

Early Years @ Lightcliffe

Charity number 1037861

Annual Report and Financial Statements for the year ended 31 August 2023



Early Years @ Lightcliffe

Annual Report and Financial Statements for the year ended 31 August 2023

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Prepared by West Yorkshire Community Accountancy Service CIO

Early Years @ Lightcliffe

Trustees' report for the year ended 31 August 2023

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	
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 2023

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 more areas of the building.

Financial review

The net income for the year was £73,166, all on unrestricted funds.

Reserves policy

The charity's free reserves, excluding fixed assets, at the year end were £124,330.

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).
- 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 £49,900 and £101,600. The trustees recognised the reserves at year end were slightly in excess of the stated policy but are comfortable with this additional buffer to cover any unexpected costs in the current uncertain economic climate.

This policy is reviewed on an annual basis.

Approved by the board of trustees on 26/02/2024

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 2023, which are set out on pages 5 to 11.

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 fellow 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

02/04/2024

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 2023

	Notes	2023 Unrestricted funds £	2023 Restricted funds £	2023 Total funds £	2022 Total funds £
Income from:					
Grants	(2)	-	146,251	146,251	107,129
Fees		192,215	-	192,215	141,782
Fundraising		3,115	-	3,115	4,526
Room Hire		9,160	-	9,160	8,731
Bank interest		626	-	626	59
Other income		60	-	60	347
Total income		205,176	146,251	351,427	262,574
Expenditure on:					
Salaries NI and pensions	(3)	107,062	93,254	200,316	160,200
Casual staff		-	-	-	2,028
Educational materials, activities and trips		310	2,064	2,374	7,695
Food		7,114	-	7,114	5,661
Stationery and administration fees		-	917	917	494
Telephone		165	871	1,036	915
Independent Examination		-	1,134	1,134	1,080
Training		-	1,212	1,212	780
Uniforms		-	1,921	1,921	1,112
Advertising and recruitment costs		-	270	270	3,162
Repairs and maintenance		-	9,877	9,877	3,867
Fundraising expenses		796	-	796	1,576
Bank charges		-	374	374	398
Computer consumables		-	270	270	270
Toddler expenses		-	69	69	-
Cleaning		-	4,037	4,037	7,144
Equipment		-	318	318	144
Membership and subscriptions		-	2,937	2,937	2,967
Insurance		-	2,928	2,928	2,662
Mortgage interest repayments		12,022	8,355	20,377	12,444
Utilities		-	10,182	10,182	6,884
Depreciation		3,995	5,261	9,256	7,294
Staff gifts		546	-	546	935
Total expenditure		132,010	146,251	278,261	229,712
Net income / (expenditure)		73,166	-	73,166	32,862
Fund balances brought forward		200,742	-	200,742	167,880
Fund balances carried forward	(4)	273,908	-	273,908	200,742

All incoming resources and resources expended derive from continuing activities.

Early Years @ Lightcliffe
Balance sheet
as at 31 August 2023

		2023 Unrestricted £	2023 Restricted £	2023 Total £	2022 Total £
Fixed assets					
Tangible assets	(5)	396,244	-	396,244	385,882
Total fixed assets		<u>396,244</u>	<u>-</u>	<u>396,244</u>	<u>385,882</u>
Current assets					
Debtors and prepayments	(6)	9,645	-	9,645	7,675
Cash at bank and in hand	(7)	133,124	-	133,124	100,452
Total current assets		<u>142,769</u>	<u>-</u>	<u>142,769</u>	<u>108,127</u>
Current liabilities:					
amounts falling due within one year					
Creditors and accruals	(8)	18,439	-	18,439	42,343
Total current liabilities		<u>18,439</u>	<u>-</u>	<u>18,439</u>	<u>42,343</u>
Net current assets / (liabilities)		<u>124,330</u>	<u>-</u>	<u>124,330</u>	<u>65,784</u>
Total assets less current liabilities		<u>520,574</u>	<u>-</u>	<u>520,574</u>	<u>451,666</u>
Creditors: amounts falling due after one year	(9)	246,666	-	246,666	250,924
Net assets		<u>273,908</u>	<u>-</u>	<u>273,908</u>	<u>200,742</u>
Funds					
Unrestricted funds		273,908	-	273,908	200,742
Restricted funds		-	-	-	-
Total funds		<u>273,908</u>	<u>-</u>	<u>273,908</u>	<u>200,742</u>

The financial statements were approved by the board of trustees on 26/02/2024

Sarah Hey (Trustee)

Early Years @ Lightcliffe

Notes to the accounts

for the year ended 31 August 2023

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.

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

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

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, if 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.

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.

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.

Early Years @ Lightcliffe

Notes to the accounts continued

for the year ended 31 August 2023

2 Grants and donations	2023 Unrestricted funds £	2023 Restricted funds £	2023 Total funds £	2022 Total funds £
Calderdale Met. Borough Council (CMBC)	-	146,251	146,251	106,879
Other donations	-	-	-	250
	<u>-</u>	<u>146,251</u>	<u>146,251</u>	<u>107,129</u>

3 Staff costs and numbers	2023 £	2022 £
Gross salaries	192,454	156,233
Social security costs	10,899	7,328
Employment allowance	(6,246)	(5,516)
Pensions	3,209	2,155
	<u>200,316</u>	<u>160,200</u>

The average number of employees during the year was 13.2, being an average of 9.3 full time equivalent (2022: 11, 7.2 FTE). There were no employees with emoluments above £60,000.

