

Early Years @ Lightcliffe

Charity number 1037861

Annual Report and Financial Statements for the year ended 31 August 2020



early years
@ Lightcliffe

Early Years @ Lightcliffe

Annual Report and Financial Statements for the year ended 31 August 2020

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Prepared by West Yorkshire Community Accounting Service

Early Years @ Lightcliffe

Trustees' report for the year ended 31 August 2020

Reference and administrative details of the charity, its trustees and advisors

The trustees during the financial year and up to and including the date the report was approved were:

Name	Position	Dates
Gemma Turner	Chair	Resigned August 2020
Katy Taylor	Chair	Appointed August 2020
Kim Lambert	Treasurer to August 2020	
Sarah Hey	Treasurer	Appointed August 2020
Kirsty Marsden		Resigned August 2020
Carly Durrans		
Laura Midgley		
Emma Szyczak		Appointed August 2020
Kimberley Szyczak		Appointed August 2020

Charity number

The charity was registered with the Charity Commission for England and Wales, number 1037861, on 23 May 1994.

Principal address

Christ Church Centre Lightcliffe
Leeds Road
Lightcliffe
Halifax
HX3 8NU

Bankers

Unity Trust Bank
Nine Brindley Place
Birmingham
B1 2HB

Independent examiner

Helen Galvin FCCA

West Yorkshire Community Accounting Service

Stringer House
34 Lupton Street
Leeds
LS10 2QW

Structure, governance and management

The charity is governed by a constitution adopted on 27 October 1993, amended on 2 April 2007 and 18 January 2012.

Method of recruitment and appointment of trustees

The trustees of the charity are appointed by the members at the AGM.

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Trustees' report (continued) for the year ended 31 August 2020

Objectives and activities

The charity's objects

To enhance the development and education of children primarily under statutory age by encouraging parents to understand and provide for the needs of their children through community groups and by:

- (a) offering appropriate play, education and care facilities, family learning and extended hours groups, together with the right of parents to take responsibility for and to become involved in the activities of such groups, ensuring that such groups offer opportunities for all children whatever their race, culture, religion, means or ability;
- (b) encouraging the study of the needs of such children and their families and promoting public interest in and recognition of such needs in the local areas;
- (c) instigating and adhering to and furthering the aims and objects of the Pre-school Learning Alliance.

The charity's main activities

To provide for children aged 2 to 5 Pre-school education and an after school club.

Public benefit statement

In setting our objectives and planning our activities our Trustees have given serious consideration to the Charity Commission's general guidance on public benefit and in particular raising the standard of education for local children.

Achievements and performance

We continued to remain open through the lockdown period, provided childcare for keyworkers. We have also managed to keep all our current staff through such uncertain times.

We bought the building in which we have rented for over 20 years. This allowed us to improve our after school environment this year and provided them with their own room, we also now an office, staff area and an area where we can confidential speak with parents.

Financial review

The net payments for the year were £103,142, including net payments of £102,989 on unrestricted funds and net payments of £153 on restricted funds.

Reserves policy

The charity's free reserves at the year end were £22,333.

The committee of Early Years@Lightcliffe have considered the financial risks for the future operation of the group and agreed that a reserves policy should be set in place.

The committee consider that reserves should be maintained in order that the group should be able to operate for 6 months following a serious failure of funding or other event endangering the ability of the group to survive.

Reserves will be maintained to pay for salary costs, mortgage payments, other running costs and statutory redundancy payments. Based on these calculations we will need £97,000 in reserves.

Our reserves are currently much lower than our policy due to the purchase of the building. We plan to build our reserves back up by reducing expenditure where possible, increase fundraising activity and rental income.

This policy will be reviewed on an annual basis.

Early Years @ Lightcliffe

Trustees' report (continued) for the year ended 31 August 2020

Coronavirus impact statement

There has been a massive operational impact to us as an organisation due to Covid-19, particularly over the period March to June 2020 during Lockdown one. During this period, we remained open to vulnerable children and those of key workers however our attendance numbers, and hence our income, were severely reduced. For all eligible Pre-school children on our register, we continued to receive our 15/30 hours government funding, regardless of whether these children were actually attending during this period. Throughout this semi-closure period many of our loyal families continued to make voluntary payment donations to help protect the longevity of the organisation.

