

**Mes Bach - Little Acorns Child Care**  
**Unaudited Financial Statements**  
**31 March 2022**

**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 2022**

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# Mes Bach - Little Acorns Child Care

## Trustees' Annual Report

Year ended 31 March 2022

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The trustees present their report and the unaudited financial statements of the charity for the year ended 31 March 2022.

### Reference and administrative details

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

### The trustees

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)

<b>Independent examiner</b>	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

## Trustees' Annual Report *(continued)*

Year ended 31 March 2022

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### 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

# Mes Bach - Little Acorns Child Care

## Trustees' Annual Report *(continued)*

Year ended 31 March 2022

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### Achievements and performance

The challenges of the COVID-19 pandemic continued to the financial year ended 31 March 2022. The year was challenging in several ways, not just for Mes Bach but for individuals and organisations. The pandemic brought with it a significant level of disruptions to our way of life. Although we have seen a lot of improvements since the pandemic subsided, some of its impacts continue to linger.

At the outset of the pandemic and subsequent lockdowns, more parents worked from home and did not send their children to the nursery or after-school club. This led to a fall in the number of children using our service. Furthermore, we were forced to shut the service a number of times in the year due to staff, children or their families testing positive for the COVID-19 virus. This meant that our members could not use our service on those days.

We saw the numbers improve towards the end of 2021/22, but we are still running below capacity in the nursery and after-school club. We had staff recruitment campaigns to fill in posts vacated by staff who have now moved on. Through these recruitment drives, we now have new staff members filling vacant roles as after-school and holiday clubs, room leaders, and play or childcare assistants. The committee and staff received advice and support from Early Years Wales during this period under review. At the date of signing these financial statements the trustees comprise:

- Aloysius Igboekwu, Chair (appointed 11 January 2022)
- Frances Jardine (appointed 11 January 2022)
- Mark Longman, Treasurer (appointed 6 August 2012)
- Debbie Nash (resigned 21 August 2022)
- Pauline Hughes (resigned 9 October 2022)
- Sharon Elizabeth Hughes (resigned 9 October 2022).

In terms of finances, the charity has had a difficult year but is optimistic that it can recover a stable financial position, post pandemic, and hopefully we can build upon this over the coming years.

# Mes Bach - Little Acorns Child Care

## Trustees' Annual Report *(continued)*

Year ended 31 March 2022

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### Financial review

The net reserves of the Charity fell by £30,362 during the year under review (2021 - fell by £5,562). As itemised in note 4 to the financial statements, income from the Charity's main external funder, Ceredigion County Council was significantly reduced compared to the previous year i.e: donations and legacies for 2022 £36,934 compared to £53,709 for 2021. The prognosis for the future is still felt to be positive.

The trustees' annual report was approved on 27 January 2023 and signed on behalf of the board of trustees by:

Mark Longman - Treasurer  
Trustee

Aloysius Igboekwu - Chair.  
Trustee

# Mes Bach - Little Acorns Child Care

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

**Year ended 31 March 2022**

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I report to the trustees on my examination of the financial statements of Mes Bach - Little Acorns Child Care ('the charity') for the year ended 31 March 2022.

### **Responsibilities and basis of report**

As the trustees 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

27 January 2023

# Mes Bach - Little Acorns Child Care

## Statement of Financial Activities

Year ended 31 March 2022

		2022		2021
		Unrestricted funds	Total funds	Total funds
	Note	£	£	£
<b>Income and endowments</b>				
Donations and legacies	4	36,934	36,934	53,709
Other trading activities	5	8	8	17
Investment income	6	15	15	32
Other income	7	54,761	54,761	55,015
<b>Total income</b>		<u>91,718</u>	<u>91,718</u>	<u>108,773</u>
<b>Expenditure</b>				
Expenditure on charitable activities	8,9	112,082	112,082	114,335
<b>Total expenditure</b>		<u>112,082</u>	<u>112,082</u>	<u>114,335</u>
<b>Net expenditure and net movement in funds</b>		<u>(20,364)</u>	<u>(20,364)</u>	<u>(5,562)</u>
<b>Reconciliation of funds</b>				
Total funds brought forward		42,388	42,388	47,950
<b>Total funds carried forward</b>		<u>22,024</u>	<u>22,024</u>	<u>42,388</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 8 to 16 form part of these financial statements.



