

**FAITH TOGETHER IN LEEDS 11**  
**Financial Statements**  
**Year Ended 31 March 2021**

Charity registration number: 1081006  
Company registration number: 3890863

# **Faith Together in Leeds 11**

## **Financial Statements**

**Year Ended 31 March 2021**

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## **Faith Together in Leeds 11**

### **Charity Reference and Administrative Details**

**Year Ended 31 March 2021**

<b>Charity registration number</b>	1081006
<b>Company registration number</b>	3890863
<b>Trustees</b>	Dr A.E. Garthwaite – Chair Mr J. Morton – Deputy Chair Ms H. King – Treasurer Mr E. Carlisle Revd. R W Shaw
<b>Registered office</b>	The Building Blocks Centre Maud Avenue Leeds LS11 7DD
<b>Secretary</b>	Mr P N Clark
<b>Independent Examiner</b>	David Pollitt FCCA Burrow & Crowe Accountants & Business Advisers Ltd Top Floor West Wharfebank House Wharfebank Mills Ilkley Road Otley LS21 3JP

# **FAITH TOGETHER IN LEEDS 11 COMPANY LIMITED BY GUARANTEE**

## **TRUSTEES ANNUAL REPORT**

**YEAR ENDED 31 MARCH 2021**

The Trustees present their report and the unaudited financial statements of the charity for the year ended 31 March 2021. The trustees have adopted the provisions of the Statement of Recommended Practice (SORP) "Accounting and Reporting by Charities" (FRS 102) in preparing the annual report and financial statements of the charity.

The financial statements have been prepared in accordance with the accounting policies set out in notes to the accounts and comply with the charity's governing document, the Charities Act 2011 and Accounting and Reporting by Charities.

### **Trustees of the charity**

The directors of the charitable company are its trustees for the purposes of charity law. The trustees who have served during the year and since the year end were as follows:

Dr A.E. Garthwaite – Chair  
Mr J. Morton – Deputy Chair  
Ms H. King – Treasurer  
Mr E. Carlisle  
Revd. R W Shaw

### **Objectives and activities**

The principal activity of the company is the promotion for the public benefit of urban or rural regeneration in areas of social and economic deprivation, (and, in particular, the Leeds 11 postcode district), by various means, including the relief of poverty and unemployment, and the provision of a community or public facility for training and recreational needs, especially through the provision of pre-school childcare and support for parents.

### **Public benefit statement**

We have referred to the guidance contained in the Charity Commission's general guidance on public benefit when reviewing our aims and objectives and in planning our future activities. In particular, the trustees consider how planned activities will contribute to the aims and objectives they have set.

### **Achievements and performance**

The charity values its staff. To that end we pay all staff at least the Living Wage, as calculated by the Living Wage Foundation. We are now accredited as a Living Wage Employer

Our nursery continues to operate at almost full capacity. We provide Free Early Education Entitlement (FEEE) childcare to eligible 2 year olds and to 3 and 4 year olds. We are always over-subscribed for children who are eligible for the 2 year old FEEE childcare and by the end of the school year (the summer term) our 3 and 4 year old places are full too.

Due to the pandemic, we have been unable to run our free Stay and Play sessions. We hope to get them back up and running in the near future.

We are also looking for partners in the area with whom we may work in the future to provide services to benefit local families with young children. We envisage that we would provide the space where established organisations would provide services to local families that would be free or at very reasonable cost.

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**TRUSTEES ANNUAL REPORT**

**YEAR ENDED 31 MARCH 2021**

As referred to in the Plans for Future periods section below, Faith Together are looking to buy the building in which we operate. We now expect to be able to purchase the building in early to mid-2021.

**Children cared for under Free Early Education Entitlement (FEEE).**

For the past few terms we have cared for the following numbers of children under the FEEE scheme.

Term	3 & 4 year old children	2 year old children
Spring 2019	51 (8)	48
Summer 2019	63 (11)	47
Autumn 2019	28 (4)	59
Spring 2020	40 (8)	53
Summer 2020	57 (10)	53
Autumn 2020	50 (6)	47
Spring 2021	56 (10)	45
Summer 2021	63 (14)	45

The numbers in brackets in the 3 & 4 year old column for the autumn term 2017 and later terms show the number of children, included in the larger number, who are receiving the 30 hours free nursery care.

As of **September 2021** we are caring for 100 children (108 children in September 2020), including those attending under the FEEE scheme.

We would like to thank fellow trustees and staff for their continued support and commitment during the last year.

