



**Plummer Parsons**  
Chartered Accountants

Charity Registration No. 1096356

Company Registration No. 04451272 (England and Wales)

**BOOMERANG KIDS**  
**ANNUAL REPORT AND UNAUDITED FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2020**

# BOOMERANG KIDS

## LEGAL AND ADMINISTRATIVE INFORMATION

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<b>Trustees</b>	Mr R J Rogers Mrs C S Samaroo Mrs M L Rogers Ms P Rafizadeh-Farahani Mrs H Hicks
<b>Secretary</b>	Mrs M L Rogers
<b>Charity number</b>	1096356
<b>Company number</b>	04451272
<b>Principal address</b>	Saltdean Barn Saltdean Oval Park Arundel Drive West Saltdean East Sussex BN2 8SJ
<b>Registered office</b>	4 Frederick Terrace Frederick Place Brighton East Sussex BN1 1AX
<b>Independent examiner</b>	Nicholas Brown FCA DChA BFP 18 Hyde Gardens Eastbourne East Sussex BN21 4PT

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# BOOMERANG KIDS

## CONTENTS

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	<b>Page</b>
Trustees' report	1 - 5
Independent examiner's report	7
Statement of financial activities	8
Statement of financial position	9
Statement of cash flows	10
Notes to the financial statements	11 - 19

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# **BOOMERANG KIDS**

## **TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) FOR THE YEAR ENDED 31 AUGUST 2020**

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The trustees present their report and financial statements for the year ended 31 August 2020.

The financial statements have been prepared in accordance with the accounting policies set out in note 1 to the financial statements and comply with the charity's governing document, the Companies Act 2006 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 (FRS 102) (effective 1 January 2019)".

### **Objectives and activities**

The Charity's objects ("the Objects") are:

To advance the education of children up to the age of eleven, in and around the parish of Saltdean, East Sussex, in particular by:

- (a) the provision of pre-school, after school and other childcare facilities.
- (b) the provision of relevant training courses for parents, volunteers and staff.

The trustees have paid due regard to Public Benefit guidance issued by the Charity Commission in deciding what activities the charity should undertake.

The group is registered with Ofsted to have the capacity to supply up to eighty one children each session. These include up to fifteen baby places for children under two years of age. Staff are encouraged to continue their personal development plans and are sponsoring 2 senior members of staff with their university degrees in childcare and education. The setting has managed to attract other graduate staff, 2 primary school teachers and 2 early childcare graduates. This is quite unusual and of course has wages implications, however the difference in quality is already noticeable. To balance some of the finances, the charity has employed 3 apprentices on minimum living wage relevant to their age. They will be mentored by the graduates. This way, we can support new staff into the profession, balance our wages bill and keep the quality of the nursery care high and therefore competitive.

The settings has been looking into changing the way of monitoring its finances so that it can react quickly to any negatives. Going forwards, the may include the preparation of quarterly budgets and finance updates. This was to happen in the last financial year but due to Covid, is being carried forward as an action and therefore repeated in this year's report.

### **Achievements and performance**

The setting celebrated its 15th anniversary on Saturday 29th February 2020 with a local historian giving a talk about the building's history at a community open day. The day was well attended and several original staff, still employed by us 15 years on, were in attendance and recognised for their long standing service.

Shortly after the birthday celebration, the covid lockdown occurred and so other planned birthday events weren't possible.

The nursery has remained open throughout Covid. In the first lockdown it was just for key worker children and therefore numbers were low. Children from other settings were taken in as their own nurseries had closed with no notice. Boomerang Kids stayed open to support the community and many letters of thanks were received.

The decision was made not to charge parents for fees lost during lockdown. As a charity setting, supporting families was seen as a priority. The finance administrator ensured that all government EYE funding was claimed and worked extra hours whilst shielding to ensure this was done to the best ability.

# BOOMERANG KIDS

## TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2020

The furlough scheme was somewhat difficult to access because of the government funding for nurseries. We could not claim furlough for any staff who work with funded children. This meant only baby room staff and admin/maintenance staff were eligible. Advice was obtained from the accountant regarding this. It was calculated that 26.52% of our income came from grant funding and therefore we could claim furlough for the remaining. Even though we remained open, our numbers decreased, the effects of the 2 lockdowns on our fee income can be seen in the chart below. \*NB: This is solely fee income and does not include our EYE funding.



