

Early Years @ Lightcliffe

Charity number 1037861

Annual Report and Financial Statements for the year ended 31 August 2022



West Yorkshire Community Accounting Service

Early Years @ Lightcliffe

Annual Report and Financial Statements for the year ended 31 August 2022

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Prepared by West Yorkshire Community Accountancy Service CIO

Early Years @ Lightcliffe

Trustees' report for the year ended 31 August 2022

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
Katy Taylor	Chair	
Emma Szyczak	Secretary	
Sarah Hey	Treasurer	
Kimberley Lambert		resigned Dec 2021
Carly Durrans		
Kimberley Szyczak		
Charity number	1037861	Registered in England and Wales

Registered and principal address	Bankers
Christ Church Centre Lightcliffe	Unity Trust Bank
Leeds Road	Nine Brindley Place
Lightcliffe	Birmingham
Halifax	B1 2HB
HX3 8NU	

Independent examiner

Katy Sargeant ACA

West Yorkshire Community Accountancy Service CIO

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.

Early Years @ Lightcliffe

Trustees' report (continued) for the year ended 31 August 2022

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 have continued to expand and improve the provision, taking on more families and updating the preschool rooms with new flooring, new resources and redecoration.

Financial review

The net income for the year was £32,862, all relating to unrestricted funds.

Reserves policy

The charity's free reserves, excluding fixed assets, at the year end were £65,784.

The financial security of Early Years@Lightcliffe is important, therefore money will be kept in reserve for unforeseen circumstances. We aim to maintain a level of reserves to assist us if income falls below expected levels or to assist our recovery should we encounter a business disaster.

We need reserves in order to:

- Meet redundancy liabilities should the pre-school have to close.
- Ensure there are sufficient cash reserves in the current account to cover day to day running costs for a period of one month, with an aim to increase this to three months.
- Ensure continuity of service provision by:
 - Meeting unexpected costs such as cover for illness or maternity leave, etc.
 - Covering running costs during periods of lower income (e.g. while adjusting to policy changes or following falls in fundraising).

Early Years @ Lightcliffe

Trustees' report (continued) for the year ended 31 August 2022

Reserves policy continued

- Replace equipment as it wears out and carry out necessary building upgrades/maintenance.

Based on the above we have calculated that our reserves should be between £39,700 and £77,300.
This policy will be reviewed on an annual basis.

Approved by the board of trustees on 11/5/23

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 charity for the year ended 31 August 2022, which are set out on pages 6 to 14.

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 charity'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

Since the charity's gross income exceeded £250,000 your examiner must be a fellow of a body listed in section 145 of the 2011 Act.

I confirm that I am qualified to undertake the examination because I am a member of ICAEW which is one of the listed bodies.

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 Charities Act;
- 2 the accounts do not accord with those records; or
- 3 the accounts 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.

Katy Sargeant ACA

11/5/23

West Yorkshire Community Accountancy Service CIO

Stringer House
34 Lupton Street
Leeds
LS10 2QW

Early Years @ Lightcliffe
Statement of Financial Activities
(including summary income and expenditure account)
for the year ended 31 August 2022

	Notes	2022 Unrestricted funds £	2022 Restricted funds £	2022 Total funds £	restated 2021 Total funds £
Income from:					
Grants	(2)	-	107,129	107,129	97,533
Fees		141,782	-	141,782	99,107
Fundraising		4,526	-	4,526	1,925
Room Hire		8,731	-	8,731	5,277
Bank interest		59	-	59	-
Other income		347	-	347	395
Total income		155,445	107,129	262,574	204,237
Expenditure on:					
Salaries and NI	(3)	78,473	81,727	160,200	115,658
Casual staff		1,075	953	2,028	855
Payroll fees		-	-	-	930
Educational materials, activities and trips		4,156	3,539	7,695	2,977
Food		5,661	-	5,661	3,777
Stationery and administration fees		241	253	494	1,884
Telephone		485	430	915	911
Independent Examination		572	508	1,080	718
Training		413	367	780	441
Uniforms		589	523	1,112	31
Advertising and recruitment costs		1,676	1,486	3,162	310
Repairs and maintenance		2,050	1,817	3,867	12,448
Fundraising expenses		1,576	-	1,576	202
Bank charges		211	187	398	262
Computer consumables		86	184	270	331
Toddler expenses		-	-	-	153
Cleaning		3,786	3,358	7,144	1,044
Equipment		76	68	144	887
Membership and subscriptions		1,573	1,394	2,967	319
Insurance		1,411	1,251	2,662	2,497
Mortgage interest repayments		6,595	5,849	12,444	12,376
Utilities		3,649	3,235	6,884	7,935
Depreciation		7,294	-	7,294	6,000
Staff gifts		935	-	935	-
Total expenditure		122,583	107,129	229,712	172,946
Net income / (expenditure)		32,862	-	32,862	31,291
Fund balances brought forward	(11)	167,880	-	167,880	136,589
Fund balances carried forward	(4)	200,742	-	200,742	167,880

All incoming resources and resources expended derive from continuing activities.