  
Alison Garthwaite (Chair)

# **FAITH TOGETHER IN LEEDS 11 COMPANY LIMITED BY GUARANTEE**

## **TRUSTEES ANNUAL REPORT**

**YEAR ENDED 31 MARCH 2021**

### **Risk Management**

The charity feels that it is in the best interest of the funders, and the charity, to operate in a low risk environment. With this in mind, it operates a system of internal control, which is designed to safeguard the assets. This provides reasonable assurance that:

- i) The charity is operating efficiently and effectively.
- ii) Its assets are safeguarded against unauthorised use or disposition.
- iii) Proper records are maintained and financial information used within the charity or publication is accurate.
- iv) The charity abides by relevant laws and regulations. The systems of internal control are designed to provide a reasonable, but not absolute, assurance of misstatement or loss.

They include:

- i) A strategic plan and an annual budget approved by the trustees.
- ii) Regular consideration by the trustees of financial results, variance from budgets, financial performance indicators and benchmarking reviews.
- iii) Delegation of authority and segregation of duties.
- iv) Indication of management risks.

### **Financial review (including reserves policy)**

As in previous years, we continue to see steady progress in income from our activities as we are now firmly established and well used by the community. Following successful Ofsted inspections, and the additional children registering for both two and three year old Free Nursery Education, we have operated at a larger surplus than in previous years, enabling us to increase our Unrestricted Free Reserves.

Our Unrestricted Free Reserves, after taking account of fixed assets, stand at £519,930 (2020: £472,188). This represents 19.5 months operating expenditure (2020: 16.7 months). This exceeds the bounds of our reserves policy (three to six months operating expenditure). However, we have been building up our reserves to enable us to buy the Building Blocks Resource Centre building, where we operate. In May 2021 we transferred the agreed purchase price of £250,000 to our solicitors, to pass on to the Anglican and Methodist Churches (the constituent parts of the Joint Church Council) when the purchase is finalised.

Apart from our nursery fees, the principal funding sources for this financial year were Leeds City Council's Free Early Education Entitlement (FEEE) funding for three and four year old children and for eligible children over 2 years, and the Leeds & Ripon Diocese.

It is our policy to hold in reserve three to six months' operating income to safeguard the charity against any unexpected loss of income, for example because of temporary closure. We also have insurance to protect the charity against loss of income from certain risks.

Once the building has been purchased there are a couple of projects being considered to re-purpose some areas of the building and garden which will require funding from the remaining excess reserves. We still have some legal costs to cover.

The trustees have given consideration to the major risks to which the charity is exposed and have satisfied themselves that systems or procedures have been established in order to manage these risks. Because of the nature of our business, the trustees take organisational and financial risk assessment very seriously and our risk assessment policy is also reviewed regularly by Ofsted and by Leeds City Council.

# **FAITH TOGETHER IN LEEDS 11 COMPANY LIMITED BY GUARANTEE**

## **TRUSTEES ANNUAL REPORT**

**YEAR ENDED 31 MARCH 2021**

The major financial risk to which the charity is exposed is sudden temporary closure, for example because of damage caused by fire or flood. Our reserves policy and insurance are designed to mitigate this.

The trustees are satisfied that our cashflows are adequate and that we have sufficient insurance in place.

The trustees have taken active steps to mitigate any governance risks by reviewing the structure of the charity's governing body and by making sure that any conflicts of interest are identified when decisions are being taken.

Our operational risk assessment, for instance making sure that we have appropriate staffing ratios, is inspected by Ofsted and reviewed from time to time by Leeds City Council.

The main external risk comes from potential fluctuations in income caused by the current economic downturn. However, the management and trustees have identified a particular risk posed by university students whose child maintenance grant is paid in arrears, and the trustees have therefore decided that students must now pay their fees on the same basis as working parents to avoid exposing the charity to undue risk from non-payment.

Compliance risks are addressed by Ofsted in their regular inspections and the trustees and staff are vigilant in working to ensure that the charity is at all times fully compliant with all relevant laws and regulations.

The Trustees are committed to ensuring that the levels of the reserves are sufficient to ensure the long-term success and sustainability of the charity.

It is proposed that the trustees review this policy on an annual basis. The trustees aim in future years to retain a level of funds to provide a contingency in the event of an unpredicted fall in income or unforeseen costs.

### **Covid-19**

The current worldwide effects of the spread of Covid-19 have been wide-ranging globally, with long term damage likely to the economy of both the UK and most countries around the globe.

