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**SAWSTON CHILDCARE LIMITED**  
(A Company Limited by Guarantee)

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**UNAUDITED**

**TRUSTEES' REPORT AND FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 30 JUNE 2022**

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**SAWSTON CHILDCARE LIMITED**  
**(A Company Limited by Guarantee)**

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**SAWSTON CHILDCARE LIMITED**  
**(A Company Limited by Guarantee)**

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**REFERENCE AND ADMINISTRATIVE DETAILS OF THE COMPANY, ITS TRUSTEES AND ADVISERS  
FOR THE YEAR ENDED 30 JUNE 2022**

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**Trustees**

Mrs K Hockley  
Mrs C Whitaker  
Dr N Adams (appointed 24 November 2021)  
Mrs E Chipps (appointed 24 November 2021)  
Dr G Sharma (appointed 24 November 2021)  
Mrs K Spencer, Chair (appointed 7 February 2022)  
Mr A Ball (appointed 6 September 2022)  
Mr P Whitmell (appointed 19 October 2022)  
Mrs C Buchanan (resigned 24 November 2021)  
Mrs J Karpuk (resigned 24 November 2021)  
Mr I McFarlane (resigned 24 November 2021)  
Mrs V Rowell, Ex-Chair (resigned 27 July 2022)

**Company registered number** 03943667

**Charity registered number** 1084213

**Registered office** Sawston Nursery  
Tannery Road  
Sawston  
Cambridgeshire  
CB22 3UW

**Company secretary** Mr R Turnbull

**Head of Nursery** Mrs T Spencer

**Accountants** Peters Elworthy & Moore  
Chartered Accountants  
Salisbury House  
Station Road  
Cambridge  
CB1 2LA

**Bankers** Barclays Bank Plc  
12A Market Place  
Saffron Walden  
CB10 1HR

**Solicitors** Adams Harrison  
43 High Street  
Sawston  
Cambridge  
CB22 3BG

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**SAWSTON CHILDCARE LIMITED**  
**(A Company Limited by Guarantee)**

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**TRUSTEES' REPORT**  
**FOR THE YEAR ENDED 30 JUNE 2022**

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The Trustees present their annual report together with the financial statements of the Company for the year 1 July 2021 to 30 June 2022. The Annual Report serves the purposes of both a Trustees' report and a directors' report under company law. The Trustees confirm that the Annual Report and financial statements of the charitable company comply with the current statutory requirements, the requirements of the charitable company's governing document and the provisions of the Statement of Recommended Practice (SORP) applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102) (effective 1 January 2019).

The company's income is at a level where its accounts do not require to be audited. As a result the accounts have been subject to an independent review by Peters Elworthy & Moore, Chartered Accountants, and their report on the annual report and accounts is set out on pages 10 and 11.

Since the Company qualifies as small under section 382 of the Companies Act 2006, the Strategic Report required of medium and large companies under the Companies Act 2006 (Strategic Report and Directors' Report) Regulations 2013 has been omitted.

## **OBJECTIVES AND ACTIVITIES**

### **a. Policies and objectives**

The charitable company was established to operate Sawston Nursery whose purpose is to provide quality childcare for the children of residents of the villages of Sawston and Pampisford, for children whose parents work in Sawston, and, if space is still available, for the children of residents of the surrounding villages of South Cambridgeshire and adjacent counties.

Sawston Nursery is registered with Ofsted to provide the equivalent of 68 full time places. Ofsted carried out its most recent full inspection of the Nursery in March 2018 and found the provision to be 'good'.

The nursery is equipped and staffed to provide for children with Special Needs. Cambridgeshire County Council's Care & Education Department carries out annual quality development reviews.

In setting objectives and planning for activities, the Trustees have given due consideration to general guidance published by the Charity Commission relating to public benefit, including the guidance 'Public benefit: running a charity (PB2)'.

### **b. Activities for achieving objectives**

The primary objective of Sawston Childcare is the care and education of children from the age of 3 months until they are eligible to start school by the provision of a Day Nursery. As a charity, the company offers equal opportunity and access to all families by providing a fair fee structure. The directors are aware of the Charity Commission guidance on public benefit and their policies continue to reflect this in the operation of the Nursery in the following ways:

(a) The nursery operates throughout the year apart from the Christmas week.

(b) In line with their funding budget, the John Huntingdon's Charity and Sawston Childcare work in partnership to provide subsidised places to help families whose children need childcare but cannot afford it. The South Cambridgeshire District Team, local healthcare workers and members of the Sawston Children's Centre can also make recommendations for support from this partnership. In the year ending 30 June 2022 no children benefited from subsidised places. Currently, no children qualify for assistance during the coming year. Where appropriate, John Huntingdon's Charity helps to identify families in need of childcare. This is achieved by scrutiny of family benefits, counselling, CAB input and support by individual workers.



