

ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023

FOR

BEECHWOOD EDUCARE CENTRE

(A company limited by guarantee)

BEECHWOOD EDUCARE CENTRE**CONTENTS OF THE ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023**

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BEECHWOOD EDUCARE CENTRE

**LEGAL AND ADMINISTRATIVE DETAILS
FOR THE YEAR ENDED 31 MARCH 2023**

DIRECTORS:

Denis George Storey
Barbara Ann Johnstone
Tina Johnson
Rachael Louise Simms -- appointed 14 July 2023
Kevin James Simms -- appointed 14 July 2023

REGISTERED OFFICE:

High Hopes at Longview
Knowsley Lane Primary School
Astley Road
Huyton
Liverpool
L36 8DB

COMPANY NUMBER:

04042026 (England and Wales)

CHARITY NUMBER:

1090050 (England and Wales)

INDEPENDENT EXAMINER

David Glover FCA
John Kerr - Chartered Accountants
375 Eaton Road
West Derby
Liverpool
L12 2AH

BANKERS:

Barclays Bank PLC
Leicester
LE87 2BB

BEECHWOOD EDUCARE CENTRE**REPORT OF THE DIRECTORS (INCORPORATING THE TRUSTEES' ANNUAL REPORT)
FOR THE YEAR ENDED 31 MARCH 2023**

The directors of the company (who are also charity trustees for the purposes of charity law), present their report with the financial statements of the charitable company for the year ended 31 March 2023 which are also prepared to meet the requirements for a trustees' report and accounts for Charity Law purposes. The legal and administrative details set out on page 1 form part of this report.

The financial statements comply with the Charities Act 2011, the Companies Act 2006, the Memorandum and Articles of Association and 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 (FRS102) effective 1 January 2019.

OUR PURPOSES AND ACTIVITIES

The purposes and activities of the charitable company are to advance the education and development of children living in the North Huyton areas of Merseyside and the wider community by the provision of high quality nursery care & out of school facilities and working in partnership with other agencies to secure the widest range of services is available that best matches the needs of our client population.

In shaping our objectives for the year and planning our activities, the directors have considered the Charity Commission's guidance on public benefit, including the guidance 'public benefit: running a charity (PB2)'. The charity relies on the income from fees, charges and grants to cover its operating costs. Affordability and access to our facilities is important to us and is reflected in our pricing policy.

ACHIEVEMENTS, PERFORMANCE AND PLANS FOR THE FUTURE

The results for the year and financial position of the charitable company are as shown in the annexed financial statements. The charity, with the support of both its staff and volunteers continues to provide much needed services by the provision of high quality nursery care & out of school facilities. The charity has seen a steady demand for its services and has had some success in obtaining commitments for future funding to enable it to further its aims. The directors are continuing to seek additional funding to support future operational plans. The latest Ofsted inspection report rated overall effectiveness as Good.

RESERVES POLICY AND GOING CONCERN

Reserves are needed to bridge the gap between the spending and receiving of income and to cover unplanned emergency repairs and other expenditure. The directors have established a policy whereby the unrestricted funds not committed or invested in tangible fixed assets ('the free reserves') held by the charity should be between 6 and 9 months of the resources expended, which equates to between approximately £224,000 to £337,000 in general funds. At this level, the directors feel that they would be able to continue the current activities of the charity in the event of a significant drop in funding. At 31 March 2023 the free reserves amounted to £40,730 and are below the target level. The directors are considering ways in which additional unrestricted reserves can be raised.

In preparing the accounts, the directors consider that the charitable company has sufficient resources to continue operations for the foreseeable future.

STRUCTURE, GOVERNANCE AND MANAGEMENT

The organisation is a charitable company limited by guarantee, incorporated on 27 July 2000 and registered as a charity on 11 January 2002. Members of the charitable company guarantee to contribute an amount not exceeding £10 in the event of the charity winding up. The company is governed by the policies made from time to time by the directors together with the terms of its Memorandum and Articles of Association which set out the objects and powers of the company. The procedures for the appointment, retirement and removal of directors are set out in the Articles. All directors are encouraged to attend appropriate external training events where these will facilitate the undertaking of their role. The day to day operational aspects of the charity have been delegated to the Manager and her team.

