

CHARITY REGISTRATION NUMBER: 1025440

Mes Bach - Little Acorns Child Care
Unaudited Financial Statements
31 March 2021

FRANCIS GRAY CHARTERED ACCOUNTANTS

Chartered accountants
Ty Madog
32 Queens Road
Aberystwyth
Ceredigion
SY23 2HN

Mes Bach - Little Acorns Child Care

Financial Statements

Year ended 31 March 2021

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Mes Bach - Little Acorns Child Care

Partners' Annual Report

Year ended 31 March 2021

The partners present their report and the unaudited financial statements of the charity for the year ended 31 March 2021.

Reference and administrative details

Registered charity name	Mes Bach - Little Acorns Child Care
Charity registration number	1025440
Principal office	Brongwinau Comins Coch Ceredigion SY23 3BQ

The partners

Anna Mostyn	(Resigned 11 January 2022)
Mark Longman - Treasurer	
Leon Gobourn	(Resigned 11 January 2022)
Aloysius Igboekwu - Chair.	(Appointed 11 January 2022)
Sharon Elizabeth Hughes	(Appointed 11 January 2022)
Debbie Nash	(Appointed 11 January 2022)
Frances Jardine	(Appointed 11 January 2022)
Pauline Hughes	(Appointed 11 January 2022)

Independent examiner	Robert J Gray on behalf of Francis Gray Ty Madog 32 Queens Road Aberystwyth Ceredigion SY23 2HN
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Structure, governance and management

The Constitution was adopted on 9 June 1993 and subsequently amended on 11 May 2011 and 12 June 2015

Mes Bach - Little Acorns Child Care

Partners' Annual Report *(continued)*

Year ended 31 March 2021

Objectives and activities

To enhance the development and education of children and provide a safe environment for children:

A) Encouraging parents to understand and provide for the needs of their children B) Providing safe and satisfying group play in which parents have the right to take part C) Encouraging other charitable activities through which parents may help their children D) Furthering the aims of the Wales pre-school playgroups association and care standards and social services Inspectorate Wales E) Providing nursery care for children aged 2 to 4 years and providing after-school and holiday club childcare for school-aged children

Achievements and performance

The financial year to 31 March 2021 was extremely challenging for the organisation, set against the backdrop of Covid -19, but we are hopeful that as we move forward into 2022, we will be able to continue to return to some normality. The staff have adapted well and implemented the COVID guidance that has been ever-changing. There has been a major change to the setting in that Rhian Pugh who has been a big part of Mes Bach for 6 years has left to move onto pastures new. She was manager of Mes Bach for 3 of the 6 years having started as a play worker within the setting. Sarah Jenkins has taken on the role of acting manager during the day and she oversees the running of the nursery and Sue takes on this role during the after school club hours pending the recruitment of a permanent manager. There have also been various staff illnesses which has led to staff having to cover others' roles with bank staff having to be called upon to provide support. The committee has benefited from the support of Early Years Wales in this transition period. At the date of signing these financial statements the trustees comprise:

- Aloysius Igboekwu, Chair. (appointed 11 January 2022)
- Sharon Elizabeth Hughes (appointed 11 January 2022)
- Debbie Nash (appointed 11 January 2022)
- Frances Jardine (appointed 11 January 2022)
- Pauline Hughes (appointed 11 January 2022)
- Mark Longman, Treasurer (appointed 6 August 2012)

In terms of finances, the charity has been able to maintain a stable financial position and hopefully we can build upon this over the coming years. Holiday club and Afterschool Club in particular have been quieter than in previous years but hopefully we will see this increase in the coming years.

Financial review

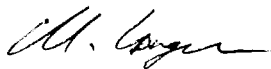
The net reserves of the Charity fell by £5,562 during the year under review (2020 - increased by £5,193). The trading pattern of the Charity was fundamentally different to pre-pandemic years. Historically, income has been derived from Nursery, After-school Club and Holiday Club sources. In the year under review the income received from fee-paying parents was significantly reduced, while local authority income was steady; however, the shortfall of funding was met by £27,252 received from the HMRC Job Retention Scheme, the Sustainability Grant and Covid Equipment Grants. The prognosis for the future is felt to be positive.