Acting on government instructions, Building Blocks Nursery temporarily closed for childcare after Friday March 20<sup>th</sup> 2020, during the period that became known as the 'Lockdown'. We reopened to provide childcare from Monday 1<sup>st</sup> June 2020.

During the Lockdown period the nursery staff and cleaners performed a 'deep clean' of the nursery premises to ensure that the nursery was ready to receive children. Our nursery manager, together with the nursery staff, promptly developed and implemented procedures to create separate 'bubbles' for the Toddler Room (upstairs) and the Baby Room (downstairs) and for the managerial and ancillary staff. We wrote to and spoke to parents to explain the safe new way the nursery is now operating. Parents understand and appreciate the new systems and are happy to comply with maintaining safe social distances. The numbers in our nursery have held up very well.

The Lockdown happened on 23<sup>rd</sup> March, only one week before the end of our financial year ended 31<sup>st</sup> March 2020. We did not charge our paying parents for that last week in March. We therefore lost £1,690 in fees during the financial year 2019-20.

The government's lockdown for nurseries lasted until 1<sup>st</sup> June 2020. Our nursery was therefore closed for just over two months. During that time we did not charge our parents for the weeks that we were closed. We therefore lost just over £14,800 in fees for April and May. Although we re-opened on 1<sup>st</sup> June, we had few children in the first few weeks, but numbers picked up as parents grew more confident and were going back to work.

During Lockdown we continued to receive the FEEE funding for two year olds and three and four year olds even though no children attended our setting. Leeds City College also continued to pay us the fees for the children of their students for the summer term.

During Lockdown we continued to pay all our staff their normal salaries. Five of our current twenty-

# **FAITH TOGETHER IN LEEDS 11 COMPANY LIMITED BY GUARANTEE**

## **TRUSTEES ANNUAL REPORT**

**YEAR ENDED 31 MARCH 2021**

one staff worked during lockdown and the remainder did not work. We were able to furlough four members of staff and received £6,864 from the Coronavirus Job Retention Scheme.

We are taking a cautious approach out of lockdown. We are following the government's rules and regulations as they change. We are implementing any changes in how we must operate, following the guidance we receive.

### **Plans for future periods**

The Joint Church Council has indicated that they wish to sell their interest in the Building Blocks Centre to Faith Together in Leeds 11 and the charity wishes to buy it. The Joint Church Council has obtained confirmation from the two major providers of grant funding for the building that they are happy for the sale of the building to the charity to proceed. Leeds City Council, one of the grant funders requires a restriction to be placed on the title to the property to the effect that they must be consulted in the event that the building is sold in the future.

We hope to complete the sale of the building soon. This is now in the hands of the legal teams involved and our MP.

The trustees have carefully considered the Charity Commission's guidance on public benefit. We have furthered the charitable purposes of charity's work at the Building Blocks Centre through our expanding range of work with Leeds City Council, who refer children to us, by offering financial support on a discretionary basis to parents facing unexpected financial need and by continuing to provide a fee-paying service at very competitive rates in a part of the city where market failure would otherwise mean that there was very little nursery provision outside of the statutory sector.

### **Structure, governance and management**

#### **Governing Document**

The company is limited by guarantee governed by its Memorandum and Articles of Association dated 8 December 1999. It is registered as a charity with the Charity Commission. In the event of the company being wound up, a maximum contribution of £1 would be receivable from every member at the date of winding up or from anyone ceasing to be a member during the preceding year. At 31 March 2021 that number stood at 5, (2020: 5).

# **FAITH TOGETHER IN LEEDS 11 COMPANY LIMITED BY GUARANTEE**

## **TRUSTEES ANNUAL REPORT**

**YEAR ENDED 31 MARCH 2021**

### **Appointment of Trustees and Trustee Induction and Training**

The trustees were appointed in order to represent the different partners in Faith Together and to input a balance in skills and expertise. New trustees can be invited on to the Board at any time, but membership is reviewed annually at the AGM. Trustees are re-appointed at the AGM by nomination.

### **Organisation**

Faith Together in Leeds 11 has continued with two sub-committees having responsibilities for Finance, and Personnel. Each sub-committee reports their activities and recommendations to the main board where major decisions are voted upon.

Faith Together in Leeds 11 operates in partnership with, and on behalf of its five member organisations: Asha Neighbourhood Project, Holy Spirit Parish Church, Leeds (South) Methodist Circuit, Trinity Methodist Church and Vera Media.