The finance administrator supported the manager with the furlough claim as no other help was available. The claim was completed to the best of their ability whilst still operating the nursery for children.

This was an extremely challenging period with a bombardment of government updates to be read multiple times a day and trying to ensure staff and child safety.

The nursery classrooms had to be divided into 'bubbles' and furniture had to be collected from storage to create barriers. Toilet facilities were a challenge and staff had to teach children about washing hands and standing 2m apart. Children with SEN were a major challenge, social distancing just isn't possible and is unrealistic. The setting had during lockdown 4 children with high SEN levels. The setting also had children who were vulnerable and at risk.

The setting supported families via zoom links and uploaded home learning for those children not attending.

Obtaining PPE was another challenge and admin staff had to drive to the Brighton Centre to collect single boxes of gloves to protect staff when changing children. The cost of PPE increased generally. The staff rose to the challenges admirably and the trustees wish to applaud their hard work and dedication.

The nursery adjusted some staffing at the beginning of Covid due to lower child numbers, redundancies were limited to the nursery chef and a junior staff member who was on a probation period. Later in 2020 it was decided a voluntary redundancy package should be offered to admin staff. The deputy manager had shielded throughout Covid and therefore was put on furlough, the setting realised that it wasn't necessary to have so many administrators as it was managing the paper workload with less staff and the deputy manager decided to take voluntary redundancy.

A restructuring of staff has proved very positive, the assistant manager post is now a job-share with clear job descriptions dividing the responsibilities. Other roles such as 'training lead' have been created to not only define responsibilities but to give staff progressive career options. With a long standing senior staff team it was becoming apparent that staff were leaving due to a lack of career opportunities - ie, waiting for someone to retire to progress. It is hoped the new restructuring will give opportunities for staff to specialise in areas and take responsibilities over those areas and duties.

The setting could only operate at 60% capacity due to small Covid groups restricting child numbers. 46 children will be leaving and transiting to school in summer 2021. It is therefore important that we do not turn children on our waiting list away due to covid restrictions as these children are our next cohort. The summer is our busiest term before the older children depart and the manager is looking head to the next school year 2021-22.

# **BOOMERANG KIDS**

## **TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED)** **FOR THE YEAR ENDED 31 AUGUST 2020**

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Due to the need to operate in small covid groups of children and for children to be outside as much as possible, the manager has created a 'forest school' group due to start 1/6/2021. This will relieve pressure on child numbers and has already attracted a lot of interest from parents. The North garden area needed renovating as it was last done in 2008 and rotten sleepers had become dangerous. The renovation has transformed the space and prompted the forest school idea. A temporary shed building is being erected for shelter with the hope that planning permission will be passed for a permanent structure. Staff are very enthusiastic about the idea and a team building day to learn forest school principles has been arranged. We already have a beach school qualified member of staff and so combining both forest and beach school is the basis of the new group. This should allow the setting to increase numbers back up to 81 per day (100%)

Worthy of note, the baby room is very busy, more staff have been employed to allow space for 15 under 2 year olds. Looking ahead this is likely to remain busy due to an influx of 'lockdown babies'.

In December 2020 the staff set up a 'Twilight walk' using the north garden. A magical event of snow machines and twinkle lights under covid secure rules. The parents were very appreciative as Father Christmas was limited due to covid. The event was so successful it is decided to be repeated this year.

### **New curriculum 2021**

In September 2021 there is to be a new curriculum introduced, the last changes to the EYFS were in 2012 and therefore this is yet another challenge to overcome. The setting has started to train staff in this change to practice, however Covid has disrupted the program. It is recommended that CPD be based on 20hrs for each staff member, however this will not be achievable in the time frames remaining.

A training coordinator has been appointed as it is important that staff feel supported with this major change that has come at a time when staff well-being is already low due to the covid year.

One of the primary school teaching staff who joined us in March 2020 has taken the lead on curriculum planning which supports the manager and released some duties.

The manager's workload is a focus for the trustees' risk assessment.