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**SAWSTON CHILDCARE LIMITED**  
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**TRUSTEES' REPORT (CONTINUED)**  
**FOR THE YEAR ENDED 30 JUNE 2022**

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**OBJECTIVES AND ACTIVITIES (CONTINUED)**

(c) Sawston Childcare supports the education and training of future childcare providers by providing work experience placements for students of several local secondary, sixth form and further education colleges.

(d) The Nursery recruits and sponsors the training of apprentices with a view to them progressively obtaining qualifications in early year's education.

(e) The Nursery is constantly aware of the changing requirements in the community which must be balanced with the need for a stable and committed work force. All staff have undertaken training in first aid and child protection during the year.

(f) The nursery places an emphasis on learning outdoors. All of the rooms operate freeflow whereby children can choose whether to learn inside or outside the room. The rooms also have a covered area to provide some shelter during inclement weather.

(g) Any person enquiring about childcare, but not able to be accommodated by Sawston Childcare, is offered help finding an alternative by giving details of how to access the Council maintained register of local childminders and pre schools.

(h) Being mindful of its charitable status, Sawston Childcare maintains its fees at a level necessary to cover only running costs plus a small surplus contingency.

(i) As the directors of Sawston Childcare Limited provide their professional skills and services as unpaid volunteers, fees to users of the Nursery can be maintained at a lower rate.

In the year ending 30 June 2022 it continues to be the intention of Sawston Childcare to further increase its benefits to people who are unable to pay the fees in the following ways (in addition to (a) - (i) above):

Sawston Childcare aims to increase the benefit provided to families who access government-funded sessions, and are in receipt of income support and any other qualifying benefits. It wishes particularly to increase the number of 2 year olds who are eligible for 15 hours of government funded places. Eligibility is dependent on strict deprivation criteria and selection is led by staff at the local Children's Centre.

There has been an increase in demand for places in the baby room and the previous experience of parents requesting start times spread across the year has been reversed with the room being substantially full from September 2022.

**c. Staffing issues**

The company experienced a loss of staff in late 2021 and took a number of steps to enable it to adhere to the Ofsted ratios. These included:

- (a) The closure of the waiting list.
- (b) Reducing the number of children attending the nursery on a temporary basis whilst the staff position stabilised resulting in a loss of income amounting to £4,781.
- (c) The merger of the two baby rooms.
- (d) A reduction of the number of baby places available from 24 to 15.

The company was successful in recruiting new staff and, as a result, was able to re-open the waiting list which attracted a significant number of new registrations, the majority of which have been converted into children coming to the nursery in September 2022.

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**TRUSTEES' REPORT (CONTINUED)**  
**FOR THE YEAR ENDED 30 JUNE 2022**

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**OBJECTIVES AND ACTIVITIES (CONTINUED)**

The company had a final refund from HM Revenue and Customs in the year in respect of the salaries of a small number of staff placed on furlough. The refund amounted to £1,042.

Following the increase in the Living Wage in April 2022 by 6.62%, the decision was made to award all staff the same increase to maintain differentials and move away from the previous policy of awarding salary increases to more senior staff in September each year.

**ACHIEVEMENTS AND PERFORMANCE**

**a. Review of activities**

The overall number of children using the Nursery over the past twelve months showed a decrease when compared with the previous year. The number of children from Sawston and Pampisford also reduced and provision for them remains a priority in allocating places.

Part of the reduction in the number of children attending was attributable to a significant increase in the number of children who have attended on a full time basis.

	<b>2022</b>	<b>2021</b>
Sawston & Pampisford residents	39	42
Other children	27	38
Parents working in Sawston but not resident	1	3
Total children attending at 30th June	67	83
Equivalent full-time places	59	68
Maximum number of places	59	68
Children with subsidised fees (see above)	0	3
Children deemed to have Special Needs	3	3

The charitable company actively promotes staff training. During the past year staff have continued working towards, and achieving, NVQ Levels 2 and 3. Various members of staff have undertaken training in Paediatric First Aid, Child Protection, and various courses revisiting the Early Years Foundation Stage Curriculum and the latest OFSTED requirements.

**FINANCIAL REVIEW**

**a. Financial Review**

The net deficit for the year and the movement in funds in the year was £851 (2021 net surplus £20,005), which resulted in an accumulated surplus on unrestricted funds at the year end of £135,520 (2021: £136,371).

The continuing demand for places is reflected in the increase in the level of registration fees received in the latter part of the year.

