

GATEWAY (EDUCATION & CHILDCARE) TRUST LIMITED
(A Company limited by guarantee)

FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST AUGUST 2021

REGISTERED CHARITY NUMBER: 1101914

COMPANY NUMBER: 04882693

R J FRANCIS AND CO.
Chartered Accountants
& Registered Auditors
Marshall Business Centre
Faraday Road
Hereford
HR4 9NS

GATEWAY (EDUCATION & CHILDCARE) TRUST LIMITED
(A Company limited by guarantee)

FOR THE YEAR ENDED 31ST AUGUST 2021

<u>CONTENTS:</u>	<u>PAGE</u>
Company Information	1
Trustees' Annual Report	2 – 5
Accountants Report	6
Statement of Financial Activities	7
Balance Sheet	8
Notes to the Accounts	9 - 12

GATEWAY (EDUCATION & CHILDCARE) TRUST LIMITED
(A Company limited by guarantee)

COMPANY INFORMATION

Charity Name:	Gateway (Education & Childcare) Trust Limited
Charity Number:	1101914
Company Number:	04882693
Trustees/ Directors:	Mr A J Larkin, Chair of Trustees Mrs H J Pearson Mr D Squire
Registered Office:	The Gateway Centre Longworth Lane Bartestree Hereford HR1 4GA
Accountants:	R J Francis & Co Limited Marshall Business Centre Faraday Road Hereford HR4 9NS
Solicitors:	Lambe Corner & Co Bridge Street Hereford HR4 9DJ
Bankers:	Lloyds TSB Bank plc High Town Hereford HR1 2AE

GATEWAY (EDUCATION & CHILDCARE) TRUST LIMITED

TRUSTEES' ANNUAL REPORT

FOR THE YEAR ENDED 31ST AUGUST 2021

The Trustees, who are also Directors of the Charity for the purposes of the Companies Act, submit their financial statements for the year ended 31st August 2021.

The Charity is a charitable Company limited by guarantee and was set up to provide pre-school nursery and out of school activities. It is governed by a memorandum and articles of association.

Structure, Governance and Management

The Trustees in office during the year were as follows:

Mr A J Larkin, Chair of Trustees
Mr T J Bryant
Mr W G McGill
Mrs H J Pearson
Mr D Squire

Mrs R D McGill resigned as a Trustee on 22nd September 2020. Mr WG McGill resigned as a trustee on 17th September 2021 and Mr TJ Bryant resigned on 28th January 2022.

The Company does not have share capital, being limited by guarantee.

Mrs J Larkin is the senior staff member to whom day to day management of the Charity is delegated by the Trustees.

Potential new Trustees are identified through local knowledge and contacts within the surrounding community and include interested parents using the children's nursery, local professionals and members of the local community themselves.

Discussions take place with potential new Trustees about:

- Duties
- Responsibilities
- Aspirations of the Nursery
- Meetings (timings / content)
- Added value to the community

The candidates also have the opportunity to attend meetings of the existing Trustees.

The nursery comprises those members as detailed above. Decisions are made at the Trustees' meetings on a majority basis, although outcomes are unusually unanimous in view of the commonality of desire to achieve the aims and objectives of the Trust for the benefit of the local and wider community and the nursery staff itself.

GATEWAY (EDUCATION & CHILDCARE) TRUST LIMITEDTRUSTEES' ANNUAL REPORTFOR THE YEAR ENDED 31ST AUGUST 2021**Statement of Trustees' Responsibilities**

The Trustees (who are also Directors of the Charity 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, which give a true and fair view of the state of affairs of the charitable Company and of the incoming resources and application of resources, including the income and expenditure, of the charitable Company for the 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;
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable Company will continue in operation.

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

Insofar as the Trustees are aware:

- There is no relevant information of which the charitable Company's auditor is unaware; and
- The Trustees have taken all steps that they ought to have taken to make themselves aware of any relevant information and to establish that the auditor is aware of that information.