### **Financial review**

During the year the charity had a surplus before transfers of £31,334 (2019: £29,338), of which £51,679 (2019: £49,670) was a surplus from unrestricted funds, and £20,345 (2019: £20,332) was a deficit from restricted funds. In response to deficits in previous years, the setting has increased its fees from September 2019 and there will be an annual increase every September. Parental contracts have been altered to allow a further mid-year increase should there be a need to for financial sustainability.

At the balance sheet date, total funds stood at £930,369 (2019: £899,035) of which £293,620 (2019: £252,754) was unrestricted funds, and £636,749 (2019: £646,281) was restricted funds in relation to the restricted asset, the barn. At the balance sheet date a transfer of £10,813 (2019: £281,941) was made from unrestricted funds to restricted funds, to reflect the movement on the loan and the property over which it is secured.

During the year the setting had acoustic paneling added to the lower annex which has helped noise levels which were at unacceptable levels. Other upgrades were to phone systems, now wifi phones with external app extensions to allow for home working for some admin staff. New office equipment and layout due to covid and new CCTV due to failure of the old system.

The trustees wish to hold free reserves of at least three months running costs which equates to approximately £150,000. As at the year end the charity had free reserves of £293,620 (2019: £252,754). The Trustees are confident that the charity is a going concern as long as financial budgeting and careful financial monitoring continues.

# BOOMERANG KIDS

## TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED) *FOR THE YEAR ENDED 31 AUGUST 2020*

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The setting still has several children identified with additional needs, 2 currently requiring intensive 1:1 staffing which is part-paid for by the council.

The setting has had a high intake of children with English as an additional language (EAL) . Currently 27 children have English as a second language. The group has an assigned INCO Inclusive Coordinator.

The trustees annually review the risks that the charity faces. These risks continue to be mainly related to finance. Helen Hicks, founder of Boomerang Kids, is an important part of the charities risk assessment and considered to be another risk should she leave/retire.

The trustees have a risk management strategy which comprises the following:

- a review of the risks the charity faces.
- the establishment of systems and procedures to mitigate those risks once identified.
- the implementation of procedures designed to minimise any potential impact on the charity should those risks materialise.

The trustees are satisfied that systems are in place to mitigate exposure to the major risks.

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

The charity is a company limited by guarantee, company number 04451272, charity registration number 1096356 and is governed by its Memorandum and Articles of Association. The flysheet to the accounts gives details of the charity's principle addresses and those of other relevant organisations.

The trustees, who are also the directors for the purpose of company law, and who served during the year and up to the date of signature of the financial statements were:

Mr R J Rogers  
Mrs C S Samaroo  
Mrs M L Rogers  
Ms P Rafizadeh-Farahani  
Mrs H Hicks

The Memorandum and Articles of Association provides for a minimum of three trustees. Were there a requirement for new trustees, these would be identified and appointed by the remaining trustees.

Training for new and existing trustees is undertaken as required.

The day to day running of the group is delegated to the manager, Mrs H Hicks.

None of the trustees has any beneficial interest in the company. All of the trustees are members of the company and guarantee to contribute £10 in the event of a winding up.

The chair of trustees is responsible for the induction of any new trustee which involves awareness of a trustee's responsibilities, the governing document, administrative procedures, the history and philosophical approach of the charity. A new trustee would receive copies of the previous year's annual report and accounts and a copy of the Charity Commission leaflet 'The Essential Trustee: What You Need to Know'.

This report has been prepared in accordance with the small company regime as outlined in Section 419(2) of the Companies Act 2006.

# **BOOMERANG KIDS**

## **TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED)** ***FOR THE YEAR ENDED 31 AUGUST 2020***

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The trustees' report was approved by the Board of Trustees.

**Mrs H Hicks**

Trustee

Dated: 17 June 2021



# **BOOMERANG KIDS**

## **STATEMENT OF TRUSTEES' RESPONSIBILITIES**

### ***FOR THE YEAR ENDED 31 AUGUST 2020***

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The trustees, who are also the directors of Boomerang Kids for the purpose 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 which give a true and fair view of the state of affairs of the charity and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that year.

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;
- 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; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity 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 charity 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 charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

# BOOMERANG KIDS

## INDEPENDENT EXAMINER'S REPORT TO THE TRUSTEES OF BOOMERANG KIDS

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I report to the trustees on my examination of the financial statements of Boomerang Kids (the charity) for the year ended 31 August 2020.