The joint Centre Managers are Samantha Withill (Nursery Manager) and Peter Clark (Finance Manager). They manage the day to day running of the charity.

### **Related Parties**

The Joint Church Council (JCC) is the managing body in charge of the Building Blocks Centre and oversees matters relating to the building and the activities which are planned for evenings and weekends. The building is leased to Faith Together in Leeds 11 during daytime working hours.

The JCC has representatives from both Trinity Methodist Church and Holy Spirit Parish Church. For many years members of the JCC were represented as trustees of Faith Together in Leeds. During this year, as progress has been made towards finalising the sale of the Building Blocks Centre to Faith Together in Leeds 11 those trustees who are also members of the JCC resigned as trustees to avoid any appearance of a conflict of interest.

Asha and Vera Media are two of the original partners in Faith Together, who each have one representative on the Faith Together Board. Helen King is Faith Together's Treasurer and is also the Asha Neighbourhood Centre Co-ordinator. Al Garthwaite is the Chair of Faith Together and is also Director of Vera Media.

## **Faith Together in Leeds 11**

### **Trustees' Annual Report (Including Directors Report)**

**Year Ended 31 March 2021**

#### **Trustees' responsibilities**

The trustees (who are also directors of Faith Together in Leeds 11 for the purposes of company law) are responsible for preparing the Trustees' Annual Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the trustees to prepare financial statements for each financial year, which give a true and fair view of the state of affairs of the charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that period. In preparing these financial statements, the trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP and FRS 102;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in operation.

The trustees are responsible for keeping adequate accounting records that disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

In so far as the trustees are aware:

- there is no relevant audit information of which the charitable company's auditor is unaware; and
- the trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

On behalf of the board



Dr A E Garthwaite, Chair

## Faith Together in Leeds 11

### Independent Examiner's Report

Year Ended 31 March 2021

#### Independent Examiner's Report to the Trustees of Faith Together in Leeds 11

I report on the accounts of the company for the year ended 31 March 2021 which are set out on pages 12 to 24.

#### Responsibilities and basis of report

As the charity trustees of the company (and also its directors for the purposes of company law) you are responsible for the preparation of the accounts in accordance with the requirements of the Companies Act 2006 ('the 2006 Act').

Having satisfied myself that the accounts of the company are not required to be audited under Part 16 of the 2006 Act and are eligible for independent examination, I report in respect of my examination of your company's accounts as carried out under section 145 of the Charities Act 2011 ('the 2011 Act'). In carrying out my examination I have followed the Directions given by the Charity Commission under section 145(5)(b) of the 2011 Act.

#### Independent examiner's statement

Since the company's gross income exceeded £250,000 your examiner must be a member 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 the Association of Chartered Certified Accountants, which is one of the listed bodies.

I have completed my examination. I confirm that no 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 company as required by section 386 of the 2006 Act; or
2. the accounts do not accord with those records; or
3. the accounts do not comply with the accounting requirements of section 396 of the 2006 Act 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; or
4. the accounts have not been prepared in accordance with the methods and principles of the Statement of Recommended Practice for accounting and reporting by charities [applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102)].

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:



D F Pollitt FCCA Director  
Burrow & Crowe Accountants  
& Business Advisers Ltd  
Top Floor West  
Wharfebank House  
Wharfebank Mills  
Ilkley Road  
Otley  
LS21 3JP

# Faith Together in Leeds 11

## Statement of Financial Activities (Including Income and Expenditure Account)

Year Ended 31 March 2021

	Note	Unrestricted funds £	Restricted funds £	Total 2021 £	Total 2020 £
<b>Income from:</b>					
Grants, donations and legacies	2a	-	28,010	28,010	43,030
Coronavirus Job Retention Scheme	2b	6,864	-	6,864	-
Insurance Claim	2c	8,800	-	8,800	-
Charitable activities	3	349,023	-	349,023	409,721
Investments	4	2,452	-	2,452	3,298
<b>Total income</b>		<b>367,139</b>	<b>28,010</b>	<b>395,149</b>	<b>456,049</b>
<b>Expenditure on:</b>					
Charitable activities	5	(319,396)	(27,501)	(346,897)	(383,688)
Other		-	-	-	-
<b>Total expenditure</b>		<b>(319,396)</b>	<b>(27,501)</b>	<b>(346,897)</b>	<b>(383,688)</b>
<b>Net income / (expenditure)</b>		<b>47,743</b>	<b>509</b>	<b>48,252</b>	<b>72,361</b>
<b>Transfers between funds</b>					
		-	-	-	-
<b>Net movement in funds</b>	15	<b>47,743</b>	<b>509</b>	<b>48,252</b>	<b>72,361</b>
<b>Reconciliation of funds:</b>					
Total funds brought forward	15	477,797	3,105	480,902	408,541
<b>Total funds carried forward</b>	15	<b>525,540</b>	<b>3,614</b>	<b>529,154</b>	<b>480,902</b>

All income and expenditure derive from continuing activities.