Defined contribution pension scheme	2023 £	2022 £
Costs of the scheme to the charity for the year	3,209	2,155
Amount of any contributions outstanding at the year end	-	331

4 Restricted funds	Balance b/f £	Incoming £	Outgoing £	Transfers £	Balance c/f £
CMBC - Early Education Funding	-	135,127	135,127	-	-
CMBC - Inclusion Funding	-	11,124	11,124	-	-
	<u>-</u>	<u>146,251</u>	<u>146,251</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.

Early Years @ Lightcliffe
Notes to the accounts continued
for the year ended 31 August 2023

5 Tangible assets	Building Improve	Fixtures and Fittings	Freehold Buildings	Freehold Land	Total
Cost	£	£	£	£	£
At 1 September 2022	-	5,176	300,000	100,000	405,176
Additions	19,618	-	-	-	19,618
At 31 August 2023	19,618	5,176	300,000	100,000	424,794
Depreciation					
At 1 September 2022	-	1,294	18,000	-	19,294
Charge for year	1,962	1,294	6,000	-	9,256
At 31 August 2023	1,962	2,588	24,000	-	28,550
Net book value					
At 31 August 2023	17,656	2,588	276,000	100,000	396,244
At 31 August 2022	-	3,882	282,000	100,000	385,882
6 Debtors and prepayments				2023 £	2022 £
Debtors				6,596	4,945
Prepayments				3,049	2,730
				9,645	7,675
7 Cash at bank and in hand				2023 £	2022 £
Cash at bank				133,112	100,440
Cash in hand				12	12
				133,124	100,452
8 Creditors and accruals				2023 £	2022 £
Bank loans and overdrafts				16,193	15,451
Amounts received on account for contracts / performance related grants				-	24,880
Accruals				1,134	1,080
Taxation and social security				1,112	581
Other creditors				-	351
				18,439	42,343

Early Years @ Lightcliffe

Notes to the accounts continued

for the year ended 31 August 2023

9 Creditors: amounts falling due after one year

	2023	2022
	£	£
Bank loans	246,666	250,924
	<u>246,666</u>	<u>250,924</u>

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	2023	2022
		£	£
Carly Durrans	Governing document	2,144	1,838
		<u>2,144</u>	<u>1,838</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 £42,850 (previous year: £38,811).

Other transactions with trustees or related parties

			2023	2022
			£	£
Name of trustee or related party	Relationship to charity	Description of transaction		
Managed Water Services	Husband of a trustee	Legionella risk assessment	280	-
			<u>280</u>	<u>-</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 2023

	2023 Unrestricted funds £	2022 Unrestricted funds £	2023 Restricted funds £	2022 Restricted funds £	2023 Total funds £	2022 Total funds £
Income						
Grants	-	-	146,251	107,129	146,251	107,129
Fees	192,215	141,782	-	-	192,215	141,782
Fundraising	3,115	4,526	-	-	3,115	4,526
Room Hire	9,160	8,731	-	-	9,160	8,731
Bank interest	626	59	-	-	626	59
Other income	60	347	-	-	60	347
Total income	205,176	155,445	146,251	107,129	351,427	262,574
Expenditure						
Salaries NI and pensions	107,062	78,473	93,254	81,727	200,316	160,200
Casual staff	-	1,075	-	953	-	2,028
Educational materials, activities and trips	310	4,156	2,064	3,539	2,374	7,695
Food	7,114	5,661	-	-	7,114	5,661
Stationery and administration fees	-	241	917	253	917	494
Telephone	165	485	871	430	1,036	915
Independent Examination	-	572	1,134	508	1,134	1,080
Training	-	413	1,212	367	1,212	780
Uniforms	-	589	1,921	523	1,921	1,112
Advertising and recruitment costs	-	1,676	270	1,486	270	3,162
Repairs and maintenance	-	2,050	9,877	1,817	9,877	3,867
Fundraising expenses	796	1,576	-	-	796	1,576
Bank charges	-	211	374	187	374	398
Computer consumables	-	86	270	184	270	270
Toddler expenses	-	-	69	-	69	-
Cleaning	-	3,786	4,037	3,358	4,037	7,144
Equipment	-	76	318	68	318	144
Membership and subscriptions	-	1,573	2,937	1,394	2,937	2,967
Insurance	-	1,411	2,928	1,251	2,928	2,662
Mortgage interest repayments	12,022	6,595	8,355	5,849	20,377	12,444
Utilities	-	3,649	10,182	3,235	10,182	6,884
Depreciation	3,995	7,294	5,261	-	9,256	7,294
Staff gifts	546	935	-	-	546	935
Total expenditure	132,010	122,583	146,251	107,129	278,261	229,712
Net income / (expenditure)	73,166	32,862	-	-	73,166	32,862
Fund balances brought forward	200,742	167,880	-	-	200,742	167,880
Fund balances carried forward	273,908	200,742	-	-	273,908	200,742