DIRECTORS

The directors during the year under review, who were appointed by the members in accordance with procedures set out in the Memorandum and Articles, were:

Denis George Storey
Barbara Ann Johnstone
Tina Johnson

BEECHWOOD EDUCARE CENTRE**REPORT OF THE DIRECTORS (INCORPORATING THE TRUSTEES' ANNUAL REPORT)
FOR THE YEAR ENDED 31 MARCH 2023 - continued****RELATED PARTIES**

None of the directors receive remuneration or other financial benefit from their work with the charity and any contractual relationship with a related party must be disclosed to the full board. In the current year, no such related party transactions were reported.

RISK MANAGEMENT

The directors have a risk management strategy which comprises: an annual review of the principal risks and uncertainties that the charity faces and; the establishment of policies, systems and procedures to mitigate those risks identified in the annual review; and the implementation of procedures designed to minimise or manage any potential impact on the charity should those risks materialise.

Financial sustainability is the major financial risk for the charity. A key element in the management of financial risk is a regular review of available liquid funds to settle debts as they fall due and active management of trade debtors and creditor balances to ensure sufficient working capital is available.

Attention has also been focused on non-financial risks arising from child protection, fire, health and safety and food hygiene. These risks are managed by ensuring procedures and accreditations are up to date, having robust policies in place, and regular awareness training for staff and volunteers in these operational areas. Standards are monitored both internally and externally to ensure consistent quality of delivery for all operational aspects of the charity.

The COVID-19 pandemic created a major challenge with a high level of uncertainty for many charities. The charity took prompt action to protect cash flow including reducing outgoings and taking advantage of government support grants.

RESPONSIBILITIES OF THE DIRECTORS IN RELATION TO THE FINANCIAL STATEMENTS

The directors are responsible for preparing an annual report and financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Under company law the directors 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 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 the financial statements, they are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- 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 on that basis.

The directors are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the charitable company and to 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.

This report has been prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small companies.

BY ORDER OF THE BOARD OF DIRECTORS


Kevin James Simms – Director

Date 12/01/2024

**INDEPENDENT EXAMINER'S REPORT TO THE DIRECTORS OF
BEECHWOOD EDUCARE CENTRE**

I report to the directors on my examination of the accounts of the charitable company for the year ended 31 March 2023 which are set out on pages 5 to 9.

This report is made to the board of directors, as a body, in accordance with the terms of the engagement. To the fullest extent permitted by law, I do not accept or assume responsibility to anyone other than the charitable company and the directors, as a body, for my work or for this report.

Responsibilities and basis of report

As the directors of the charitable company (and also its trustees for the purposes of charity 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 charity'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 report

Since the charitable 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:

- accounting records were not kept in respect of the company as required by section 386 of the 2006 Act; or
- the accounts do not accord with those accounting records; or
- 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
- the accounts have not been prepared in accordance with the methods and principles of 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.

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.



David S Glover FCA
John Kerr - Chartered Accountants
375 Eaton Road
West Derby
Liverpool
Merseyside
L12 2AH

12 January 2024

BEECHWOOD EDUCARE CENTRE

STATEMENT OF FINANCIAL ACTIVITIES (INCLUDING INCOME AND EXPENDITURE ACCOUNT)
FOR THE YEAR ENDED 31 MARCH 2023

	31.3.2023 £	31.3.2022 £
Unrestricted income funds:		
Income:		
Grants and donations – operation of childcare centre	219,316	243,896
Fees – operation of childcare centre	147,032	108,245
Coronavirus Job Retention Scheme grants	-	1,851
Total income	366,348	353,992
Expenditure:		
Costs of operation of childcare centre	446,288	407,984
Governance costs	2,610	2,610
Total expenditure	448,898	410,594
Net expenditure for the year and net movement in funds (see notes 2 & 7)	(82,550)	(56,602)
Reconciliation of funds		
Total funds brought forward	<u>123,820</u>	<u>180,422</u>
Total funds carried forward	<u>41,270</u>	<u>123,820</u>

The statement of financial activities incorporates the income and expenditure account.