Reserves policy

It is the policy of the Charity to maintain unrestricted funds at a level which equates to approximately 3 months of unrestricted expenditure to provide sufficient funds to cover management, administration and support costs. Due to rising costs, we have been unable to maintain this, but we are taking action to ensure future reserves will be established, as explained in the financial review.

Risk

Internal risks are minimised by the implementation of procedures for authorisation of all transactions and projects. These procedures are regularly reviewed to ensure they meet the needs of the Charity.

Principle identified risks*Cost Pressures*

Staffing remains the main overhead, particularly as child numbers increased again in the year and maternity cover continued.

Objectives and activities

The Charity is established to provide pre-school nursery and out of school activities. The object of the nursery is to enhance the development and education of the children under statutory school age by encouraging parents to understand and provide for the needs of their children through the activities of the nursery.

The nursery promotes the care and education of children in need of care during out of school hours and during the school holidays.

The nursery also seeks to promote, for the inhabitants of the parish of Lugwardine and Bartestree and the neighbourhood without distinction of sex, sexual orientation, race or of political, religious or other opinions, by associating together the said inhabitants and the local authorities, voluntary and other organisations in a common effort to advance education and to provide facilities in the interests of social welfare for recreation and leisure time occupation with the object of improving the conditions of life for the said inhabitants.

GATEWAY (EDUCATION & CHILDCARE) TRUST LIMITEDTRUSTEES' ANNUAL REPORTFOR THE YEAR ENDED 31ST AUGUST 2021**Achievements and Performance**

The setting remains a charitable body governed by its objects and also remains a company limited by guarantee. The Trust owns the freehold of the buildings and land and governs the day-to-day activities of Gateway Nursery.

Total income for the financial year end 31st August 2021 was £712,437 and with expenditure totalling £678,032, we achieved a surplus for the financial year of £34,405. Fee income normally accounts for almost all of normal incoming resources, however, we again saw a mixed composition of income during the financial year as a result of the continuing pandemic. Normal fee income increased this year to £631,718 (compared with £532,557 for the twelve months to 31st August 2020) but in addition to normal trading income, we were able to again benefit from the Government's Job Retention Scheme furlough income (£30,171), other grant income (£1,686) and a final payment from a claim under the setting's Business Interruption Insurance (£48,454).

In terms of the balance sheet, fixed assets at the end of the new financial year to 31st August 2021 stood at £300,614, down from £308,080 at the 2020 financial year end. These fixed assets comprise primarily land and buildings. Cash balances totalled £92,169 increasing from £55,267 as at 31st March 2020.

Of the total expenditure, staffing remains the main overhead at £516,073, being 76% of total costs, and this was again broadly consistent with the previous financial year which was 75% of total expenditure. Whilst staff costs increased by around £32,000, other costs were broadly in line with the previous year and the surplus position was again particularly pleasing as we continued to invest in the business and cope with the continuing challenges brought about by the pandemic.

The Early Years sector has continued to provide its services throughout the COVID-19 pandemic but this year we have seen a marked change to the recruitment market with many people having decided to leave the childcare industry. We ourselves have seen a number of staffing changes during the year and have faced difficulty in filling vacant posts. However, we have managed to maintain the required staff ratios throughout which remains a key priority and we have seen a gradual increase in numbers of children returning to the setting and new children attending for the first time. We also have a healthy waiting list and enquiries for places continue on a weekly basis.

We also saw the resignation of one Trustee, Rachel McGill, for personal reasons and we anticipate a further resignation by Mr Bill McGill for similar reasons. We would like to thank Rachel for her continued support during her tenure and we will seek to recruit additional Trustees in due course.

At the end of April, we appointed a new manager, Sarah Reed, to work alongside Elaine Talbot. Whilst they have separate responsibilities they have worked well together from the start with excellent feedback from both staff and parents.

