

**FAITH TOGETHER IN LEEDS 11**  
**Financial Statements**  
**Year Ended 31 March 2023**

Charity registration number: 1081006  
Company registration number: 3890863

## Contents

	Page
Charity Reference and Administrative Details	3
Trustees' Annual Report	4 - 9
Independent Examiner's Report	10
Statement of Financial Activities (Including Income and Expenditure Account)	11
Balance Sheet	12
Statement of Cash Flows	13
Notes to the Financial Statements	14 - 23

## **Charity Reference and Administrative Details**

**Charity registration number** 1081006

**Company registration number** 3890863

**Trustees**  
Dr A.E. Garthwaite - Chair  
Mr J. Morton - Deputy Chair  
Ms H. King - Treasurer  
Mr E. Carlisle  
Revd. L Pearson [to December 2022]

**Registered office**  
The Building Blocks Centre  
Maud Avenue  
Beeston  
Leeds  
LS11 7DD

**Independent Examiner**  
David Pollitt FCCA  
Burrow & Crowe Accountants  
& Business Advisers Ltd  
Top Floor West  
Wharfebank House  
Wharfebank Mills  
Ilkley Road  
Otley  
LS21 3JP

## **Trustees Annual Report for the Year Ended 31st March 2023**

The Trustees present their report and the unaudited financial statements of the charity for the year ended 31st March 2023. 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. L Pearson [to December 2022]

### **Objectives and activities**

The principal activity of the company is 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.

### **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.

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.

As referred to in the Plans for Future periods section in 2020, Faith Together were looking to buy the building in which we operate. We completed the purchase of the building in September 2021 and have re-purposed the downstairs hall into a nursery room in 2022/23.

Due to QuickBooks Desktop no longer being supported for 2022-23 we ran our old accounting package in tandem with our new accounting software, which is Xero. Previously supplier payments were recorded on the date we paid them, however as we got used to Xero and wanted to take advantage of being able to record documents in the system (part of our drive to become more environmentally sustainable by reducing the amount of paperwork we produce) we started entering purchase invoices using the date on the invoice. This has resulted in an increase in creditors recorded especially the canopy installation which was paid in stages.

## Trustees Annual Report for the Year Ended 31st March 2023

### 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 2021	56 (10)	45
Summer 2021	63 (14)	45
Autumn 2021	35 (6)	57
Spring 2022	49 (6)	47
Summer 2022	54 (8)	49
Autumn 2022	46 (3)	48
Spring 2023	61 (6)	47
Summer 2023	66 (7)	40
Autumn 2023	44 (4)	40

The numbers in brackets in the 3 & 4 year old column for the spring term 2021 and later terms show the number of children, included in the larger number, who are receiving the 30 hours free nursery care.

As of June 2023 we are caring for 106 children (108 children in June 2022), 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)

## Trustees Annual Report for the Year Ended 31st March 2023

### 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 children registering for both two and three year old Free Nursery Education, we have still operated with a surplus, although reduced from the previous year, despite increasing costs.

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.

Our Unrestricted Free Reserves, after taking account of fixed assets, stand at £262,859 (2022 £302,828). This represents 8.5 months operating expenditure (2022: 9 months). This exceeds the bounds of our reserves policy (three to six months operating expenditure), however in the next year we need to replace the fire alarm system as it is obsolete (quote is for £11k) and there is still some work to be done in the building and memorial garden, now that we own the property.

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.

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.

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.

## **Trustees Annual Report for the Year Ended 31st March 2023**

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 and increase in expenses caused by the cost of living crisis. 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 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**

We are back to normal working conditions after the end of the pandemic, but we are maintaining the extra handwashing procedures that had been put in place.

### **Plans for future periods**

We have completed the purchase of the Building Blocks Centre from the Joint Church Council. Leeds City Council, one of the original grant funders, require 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.

Now that we own the building we have re-purposed the Hall into a nursery room, which entailed some building work to install toilets and a kitchen area, then re-decorating and re-furnishing of the space. We have had a canopy installed over part of the outside play area so that outdoor play is possible when the weather is inclement. We have also had the memorial garden re-planted (although we still want additional planting) and the exterior fence replaced so that the children can use the bottom part of the garden securely. We are currently looking to replace our obsolete fire alarm system.

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 2023 that number stood at 5, (2020: 6).