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

All income and expenditure derives from continuing activities.

BEECHWOOD EDUCARE CENTRE

BALANCE SHEET
31 MARCH 2023

	Notes	31.3.2023 £	£	31.3.2022 £	£
FIXED ASSETS					
Tangible assets	4		540		1,077
CURRENT ASSETS					
Debtors	5	19,273		48,840	
Cash at bank and in hand		<u>47,384</u>		<u>103,341</u>	
		66,657		152,181	
LIABILITIES					
Creditors falling due within one year	6	<u>25,927</u>		<u>29,438</u>	
NET CURRENT ASSETS			<u>40,730</u>		<u>122,743</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>41,270</u>		<u>123,820</u>
THE FUNDS OF THE CHARITY					
Unrestricted income funds	10		<u>41,270</u>		<u>123,820</u>
TOTAL CHARITY FUNDS			<u>41,270</u>		<u>123,820</u>

The company is entitled to exemption from audit under Section 477 of the Companies Act 2006 for the year ended 31 March 2023.

The members have not required the company to obtain an audit of its financial statements for the year ended 31 March 2023 in accordance with Section 476 of the Companies Act 2006.

The directors acknowledge their responsibilities for:

- ensuring that the company keeps accounting records which comply with Sections 386 and 387 of the Companies Act 2006 and
- preparing financial statements which give a true and fair view of the state of affairs of the company as at the end of each financial year and of its income and expenditure for each financial year in accordance with the requirements of Sections 394 and 395 and which otherwise comply with the requirements of the Companies Act 2006 relating to financial statements, so far as applicable to the company.

These financial statements have been prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small companies and constitute the annual accounts required by the Companies Act 2006 and are for circulation to the members of the company.

The financial statements were approved by the Board of Directors and authorised for issue on 12/01/2024 and were signed on its behalf by:



Kevin James Simms - Director

BEECHWOOD EDUCARE CENTRE**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023****1. ACCOUNTING POLICIES**

The principal accounting policies adopted, judgements and key sources of estimation uncertainty in the preparation of the financial statements are as follows:

Basis of preparation

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) effective 1 January 2019, the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006. Beechwood Educare Centre 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 notes.

Preparation of the accounts on a going concern basis

In preparing the accounts, the directors have taken account of the financial resources available to the charity and consider that the charity should be able to continue operations for the foreseeable future.

Income recognition

Items of income are recognised and included in the accounts when all of the following criteria are met: the charity has entitlement to the funds; any performance conditions attached to the item(s) of income have been met or are fully within the control of the charity; there is sufficient certainty that receipt of the income is considered probable; and the amount can be measured reliably. The value of services provided by volunteers has not been included in these accounts.

Expenditure recognition

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

Pension costs

The charitable company operates defined contribution pension schemes. Contributions payable to the company's pension schemes are charged to the Statement of Financial Activities in the period to which they relate.

Tangible fixed assets

Tangible fixed assets are stated at cost less accumulated depreciation. Depreciation is provided at rates calculated to write off the cost of each asset over its expected useful life:

Fixtures & equipment - 20% on cost

2. NET EXPENDITURE

This is stated after charging:

	31.3.2023	31.3.2022
	£	£
Independent examination and accountancy costs	2,610	2,610
Depreciation	537	537
Directors' emoluments, expenses and benefits	<u>-</u>	<u>-</u>

The directors were not paid nor did they receive any other benefits from employment with the charity in the year (2022: £nil) neither were they reimbursed expenses during the year (2022: £nil). No director received payment for professional or other services supplied to the charity (2022: £nil).

3. CORPORATION TAX

The charity is exempt from tax on income and gains to the extent that these are applied to its charitable objects.