An Ofsted inspection was carried out on the 2nd July with the two relatively new managers leading it for the first time with a 'Good' outcome for overall effectiveness and for all aspects of the inspection. We were delighted with the outcome and the subsequent report which praised management, staff and children and described the setting as "friendly and welcoming".

The Trustees would again like to thank both the staff and management team for their commitment and resilience during what has been a continuing period of challenge and the Trustees will continue to provide whatever support is necessary over the forthcoming months as we hopefully begin to emerge from the pandemic.

GATEWAY (EDUCATION & CHILDCARE) TRUST LIMITED

TRUSTEES' ANNUAL REPORT

FOR THE YEAR ENDED 31ST AUGUST 2021

Statement of disclosure of information to accountants

We, the Directors of the Company who held office at the date of approval of these financial statements, as set out above, each confirm so far as we are aware, that:

- There is no relevant audit information of which the Company's accountants are unaware; and
- we have taken all the steps that we ought to have taken as Directors in order to make ourselves aware of any relevant information and to establish that the Company's accountants are aware of that information.

The Trustees are responsible for the maintenance and integrity of the corporate and financial information included on the Charitable Company's Website.

Accountants

A resolution proposing that R J Francis & Co Limited be re-appointed as accountants of the Charity will be proposed at the Annual General Meeting.

Signed on behalf of the Board of Trustees

A J Larkin
Chair of Trustees
27th May 2022

GATEWAY (EDUCATION & CHILDCARE) TRUST LIMITED

ACCOUNTANTS REPORT

FOR THE YEAR ENDED 31ST AUGUST 2021

Independent examiner's report to the Trustees of Gateway (Education & Childcare) Trust Limited

I report on the accounts of the company for the year ended 31st August 2021 which are set out on pages 7 to 12.

Respective responsibilities of trustees and examiner

The trustees (who are also the directors of the company for the purposes of company law) are responsible for the preparation of the accounts. The charity's trustees consider that an audit is not required for this year under section 144(2) of the Charities Act 2011 (the 2011 Act) and that an independent examination is needed. [The charity's gross income exceeded £250,000 and I am qualified to undertake the examination by being a qualified member of the ICAEW (Institute of Chartered Accountants in England and Wales).]

Having satisfied myself that the charity is not subject to audit under Part 16 of the Companies Act 2006 and is eligible for independent examination, it is my responsibility to:

- examine the accounts under section 145 of the 2011 Act;
- to follow the procedures laid down in the General Directions given by the Charity Commission under section 145(5)(b) of the 2011 Act; and
- to state whether particular matters have come to my attention.

Basis of independent examiner's report

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 accounts presented with those records. It also includes consideration of any unusual items or disclosures in the accounts, and the seeking of 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 accounts present a 'true and fair view' and the report is limited to those matters set out in the statement below.

Independent examiner's statement

In connection with my examination, no matter has come to my attention:

- which gives me reasonable cause to believe that, in any material respect, the requirements:
 - (a) to keep accounting records in accordance with section 386 of the Companies Act 2006, and
 - (b) to prepare accounts which accord with the accounting records, comply with the accounting requirements of the Companies Act 2006 and with the methods and principles of the Statement of Recommended Practice: Accounting and Reporting by Charities (revised 2005) have not been met, or
- to which, in my opinion, attention should be drawn in order to enable a proper understanding of the accounts to be reached.

R J Francis
For and on behalf of R J Francis & Co Ltd
27th May 2022

Marshall Business Centre
Faraday Road
Hereford
HR4 9NS

(6)
GATEWAY (EDUCATION & CHILDCARE) TRUST LIMITED
(A Company limited by guarantee)

STATEMENT OF FINANCIAL ACTIVITIES
(INCORPORATING THE INCOME & EXPENDITURE ACCOUNT)