For the period June to August 2020 we were allowed to re-open to all Pre-school children. This resulted in a much greater uptake of places and increased collection of private fees. Also, throughout this period we continued to receive our 15/30 hours government funding for all eligible Pre-school children on register. Throughout the school summer holidays our successful holiday club was open to all children and proved to be very popular, from which the fees collected helped to off-set the lost revenue from the previous term.

To mitigate our loss of fees revenue we negotiated with our landlord to waiver our rent for April 2020, a 50% reduction on rent for May 2020 and a 25% reduction on rent for June 2020. We placed as many staff members as possible on furlough leave and operated on skeleton staff on a rota basis. We also reduced any expenditure where possible, limiting to only essentials.

The trustees have reassessed the charity's ability to continue for at least 12 months from the date that the accounts are approved and conclude that no material uncertainties exist that cast significant doubt on the charity's ability to meet its liabilities as they fall due.

Signed on behalf of the board of trustees:

Signed: S Hey

Date: 16 March 2021

Name: Sarah Hey (Trustee)

Early Years @ Lightcliffe

Independent examiner's report to the trustees of Early Years @ Lightcliffe

I report to the charity trustees on my examination of the accounts of the Trust for the year ended 31 August 2020, which are set out on pages 6 to 9.

Responsibilities and basis of report

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

I report in respect of my examination of the Trust's accounts as carried out under section 145 of the 2011 Act. 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 accounts do not accord with those records.

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.

Signed:  Name: Helen Galvin

Relevant professional qualification or body: FCCA

Date: 6 May 2021

West Yorkshire Community Accounting Service

Stringer House
34 Lupton Street
Leeds
LS10 2QW

Early Years @ Lightcliffe
Receipts and payments account
for the year ended 31 August 2020

	Notes	2020 Unrestricted funds £	2020 Restricted funds £	2020 Total funds £	2019 Total funds £
Receipts					
Grants	(2)	5,000	85,451	90,451	95,668
Fees		68,316	-	68,316	62,448
Fundraising		3,536	-	3,536	955
Rental income		588	-	588	-
Bank interest		144	-	144	138
Total receipts		77,584	85,451	163,035	159,209
Payments					
Salaries and NI	(3)	32,318	68,255	100,573	100,994
Casual staff		33	50	83	1,336
Payroll fees		524	786	1,310	1,230
Purchase of building		120,000	-	120,000	-
Rent		5,053	7,580	12,633	16,875
Educational materials, activities and trips		721	1,565	2,286	5,909
Food		1,069	1,603	2,672	3,707
Stationery and administration fees		484	726	1,210	940
Telephone		345	518	863	828
Accountancy and independent examination		244	367	611	575
Training		172	258	430	1,257
Uniforms		38	56	94	201
Advertising		-	-	-	224
Repairs and maintenance		349	523	872	6,888
Fundraising expenses		54	81	135	-
Bank charges		92	139	231	170
Grant repayment		112	169	281	-
Donations		-	-	-	22
Staff and committee gifts		-	-	-	550
Cleaning		134	201	335	-
Equipment		272	407	679	-
Membership and subscriptions		297	445	742	683
Legal and professional fees		17,013	-	17,013	-
DBS checks		60	89	149	60
Insurance		696	1,045	1,741	-
Mortgage interest repayments		415	623	1,038	-
Utilities		78	118	196	-
Total payments		180,573	85,604	266,177	142,449
Net (payments) / receipts		(102,989)	(153)	(103,142)	16,760
Fund balances brought forward		125,322	13,063	138,385	121,625
Fund balances carried forward	(4)	22,333	12,910	35,243	138,385

Early Years @ Lightcliffe

Statement of assets and liabilities as at 31 August 2020

	2020	2020	2020	2019
	Unrestricted	Restricted	Total	Total
	£	£	£	£
Cash funds				
Cash at bank	22,321	12,910	35,231	138,144
Cash in hand	12	-	12	241
Total cash funds	<u>22,333</u>	<u>12,910</u>	<u>35,243</u>	<u>138,385</u>