The statement of financial activities includes all gains and losses recognised during the year.

## Faith Together in Leeds 11

### Balance Sheet

Year Ended 31 March 2021

	Note	2021 £	2020 £
<b>Fixed assets</b>			
Tangible assets	12	5,316	5,609
<b>Current assets</b>			
Debtors	13	5,043	9,212
Cash at bank and in hand		527,263	472,818
		<hr/> 532,306	<hr/> 482,030
<b>Creditors: amounts falling due within one year</b>	14	(8,468)	(6,737)
<b>Net current assets</b>		<hr/> 523,838	<hr/> 475,293
<b>Total assets less current liabilities</b>		<hr/> 529,154	<hr/> 480,902
<b>Net assets</b>		<hr/> 529,154	<hr/> 480,902
<b>Charity Funds</b>			
Restricted funds	15	3,614	3,105
Unrestricted funds	15	525,540	477,797
<b>Total charity funds</b>	15	<hr/> 529,154	<hr/> 480,902

For the year ending 31 March 2021 the company was entitled to exemption from audit under section 477 of the Companies Act 2006 relating to small companies.

Directors' responsibilities:

- The members have not required the company to obtain an audit of its accounts for the year in question in accordance with section 476;
- The directors acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and the preparation of accounts.

The financial statements were approved and authorised for issue by the Board on

Signed on behalf of the board of trustees



Dr A E Garthwaite - Chair

The notes on pages 14 to 24 form part of these financial statements.

Company registration number: 3890863

**Faith Together in Leeds 11****Statement of Cash Flows****Year Ended 31 March 2021**

	Note	2021 £	2020 £
<b>Cash flow from operating activities</b>			
Interest paid	17	56,304	72,151
<b>Net cash flow from operating activities</b>		<u>56,304</u>	<u>72,151</u>
<b>Cash flow from investing activities</b>			
Payments to acquire tangible fixed assets		(4,311)	-
Receipts from sales of tangible fixed assets			
Interest received		2,452	3,298
<b>Net cash flow from investing activities</b>		<u>(1,859)</u>	<u>3,298</u>
<b>Cash flow from financing activities</b>			
Interest paid		-	-
<b>Net cash flow from financing activities</b>		<u>-</u>	<u>-</u>
<b>Net increase in cash and cash equivalents</b>		54,445	75,449
<b>Cash and cash equivalents at 1 April 2020</b>		472,818	397,369
<b>Cash and cash equivalents at 31 March 2021</b>		<u>527,263</u>	<u>472,818</u>
<b>Cash and cash equivalents consists of:</b>			
Cash at bank and in hand		527,263	472,818
<b>Cash and cash equivalents at 31 March 2021</b>		<u>527,263</u>	<u>472,818</u>

## **Faith Together in Leeds 11**

### **Notes to the Financial Statements**

#### **Year Ended 31 March 2021**

##### **1 Summary of significant accounting policies**

###### **(a) General information and basis of preparation**

Faith Together in Leeds 11 is a Company Limited by Guarantee in the United Kingdom. In the event of the charity being wound up, the liability in respect of the guarantee is limited to £1 per member of the charity. The address of the registered office is given in the charity information on page 3 of these financial statements.

The nature of the charity's operations and principal activities are the promotion for the public benefit of urban or rural re-generation in areas of social and economic deprivation, (and in particular the Leeds 11 postcode district), by various means, including the relief of poverty and unemployment, and the provision of a community or public facility for training and recreational needs, especially through the provision of pre-school childcare and support for parents.

The charity constitutes a public benefit entity as defined by FRS 102. The financial statements have been prepared in accordance with Accounting and Reporting by Charities: 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) issued on 16 July 2014 (as updated through Update Bulletin 1 published on 2 February 2016), the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102), the Charities Act 2011, the Companies Act 2006 and UK Generally Accepted Accounting Practice.

The financial statements are prepared on a going concern basis under the historical cost convention, modified to include certain items at fair value. The financial statements are prepared in sterling which is the functional currency of the charity.