Following the deferral of the rent review due on 1st January 2022 by John Huntingdon's Charity, the owner of the freehold of the nursery premises, the review took place with effect from 1st January 2022 with the agreed increase in rent being spread over two years.

In common with all sectors of the economy, the company is suffering significant increases in costs across all areas of expenditure.

Whilst the government increased the living wage by 6.62% as from 1 April 2022, the increase in the NEF grant, which the company receives for eligible pre-school children, will only apply from 1 September 2022 and will be

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**TRUSTEES' REPORT (CONTINUED)**  
**FOR THE YEAR ENDED 30 JUNE 2022**

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restricted to 4.0%. This will inevitably result in fee increases and place increasing pressure on parents' finances.

**b. Reserves policy**

At the year end, free reserves (excluding fixed assets) were £73,804 (2021: £65,789).

The level of reserves at the year end was equivalent to 4.77 weeks expenditure. Reserves at 30 June 2021 were equivalent to 4.35 weeks expenditure. It is the medium to long term aim to raise the level of reserves to a more secure level.

**c. Principal funding**

The main source of income for the Nursery is charges for childcare places. Grants are sought from appropriate bodies towards funding costs incurred for children with special needs.

All government funded hours are provided at a loss to the company and the trustees have, following considerable discussion, assessed the number of hours which the nursery is able to provide to eligible parents.

Government and Local Authority Funding for pre-school children falls into 2 categories:

1. Universal Hours Funding
2. Extended Hours Funding

Extended hours funding is available to parents who have applied to HM Revenue and Customs and have been issued with an authentication code by HMRC confirming that they are eligible. Extended hours entitle parents to benefit from 30 hours funding during term time, i.e.: 38 weeks per year. As the nursery is open for 50 weeks per year, (excluding bank holidays), the hours are reduced to 22.8 hours per week.

Where the parents do not qualify for the extended hours funding, the nursery provides access to universal hours funding which is restricted to 15 hours funding per week. Again, this is restricted to 38 weeks per annum resulting in the universal hours being reduced to 11.4 hours per week.

To ensure that transparency and fairness is provided to all parents the nursery offers up to 20 hours free childcare per week to pre school children whose parents are eligible to receive the extended hours funding. Available hours are restricted to 4 hours per day. The nursery no longer offers either morning or afternoon sessions as experience has shown that it is difficult to fill the unoccupied afternoon or morning session.

Parents of children unable to claim the extended hours funding receive a maximum of 11.4 hours per week.

As stated previously, Cambridgeshire County Council contributes towards the cost of these hours at a rate which is being increased but will remain lower than required.

Funding is also available, where appropriate, for vulnerable 2 year old children and for children with special educational needs.

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**TRUSTEES' REPORT (CONTINUED)**  
**FOR THE YEAR ENDED 30 JUNE 2022**

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**d. Plans for the future**

The nursery continues to receive a high number of applications from parents wishing to register their child with the nursery.

Recent experience in the latter months of the current year indicates that there is significant demand for places although the reduced occupancy on Fridays continues to be a problem.

Whilst the merger of the two baby rooms has reduced the maximum occupancy levels it is anticipated that it will provide a long term benefit in that there will be a smoother flow of numbers through the nursery.

Emphasis on training will continue to ensure that well trained and motivated staff are available to provide a high standard of child care. Continuing attention will be given to the need to provide public benefit.

**STRUCTURE, GOVERNANCE AND MANAGEMENT**

**a. Constitution**

Sawston Childcare was incorporated on 9 March 2000 and obtained charitable status on 20 December 2000. The charitable company is governed by its Memorandum and Articles of Association.

A number of long serving trustees had indicated their desire to resign at the AGM in November 2021 including Mrs V Rowell, who had acted as Chair of Trustees for 6 years and also acted as the "Nominated Individual" for the purposes of Ofsted. It is a requirement of Ofsted that the person acting as the nominated individual is a trustee of the company.

Difficulties were experienced in recruiting replacement trustees in general and in finding a trustee willing to assume the role of the nominated individual and the trustees took the decision to apply to the Charity Commission to vary the Memorandum and Articles of Association to permit the appointment of a salaried trustee subject to a number of agreed caveats.

Following a dialogue with the Charity Commission a revised Memorandum and Articles of Association was adopted by the company in January 2022. Approval was then obtained from Ofsted which enabled the company to appoint the manager of the nursery as a salaried trustee and who assume the role of the nominated individual. Ms K Spencer was appointed as a trustee on 7 February 2022 and as the nominated individual 9 May 2022.

**b. Methods of appointment or election of Trustees**

The management of the Company is the responsibility of the Trustees who are elected and co-opted under the terms of the Trust deed.