FOR THE YEAR ENDED 31ST AUGUST 2021

	Note	<u>Unrestricted</u> <u>Funds</u> £	<u>Restricted</u> <u>Funds</u> £	<u>Total Funds</u> <u>2021</u> £	<u>Total Funds</u> <u>2020</u> £
<u>INCOMING RESOURCES</u>					
Income resources from generated funds					
Interest received		5	-	5	19
Incoming resources from charitable activities	2	712,432	-	712,432	653,625
<u>TOTAL INCOMING RESOURCES</u>		<u>712,437</u>	<u>-</u>	<u>712,437</u>	<u>653,644</u>
<u>RESOURCES EXPENDED</u>					
Charitable activities	3	649,093	-	649,093	612,274
Governance costs	4	28,939	-	28,939	30,071
<u>TOTAL RESOURCES EXPENDED</u>		<u>678,032</u>	<u>-</u>	<u>678,032</u>	<u>642,345</u>
<u>NET MOVEMENT IN FUNDS</u>		34,405	-	34,405	11,299
<u>TOTAL FUNDS BROUGHT FORWARD</u>		68,129	236,209	304,338	293,039
<u>TOTAL FUNDS CARRIED FORWARD</u>	8	<u>102,534</u>	<u>236,209</u>	<u>£338,743</u>	<u>£304,338</u>

All amounts derive from continuing activities.

There were no recognised gains or losses other than through the Statement of Financial Activities.

GATEWAY (EDUCATION & CHILDCARE) TRUST LIMITED
(A Company limited by guarantee)

BALANCE SHEET

31ST AUGUST 2021

	Note	£	2021	£	£	2020	£
<u>FIXED ASSETS</u>							
Tangible Assets	5		300,614			308,080	
<u>CURRENT ASSETS</u>							
Debtors	6	14,692			11,076		
Cash at Bank and in hand		92,169			55,267		
		<u>106,861</u>			<u>66,343</u>		
<u>CREDITORS: Amounts falling due within one year</u>							
	7	68,732			70,085		
<u>NET CURRENT ASSETS / (LIABILITIES)</u>							
			38,129		(3,742)		
<u>TOTAL ASSETS LESS TOTAL LIABILITIES</u>							
			<u>£338,743</u>		<u>£304,338</u>		
<u>FUNDS</u>							
Unrestricted	8	102,534			68,129		
Restricted	8	236,209			236,209		
		<u>£338,743</u>			<u>£304,338</u>		

The Accounts have been delivered in accordance with the provisions applicable to Companies subject to the Small Companies Regime.

The financial statements were approved and signed on behalf of the board on 27th May 2022.

..... Director
A J Larkin

Chair of Trustees/Director

Charity Number: 1101914
Company Number: 04882693

GATEWAY (EDUCATION & CHILDCARE) TRUST LIMITED
(A Company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST AUGUST 2021

1. ACCOUNTING POLICIES

a) Basis of preparing the financial statements

The financial statements have been prepared in accordance with the charities SORP (FRS 102) "Accounting and Reporting by charities applicable in the UK and Republic of Ireland" and the Companies Act 2006. The financial statements have been prepared under the historical cost convention.

b) Fund Accounting

Unrestricted funds are available for use at the discretion of the Trustees in furtherance of the general objectives of the Charity.

c) Tangible Fixed Assets

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

Motor Vehicles	-	20% Straight Line
Plant and Machinery	-	20% Straight Line
Property Improvements	-	4% Straight Line
Freehold Property	-	2% Straight Line

d) Incoming Resources

Grants and Local Authority Fees are credited to the Statement of Financial Activities in the year for which they are received.

Fees receivable and charges for services are accounted for in the year in which the service is provided.

e) Resources Expended

Resources expended are included in the Statement of Financial Activities on an accrual basis, inclusive of any value added tax which cannot be recovered. They are allocated to the particular activity to which they relate.