### **Responsibilities and basis of report**

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

Having satisfied myself that the financial statements of the charity 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 charity's financial statements carried out under section 145 of the Charities Act 2011 (the 2011 Act). In carrying out my examination I have followed all the applicable Directions given by the Charity Commission under section 145(5)(b) of the 2011 Act.

My examination was carried out in accordance with the general Directions given by the Charity Commission. An examination includes a review of the accounting records kept by the charity and a comparison of the financial statements presented with those records. It also includes consideration of any unusual items or disclosures in the financial statements, and seeking explanations from you as trustees concerning any such matters. The procedures undertaken do not provide all the evidence that would be required in an audit and consequently no opinion is given as to whether the financial statements present a 'true and fair view' and the report is limited to those matters set out in the next statement.

### **Independent examiner's statement**

Since the charity'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 that in any material respect:

- 1 accounting records were not kept in respect of the charity as required by section 386 of the 2006 Act; or
- 2 the financial statements do not accord with those records; or
- 3 the financial statements 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 financial statements 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 financial statements to be reached.

Nicholas Brown FCA DChA BFP

18 Hyde Gardens  
Eastbourne  
East Sussex  
BN21 4PT

Dated: 28 June 2021

# BOOMERANG KIDS

## STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT FOR THE YEAR ENDED 31 AUGUST 2020

	Notes	Unrestricted funds 2020 £	Restricted funds 2020 £	Total 2020 £	Unrestricted funds 2019 £	Restricted funds 2019 £	Total 2019 £
<b><u>Income from:</u></b>							
Donations and legacies	3	48,349	-	48,349	5,000	-	5,000
Income from charitable activities	4	660,050	-	660,050	647,669	-	647,669
Investments	5	185	-	185	183	-	183
<b>Total income</b>		<b>708,584</b>	<b>-</b>	<b>708,584</b>	<b>652,852</b>	<b>-</b>	<b>652,852</b>
<b><u>Expenditure on:</u></b>							
Charitable activities	6	656,905	20,345	677,250	603,182	20,332	623,514
<b>Net incoming/ (outgoing) resources before transfers</b>		<b>51,679</b>	<b>(20,345)</b>	<b>31,334</b>	<b>49,670</b>	<b>(20,332)</b>	<b>29,338</b>
Gross transfers between funds		(10,813)	10,813	-	(281,941)	281,941	-
<b>Net income/(expenditure) for the year/ Net movement in funds</b>		<b>40,866</b>	<b>(9,532)</b>	<b>31,334</b>	<b>(232,271)</b>	<b>261,609</b>	<b>29,338</b>
Fund balances at 1 September 2019		252,754	646,281	899,035	485,025	384,672	869,697
<b>Fund balances at 31 August 2020</b>		<b>293,620</b>	<b>636,749</b>	<b>930,369</b>	<b>252,754</b>	<b>646,281</b>	<b>899,035</b>

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

All income and expenditure derive from continuing activities.

The statement of financial activities also complies with the requirements for an income and expenditure account under the Companies Act 2006.

# BOOMERANG KIDS

## STATEMENT OF FINANCIAL POSITION

AS AT 31 AUGUST 2020

	Notes	2020 £	£	2019 £	£
<b>Fixed assets</b>					
Property, plant and equipment	10		745,930		765,548
<b>Current assets</b>					
Trade and other receivables	11	6,355		1,526	
Cash at bank and in hand		360,107		333,495	
		<u>366,462</u>		<u>335,021</u>	
<b>Current liabilities</b>	13	(89,262)		(95,499)	
Net current assets			277,200		239,522
<b>Total assets less current liabilities</b>			1,023,130		1,005,070
<b>Non-current liabilities</b>	14		(92,761)		(106,035)
<b>Net assets</b>			<u>930,369</u>		<u>899,035</u>
<b>Income funds</b>					
Restricted funds	15		636,749		646,281
Unrestricted funds			293,620		252,754
			<u>930,369</u>		<u>899,035</u>

The company is entitled to the exemption from the audit requirement contained in section 477 of the Companies Act 2006, for the year ended 31 August 2020.