# Mes Bach - Little Acorns Child Care

## Statement of Financial Position

31 March 2022

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	Note	2022 £	2021 £
<b>Fixed assets</b>			
Tangible fixed assets	15	1,759	2,345
<b>Current assets</b>			
Debtors	16	179	—
Cash at bank and in hand		31,025	40,463
		31,204	40,463
<b>Creditors: amounts falling due within one year</b>	17	10,939	420
<b>Net current assets</b>		20,265	40,043
<b>Total assets less current liabilities</b>		22,024	42,388
<b>Net assets</b>		22,024	42,388
<b>Funds of the charity</b>			
Unrestricted funds		22,024	42,388
<b>Total charity funds</b>	20	22,024	42,388

These financial statements were approved by the board of trustees and authorised for issue on 27 January 2023, and are signed on behalf of the board by:

Mark Longman - Treasurer  
Trustee

Aloysius Igboekwu - Chair.  
Trustee

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The notes on pages 8 to 16 form part of these financial statements.

# Mes Bach - Little Acorns Child Care

## Notes to the Financial Statements

Year ended 31 March 2022

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### 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 trustees 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 2022

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### 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 2022

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### 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

#### 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 2022

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### 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 2022 £	Unrestricted Funds £	Total Funds 2021 £
<b>Donations</b>				
Donations	17	17	658	658

# Mes Bach - Little Acorns Child Care

## Notes to the Financial Statements *(continued)*

Year ended 31 March 2022

### 4. Donations and legacies *(continued)*

	Unrestricted Funds £	Total Funds 2022 £	Unrestricted Funds £	Total Funds 2021 £
<b>Grants</b>				
Ceredigion County Council - Flying Start	2,771	2,771	13,445	13,445
Ceredigion County Council - 30 hour funding	33,146	33,146	22,047	22,047
Ceredigion County Council - 3 year funding	—	—	4,200	4,200
Ceredigion County Council - Sustainability Grant	—	—	9,819	9,819
Ceredigion County Council - Covid Equipment Grant	—	—	3,540	3,540
Ceredigion County Council - Small Capital Grant	1,000	1,000	—	—
	<u>36,934</u>	<u>36,934</u>	<u>53,709</u>	<u>53,709</u>

### 5. Other trading activities

	Unrestricted Funds £	Total Funds 2022 £	Unrestricted Funds £	Total Funds 2021 £
Fundraising events	<u>8</u>	<u>8</u>	<u>17</u>	<u>17</u>

### 6. Investment income

	Unrestricted Funds £	Total Funds 2022 £	Unrestricted Funds £	Total Funds 2021 £
Bank interest receivable	<u>15</u>	<u>15</u>	<u>32</u>	<u>32</u>

### 7. Other income

	Unrestricted Funds £	Total Funds 2022 £	Unrestricted Funds £	Total Funds 2021 £
HMRC Job Retention Scheme	845	845	27,252	27,252
ASC	16,647	16,647	10,612	10,612
Holiday Club	13,260	13,260	12,098	12,098
Nursery	21,231	21,231	5,053	5,053
Helping Hands	2,778	2,778	—	—
	<u>54,761</u>	<u>54,761</u>	<u>55,015</u>	<u>55,015</u>