Mes Bach - Little Acorns Child Care

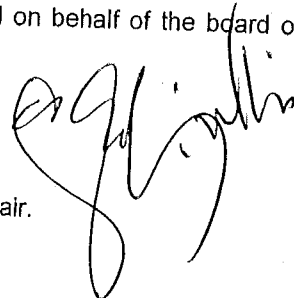
Partners' Annual Report *(continued)*

Year ended 31 March 2021

The partners' annual report was approved on 17 March 2022 and signed on behalf of the board of trustees by:



Mark Longman - Treasurer
Partner



Aloysius Igboekwu - Chair.
Partner

Mes Bach - Little Acorns Child Care

Independent Examiner's Report to the Partners of Mes Bach - Little Acorns Child Care

Year ended 31 March 2021

I report to the partners on my examination of the financial statements of Mes Bach - Little Acorns Child Care ('the charity') for the year ended 31 March 2021.

Responsibilities and basis of report

As the partners of the charity you are responsible for the preparation of the financial statements in accordance with the requirements of the Charities Act 2011 ('the Act').

I report in respect of my examination of the charity's financial statements carried out under section 145 of the 2011 Act and in carrying out my examination I have followed all the applicable Directions given by the Charity Commission under section 145(5)(b) of the Act.

Independent examiner's statement

I have completed my examination. I confirm that no material matters have come to my attention in connection with the examination giving me cause to believe that in any material respect:

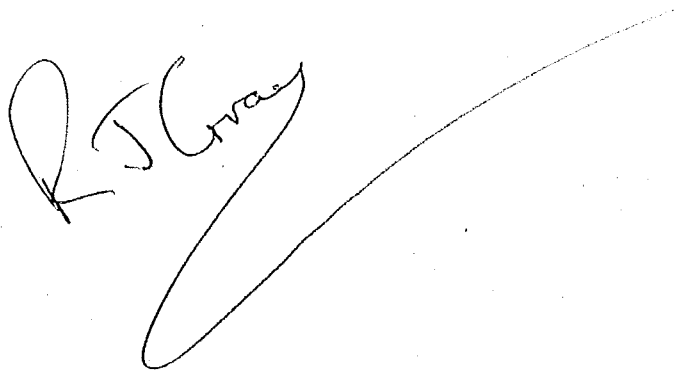
1. accounting records were not kept in respect of the charity as required by section 130 of the Act; or
2. the financial statements do not accord with those records; or
3. the financial statements do not comply with the applicable requirements concerning the form and content of accounts set out in the Charities (Accounts and Reports) Regulations 2008 other than any requirement that the accounts give a 'true and fair' view which is not a matter considered as part of an independent examination.

I have no concerns and have come across no other matters in connection with the examination to which attention should be drawn in this report in order to enable a proper understanding of the accounts to be reached.

Robert J Gray on behalf of Francis Gray
Independent Examiner

Ty Madog
32 Queens Road
Aberystwyth
Ceredigion
SY23 2HN

17 March 2022



Mes Bach - Little Acorns Child Care

Statement of Financial Activities

Year ended 31 March 2021

		2021		2020
		Unrestricted	Total funds	Total funds
	Note	funds	£	£
Income and endowments				
Donations and legacies	4	53,709	53,709	45,333
Other trading activities	5	17	17	208
Investment income	6	32	32	–
Other income	7	55,015	55,015	88,390
Total income		<u>108,773</u>	<u>108,773</u>	<u>133,931</u>
Expenditure				
Expenditure on charitable activities	8,9	114,335	114,335	128,738
Total expenditure		<u>114,335</u>	<u>114,335</u>	<u>128,738</u>
Net (expenditure)/income and net movement in funds		<u>(5,562)</u>	<u>(5,562)</u>	<u>5,193</u>
Reconciliation of funds				
Total funds brought forward		47,950	47,950	42,757
Total funds carried forward		<u>42,388</u>	<u>42,388</u>	<u>47,950</u>

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

The notes on pages 7 to 14 form part of these financial statements.


Mes Bach - Little Acorns Child Care

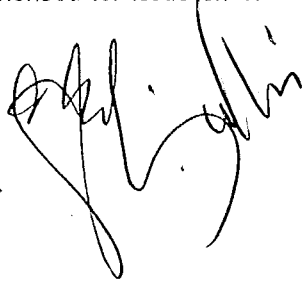
Statement of Financial Position

31 March 2021

	Note	2021 £	2020 £
Fixed assets			
Tangible fixed assets	15	2,345	—
Current assets			
Cash at bank and in hand		40,463	47,950
Creditors: amounts falling due within one year	16	420	—
Net current assets		40,043	47,950
Total assets less current liabilities		42,388	47,950
Net assets		42,388	47,950
Funds of the charity			
Unrestricted funds		42,388	47,950
Total charity funds	18	42,388	47,950

These financial statements were approved by the board of trustees and authorised for issue on 17 March 2022, and are signed on behalf of the board by:


Mark Longman - Treasurer
Partner


Aloysius Igboekwu - Chair.
Partner

The notes on pages 7 to 14 form part of these financial statements.