The directors acknowledge their responsibilities for ensuring that the charity keeps accounting records which comply with section 386 of the Act and for preparing financial statements which give a true and fair view of the state of affairs of the company as at the end of the financial year and of its incoming resources and application of resources, including its income and expenditure, for the 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.

The members have not required the company to obtain an audit of its financial statements for the year in question in accordance with section 476.

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

The financial statements were approved by the Trustees on 17 June 2021

Mrs H Hicks  
Trustee

Company Registration No. 04451272

# BOOMERANG KIDS

## STATEMENT OF CASH FLOWS

**FOR THE YEAR ENDED 31 AUGUST 2020**

	Notes	2020 £	£	2019 £	£
<b>Cash flows from operating activities</b>					
Cash generated from operations	18		40,299		56,844
<b>Investing activities</b>					
Purchase of property, plant and equipment		(3,059)		(3,630)	
Investment income received		185		183	
<b>Net cash used in investing activities</b>			(2,874)		(3,447)
<b>Financing activities</b>					
Repayment of bank loans		(10,813)		(10,296)	
<b>Net cash used in financing activities</b>			(10,813)		(10,296)
<b>Net increase in cash and cash equivalents</b>			26,612		43,101
Cash and cash equivalents at beginning of year			333,495		290,394
<b>Cash and cash equivalents at end of year</b>			360,107		333,495

# BOOMERANG KIDS

## NOTES TO THE FINANCIAL STATEMENTS

### FOR THE YEAR ENDED 31 AUGUST 2020

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#### 1 Accounting policies

##### Charity information

Boomerang Kids is a private company limited by guarantee incorporated in England and Wales. The registered office is 4 Frederick Terrace, Frederick Place, Brighton, East Sussex, BN1 1AX.

##### 1.1 Accounting convention

The financial statements have been prepared in accordance with the charity's governing document, the Companies Act 2006 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 (FRS 102) (effective 1 January 2019)". The charity is a Public Benefit Entity as defined by FRS 102.

The financial statements are prepared in sterling, which is the functional currency of the charity. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared under the historical cost convention. The principal accounting policies adopted are set out below.

##### 1.2 Going concern

At the date of this report, there exists considerable uncertainty regarding the potential impact of the Coronavirus and the economic consequences, both within the U.K. and overseas, which may result from government policies to contain the spread. The duration and geographical extent of any possible lockdown or future government policies are unknown. Whilst we are unable to predict what the economic consequences may be and the impact on the charity's future ability to continue trading, we have continued to use the going concern basis as appropriate in the preparation of these accounts.

##### 1.3 Charitable funds

Unrestricted funds are available for use at the discretion of the trustees in furtherance of their charitable objectives.

Endowment funds are subject to specific conditions by donors that the capital must be maintained by the charity.

##### 1.4 Income

Income is recognised when the charity is legally entitled to it after any performance conditions have been met, the amounts can be measured reliably, and it is probable that income will be received.

Cash donations are recognised on receipt. Other donations are recognised once the charity has been notified of the donation, unless performance conditions require deferral of the amount. Income tax recoverable in relation to donations received under Gift Aid or deeds of covenant is recognised at the time of the donation.

Donations, legacies and other forms of voluntary income are recognised as incoming resources when receivable, except insofar as they are incapable of financial measurement.

Income from grants is recognised when the charity has entitlement to the funds, any performance conditions have been met, it is probable that income will be received and the amount can be measured reliably and is not deferred.

# BOOMERANG KIDS

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

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### 1 Accounting policies

(Continued)

Revenue is measured at the fair value of the consideration received or receivable and represents amounts receivable for goods and services provided in the normal course of business.

The charity is not registered for VAT. All income is net of trade discounts.

#### 1.5 Expenditure

Income and expenses are included in the financial statements as they become receivable or due.

Expenses include VAT where applicable as the company cannot reclaim it.

Governance costs comprise of costs to fulfil the charity's obligations regarding audit, as well as costs associated with accounts preparation and bookkeeping services.

#### 1.6 Property, plant and equipment

Property, plant and equipment are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

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

Leasehold property	50 years straight line
Fixtures, fittings & equipment	3 years straight line

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is recognised in net income/(expenditure) for the year.

#### 1.7 Impairment of non-current assets

At each reporting end date, the charity reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any).