Early Years @ Lightcliffe
Balance sheet
as at 31 August 2022

		2022 Unrestricted £	2022 Restricted £	2022 Total £	restated 2021 Total £
Fixed assets					
Tangible assets	(5)	385,882	-	385,882	388,000
Total fixed assets		<u>385,882</u>	<u>-</u>	<u>385,882</u>	<u>388,000</u>
Current assets					
Debtors and prepayments	(6)	6,392	1,283	7,675	5,023
Cash at bank and in hand	(7)	76,347	24,105	100,452	70,183
Total current assets		<u>82,739</u>	<u>25,388</u>	<u>108,127</u>	<u>75,206</u>
Current liabilities:					
amounts falling due within one year					
Creditors and accruals	(8)	16,955	25,388	42,343	35,651
Total current liabilities		<u>16,955</u>	<u>25,388</u>	<u>42,343</u>	<u>35,651</u>
Net current assets / (liabilities)		<u>65,784</u>	<u>-</u>	<u>65,784</u>	<u>39,555</u>
Total assets less current liabilities		<u>451,666</u>	<u>-</u>	<u>451,666</u>	<u>427,555</u>
Creditors: amounts falling due after one year	(9)	250,924	-	250,924	260,525
Net assets		<u>200,742</u>	<u>-</u>	<u>200,742</u>	<u>167,030</u>
Funds					
Unrestricted funds		200,742	-	200,742	167,880
Restricted funds		-	-	-	-
Total funds		<u>200,742</u>	<u>-</u>	<u>200,742</u>	<u>167,880</u>

The financial statements were approved by the board of trustees on 11/5/23

Sarah Hey (Trustee)

Early Years @ Lightcliffe

Notes to the accounts

for the year ended 31 August 2022

1 Accounting policies

Basis of accounting

These accounts have been prepared under the historical cost convention with items recognised at cost or transaction value unless otherwise stated in the relevant note(s) to these accounts. The financial statements have been prepared in accordance with the Statement of Recommended Practice: Accounting and Reporting by 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) and with the Charities Act 2011.

The charity constitutes a public benefit entity as defined by FRS 102.

The basis of accounting has been changed from receipts and payments basis to accruals basis. This has meant that a number of adjustments have been made to the comparative figures to include fixed assets, debtors and creditors and long term liabilities. An analysis of the amendments has been provided in the notes.

Going concern

The trustees are satisfied that there are no material uncertainties about the charity's ability to continue.

Incoming resources

All incoming resources are included in the Statement of Financial Activities (SOFA) when the charity becomes entitled to the resources, it is more likely than not that the trustees will receive the resources and the monetary value can be measured with sufficient reliability.

Grants and donations

Grants and donations are only included in the SOFA when the charity has unconditional entitlement to the resources.

Where grants are related to performance and specific deliverables, they are accounted for as the charity earns the right to consideration by its performance.

Donated goods for resale are valued at the amount actually realised upon their sale.

Donated assets, facilities or services are valued at their estimated value to the charity. This is the price that the charity estimates it would pay in the open market for equivalent items; or services and facilities of equivalent utility to the charity.

Expenditure and liabilities

Expenditure is recognised on an accrual basis as a liability is incurred. Liabilities are recognised where it is more likely than not that there is a legal or constructive obligation committing the charity to pay out the resources and the amount of the obligation can be measured with reasonable certainty.

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.

Early Years @ Lightcliffe

Notes to the accounts

for the year ended 31 August 2022

1 Accounting policies continued

Tangible fixed assets

Tangible fixed assets costing more than £1,000 are capitalised and included at cost including any incidental expenses of acquisition. Gifted assets are shown at the value to the charity on receipt. Depreciation is provided on all tangible fixed assets at rates calculated to write off the cost on a straight line basis over their expected useful economic lives as follows:

Freehold land: nil

Freehold buildings: over 50 years

Furniture and Fittings: over 4 years

Pensions

The charity operates a defined contribution scheme for the benefit of its employees. The costs of contributions are recognised in the year they are payable.

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.