## **Trustees Annual Report for the Year Ended 31st March 2023**

### **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 three member organisations: Asha Neighbourhood Project, Leeds (South & West) Methodist Circuit and Vera Media.

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

### **Related Parties**

Asha and Vera Media are two of the other 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 a local councillor.



## Trustees Annual Report (including Directors Report)

### 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

## **Independent Examiner's Report**

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

**Year Ended 31 March 2023**

I report on the accounts of the company for the year ended 31 March 2023 which are set out on pages 11 to 23.

#### **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

**Statement of Financial Activities (including Income & Expenditure Account)**  
**Year Ended 31st March 2023**

	Note	Unrestricted Funds £	Restricted Funds £	Total 2023 £	Total 2022 £
<b>Income from:</b>					
Grants, donations and legacies	2	-	43,010	43,010	34,868
Coronavirus Job Retention Scheme		-	-	-	-
Insurance Claim		-	-	-	-
Charitable activities	3	383,922	-	383,922	372,542
Investments	4	568	-	568	1,025
<b>Total Income</b>	-	<b>384,490</b>	<b>43,010</b>	<b>427,500</b>	<b>408,435</b>
<b>Expenditure on:</b>					
Charitable activities	5	( 343,226 )	( 43,099 )	( 386,325 )	( 380,465 )
Other [refurbishment]		( 79,291 )	( 3,525 )	( 82,816 )	-
<b>Total expenditure</b>		<b>( 422,517 )</b>	<b>( 46,624 )</b>	<b>( 469,141 )</b>	<b>( 380,465 )</b>
<b>Net Income / (expenditure)</b>		<b>( 38,027 )</b>	<b>( 3,614 )</b>	<b>( 41,641 )</b>	<b>27,970</b>
<b>Transfers between funds</b>		<b>( 3,110 )</b>	<b>3,110</b>	<b>-</b>	<b>-</b>
<b>Net movement in funds</b>	15	<b>( 41,137 )</b>	<b>( 504 )</b>	<b>( 41,641 )</b>	<b>27,970</b>
<b>Reconciliation of funds:</b>					
Total funds brought forward	15	556,620	504	557,124	529,154
<b>Total funds carried forward</b>	15	<b>515,483</b>	<b>-</b>	<b>515,483</b>	<b>557,124</b>

All income and expenditure derive from continuing activities.

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

**Balance Sheet**  
**Year Ended 31st March 2023**

	Note	2023 £	2022 £
<b>Fixed assets</b>			
Tangible assets	12	252,624	254,296
<b>Current assets</b>			
Debtors	13	7,263	3,926
Cash at bank and in hand		272,276	304,305
		<u>279,539</u>	<u>308,231</u>
<b>Creditors: amounts falling due within one year</b>	14	( 16,680 )	( 5,403 )
<b>Net current assets</b>		<u>262,859</u>	<u>302,828</u>
<b>Total assets less current liabilities</b>		<u>515,483</u>	<u>557,124</u>
<b>Net assets</b>		<u>515,483</u>	<u>557,124</u>
<b>Charity Funds</b>			
Restricted funds	15	-	504
Unrestricted funds	15	515,483	556,620
<b>Total charity funds</b>	15	<u>515,483</u>	<u>557,124</u>

For the year ending 31 March 2023 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

**Statement of Cash Flows**  
**Year Ended 31st March 2023**

	Note	2023 £	2022 £
<b>Cash flow from operating activities</b>	17	( 32,597 )	28,127
Interest paid			
<b>Net cash flow from operating activities</b>		<u>( 32,597 )</u>	<u>28,127</u>
<b>Cash flow from investing activities</b>			
Payments to acquire tangible fixed assets		-	( 252,110 )
Receipts from sales of tangible fixed assets		-	-
Interest received		568	1,025
<b>Net cash flow from investing activities</b>		<u>568</u>	<u>( 251,085 )</u>
<b>Cash flow from financing activities</b>			
Interest paid		-	-
<b>Net cash flow from financing activities</b>		<u>-</u>	<u>-</u>
<b>Net decrease in cash and cash equivalents</b>		( 32,029 )	( 222,958 )
<b>Cash and cash equivalents at 1 April 2022</b>		304,305	527,263
<b>Cash and cash equivalents at 31 March 2023</b>		<u>272,276</u>	<u>304,305</u>
<b>Cash and cash equivalents consists of:</b>			
Cash at bank and in hand		272,276	304,305
<b>Cash and cash equivalents at 31 March 2023</b>		<u>272,276</u>	<u>304,305</u>

## Notes to the Financial Statements Year Ended 31st March 2023

### 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 receives the income.

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.