The significant accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all years presented unless otherwise stated.

###### **(b) Funds**

Unrestricted funds are available for use at the discretion of the trustees in furtherance of the general objectives of the charity and which have not been designated for other purposes.

Designated funds comprise unrestricted funds that have been set aside by the trustees for particular purposes. The aim and use of each designated fund is set out in the notes to the financial statements.

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by donors or which have been raised by the charity for particular purposes. The cost of raising and administering such funds are charged against the specific fund. The aim and use of each restricted fund is set out in the notes to the financial statements.

###### **(c) Income recognition**

All incoming resources are included in the Statement of Financial Activities (SoFA) when the charity is legally entitled to the income after any performance conditions have been met, the amount can be measured reliably and it is probable that the income will be received.

For donations to be recognised the charity will have been notified of the amounts and the settlement date in writing. If there are conditions attached to the donation and this requires a level of performance before entitlement can be obtained then income is deferred until those conditions are fully met or the fulfilment of those conditions is within the control of the charity and it is probable that they will be fulfilled.

## **Faith Together in Leeds 11**

### **Notes to the Financial Statements**

#### **Year Ended 31 March 2021**

No amount is included in the financial statements for volunteer time in line with the SORP (FRS 102). Further detail is given in the Trustees' Annual Report.

The charity receives government grants in respect of providing Childcare. Income from government and other grants are recognised at fair value when the charity has entitlement after any performance conditions have been met, it is probable that the income will be received and the amount can be measured reliably. If entitlement is not met then these amounts are deferred.

Investment income is earned through holding assets for investment purposes such as shares and property. It currently includes only bank interest. It is included when the amount can be measured reliably. Interest income is recognised using the effective interest method and is recognised as the charity's right to receive payment is established.

#### **(d) Expenditure recognition**

All expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all costs related to the category. Expenditure is recognised where there is a legal or constructive obligation to make payments to third parties, it is probable that the settlement will be required and the amount of the obligation can be measured reliably. It is categorised under the following headings:

- Expenditure on charitable activities includes Wages & Salaries and costs of running the building; and
- Other expenditure represents those items not falling into the categories above.

#### **(e) Support costs allocation**

Support costs are those that assist the work of the charity but do not directly represent charitable activities and include office costs, governance costs, and administrative payroll costs. They are incurred directly in support of expenditure on the objects of the charity. Where support costs cannot be directly attributed to particular headings they have been allocated to cost of raising funds and expenditure on charitable activities on a basis consistent with use of the resources. Premises costs and overheads have mainly been allocated to the nursery provision with a small amount being allocated to the playgroup and room hire.

#### **(f) Tangible fixed assets**

Tangible fixed assets are stated at cost (or deemed cost) or valuation less accumulated depreciation and accumulated impairment losses. Cost includes costs directly attributable to making the asset capable of operating as intended.

Depreciation is provided on all tangible fixed assets, at rates calculated to write off the cost, less estimated residual value, of each asset on a systematic basis over its expected useful life as follows:

Fixtures, fittings & equipment	33% Straight Line
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#### **(g) Debtors and creditors receivable / payable within one year**

Debtors and creditors with no stated interest rate and receivable or payable within one year are recorded at transaction price. Any losses arising from impairment are recognised in expenditure.

## **Faith Together in Leeds 11**

### **Notes to the Financial Statements**

**Year Ended 31 March 2021**

#### **(h) Impairment**

Assets not measured at fair value are reviewed for any indication that the asset may be impaired at each balance sheet date. If such indication exists, the recoverable amount of the asset, or the asset's cash generating unit, is estimated and compared to the carrying amount. Where the carrying amount exceeds its recoverable amount, an impairment loss is recognised in profit or loss unless the asset is carried at a revalued amount where the impairment loss is a revaluation decrease.

#### **(i) Provisions**

Provisions are recognised when the charity has an obligation at the balance sheet date as a result of a past event, it is probable that an outflow of economic benefits will be required in settlement and the amount can be reliably estimated.

#### **(j) Employee benefits**

When employees have rendered service to the charity, short-term employee benefits to which the employees are entitled are recognised at the undiscounted amount expected to be paid in exchange for that service.

The charity operates a defined contribution plan for the benefit of its employees. Contributions are expensed as they become payable.

#### **(k) Tax**

The charity is an exempt charity within the meaning of schedule 3 of the Charities Act 2011 and is considered to pass the tests set out in Paragraph 1 Schedule 6 Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes.