# Mes Bach - Little Acorns Child Care

## Notes to the Financial Statements *(continued)*

Year ended 31 March 2022

### 8. Expenditure on charitable activities by fund type

	Unrestricted Funds £	Total Funds 2022 £	Unrestricted Funds £	Total Funds 2021 £
Activity type 1	96,291	96,291	102,441	102,441
Support costs	15,791	15,791	11,894	11,894
	<u>112,082</u>	<u>112,082</u>	<u>114,335</u>	<u>114,335</u>

### 9. Expenditure on charitable activities by activity type

	Activities undertaken directly £	Support costs £	Total funds 2022 £	Total fund 2021 £
Activity type 1	96,291	14,581	110,872	112,926
Governance costs	—	1,210	1,210	1,409
	<u>96,291</u>	<u>15,791</u>	<u>112,082</u>	<u>114,335</u>

### 10. Analysis of support costs

	Analysis of support costs activity 1 £	Total 2022 £	Total 2021 £
Premises	10,696	10,696	6,248
Communications and IT	682	682	603
General office	3,203	3,203	3,635
	<u>14,581</u>	<u>14,581</u>	<u>10,486</u>

### 11. Net expenditure

Net expenditure is stated after charging/(crediting):

	2022 £	2021 £
Depreciation of tangible fixed assets	<u>586</u>	<u>782</u>

### 12. Independent examination fees

	2022 £	2021 £
Fees payable to the independent examiner for: Independent examination of the financial statements	<u>420</u>	<u>420</u>

# Mes Bach - Little Acorns Child Care

## Notes to the Financial Statements *(continued)*

Year ended 31 March 2022

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### 13. Staff costs

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

	2022	2021
	£	£
Wages and salaries	85,583	89,830
Social security costs	6,812	7,120
Employer contributions to pension plans	3,260	5,491
	<u>95,655</u>	<u>102,441</u>

The average head count of employees during the year was 12 (2021: 10).

No employee received employee benefits of more than £60,000 during the year (2021: 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 £
<b>Cost</b>	
At 1 April 2021 and 31 March 2022	<u>3,127</u>
<b>Depreciation</b>	
At 1 April 2021	782
Charge for the year	586
<b>At 31 March 2022</b>	<u>1,368</u>
<b>Carrying amount</b>	
At 31 March 2022	<u>1,759</u>
At 31 March 2021	<u>2,345</u>

### 16. Debtors

	2022	2021
	£	£
Prepayments and accrued income	<u>179</u>	<u>—</u>

### 17. Creditors: amounts falling due within one year

	2022	2021
	£	£
Bank loans and overdrafts	34	—
Accruals and deferred income	9,144	420
Social security and other taxes	1,501	—
Other creditors	260	—
	<u>10,939</u>	<u>420</u>



# Mes Bach - Little Acorns Child Care

## Notes to the Financial Statements *(continued)*

### Year ended 31 March 2022

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#### 18. Deferred income

	2022	2021
	£	£
Amount deferred in year	<u>8,304</u>	<u>—</u>

Deferred income relates to the amount of a Capital Grant of £9,304 received from Ceredigion County Council in the year but not fully expended in that year. The deferred amount has subsequently been expended and the deferred income will be released to the Statement of Financial Activities in the financial statements for the year to March 2023.

#### 19. 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 £3,260 (2021: £5,491).

#### 20. Analysis of charitable funds

##### Unrestricted funds

	At 1 April 2021 £	Income £	Expenditure £	At 31 March 2022 £
General funds	<u>42,388</u>	<u>91,718</u>	<u>(112,082)</u>	<u>22,024</u>

  

	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>

# Mes Bach - Little Acorns Child Care

## Notes to the Financial Statements *(continued)*

Year ended 31 March 2022

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### 21. Analysis of net assets between funds

	Unrestricted Funds £	Total Funds 2022 £
Tangible fixed assets	1,759	1,759
Current assets	31,204	31,204
Creditors less than 1 year	(10,939)	(10,939)
<b>Net assets</b>	<u>22,024</u>	<u>22,024</u>

  

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