Mes Bach - Little Acorns Child Care

Notes to the Financial Statements

Year ended 31 March 2021

1. General information

The charity is a public benefit entity and a registered charity in England and Wales and is unincorporated. The address of the principal office is Brongwinau, Comins Coch, Aberystwyth, SY23 3BQ.

2. Statement of compliance

These financial statements have been prepared in compliance with FRS 102, 'The Financial Reporting Standard applicable in the UK and the Republic of Ireland', the 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) (Charities SORP (FRS 102)) and the Charities Act 2011.

3. Accounting policies

Basis of preparation

The financial statements have been prepared on the historical cost basis, as modified by the revaluation of certain financial assets and liabilities and investment properties measured at fair value through income or expenditure.

The financial statements are prepared in sterling, which is the functional currency of the entity.

Going concern

There are no material uncertainties about the charity's ability to continue.

Judgements and key sources of estimation uncertainty

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported. These estimates and judgements are continually reviewed and are based on experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Fund accounting

Unrestricted funds are available for use at the discretion of the trustees to further any of the charity's purposes.

Designated funds are unrestricted funds earmarked by the partners for particular future project or commitment.

Restricted funds are subjected to restrictions on their expenditure declared by the donor or through the terms of an appeal, and fall into one of two sub-classes: restricted income funds or endowment funds.

Mes Bach - Little Acorns Child Care

Notes to the Financial Statements *(continued)*

Year ended 31 March 2021

3. Accounting policies *(continued)*

Incoming resources

All incoming resources are included in the statement of financial activities when entitlement has passed to the charity; it is probable that the economic benefits associated with the transaction will flow to the charity and the amount can be reliably measured. The following specific policies are applied to particular categories of income:

- income from donations or grants is recognised when there is evidence of entitlement to the gift, receipt is probable and its amount can be measured reliably.
- legacy income is recognised when receipt is probable and entitlement is established.
- income from donated goods is measured at the fair value of the goods unless this is impractical to measure reliably, in which case the value is derived from the cost to the donor or the estimated resale value. Donated facilities and services are recognised in the accounts when received if the value can be reliably measured. No amounts are included for the contribution of general volunteers.
- income from contracts for the supply of services is recognised with the delivery of the contracted service. This is classified as unrestricted funds unless there is a contractual requirement for it to be spent on a particular purpose and returned if unspent, in which case it may be regarded as restricted.

Resources expended

Expenditure is recognised on an accruals basis as a liability is incurred. Expenditure includes any VAT which cannot be fully recovered, and is classified under headings of the statement of financial activities to which it relates:

- expenditure on raising funds includes the costs of all fundraising activities, events, non-charitable trading activities, and the sale of donated goods.
- expenditure on charitable activities includes all costs incurred by a charity in undertaking activities that further its charitable aims for the benefit of its beneficiaries, including those support costs and costs relating to the governance of the charity apportioned to charitable activities.
- other expenditure includes all expenditure that is neither related to raising funds for the charity nor part of its expenditure on charitable activities.

All costs are allocated to expenditure categories reflecting the use of the resource. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs are apportioned between the activities they contribute to on a reasonable, justifiable and consistent basis.

Tangible assets

Tangible assets are initially recorded at cost, and subsequently stated at cost less any accumulated depreciation and impairment losses. Any tangible assets carried at revalued amounts are recorded at the fair value at the date of revaluation less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

Mes Bach - Little Acorns Child Care

Notes to the Financial Statements *(continued)*

Year ended 31 March 2021

3. Accounting policies *(continued)*

Tangible assets *(continued)*

An increase in the carrying amount of an asset as a result of a revaluation, is recognised in other recognised gains and losses, unless it reverses a charge for impairment that has previously been recognised as expenditure within the statement of financial activities. A decrease in the carrying amount of an asset as a result of revaluation, is recognised in other recognised gains and losses, except to which it offsets any previous revaluation gain, in which case the loss is shown within other recognised gains and losses on the statement of financial activities.