#### **(l) Going concern**

The financial statements have been prepared on a going concern basis as the trustees believe that no material uncertainties exist. The trustees have considered the level of funds held and the expected level of income and expenditure for 12 months from authorising these financial statements. The budgeted income and expenditure is sufficient with the level of reserves for the charity to be able to continue as a going concern.

## Faith Together in Leeds 11

### Notes to the Financial Statements

Year Ended 31 March 2021

#### 2a Income from grants, donations and legacies

	2021 £	2020 £
Grants	28,010	43,030
	<u>28,010</u>	<u>43,030</u>

Income from donations is all attributable to unrestricted funds.

Income from Grants relates to local authority and government grants and is all allocated to restricted funds.

#### 2b Coronavirus Job Retention Scheme

During the first Lockdown period we were able to furlough four of our employees. We were able to claim £6,864.00 from the Coronavirus Job Retention Scheme.

#### 2a Insurance Claim

We were able to claim for loss of income under the Business Interruption section of our Nursery Insurance Policy. We claimed and received £8,800.00

#### 3 Income from charitable activities

	2021 £	2020 £
Room and facilities hire		6,101
Nursery fees	349,023	403,620
	<u>349,023</u>	<u>409,721</u>

Income from charitable activities was £249,023 (2020 - £409,421) and was all attributable to unrestricted funds.

#### 4 Income from investments

	2021 £	2020 £
Bank Interest received	2,452	3,298
	<u>2,452</u>	<u>3,298</u>

Income from investment was all attributable to unrestricted funds.

# Faith Together in Leeds 11

## Notes to the Financial Statements

Year Ended 31 March 2021

### 5 Analysis of expenditure on charitable activities

	Activities undertaken directly £	Support costs £	Total £
Nursery	271,890	75,007	346,897
Room and facilities hire	-	-	-
	<u>271,890</u>	<u>75,007</u>	<u>346,897</u>

£27,501 (2020 - £44,034) of the above costs were attributable to restricted funds. £319,396 (2020 - £339,654) of the above costs were attributable to unrestricted funds.

Due to coronavirus restrictions no groups were able to hire our hall during the financial year 2020/21. For this reason, all support costs are allocated against nursery income. This applies also to Note 6 below.

### 6 Allocation of support costs

Support cost	Basis of allocation	Nursery £	Room & facilities hire £	Total £
Governance	See below	2,503	-	2,503
Wages & salaries	See below	31,183	-	31,183
Depreciation	See below	4,604	-	4,604
Office costs	See below	33,310	-	33,310
Pension contributions	See below	3,407	-	3,407
Total		<u>75,007</u>		<u>75,007</u>

Basis of allocation of costs = pro rata based on split of income

### 7 Governance costs

	2021 £	2020 £
Independent examiner's remuneration	2,490	2,398
Legal fees	13	13
	<u>2,503</u>	<u>2,411</u>

# Faith Together in Leeds 11

## Notes to the Financial Statements

Year Ended 31 March 2021

### 8 Net income for the year

Net income is stated after charging / (crediting):

	2021 £	2020 £
Depreciation of tangible fixed assets	4,604	5,486
(Gain) / loss on sale of tangible fixed assets	-	-
	<hr/>	<hr/>

### 9 Independent examiner's remuneration

The independent examiner's remuneration amounts to an independent examination fee of £2,490 (2020 - £2,398).

### 10 Trustees' and key management personnel remuneration and expenses

The trustees neither received nor waived any remuneration during the year (2020 - £Nil).

The trustees did not have any expenses reimbursed during the year (2020 - £Nil).

### 11 Staff costs and employee benefits

The average monthly number of employees and full time equivalent (FTE) during the year was as follows:

	2021 Number	2021 FTE	2020 Number	2020 FTE
Charitable activities	15	12	20	13
Governance and management	3	2	3	2
	<hr/>	<hr/>	<hr/>	<hr/>
	18	14	23	15

The total staff costs and employees' benefits was as follows

	2021 £	2020 £
Wages and salaries	276,196	288,834
Social security	15,957	16,947
Defined contribution pension costs	14,610	14,027
	<hr/>	<hr/>
	306,763	319,808

No employees received total employee benefits (excluding employer pension costs) of more than £60,000.