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**SAWSTON CHILDCARE LIMITED**  
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**TRUSTEES' REPORT (CONTINUED)**  
**FOR THE YEAR ENDED 30 JUNE 2022**

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**STRUCTURE, GOVERNANCE AND MANAGEMENT (CONTINUED)**

**c. Organisational structure and decision-making policies**

The company, which operates under the name of Sawston Nursery, had a board of seven trustees at 30 June 2022:

Three trustees are parents of children attending the nursery and were elected by other parents. Of these, one is a university administrator, one is a research scientist whilst the third is a research pharmacist.

One trustee has expertise in childcare with specific reference to matters relating to safeguarding issues.

One trustee is a community trustee with a regulatory background related to the monitoring of medical devices.

One trustee is a retired chartered accountant.

As stated previously, the manager of the nursery acts as the Salaried Trustee and as the Nominated Individual for the purposes of Ofsted.

Vivien Rowell resigned on 27 July 2022 after serving as a trustee for a period of 16 years, the last 6 of which she acted as Chair of Trustees and as Nominated Individual for the purposes of Ofsted.

The trustees express their gratitude to Mrs Rowell for her commitment and contribution to the company throughout her period of service.

Adrian Ball, who is a research and development executive with Astra Zeneca, was elected on 6 September 2022 as a parent trustee.

Paul Whitmell, a locally based, retired chartered accountant, was elected on 19 October 2022 as a trustee.

It was confirmed at the Annual General Meeting on 27 November 2021 that trustees were appointed to serve for the following periods:

Katie Hockley and Charlie Whitaker were appointed for two years.

Dr Garima Sharma, Emma Chipps and Dr Neil Adams were appointed for three years.

Katrina Spencer, Adrian Ball and Paul Whitmell, having been elected as trustees since the previous Annual General Meeting, resign and offer themselves for re-election.

Apart from the salaried trustee, all other trustees are unpaid and receive no remuneration for their services. All trustees are also members of the company and guarantee to contribute an amount not exceeding £10 to the assets of the charitable company in the event of winding up.

New trustees receive induction training. This includes appropriate specialist instruction if required.

The Board of Trustees has prepared operational procedures which are subject to constant review and are implemented by the Head of Nursery, who is responsible for the day to day management of the nursery. The Board approves all other matters.

**d. Pay policy for key management personnel**

Management personnel are recruited at salaries commensurate with their levels of competence, qualifications and experience taking into account their previous salary and the salaries of other applicants.

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**SAWSTON CHILDCARE LIMITED**  
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**TRUSTEES' REPORT (CONTINUED)**  
**FOR THE YEAR ENDED 30 JUNE 2022**

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**STRUCTURE, GOVERNANCE AND MANAGEMENT (CONTINUED)**

**e. Financial risk management**

The Trustees have conducted their own review of the major risks to which the company is exposed and have established systems designed to mitigate those risks.

Financial risks include:

- 1) The continuing impact of the pandemic.
- 2) The avoidance of any conflicts of interest resulting from the appointment of the salaried trustee.
- 3) The loss of income resulting from closure of the nursery following fire or other damage. The company maintains insurance at a level sufficient to provide for loss of income for a period of two years.
- 4) A shortage of children attending the nursery. Whilst the nursery can accommodate 68 children at any one time the trustees have approved the decision of the management to reduce the number to 59. During the past year 67 children were enrolled and have attended the nursery. Whilst this figure is lower than the trustees would wish, the lower number is mitigated by the fact that a significant number attend on a full time basis.
- 5) A further 14 children are registered on the waiting list for places. The waiting list is reviewed on a regular basis and the trustees are as satisfied as possible that, given the present circumstances, the nursery will continue to operate for the foreseeable future.
- 6) Difficulty in recruiting staff. The company employs 31 staff many of whom are long term employees. The company engages staff in accordance with Ofsted staffing ratios and at the required levels of competence. Staff turnover, which used to be low, increased during the year. Whilst staff levels have currently stabilised it is has become increasingly difficulty to recruit staff over the past year and this represents a significant risk.
- 7) Loss of records. All records relating to children and income and expenditure are maintained on computer systems which are backed up remotely at 3 hourly intervals.
- 8) Risks to the children - the company maintains up to date policies covering all areas of potential risk to the children. The policies are under constant review by the trustees and key management personnel.

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**SAWSTON CHILDCARE LIMITED**  
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**TRUSTEES' REPORT (CONTINUED)**  
**FOR THE YEAR ENDED 30 JUNE 2022**

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**STATEMENT OF TRUSTEES' RESPONSIBILITIES**

The Trustees (who are also the directors of the Company for the purposes of company law) are responsible for preparing the Trustees' 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. Under company law, the Trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of its incoming resources and application of resources, including its income and expenditure, 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 of the Charities SORP (FRS 102);
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards (FRS 102) 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 Company will continue in business.

The Trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the 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 Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Approved by order of the members of the board of Trustees and signed on their behalf by:



**Mrs C Whitaker**

Trustee

Date: 30.11.2022



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**SAWSTON CHILDCARE LIMITED**  
**(A Company Limited by Guarantee)**

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**INDEPENDENT EXAMINER'S REPORT**  
**FOR THE YEAR ENDED 30 JUNE 2022**

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**INDEPENDENT EXAMINER'S REPORT TO THE TRUSTEES OF SAWSTON CHILDCARE LIMITED**  
**('the Company')**

I report to the charity Trustees on my examination of the accounts of the Company for the year ended 30 June 2022.

**RESPONSIBILITIES AND BASIS OF REPORT**

As the Trustees of the Company (and 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 the Company's accounts 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 Institute of Chartered Accountants in England and Wales, 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:

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.

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**SAWSTON CHILDCARE LIMITED**  
**(A Company Limited by Guarantee)**

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**INDEPENDENT EXAMINER'S REPORT (CONTINUED)**  
**FOR THE YEAR ENDED 30 JUNE 2022**

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This report is made solely to the Company's Trustees, as a body, in accordance with Part 4 of the Charities (Accounts and Reports) Regulations 2008. My work has been undertaken so that I might state to the Company's Trustees those matters I am required to state to them in an Independent Examiner's Report and for no other purpose. To the fullest extent permitted by law, I do not accept or assume responsibility to anyone other than the Company and the Company's Trustees as a body, for my work or for this report.

Signed: *K. Bretherick* Dated: *17 January 2023*  
Kelly Bretherick FCA

**PETERS ELWORTHY & MOORE**  
Chartered Accountants  
Salisbury House  
Station Road  
Cambridge  
CB1 2LA

**SAWSTON CHILDCARE LIMITED**  
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**STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING INCOME AND EXPENDITURE ACCOUNT)  
FOR THE YEAR ENDED 30 JUNE 2022**

	Note	Unrestricted funds 2022 £	Total funds 2022 £	Total funds 2021 £
<b>INCOME FROM:</b>				
Donations	2	1,801	1,801	4,496
Charitable activities	3	801,389	801,389	788,736
Investments	4	96	96	2
Other income	5	1,042	1,042	12,884
<b>TOTAL INCOME</b>		<b>804,328</b>	<b>804,328</b>	<b>806,118</b>
<b>EXPENDITURE ON:</b>				
Charitable activities		805,179	805,179	786,113
<b>TOTAL EXPENDITURE</b>		<b>805,179</b>	<b>805,179</b>	<b>786,113</b>
<b>NET MOVEMENT IN FUNDS</b>		<b>(851)</b>	<b>(851)</b>	<b>20,005</b>
<b>RECONCILIATION OF FUNDS:</b>				
Total funds brought forward		136,371	136,371	116,366
Net movement in funds		(851)	(851)	20,005
<b>TOTAL FUNDS CARRIED FORWARD</b>		<b>135,520</b>	<b>135,520</b>	<b>136,371</b>

The notes on pages 15 to 25 form part of these financial statements.

**SAWSTON CHILDCARE LIMITED**  
**(A Company Limited by Guarantee)**  
**REGISTERED NUMBER: 03943667**

**BALANCE SHEET**  
**AS AT 30 JUNE 2022**

	Note	2022 £	2021 £
<b>FIXED ASSETS</b>			
Tangible assets	8	61,716	70,582
		<u>61,716</u>	<u>70,582</u>
<b>CURRENT ASSETS</b>			
Debtors	9	26,916	19,791
Cash at bank and in hand		196,353	197,281
		<u>223,269</u>	<u>217,072</u>
Creditors: amounts falling due within one year	10	(149,465)	(151,283)
<b>NET CURRENT ASSETS</b>		<u>73,804</u>	<u>65,789</u>
<b>TOTAL NET ASSETS</b>		<u><u>135,520</u></u>	<u><u>136,371</u></u>
<b>CHARITY FUNDS</b>			
Unrestricted funds		135,520	136,371
<b>TOTAL FUNDS</b>		<u><u>135,520</u></u>	<u><u>136,371</u></u>

The Company was entitled to exemption from audit under section 477 of the Companies Act 2006.

The members have not required the company to obtain an audit for the year in question in accordance with section 476 of Companies Act 2006.

The Trustees acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and preparation of financial statements.

The financial statements have been prepared in accordance with the provisions applicable to entities subject to the small companies regime.