#### 1.8 Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

#### 1.9 Financial instruments

The charity has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the charity's balance sheet when the charity becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

# BOOMERANG KIDS

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2020

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### 1 Accounting policies

(Continued)

#### **Basic financial assets**

Basic financial assets, which include trade and other receivables and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

#### **Basic financial liabilities**

Basic financial liabilities, including trade and other payables and bank loans are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of operations from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade payables are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

#### **Derecognition of financial liabilities**

Financial liabilities are derecognised when the charity's contractual obligations expire or are discharged or cancelled.

#### **1.10 Employee benefits**

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received if material.

Termination benefits are recognised immediately as an expense when the charity is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

#### **1.11 Retirement benefits**

The charity operates a defined contributions pension scheme. Contributions are charged in the accounts as they become payable in accordance with the rules of the scheme.

### 2 Critical accounting estimates and judgements

In the application of the charity's accounting policies, the trustees are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.



# BOOMERANG KIDS

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2020

### 3 Donations and legacies

	Unrestricted funds	Unrestricted funds
	2020	2019
	£	£
Legacies receivable	-	5,000
Government grants - furlough scheme	48,349	-
	<u>48,349</u>	<u>5,000</u>

### 4 Income from charitable activities

	Playgroup Income	Playgroup Income	Other Income	Total
	2020	2019	2019	2019
	£	£	£	£
Playgroup fees receivable	420,855	487,139	-	487,139
Grants receivable	239,195	160,430	-	160,430
Other income	-	-	100	100
	<u>660,050</u>	<u>647,569</u>	<u>100</u>	<u>647,669</u>

### 5 Investments

	Unrestricted funds	Unrestricted funds
	2020	2019
	£	£
Interest receivable	<u>185</u>	<u>183</u>

# BOOMERANG KIDS

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2020

### 6 Charitable activities

	Pre-school running costs 2020 £	Pre-school running costs 2019 £
Staff costs	529,677	476,911
Depreciation and impairment	22,677	21,624
Playgroup running expenses	113,405	117,305
	<u>665,759</u>	<u>615,840</u>
Share of governance costs (see note 7)	11,491	7,674
	<u>677,250</u>	<u>623,514</u>
<b>Analysis by fund</b>		
Unrestricted funds	656,905	603,182
Restricted funds	20,345	20,332
	<u>677,250</u>	<u>623,514</u>

### 7 Support costs

	Support costs £	Governance costs £	2020 £	Support costs £	Governance costs £	2019 £
Legal and professional	-	3,832	3,832	-	-	-
Accountants' fees	-	2,809	2,809	-	2,874	2,874
Bookkeeping	-	4,850	4,850	-	4,800	4,800
	<u>-</u>	<u>11,491</u>	<u>11,491</u>	<u>-</u>	<u>7,674</u>	<u>7,674</u>
Analysed between						
Charitable activities	-	11,491	11,491	-	7,674	7,674
	<u>-</u>	<u>11,491</u>	<u>11,491</u>	<u>-</u>	<u>7,674</u>	<u>7,674</u>

Payments in the year to the Independent Examiner amount to £1,000 (2019: £1,000) for Independent Examination work and £1,809 (2019: £1,874) for other services.

### 8 Trustees

Mrs H Hicks, a trustee, was paid £48,780 in salary (2019: £47,880), and £5,121 in pension contributions (2019: £5,121) during the year in her capacity as Nursery Manager, as authorised by the trustees and the Charity Commission.

None of the other trustees received any remuneration or expenses during the year (2019: None).

# BOOMERANG KIDS

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2020

### 9 Employees

The average monthly number of employees during the year was:

	2020 Number	2019 Number
	29	27
Employment costs	2020 £	2019 £
Wages and salaries	484,552	447,670
Social security costs	29,873	16,018
Other pension costs	15,252	13,223
	529,677	476,911

There were no employees who received employee benefits (excluding employer pension costs) of more than £60,000.

