys and play items | 4,597 | | 2,497 | |
| Training | 3,997 | | 2,277 | |
| Travel | 7 | | 24 | |
| Utilities | 19,173 | | 14,971 | |
| | | (1,133,459) | | (987,354) |
| NET INCOME - carried forward | | £ 277,302 | | £ 230,232 |

YORK CHILDCARE LIMITED
DETAILED INCOME AND EXPENDITURE ACCOUNT - continued
FOR THE YEAR ENDED 31 MARCH 2022

| | 2022 | | 2021 | |
|--|--------|-----------|--------|-----------|
| | £ | £ | £ | £ |
| NET INCOME - brought forward | | 277,302 | | 230,232 |
| Direct charitable expenditure | | | | |
| Out of school management services | | | | |
| Payroll and staff costs | 53,870 | | 50,435 | |
| Advertising and marketing | 264 | | 288 | |
| Bank charges | 1,028 | | 32 | |
| Books and publications | 41 | | - | |
| Cleaning contracts | 430 | | 259 | |
| Computer costs | 1,616 | | 1,430 | |
| CRB/DBS checks | 26 | | 26 | |
| Franking machine lease | - | | 48 | |
| Insurances | 2,614 | | 2,228 | |
| Medical costs | 121 | | 110 | |
| Photocopying | 165 | | 182 | |
| Postage & stationery | 10 | | 70 | |
| Professional fees - accounts | 2,079 | | 2,420 | |
| Rent | 1,907 | | 1,907 | |
| Subscriptions | 532 | | 302 | |
| Telephone and internet | 997 | | 1,078 | |
| Training | 63 | | - | |
| Travel | 11 | | 56 | |
| Utilities | 409 | | 363 | |
| | 66,183 | | 61,234 | |
| Paid grants to clubs | 526 | | 1,765 | |
| | 66,709 | | 62,999 | |
| Office & governance costs | | | | |
| Payroll and staff costs | 88,843 | | 87,562 | |
| Consumables | 112 | | 158 | |
| Insurances | 2,614 | | 2,228 | |
| Depreciation | 767 | | 380 | |
| Photocopying | 692 | | 633 | |
| Postage | 51 | | 96 | |
| Professional fees - audit | 4,662 | | 3,960 | |
| | 97,741 | | 95,017 | |
| | | (164,450) | | (158,016) |
| NET INCOME | | £ 112,852 | | £ 72,216 |

YORK CHILDCARE LTD

England & Wales - Charity number 1008566

Accounts

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

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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 |
| | <hr/> 8,248 <hr/> | <hr/> 10,618 <hr/> |

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. Heathers 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.

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).

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

| | Note | Unrestricted Funds £ | Restricted Funds £ | Endowment Funds £ | Total 31 March 2021 £ | Total 31 March 2020 £ |
|------------------------------------|------|----------------------------|--------------------------|-------------------------|--------------------------------|--------------------------------|
| 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

| | Note | Unrestricted Funds £ | Restricted Funds £ | Endowment Funds £ | Year ended 31 March 2021 £ | Year ended 31 March 2020 £ |
|---|------|----------------------------|--------------------------|-------------------------|-------------------------------------|-------------------------------------|
| Fixed assets | | | | | | |
| 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 | | <u>(2,091)</u> | <u>(2,945)</u> |
| 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 | <u>£296,366</u> | <u>£187,261</u> |

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 |
| | | <u>71,635</u> | <u>78,899</u> |

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 |
| | £ 28,471 | £ 43,735 |

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 |
| | £ 133,955 | £ 119,564 |
| 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 | £ 79,416 | £ 91,556 |

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 | £ 198,436 | £ 35,000 | £ 1,982 | £ 23,596 | £ 259,014 |

| | 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 | £ 161,083 | £ - | £ 2,119 | £ 23,596 | £ 186,798 |

YORK CHILDCARE LIMITED

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED

FOR THE YEAR ENDED 31 MARCH 2021

13. OPERATING LEASE COMMITMENTS

| | | |
|--|-----------------|-----------------|
| The total future value of minimum lease payments | 2021 | 2020 |
| | £ | £ |
| 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) |
| | <u>£ 111,196</u> | <u>£ 48,600</u> |
| <i>Net cash provided by operating activities</i> | | |

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 01/04/2020 £ | Cash-flows £ | At 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 Funds £ | Restricted Funds £ | Endowment Funds £ | 31 March 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 |