The financial statements were approved and authorised for issue by the Trustees and signed on their behalf by:



**Mrs C Whitaker**  
Trustee

Date: 30.11.2022

The notes on pages 15 to 25 form part of these financial statements.

**SAWSTON CHILDCARE LIMITED**  
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**STATEMENT OF CASH FLOWS**  
**FOR THE YEAR ENDED 30 JUNE 2022**

	Note	2022 £	2021 £
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Net cash used in operating activities	12	4,192	36,005
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Dividends, interests and rents from investments		96	2
Purchase of tangible fixed assets		(5,216)	(9,647)
<b>NET CASH USED IN INVESTING ACTIVITIES</b>		(5,120)	(9,645)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
<b>CHANGE IN CASH AND CASH EQUIVALENTS IN THE YEAR</b>		(928)	26,360
Cash and cash equivalents at the beginning of the year		197,281	170,921
<b>CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR</b>	13	196,353	197,281

The notes on pages 15 to 25 form part of these financial statements

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**SAWSTON CHILDCARE LIMITED**  
**(A Company Limited by Guarantee)**

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**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2022**

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**1. ACCOUNTING POLICIES**

**1.1 BASIS OF PREPARATION OF FINANCIAL STATEMENTS**

The financial statements have been prepared in accordance with the Charities SORP (FRS 102) - 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) (effective 1 January 2019), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

Sawston Childcare Limited meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy.

No significant estimates or judgements were made by management in preparing these financial statements.

**1.2 COMPANY STATUS**

The Company is a company limited by guarantee. The members of the Company are the Trustees named on page 1. In the event of the company being wound up, the liability in respect of the guarantee is limited to £10 per member of the company.

**1.3 FUND ACCOUNTING**

General funds are unrestricted funds which are available for use at the discretion of the Trustees in furtherance of the general objectives of the company and which have not been designated for other purposes.

Investment income, gains and losses are allocated to the appropriate fund.

**1.4 INCOME**

All income is recognised once the Company has entitlement to the income, it is probable that the income will be received and the amount of income receivable can be measured reliably.

Parent and third party fees are recognised in the period to which they relate, with any fees in advance being deferred.

Grants receivable, including grants for the purchase of fixed assets, are recognised in full in the Statement of Financial Activities in the year which they are received.

Other income is recognised in the period in which it is receivable and to the extent the goods have been provided or on completion of the service.

Interest on funds held on deposit is included when received and the amount can be measured reliably by the charity; this is normally upon notification of the interest payable by the bank.



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**SAWSTON CHILDCARE LIMITED**  
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**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2022**

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**1. ACCOUNTING POLICIES (CONTINUED)**

**1.5 EXPENDITURE**

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably.

All expenditure is accounted for on an accruals basis. All expenses including support costs and governance costs are allocated to the applicable expenditure headings. Governance costs are those incurred in connection with administration of the company and compliance with constitutional and statutory requirements.

Expenditure on charitable activities is incurred on directly undertaking the activities which further the Company's objectives, as well as any associated support costs.

All expenditure is inclusive of irrecoverable VAT.

**1.6 FINANCIAL INSTRUMENTS**

The Company only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and are subsequently measured at their settlement value.

**1.7 TANGIBLE FIXED ASSETS AND DEPRECIATION**

Tangible fixed assets costing £500 or more are capitalised and recognised when future economic benefits are probable and the cost or value of the asset can be measured reliably.

Tangible fixed assets are initially recognised at cost. After recognition, under the cost model, tangible fixed assets are measured at cost less accumulated depreciation and any accumulated impairment losses. All costs incurred to bring a tangible fixed asset into its intended working condition should be included in the measurement of cost.

Depreciation is charged so as to allocate the cost of tangible fixed assets less their residual value over their estimated useful lives, using the straight-line method.

Depreciation is provided on the following bases:

Nursery Equipment	- Straight line over 5 years
Office furniture and equipment	- Straight line over 5 years
Tenant's adaptations	- Straight line over 10 years

**1.8 DEBTORS**

Trade and other debtors are recognised at the settlement amount after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due.

**1.9 CASH AT BANK AND IN HAND**

Cash at bank and in hand includes cash and short-term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.



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**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2022**

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**1. ACCOUNTING POLICIES (CONTINUED)**

**1.10 CREDITORS**

Liabilities are recognised when there is an obligation at the Balance Sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably. Liabilities are recognised at the amount that the company anticipates it will pay to settle the debt or the amount it has received as advanced payments for the goods or services it must provide. Provisions are measured at the best estimate of the amounts required to settle the obligation.

**1.11 OPERATING LEASES**

Rentals paid under operating leases are charged to the Statement of Financial Activities on a straight-line basis over the lease term.