### 10 Property, plant and equipment

	Leasehold property £	Fixtures, fittings & equipment £	Total £
<b>Cost</b>			
At 1 September 2019	1,016,574	40,509	1,057,083
Additions	-	3,059	3,059
At 31 August 2020	1,016,574	43,568	1,060,142
<b>Depreciation and impairment</b>			
At 1 September 2019	253,529	38,006	291,535
Depreciation charged in the year	20,345	2,332	22,677
At 31 August 2020	273,874	40,338	314,212
<b>Carrying amount</b>			
At 31 August 2020	742,700	3,230	745,930
At 31 August 2019	763,045	2,503	765,548

# BOOMERANG KIDS

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2020

### 11 Trade and other receivables

	2020 £	2019 £
Amounts falling due within one year:		
Trade receivables	1,472	548
Other receivables	4,883	978
	<u>6,355</u>	<u>1,526</u>

### 12 Borrowings

	2020 £	2019 £
Bank loans	<u>105,951</u>	<u>116,764</u>
Payable within one year	13,190	10,729
Payable after one year	<u>92,761</u>	<u>106,035</u>

Amounts included above which fall due after five years:

Payable by instalments	<u>40,002</u>	<u>60,853</u>
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The bank loan is secured by a fixed charge over the leasehold premises, Saltdean Barn, limited to £200,000. At the year end the interest rate was 1.6%.

### 13 Current liabilities

	Notes	2020 £	2019 £
Bank loans	12	13,190	10,729
Other taxation and social security		6,460	5,522
Payments received on account		30,565	36,662
Trade payables		32,342	33,924
Other payables		3,509	5,382
Accruals and deferred income		3,196	3,280
		<u>89,262</u>	<u>95,499</u>

### 14 Non-current liabilities

	Notes	2020 £	2019 £
Bank loans	12	<u>92,761</u>	<u>106,035</u>

# BOOMERANG KIDS

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2020

### 15 Restricted funds

The income funds of the charity include restricted funds comprising the following unexpended balances of donations and grants held on trust for specific purposes:

	Balance at 1 September 2018	Resources expended	Transfers	Balance at 1 September 2019	Resources expended	Transfers	Balance at 31 August 2020
	£	£	£	£	£	£	£
Barn and Garden	384,672	(20,332)	281,941	646,281	(20,345)	10,813	636,749

The restricted fund originally related to grant income that was received to renovate Saltdean barn and its garden. Now the barn and garden have been renovated it now represents the net book value of the barn and garden. Subsequently a loan was also taken out for further property improvements which was secured against the barn, so it has also been allocated to the restricted fund.

The movement in the year reflects the net movement on the asset and loan.

### 16 Analysis of net assets between funds

	Unrestricted funds 2020	Restricted funds 2020	Total 2020	Unrestricted funds 2019	Restricted funds 2019	Total 2019
	£	£	£	£	£	£
Fund balances at 31 August 2020 are represented by:						
Property, plant and equipment	3,231	742,699	745,930	2,503	763,045	765,548
Current assets/ (liabilities)	290,389	(13,189)	277,200	250,251	(10,729)	239,522
Long term liabilities	-	(92,761)	(92,761)	-	(106,035)	(106,035)
	293,620	636,749	930,369	252,754	646,281	899,035

### 17 Related party transactions

#### Remuneration of key management personnel

The remuneration of key management personnel is as follows.

	2020 £	2019 £
Aggregate compensation	53,901	53,001

There were no other disclosable related party transactions

# BOOMERANG KIDS

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2020

18	<b>Cash generated from operations</b>	<b>2020</b>	<b>2019</b>
		<b>£</b>	<b>£</b>
	Surplus for the year	31,334	29,338
	Adjustments for:		
	Investment income recognised in statement of financial activities	(185)	(183)
	Depreciation and impairment of property, plant and equipment	22,677	21,624
	Movements in working capital:		
	(Increase)/decrease in trade and other receivables	(4,829)	1,716
	(Decrease)/increase in trade and other payables	(8,698)	4,349
	<b>Cash generated from operations</b>	<b>40,299</b>	<b>56,844</b>
19	<b>Analysis of changes in net funds</b>		
		<b>At 1 September 2019</b>	<b>Cash flows</b>
		<b>£</b>	<b>At 31 August 2020</b>
			<b>£</b>
	Cash at bank and in hand	333,495	26,612
	Loans falling due within one year	(10,729)	(2,461)
	Loans falling due after more than one year	(106,035)	13,274
		216,731	37,425
			254,156