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.

## Notes to the Financial Statements Year Ended 31st March 2023

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
Buildings	Not depreciated this year

### **(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.

## **Notes to the Financial Statements**

### **Year Ended 31st March 2023**

#### **(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.



**Notes to the Financial Statements  
Year Ended 31st March 2023**

**2 Income from grants, donations and legacies**

	2023 £	2022 £
Grants	43,010	34,868
	<u>43,010</u>	<u>34,868</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.

**3 Income from charitable activities**

	2023 £	2022 £
Room and facilities hire	3,383	4,320
Nursery fees	380,539	368,222
	<u>383,922</u>	<u>372,542</u>

Income from charitable activities was £383,922 (2022 - £372,542) and was all attributable to unrestricted funds.

**4 Income from investments**

	2023 £	2022 £
Bank Interest received	568	1,025
	<u>568</u>	<u>1,025</u>

Income from investment was all attributable to unrestricted funds.

**Notes to the Financial Statements  
Year Ended 31st March 2023**

**5 Analysis of expenditure on charitable activities**

	Activities undertaken directly	Support costs	Total
	£	£	£
Nursery	278,359	104,103	382,462
Room and facilities hire	2,812	1,051	3,863
	<u>281,171</u>	<u>105,154</u>	<u>386,325</u>

£43,099 (2022 - £37,978) of the above costs were attributable to restricted funds [this excludes £82,816 spent on refurbishment, including refurbishment the costs were £125,915]. £343,226 (2022 - £342,487) of the above costs were attributable to unrestricted funds.

**6 Allocation of support costs**

Support cost	Basis of allocation	Nursery	Room & facilities hire	Total
		£	£	£
Governance	All Nursery	2,916	-	2,916
Wages & salaries	See below	49,452	500	49,952
Depreciation	See below	1,655	17	1,672
Office costs	See below	46,611	471	47,082
Pension contributions	See below	3,497	35	3,532
		<u>104,131</u>	<u>1,023</u>	<u>105,154</u>

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

**7 Governance costs**

	2023	2022
	£	£
Independent examiner's remuneration	2,903	2,640
Legal fees	13	13
	<u>2,916</u>	<u>2,653</u>

## Notes to the Financial Statements Year Ended 31st March 2023

### 8 Net income for the year

Net income is stated after charging / (crediting):

	2023 £	2022 £
Depreciation of tangible fixed assets	1,672	3,131
(Gain) / loss on sale of tangible fixed assets	-	-
	<u>1,672</u>	<u>3,131</u>

### 9 Independent examiner's remuneration

The independent examiner's remuneration amounts to an independent examination fee of £2,902 (2022 - £2,700).

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

The trustees neither received nor waived any remuneration during the year (2022 - £Nil).

The trustees did not have any expenses reimbursed during the year (2022 - £Nil).

### 11 Staff costs and employee benefits

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

	2023 Number	2023 FTE	2022 Number	2022 FTE
Charitable activities	17	11.5	17	11
Governance and management	3	1.5	4	2
	<u>20</u>	<u>13</u>	<u>21</u>	<u>13</u>

The total staff costs and employees' benefits was as follows

	2023 £	2022 £
Wages and salaries	297,853	283,930
Social security	18,331	18,564
Defined contribution pension costs	14,129	13,336
	<u>330,313</u>	<u>315,830</u>

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

## Notes to the Financial Statements Year Ended 31st March 2023

### 12 Tangible fixed assets

	Building £	Fixtures and Fittings £	Total £
Cost or valuation:			
At 1 April 2022	252,110	52,270	304,380
Additions	-	-	-
Disposals	-	-	-
At 31 March 2023	<u>252,110</u>	<u>52,270</u>	<u>304,380</u>
Depreciation:			
At 1 April 2022	-	50,084	50,084
Charge for the year	-	1,672	1,672
Impairment	-	-	-
Eliminated on disposals	-	-	-
At 31 March 2023	<u>-</u>	<u>51,756</u>	<u>51,756</u>
Net book value:			
At 31 March 2022	252,110	2,186	254,296
At 31 March 2023	<u>252,110</u>	<u>514</u>	<u>252,624</u>

The building was bought in 2021 at a cost of £250,000 plus legal fees and has not been revalued since.