BEECHWOOD EDUCARE CENTRE

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023 - continued

4. TANGIBLE FIXED ASSETS		
	Fixtures & equipment £	Totals £
COST		
At 1 April 2022	121,309	121,309
Additions	-	-
Disposals	-	-
At 31 March 2023	<u>121,309</u>	<u>121,309</u>
DEPRECIATION		
At 1 April 2022	120,232	120,232
Charge for year	<u>537</u>	<u>537</u>
At 31 March 2023	<u>120,769</u>	<u>120,769</u>
NET BOOK VALUE		
At 31 March 2023	<u>540</u>	<u>540</u>
At 31 March 2022	<u>1,077</u>	<u>1,077</u>
5. DEBTORS		
	31.3.2023 £	31.3.2022 £
Trade debtors net of bad and doubtful debt provisions	19,264	48,840
Other debtors	<u>9</u>	<u>-</u>
	<u>19,273</u>	<u>48,840</u>
6. CREDITORS FALLING DUE WITHIN ONE YEAR		
	31.3.2023 £	31.3.2022 £
Trade creditors	5,936	16,355
Social security and other taxes	10,057	6,386
Accruals and deferred income	9,093	5,907
Other creditors	<u>841</u>	<u>790</u>
	<u>25,927</u>	<u>29,438</u>
7. ANALYSIS OF STAFF COSTS AND STAFF NUMBERS		
	31.3.2023 £	31.3.2022 £
Wages and salaries (No employee had emoluments in excess of £60,000)	295,945	284,923
Social security costs -- Employers National Insurance	11,388	11,009
Pension contributions	<u>3,769</u>	<u>3,458</u>
	<u>311,102</u>	<u>299,390</u>
The average monthly head count during the year was as follows:		
	31.3.2023	31.3.2022
Operation of childcare centre	20	21
8. FRC ETHICAL STANDARD - PROVISIONS AVAILABLE FOR SMALL ENTITIES		

In common with many other charities of our size and nature we use our Independent Examiner to assist with the preparation of the financial statements.

BEECHWOOD EDUCARE CENTRE**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023 - continued****9. LEGAL STATUS OF THE CHARITY**

The charity is a private company, limited by guarantee, registered in England and Wales and has no share capital. In the event of the charitable company being wound up, the liability in respect of the guarantee is limited to £10 per member of the company. The company's registered number and registered office address can be found on page 1.

10. ANALYSIS OF CHARITABLE FUNDS

	Unrestricted income funds £
At 1 April 2022	123,820
Incoming resources	366,348
Outgoing resources	(448,898)
	<hr/>
At 31 March 2023 - represented by total assets less current liabilities	<u><u>41,270</u></u>
	 £
At 1 April 2021	180,422
Incoming resources	353,992
Outgoing resources	(410,594)
	<hr/>
At 31 March 2022 - represented by total assets less current liabilities	<u><u>123,820</u></u>

BEECHWOOD EDUCARE CENTRE

DETAILED INCOME AND EXPENDITURE ACCOUNT
FOR THE YEAR ENDED 31 MARCH 2023

	31.3.2023		31.3.2022	
	£	£	£	£
Income:				
Fees receivable	147,032		108,245	
Coronavirus Job Retention Scheme grants	-		1,851	
Other grants and donations	<u>219,316</u>		<u>243,896</u>	
		366,348		353,992
Bank interest		<u>-</u>		<u>-</u>
		366,348		353,992
Expenditure:				
Staffing costs	311,102		299,390	
Rent, service charges, light, heat & power	28,783		17,943	
Insurances	4,887		4,782	
Telephone and communication systems	4,433		4,429	
Travelling	67		125	
Subscriptions & registrations	703		1,415	
Repairs, renewals & cleaning	15,149		14,237	
Staff welfare & hospitality	1,076		1,643	
Recruitment, postage, stationery & publicity	1,670		1,535	
Accountancy and examination fees	2,610		2,610	
Professional, legal and safeguarding fees	6,479		5,741	
Food & nursery requisites	30,905		37,056	
Equipment hire	2,930		2,096	
Bad and doubtful debt provisions (release)	36,565		16,058	
Fixtures and fittings depreciation	537		537	
Bank and card processing charges	<u>1,002</u>		<u>997</u>	
		448,898		410,594
Net expenditure		<u>(82,550)</u>		<u>(56,602)</u>