Leases

Rents under operating leases are charged on a straight line basis over the lease term or to an earlier date if the lease can be determined without financial penalty.

Early Years @ Lightcliffe

Notes to the accounts continued

for the year ended 31 August 2022

2 Grants	2022	2022	2022	restated
	Unrestricted funds	Restricted funds	Total funds	2021 Total funds
	£	£	£	£
Calderdale Met. Borough Council (CMBC)	-	106,879	106,879	89,008
HMRC - Coronavirus Job Retention Scheme	-	-	-	3,525
CMBC - Small Business Grant Fund	-	-	-	5,000
Brodstock Community Support Fund	-	250	250	-
	<u>-</u>	<u>107,129</u>	<u>107,129</u>	<u>97,533</u>

3 Staff costs and numbers	2022	restated
	£	2021 £
Gross salaries	156,233	113,488
Social security costs	7,328	5,016
Employment allowance	(5,516)	(4,553)
Pensions	2,155	1,707
	<u>160,200</u>	<u>115,658</u>

The average number of employees during the year was 10, being an average of 7.2 full time equivalent (2021: 9.9, 6.8 FTE). There were no employees with emoluments above £60,000.

Defined contribution pension scheme	2022	2021
	£	£
Costs of the scheme to the charity for the year	2,155	1,707
Amount of any contributions outstanding at the year end	331	329

4 Restricted funds	restated				
	Balance b/f	Incoming	Outgoing	Transfers	Balance c/f
	£	£	£	£	£
CMBC - Early Education Funding	-	100,741	100,741	-	-
CMBC - Inclusion Funding	-	6,138	6,138	-	-
Brodstock Comm. Support Fund	-	250	250	-	-
	<u>-</u>	<u>107,129</u>	<u>107,129</u>	<u>-</u>	<u>-</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 - Inclusion Funding	To support early years providers in meeting the needs of individual children with Special Educational Needs
Brodstock Comm. Support Fund	For purchase of new sporting/musical resources

Early Years @ Lightcliffe
Notes to the accounts continued
for the year ended 31 August 2022

5 Tangible assets	Fixtures and Fittings	Freehold Buildings	Freehold Land	Total
Cost	£	£	£	£
At 1 September 2021	-	300,000	100,000	400,000
Additions	5,176	-	-	5,176
At 31 August 2022	5,176	300,000	100,000	405,176
Depreciation				
At 1 September 2021	-	12,000	-	12,000
Charge for year	1,294	6,000	-	7,294
At 31 August 2022	1,294	18,000	-	19,294
Net book value				
At 31 August 2022	3,882	282,000	100,000	385,882
At 31 August 2021	-	288,000	100,000	388,000

6 Debtors and prepayments	2022	2021
	£	£
Debtors	4,945	3,546
Prepayments	2,730	1,477
	7,675	5,023

7 Cash at bank and in hand	2022	2021
	£	£
Cash at bank	100,440	70,171
Cash in hand	12	12
	100,452	70,183

8 Creditors and accruals	2022	2021
	£	£
Bank loans and overdrafts	15,451	15,055
Amounts received on account for contracts / performance related grants	24,880	17,953
Accruals	1,080	720
Taxation and social security	581	1,594
Other creditors	351	329
	42,343	35,651

9 Creditors and accruals	2022	2021
	£	£
Bank loans and overdrafts	250,924	260,525
	250,924	260,525

Early Years @ Lightcliffe

Notes to the accounts continued

for the year ended 31 August 2022

10 Related party transactions

Trustee expenses

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

Trustee remuneration and benefits

Name of trustee or related party	Legal authority	2022 £	2021 £
Carly Durrans	Governing document	1,838	1,026
		<u>1,838</u>	<u>1,026</u>

Reason for remuneration

Carly is a parent member trustee and is paid for bookkeeping work.

No trustee received any other remuneration or benefit during this or the previous year.

Remuneration and benefits received by key management personnel

The total employee benefits received by key management personnel were £38,811 (previous year: £29,758).

11 Restatement of prior year figures due to change in accounting basis

As a result of the change in the basis of accounting from receipts and payments to accruals, there have been a number of adjustments made to the comparative figures, analysed below.