### 13 Debtors

	2023 £	2022 £
Trade debtors	1,096	( 1,740 )
Other debtors	-	-
Prepayments and accrued income	6,167	5,668
	<u>7,263</u>	<u>3,928</u>

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

	2023 £	2022 £
Other creditors	2,317	1,747
Accruals and deferred income	14,363	3,656
	<u>16,680</u>	<u>5,403</u>

**Notes to the Financial Statements  
Year Ended 31st March 2023**

**15 Fund reconciliation**

**Unrestricted funds**

	Balance at 01/04/22 £	Income £	Expenditure £	Transfers £	Balance at 31/03/23 £
General Funds	556,620	384,490	( 422,517 )	( 3,110 )	515,483
less NBV	-	-	( 252,624 )	-	( 252,624 )
	<b>556,620</b>	<b>384,490</b>	<b>( 675,141 )</b>	<b>( 3,110 )</b>	<b>262,859</b>

**Restricted funds**

	Balance at 01/04/22 £	Income £	Expenditure £	Transfers £	Balance at 31/03/23 £
LCC Deprived Area uplift	-	11,501	( 11,501 )		-
LCC - EYFFI	504	27,765	( 31,379 )	3,110	-
LCC - EYPP	-	3,744	( 3,744 )	-	-
	<b>504</b>	<b>43,010</b>	<b>( 46,624 )</b>	<b>3,110</b>	<b>-</b>

**Fund descriptions**

**Unrestricted funds**

The unrestricted funds still exceed the bounds of our reserves policy to provide 3 to 6 months of operating expenditure [8.5 months], but it is coming down now that we have undertaken the hall refurbishment work and we have further work to do in 2023/24, including replacing the fire alarm system.

**Restricted funds**

**LCC Deprived Area Uplift**

Providing enhanced funding for the nursery to help purchase educational toys and extra staff support for children that need it but have no funding in place yet

**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.

**Notes to the Financial Statements  
Year Ended 31st March 2023**

**16 Analysis of net assets between funds**

	Unrestricted funds £	Designated funds £	Restricted funds £	Total £
Fixed assets	252,624	-	-	252,624
Cash and current assets	279,539	-	-	279,539
Other current liabilities	( 16,680 )	-	-	( 16,680 )
Creditors more than one year	-	-	-	-
<b>Total</b>	<b>515,483</b>	<b>-</b>	<b>-</b>	<b>515,483</b>

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

	2023 £	2022 £
Net income for the year	( 41,641 )	27,970
Interest receivable	( 568 )	( 1,025 )
Depreciation and impairment of tangible fixed assets	1,672	3,131
(Increase) / decrease in debtors	( 3,335 )	1,116
Increase / (decrease) in creditors	11,275	( 3,065 )
<b>Net cash flow from operating activities</b>	<b>( 32,597 )</b>	<b>28,127</b>

**18 Pensions and other post-retirement benefits**

**a) Defined contribution pension plans**

The charity operates a defined contribution pension plan and contributed £14,129 in 2023 (2022 - £13,336).

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

## Notes to the Financial Statements Year Ended 31st March 2023

### 19 Related party transactions

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

	Income £	Expenditure £	Outstanding balances £	Commitments £
<b>Asha - founding organisation</b>				
At 31 March 2023	75	-	-	-
At 31 March 2022	-	-	-	-
At 31 March 2021	-	-	-	-
<b>Joint Church Council - Landlords / previously joint tenants of building</b>				
At 31 March 2023	-	-	-	-
At 31 March 2022	-	-	-	-
At 31 March 2021	2,639	-	707	-

The transactions with Asha were for the 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 2021. With the releasing of the Covid-19 restrictions earlier in 2021, Asha booked the hall for their usual summer events in 2022. There was only one event in the year ending 2023 as the upstairs room is not suitable for their purposes [now that the hall has been made into a nursery room and is unavailable for hire].

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. The last JCC settlement was made on 19/04/22 as they are no longer landlords or joint tenants after our purchase of the building from the church.