Depreciation

Depreciation is calculated so as to write off the cost or valuation of an asset, less its residual value, over the useful economic life of that asset as follows:

Equipment	- 25% reducing balance
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Impairment of fixed assets

A review for indicators of impairment is carried out at each reporting date, with the recoverable amount being estimated where such indicators exist. Where the carrying value exceeds the recoverable amount, the asset is impaired accordingly. Prior impairments are also reviewed for possible reversal at each reporting date.

For the purposes of impairment testing, when it is not possible to estimate the recoverable amount of an individual asset, an estimate is made of the recoverable amount of the cash-generating unit to which the asset belongs. The cash-generating unit is the smallest identifiable group of assets that includes the asset and generates cash inflows that largely independent of the cash inflows from other assets or groups of assets.

For impairment testing of goodwill, the goodwill acquired in a business combination is, from the acquisition date, allocated to each of the cash-generating units that are expected to benefit from the synergies of the combination, irrespective of whether other assets or liabilities of the charity are assigned to those units.

Financial instruments

A financial asset or a financial liability is recognised only when the charity becomes a party to the contractual provisions of the instrument.

Basic financial instruments are initially recognised at the amount receivable or payable including any related transaction costs.

Current assets and current liabilities are subsequently measured at the cash or other consideration expected to be paid or received and not discounted.

Debt instruments are subsequently measured at amortised cost.

Where investments in shares are publicly traded or their fair value can otherwise be measured reliably, the investment is subsequently measured at fair value with changes in fair value recognised in income and expenditure. All other such investments are subsequently measured at cost less impairment.

Mes Bach - Little Acorns Child Care

Notes to the Financial Statements *(continued)*

Year ended 31 March 2021

3. Accounting policies *(continued)*

Financial instruments *(continued)*

Other financial instruments, including derivatives, are initially recognised at fair value, unless payment for an asset is deferred beyond normal business terms or financed at a rate of interest that is not a market rate, in which case the asset is measured at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

Other financial instruments are subsequently measured at fair value, with any changes recognised in the statement of financial activities, with the exception of hedging instruments in a designated hedging relationship.

Financial assets that are measured at cost or amortised cost are reviewed for objective evidence of impairment at the end of each reporting date. If there is objective evidence of impairment, an impairment loss is recognised under the appropriate heading in the statement of financial activities in which the initial gain was recognised.

For all equity instruments regardless of significance, and other financial assets that are individually significant, these are assessed individually for impairment. Other financial assets are either assessed individually or grouped on the basis of similar credit risk characteristics.

Any reversals of impairment are recognised immediately, to the extent that the reversal does not result in a carrying amount of the financial asset that exceeds what the carrying amount would have been had the impairment not previously been recognised.

Defined contribution plans

Contributions to defined contribution plans are recognised as an expense in the period in which the related service is provided. Prepaid contributions are recognised as an asset to the extent that the prepayment will lead to a reduction in future payments or a cash refund.

When contributions are not expected to be settled wholly within 12 months of the end of the reporting date in which the employees render the related service, the liability is measured on a discounted present value basis. The unwinding of the discount is recognised as an expense in the period in which it arises.

4. Donations and legacies

	Unrestricted Funds £	Total Funds 2021 £	Unrestricted Funds £	Total Funds 2020 £
Donations				
Donations	658	658	930	930

Mes Bach - Little Acorns Child Care

Notes to the Financial Statements *(continued)*

Year ended 31 March 2021

4. Donations and legacies *(continued)*

	Unrestricted Funds £	Total Funds 2021 £	Unrestricted Funds £	Total Funds 2020 £
Grants				
Ceredigion County Council - Flying Start	13,445	13,445	3,769	3,769
Ceredigion County Council - 30 hour funding	22,047	22,047	21,255	21,255
Ceredigion County Council - 3 year funding	4,200	4,200	14,000	14,000
Ceredigion County Council - Sustainability Grant	9,819	9,819	2,139	2,139
Ceredigion County Council - Covid Equipment Grant	3,540	3,540	—	—
Employment allowance	—	—	3,000	3,000
Staff training	—	—	240	240
	<u>53,709</u>	<u>53,709</u>	<u>45,333</u>	<u>45,333</u>

5. Other trading activities

	Unrestricted Funds £	Total Funds 2021 £	Unrestricted Funds £	Total Funds 2020 £
Fundraising events	<u>17</u>	<u>17</u>	<u>208</u>	<u>208</u>

6. Investment income

	Unrestricted Funds £	Total Funds 2021 £	Unrestricted Funds £	Total Funds 2020 £
Bank interest receivable	<u>32</u>	<u>32</u>	<u>—</u>	<u>—</u>