Other monetary assets

	£
Fees outstanding at the year end	2,646
Prepaid property insurance to 30 June 2021	<u>1,355</u>
	<u>4,001</u>

Assets retained for the charity's own use

Christ Church Centre Building (Purchased June 2020 £400,000)

Computer and printer

Desk and office chairs

2 Filing cabinets

Laminator

3 Display boards

Various storage containers

Television

Various toys and other play equipment

Liabilities

	£
CMBC - Autumn term funding received in advance	12,604
NEST pension	287
HMRC	609
August salaries paid in September	2,483
Independent examination	<u>672</u>
	<u>16,654</u>

Long-term Liabilities

Unity Trust Bank 20 year loan for building purchase (Effective from June 2020)	<u>280,000</u>
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Approval of the accounts

The financial statements were approved by the board of trustees on

Date: 16 March 2021

Signed: Sarah Hey (Trustee)

Name: S Hey

Early Years @ Lightcliffe

Notes to the accounts

for the year ended 31 August 2020

1 Accounting policies

Basis of accounting

The trustees have taken advantage of section 133 of the Charities Act 2011 and have prepared the accounts on a receipts and payments basis.

There has been no change to the accounting policies since last year.

No changes have been made to the accounts for previous years.

Taxation

As a charity the organisation benefits from rates relief and is generally exempt from income tax and capital gains tax but not from VAT. Irrecoverable VAT is included in the cost of those items to which it relates.

Fund accounting

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

Restricted funds are subjected to restrictions on their expenditure imposed by the donor or through the terms of an appeal.

Further explanation of the nature and purpose of each fund is included in the notes to the accounts.

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Notes to the accounts continued

for the year ended 31 August 2020

2 Grants	2020 Unrestricted funds £	2020 Restricted funds £	2020 Total funds £	2019 Total funds £
CMBC - Family Services	-	75,714	75,714	95,668
HMRC - Coronavirus Job Retention Scheme	-	9,237	9,237	-
Tesco Bags of Help COVID-19 Communities Fund	-	500	500	-
CMBC - Small Business Grant Fund	5,000	-	5,000	-
	<u>5,000</u>	<u>85,451</u>	<u>90,451</u>	<u>95,668</u>

3 Staff costs and numbers	2020 £	2019 £
Gross salaries	98,367	98,149
Social security costs	3,706	4,831
Employment allowance	(2,941)	(3,132)
Pensions	<u>1,441</u>	<u>1,146</u>
	<u>100,573</u>	<u>100,994</u>

The average number employees during the year was 10 (2019: 8.8). There were no employees with emoluments above £60,000.

Defined contribution pension scheme	2020 £	2019 £
Costs of the scheme to the charity for the year	1,441	1,146
Amount of any contributions outstanding at the year end	287	358
Amount of any contributions prepaid at the year end	-	-

4 Restricted funds	Balance b/f £	Incoming £	Outgoing £	Balance c/f £
CMBC - Early Education Funding	13,063	74,904	75,364	12,603
CMBC - DCATCH	-	810	810	-
HMRC - Coronavirus Job Retention Scheme	-	9,237	9,237	-
Tesco Bags of Help COVID-19 Communities Fund	-	500	193	307
	<u>13,063</u>	<u>85,451</u>	<u>85,604</u>	<u>12,910</u>

Fund name	Purpose of restriction
CMBC - Early Education Funding	For the supply of free early years provision for 2 to 4 year olds
CMBC - DCATCH	To enhance staff ratios during sessions attended by a child with disabilities or additional needs
HMRC - Coronavirus Job Retention Scheme	For staff who have been furloughed due to Covid-19
Tesco Bags of Help COVID-19 Communities Fund	To purchase a Writers Retreat Shed and educational resources

5 Trustee expenses
No trustee received any expenses during this year or the previous year.

6 Trustee remuneration and benefits
No trustee received any remuneration or benefit during this or the previous year.