**1.12 PENSIONS**

The company operates a defined contribution pension scheme and the pension charge represents the amounts payable by the company to the fund in respect of the year.

**2. INCOME FROM DONATIONS AND LEGACIES**

	<b>Unrestricted funds 2022 £</b>	<b>Total funds 2022 £</b>	<b>Total funds 2021 £</b>
Donations	1,801	1,801	4,496
	<hr/>	<hr/>	<hr/>
TOTAL 2021	4,496	4,496	
	<hr/>	<hr/>	

**SAWSTON CHILDCARE LIMITED**  
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**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2022**

**3. INCOME FROM CHARITABLE ACTIVITIES**

	Unrestricted funds 2022 £	Total funds 2022 £	Total funds 2021 £
Third party fees	83,242	83,242	89,015
Income from parent fees	718,147	718,147	699,721
	<u>801,389</u>	<u>801,389</u>	<u>788,736</u>
TOTAL 2021	<u>788,736</u>	<u>788,736</u>	

Included within third party fees are government grants representing Early Years Funding from Cambridgeshire County Council of £80,914 (2021: £87,391). This grant is for funding the 15 hours of free childcare for eligible households.

**4. INVESTMENT INCOME**

	Unrestricted funds 2022 £	Total funds 2022 £	Total funds 2021 £
Investment income	<u>96</u>	<u>96</u>	<u>2</u>
TOTAL 2021	<u>2</u>	<u>2</u>	

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**5. OTHER INCOMING RESOURCES**

	Unrestricted funds 2022 £	Total funds 2022 £	Total funds 2021 £
Coronavirus Job Retention Scheme	1,042	1,042	12,884
TOTAL 2021	12,884	12,884	

The charity received a government grant under the Coronavirus Job Retention Scheme (CJRS) to cover the salaries of furloughed staff of £1,042 (2021: £12,884).

**6. ANALYSIS OF EXPENDITURE BY ACTIVITIES**

	Activities undertaken directly 2022 £	Support costs 2022 £	Total funds 2022 £	Total funds 2021 £
Nursery, management and administration costs	745,864	59,315	805,179	786,113
TOTAL 2021	724,735	61,378	786,113	

**ANALYSIS OF DIRECT COSTS**

	Total funds 2022 £	Total funds 2021 £
Wages and salaries	561,467	556,062
Office rentals and other costs	90,070	84,022
Computer costs	2,580	1,726
Nursery operating costs	91,747	82,925
	745,864	724,735

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**NOTES TO THE FINANCIAL STATEMENTS**  
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**6. ANALYSIS OF EXPENDITURE BY ACTIVITIES (CONTINUED)**

**ANALYSIS OF SUPPORT COSTS**

	<b>Total funds 2022 £</b>	<b>Total funds 2021 £</b>
Staff costs	24,265	29,749
Depreciation	14,082	14,372
Marketing	876	997
Bank charges	729	656
Consultancy and professional fees	12,649	8,975
Accountancy	6,714	6,629
	<u>59,315</u>	<u>61,378</u>

Governance costs amounted to £4,345 (2021: £3,888).

**7. STAFF COSTS**

	<b>2022 £</b>	<b>2021 £</b>
Wages and salaries	546,634	546,831
Social security costs	30,820	30,422
Contribution to defined contribution pension schemes	8,278	8,558
	<u>585,732</u>	<u>585,811</u>

Included above is an ex-gratia payment relating to one employee amounting to £Nil (2021: £10,455).

The average number of persons employed by the Company during the year was as follows:

	<b>2022 No.</b>	<b>2021 No.</b>
Nursery staff	27	30
Administrative staff	2	2
	<u>29</u>	<u>32</u>

**SAWSTON CHILDCARE LIMITED**  
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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2022**

**7. STAFF COSTS (CONTINUED)**

The average headcount expressed as full-time equivalents was:

	2022 No.	2021 No.
Nursery staff	22	25
Administrative staff	1	1
	<u>23</u>	<u>26</u>

No employee received remuneration amounting to more than £60,000 in either year.

Key management personnel of the charity comprises the Trustees, Head of Nursery and Deputy Heads of Nursery. The Trustees have all given their time and expertise without any kind of remuneration or other benefit in kind (2021: £Nil). The total employment benefits of key management personnel, including employer pension contributions were £86,658 (2021: £87,138).