# Faith Together in Leeds 11

## Notes to the Financial Statements

Year Ended 31 March 2021

### 12 Tangible fixed assets

	Fixtures and Fittings £
Cost or valuation:	
At 1 April 2020	47,958
Additions	4,311
Disposals	-
At 31 March 2021	<u>£52,269</u>
Depreciation:	
At 1 April 2020	42,349
Charge for the year	4,604
Impairment	-
Eliminated on disposals	-
At 31 March 2021	<u>£46,953</u>
Net book value:	
At 31 March 2020	<u>£5,316</u>
At 31 March 2020	<u>£5,609</u>

### 13 Debtors

	2021 £	2020 £
Trade debtors		
Other debtors	(1,634)	3,089
Prepayments and accrued income	707	714
	5,970	5,409
	<u>5,043</u>	<u>9,212</u>

### 14 Creditors: amounts falling due within one year

	2021 £	2020 £
Other creditors	1,837	715
Accruals and deferred income	6,631	6,022
	<u>8,468</u>	<u>6,737</u>

# Faith Together in Leeds 11

## Notes to the Financial Statements

Year Ended 31 March 2021

### 15 Fund reconciliation

#### Unrestricted funds

	Balance at 1 April 2020 £	Income £	Expenditure £	Transfers £	Balance at 31 March 2021 £
General Funds	477,797	367,139	319,396		525,540
	477,797	367,139	319,396		525,540

#### Restricted funds

	Balance at 1 April 2020 £	Income £	Expenditure £	Transfers £	Balance at 31 March 2021 £
LCC Deprived Area uplift	-	16,160	16,160	-	-
Leeds & Ripon Diocese	628	500	756	-	372
LCC – EYFFI	-	9,784	9,784	-	-
LCC – EYPP	2,477	1,566	801	-	3,242
	3,105	28,010	27,501		3,614

#### Fund descriptions

##### Unrestricted funds

The unrestricted funds now exceed the bounds of our reserves policy to provide 3 to 6 months of operating expenditure. The charity is continuing to build up sufficient free reserves to enable us to buy the building from which we operate.

##### Restricted funds

##### **LCC Deprived Area Uplift**

Providing enhanced funding for the nursery to help purchase educational toys, free lunches for eligible children and extra staff support for children that need it.

##### **Leeds & Ripon Diocese**

Providing funding to help needy parents and families of the district.

##### **LCC – Early Years Funding For Inclusion (EYFFI)**

Providing funding to enable the nursery to provide extra support for specific children with special educational needs.

##### **LCC – Early Years Pupil Premium (EYPP)**

Providing funding to enable the nursery to provide targeted support for children identified by LCC as having educational issues.

# Faith Together in Leeds 11

## Notes to the Financial Statements

Year Ended 31 March 2021

### 16 Analysis of net assets between funds

	Unrestricted funds £	Designated funds £	Restricted funds £	Total £
Fixed assets	5,316			5,316
Cash and current assets	528,692		3,614	532,306
Other current liabilities	(8,468)			(8,468)
Creditors more than one year				-
Total	525,540		3,614	529,154

### 17 Reconciliation of net income to net cash flow from operating activities

	2021 £	2020 £
Net income for the year	48,252	72,361
Interest receivable	(2,452)	(3,298)
Depreciation and impairment of tangible fixed assets	4,604	5,486
(Increase) / decrease in debtors	4,169	(1,493)
Increase / (decrease) in creditors	1,731	(905)
Net cash flow from operating activities	56,304	72,151

### 18 Pensions and other post-retirement benefits

#### a) Defined contribution pension plans

The charity operates a defined contribution pension plan and contributed £14,610 in 2021 (2020 - £14,027).

The defined contribution liability is allocated to unrestricted funds and is split across the activities as shown in notes 5 and 6.

## Faith Together in Leeds 11

### Notes to the Financial Statements

Year Ended 31 March 2021

#### 19 Related party transactions

Information about related party transactions and outstanding balances is outlined below:

	Income £	Expenditure £	Outstanding balances £	Commitments £
ASHA – founding organisation				
At 31 March 2021	0	-	-	-
At 31 March 2020	800	-	-	-
Joint Church Council – Landlords / joint tenants of building				
At 31 March 2021	2,639	-	707	-
At 31 March 2020	2,716	-	714	-

The transactions with ASHA are for their hire of our large hall for their events. Due to Covid-19 restrictions, ASHA was unable to run their events, therefore they did not hire our hall during this financial year. With the releasing of the Covid-19 restrictions earlier in 2021, ASHA has booked the hall for their usual summer events.

Outstanding balances due to / from the charity are unsecured and any liabilities are payable on 30 days terms with the exception of the Joint Church Council, who maintain a rolling balance and settle up at the end of the calendar year.