7. Other income

	Unrestricted Funds £	Total Funds 2021 £	Unrestricted Funds £	Total Funds 2020 £
HMRC Job Retention Scheme	27,252	27,252	—	—
ASC	10,612	10,612	88,390	88,390
Holiday Club	12,098	12,098	—	—
Nursery	5,053	5,053	—	—
	<u>55,015</u>	<u>55,015</u>	<u>88,390</u>	<u>88,390</u>

Mes Bach - Little Acorns Child Care

Notes to the Financial Statements *(continued)*

Year ended 31 March 2021

8. Expenditure on charitable activities by fund type

	Unrestricted Funds £	Total Funds 2021 £	Unrestricted Funds £	Total Funds 2020 £
Activity type 1	102,441	102,441	116,468	116,468
Support costs	11,894	11,894	12,270	12,270
	<u>114,335</u>	<u>114,335</u>	<u>128,738</u>	<u>128,738</u>

9. Expenditure on charitable activities by activity type

	Activities undertaken directly £	Support costs £	Total funds 2021 £	Total fund 2020 £
Activity type 1	102,441	10,485	112,926	128,738
Governance costs	—	1,409	1,409	—
	<u>102,441</u>	<u>11,894</u>	<u>114,335</u>	<u>128,738</u>

10. Analysis of support costs

	Analysis of support costs activity 1 £	Total 2021 £	Total 2020 £
Premises	6,248	6,248	4,010
Communications and IT	603	603	685
General office	3,635	3,635	7,574
	<u>10,486</u>	<u>10,486</u>	<u>12,269</u>

11. Net (expenditure)/income

Net (expenditure)/income is stated after charging/(crediting):

	2021 £	2020 £
Depreciation of tangible fixed assets	<u>782</u>	<u>—</u>

12. Independent examination fees

	2021 £	2020 £
Fees payable to the independent examiner for: Independent examination of the financial statements	<u>420</u>	<u>—</u>

Mes Bach - Little Acorns Child Care

Notes to the Financial Statements *(continued)*

Year ended 31 March 2021

13. Staff costs

The total staff costs and employee benefits for the reporting period are analysed as follows:

	2021	2020
	£	£
Wages and salaries	89,830	94,781
Social security costs	7,120	11,892
Employer contributions to pension plans	5,491	6,054
	<u>102,441</u>	<u>112,727</u>

The average head count of employees during the year was 10 (2020: 10).

No employee received employee benefits of more than £60,000 during the year (2020: Nil).

14. Trustee remuneration and expenses

No remuneration or other benefits from employment with the charity or a related entity were received by the trustees

15. Tangible fixed assets

	Equipment £
Cost	
At 1 April 2020	—
Additions	3,127
At 31 March 2021	<u>3,127</u>
Depreciation	
At 1 April 2020	—
Charge for the year	782
At 31 March 2021	<u>782</u>
Carrying amount	
At 31 March 2021	2,345
At 31 March 2020	—

16. Creditors: amounts falling due within one year

	2021	2020
	£	£
Accruals and deferred income	420	—

17. Pensions and other post retirement benefits

Defined contribution plans

The amount recognised in income or expenditure as an expense in relation to defined contribution plans was £5,491 (2020: £6,054).

Mes Bach - Little Acorns Child Care

Notes to the Financial Statements *(continued)*

Year ended 31 March 2021

18. Analysis of charitable funds

Unrestricted funds

	At 1 April 2020 £	Income £	Expenditure £	At 31 March 2021 £
General funds	<u>47,950</u>	<u>108,773</u>	<u>(114,335)</u>	<u>42,388</u>

	At 1 April 2019 £	Income £	Expenditure £	At 31 March 2020 £
General funds	<u>42,757</u>	<u>133,931</u>	<u>(128,738)</u>	<u>47,950</u>

19. Analysis of net assets between funds

	Unrestricted Funds £	Total Funds 2021 £
Tangible fixed assets	2,345	2,345
Current assets	40,463	40,463
Creditors less than 1 year	<u>(420)</u>	<u>(420)</u>
Net assets	<u>42,388</u>	<u>42,388</u>

	Unrestricted Funds £	Total Funds 2020 £
Tangible fixed assets	—	—
Current assets	47,950	47,950
Creditors less than 1 year	<u>—</u>	<u>—</u>
Net assets	<u>47,950</u>	<u>47,950</u>