Effect of change on Statement of Financial Activities

	2021 Unrestricted funds £	2021 Restricted funds £	2021 Total funds £
Grants			
Original figure in statutory accounts, year ended 31 Aug 2021	5,000	97,884	102,884
Add deferred income (Aug 2020 year end)	-	12,604	12,604
Deduct deferred income (Aug 2021 year end)	-	(17,955)	(17,955)
Restated total	<u>5,000</u>	<u>92,533</u>	<u>97,533</u>

Fees

	£	£	£
Original figure in statutory accounts, year ended 31 Aug 2021	98,207	-	98,207
Deduct fees owed (Aug 2020 year end)	(2,646)	-	(2,646)
Add fees owed (Aug 2021 year end)	3,546	-	3,546
Restated total	<u>99,107</u>	<u>-</u>	<u>99,107</u>

Total expenditure

	£	£	£
Original figure in statutory accounts, year ended 31 Aug 2021	80,904	93,290	174,194
Deduct creditors (Aug 2020 year end)	(2,744)	(1,307)	(4,051)
Add creditors (Aug 2021 year end)	1,057	1,585	2,642
Add debtors (Aug 2020 year end)	542	813	1,355
Deduct debtors (Aug 2021 year end)	(931)	(1,397)	(2,328)
Deduct mortgage capital expenditure	(4,866)	-	(4,866)
Add depreciation expense	6,000	-	6,000
Restated total	<u>79,962</u>	<u>92,984</u>	<u>172,946</u>

Early Years @ Lightcliffe
Notes to the accounts continued
for the year ended 31 August 2022

11 Restatement of prior year figures due to change in accounting basis continued

Effect of change on fund balances as reported at 31 Aug 2021

	2021 Unrestricted funds £	2021 Restricted funds £	2021 Total funds £
Original fund balances brought forward as at 31 Aug 2021	22,333	12,910	35,243
Add net book value of fixed assets as at 31 Aug 2020	394,000	-	394,000
Deduct mortgage as at 31 Aug 2020	(280,000)	-	(280,000)
Add prepayments	1,939	(584)	1,355
Add fees owed	2,646	-	2,646
Deduct grant funding in advance	-	(12,604)	(12,604)
Deduct accruals	(4,329)	278	(4,051)
Restated fund balances brought forward as at 31 August 2021	<u>136,589</u>	<u>-</u>	<u>136,589</u>

Early Years @ Lightcliffe

Statement of Financial Activities including comparatives for all funds (including summary income and expenditure account) for the year ended 31 August 2022

	2022	restated 2021	2022	restated 2021	2022	restated 2021
	Unrestricted funds	Unrestricted funds	Restricted funds	Restricted funds	Total funds	Total funds
	£	£	£	£	£	£
Income						
Grants	-	5,000	107,129	92,533	107,129	97,533
Fees	141,782	99,107	-	-	141,782	99,107
Fundraising	4,526	1,474	-	451	4,526	1,925
Room Hire	8,731	5,277	-	-	8,731	5,277
Bank interest	59	-	-	-	59	-
Other income	347	395	-	-	347	395
Total income	155,445	111,253	107,129	92,984	262,574	204,237
Expenditure						
Salaries and NI	78,473	39,216	81,727	76,442	160,200	115,658
Casual staff	1,075	342	953	513	2,028	855
Payroll fees	-	372	-	558	-	930
Materials, activities and trips	4,156	700	3,539	2,277	7,695	2,977
Food	5,661	1,511	-	2,266	5,661	3,777
Stationery and administration fees	241	754	253	1,130	494	1,884
Telephone	485	364	430	547	915	911
Independent Examination	572	287	508	431	1,080	718
Training	413	176	367	265	780	441
Uniforms	589	12	523	19	1,112	31
Advertising and recruitment costs	1,676	124	1,486	186	3,162	310
Repairs and maintenance	2,050	11,997	1,817	451	3,867	12,448
Fundraising expenses	1,576	202	-	-	1,576	202
Bank charges	211	262	187	-	398	262
Computer consumables	86	132	184	199	270	331
Toddler expenses	-	61	-	92	-	153
Cleaning	3,786	418	3,358	626	7,144	1,044
Equipment	76	355	68	532	144	887
Membership and subscriptions	1,573	128	1,394	191	2,967	319
Insurance	1,411	999	1,251	1,498	2,662	2,497
Mortgage interest repayments	6,595	12,376	5,849	-	12,444	12,376
Utilities	3,649	3,174	3,235	4,761	6,884	7,935
Depreciation	7,294	6,000	-	-	7,294	6,000
Staff gifts	935	-	-	-	935	-
Total expenditure	122,583	79,962	107,129	92,984	229,712	172,946
Net income / (expenditure)	32,862	31,291	-	-	32,862	31,291
Fund balances brought forward	167,880	136,589	-	-	167,880	136,589
Fund balances carried forward	200,742	167,880	-	-	200,742	167,880