**8. TANGIBLE FIXED ASSETS**

	Fixtures and fittings £	Office equipment £	Tenants' adapions £	Total £
<b>COST OR VALUATION</b>				
At 1 July 2021	34,856	34,564	138,731	208,151
Additions	-	2,375	2,841	5,216
At 30 June 2022	<u>34,856</u>	<u>36,939</u>	<u>141,572</u>	<u>213,367</u>
<b>DEPRECIATION</b>				
At 1 July 2021	33,211	28,833	75,525	137,569
Charge for the year	655	2,090	11,337	14,082
At 30 June 2022	<u>33,866</u>	<u>30,923</u>	<u>86,862</u>	<u>151,651</u>
<b>NET BOOK VALUE</b>				
At 30 June 2022	<u>990</u>	<u>6,016</u>	<u>54,710</u>	<u>61,716</u>
At 30 June 2021	<u>1,645</u>	<u>5,731</u>	<u>63,206</u>	<u>70,582</u>

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**FOR THE YEAR ENDED 30 JUNE 2022**

**9. DEBTORS**

	<b>2022</b>	2021
	£	£
<b>DUE WITHIN ONE YEAR</b>		
Trade debtors	<b>1,826</b>	858
Other debtors	<b>239</b>	681
Prepayments and accrued income	<b>24,851</b>	18,252
	<b>26,916</b>	19,791

**10. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	<b>2022</b>	2021
	£	£
Trade creditors	<b>32,190</b>	21,342
Other taxation and social security	<b>10,265</b>	8,492
Other creditors	<b>34,848</b>	43,989
Accruals and deferred income	<b>72,162</b>	77,460
	<b>149,465</b>	151,283

  

	<b>2022</b>	2021
	£	£
Deferred income at 1 July 2021	<b>50,434</b>	30,862
Resources deferred during the year	<b>48,788</b>	50,404
Amounts released from previous periods	<b>(50,434)</b>	(30,832)
	<b>48,788</b>	50,434

Deferred income relates to fees paid in advance and third party fees for the remainder of the summer term.

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**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2022**

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**11. ANALYSIS OF NET ASSETS BETWEEN FUNDS**

**ANALYSIS OF NET ASSETS BETWEEN FUNDS - CURRENT YEAR**

	Unrestricted funds 2022 £	Total funds 2022 £
Tangible fixed assets	61,716	61,716
Current assets	221,945	221,945
Creditors due within one year	(148,141)	(148,141)
<b>TOTAL</b>	<u>135,520</u>	<u>135,520</u>

**ANALYSIS OF NET ASSETS BETWEEN FUNDS - PRIOR YEAR**

	Unrestricted funds 2021 £	Total funds 2021 £
Tangible fixed assets	70,582	70,582
Current assets	217,072	217,072
Creditors due within one year	(151,283)	(151,283)
<b>TOTAL</b>	<u>136,371</u>	<u>136,371</u>



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**NOTES TO THE FINANCIAL STATEMENTS**  
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**12. RECONCILIATION OF NET MOVEMENT IN FUNDS TO NET CASH FLOW FROM OPERATING ACTIVITIES**

	2022 £	2021 £
Net income/expenditure for the year (as per Statement of Financial Activities)	(851)	20,005
<b>ADJUSTMENTS FOR:</b>		
Depreciation charges	14,082	14,372
Dividends, interests and rents from investments	(96)	(2)
Increase in debtors	(7,125)	(13,698)
(Decrease)/ increase in creditors	(1,818)	15,328
<b>NET CASH PROVIDED BY OPERATING ACTIVITIES</b>	<b>4,192</b>	<b>36,005</b>

**13. ANALYSIS OF CASH AND CASH EQUIVALENTS**

	2022 £	2021 £
Cash in hand	196,353	197,281

**14. ANALYSIS OF CHANGES IN NET DEBT**

	At 1 July 2021 £	Cash flows £	At 30 June 2022 £
Cash at bank and in hand	197,281	(928)	196,353

**15. PENSION COMMITMENTS**

The company operates a defined contribution pension scheme for the benefit of the employees. The pension cost charged to the Statement of Financial Activities for the period was £8,278 (2021: £8,203). There were accrued contributions at the Balance Sheet date of £3,088 (2021: £4,091).

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**NOTES TO THE FINANCIAL STATEMENTS**  
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**16. OPERATING LEASE COMMITMENTS**

At 30 June 2022 the Company had commitments to make future minimum lease payments under non-cancellable operating leases as follows:

	2022 £	2021 £
Not later than 1 year	76,800	68,400
Later than 1 year and not later than 5 years	312,000	273,600
Later than 5 years	195,000	239,400
	<u>583,800</u>	<u>581,400</u>

**17. RELATED PARTY TRANSACTIONS**

In the year to 30 June 2022, IT support, equipment and training amounting to £183 (2021: £418) was provided by Boldfield Limited. Ian McFarlane, a trustee to 24/11/2021 of Sawston Childcare Limited, is also a director of Boldfield Limited. At the year end a balance of £nil (2021: £nil) was owing to Boldfield Limited.