2. ANALYSIS OF INCOMING RESOURCES FROM CHARITABLE ACTIVITIES

	<u>2021</u> £	<u>2020</u> £
Fees	631,718	532,557
Other Income	403	972
Insurance Claim	48,454	14,000
JRS Furlough Income	30,171	74,550
Small Business Grant	-	25,000
Other Grant Income	1,686	6,546
	<u>£712,432</u>	<u>£653,625</u>

(9)
GATEWAY (EDUCATION & CHILDCARE) TRUST LIMITED
 (A Company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31ST AUGUST 2021

3. ANALYSIS OF RESOURCES EXPENDED

<u>Charitable Activities</u>	<u>Basis of Allocation</u>	<u>Charitable Activities</u> £	<u>Governance Costs</u> £	<u>Total 2021</u> £	<u>Total 2020</u> £
<u>Teaching and care of children</u>					
Wages	Direct	516,073	-	516,073	484,319
Foods and disposables	Direct	25,293	-	25,293	24,021
Training expenses and healthcare	Direct	6,071	-	6,071	5,333
Sundry	Direct	2,557	-	2,557	2,905
Activity Costs	Direct	4,302	-	4,305	3,516
		<u>554,299</u>	<u>-</u>	<u>554,299</u>	<u>520,094</u>
<u>Running costs</u>					
Light, heat & power	Direct	10,105	-	10,105	8,376
Grounds maintenance	Direct	8,429	-	8,429	7,638
Premises expenses	Direct	16,257	-	16,257	15,734
Sundry expenses	Direct	2,615	-	2,615	2,725
Telephone, postage and stationery	Direct	6,534	-	6,534	5,844
Advertising	Direct	669	-	669	427
Travel and motor running	Direct	8,973	-	8,973	10,618
Equipment repairs	Direct	8,892	-	8,892	8,260
Insurance	Direct	4,185	-	4,185	3,851
Loss on disposal of motor vehicle	Direct	-	-	-	636
Bad debt provision	Direct	-	-	-	2,480
Computer Expenses	Direct	5,489	-	5,489	4,080
		<u>72,148</u>	<u>-</u>	<u>72,148</u>	<u>70,669</u>
<u>Administration Costs</u>					
Depreciation	Direct	20,872	-	20,872	19,424
Bank charges and interest	Direct	1,774	-	1,774	2,087
		<u>22,646</u>	<u>-</u>	<u>22,646</u>	<u>21,511</u>
<u>Total charitable activities costs</u>		<u>649,093</u>	<u>-</u>	<u>649,093</u>	<u>612,274</u>
<u>Governance costs</u>					
Accountancy	Direct	6,540	-	6,540	6,350
Legal and professional	Direct	22,399	-	22,399	23,721
		<u>28,939</u>	<u>-</u>	<u>28,939</u>	<u>30,071</u>

NET INCOMING RESOURCES

	<u>2021</u> £	<u>2020</u> £
Net incoming resources are stated after charging		
Accountancy	6,540	6,350
Depreciation	20,872	19,424

GATEWAY (EDUCATION & CHILDCARE) TRUST LIMITED
(A Company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31ST AUGUST 2021

5.	<u>TANGIBLE FIXED ASSETS</u>	<u>Telephone Exchange Conversion</u> £	<u>Property Improvements</u> £	<u>Land & Buildings</u> £	<u>Equipment Fixtures & Fittings</u> £	<u>Motor Vehicles</u> £	<u>Total</u> £
	<u>Cost</u>						
	At 1 st April 2020	59,226	149,285	239,376	101,191	1,575	550,653
	Additions	-	4,980	-	8,426	-	13,406
	Disposals	-	-	-	-	-	-
	At 31 st August 2021	59,226	154,265	239,376	109,617	1,575	564,059
	<u>Depreciation</u>						
	At 1 st April 2020	29,414	42,417	83,387	87,040	315	242,573
	Charge for the Year	2,369	5,808	4,788	7,592	315	20,872
	On Disposals	-	-	-	-	-	-
	At 31 st August 2021	31,783	48,225	88,175	94,632	630	263,445
	<u>Net Book Value</u>						
	At 31 st August 2021	27,443	106,040	151,201	14,985	945	£300,614
	At 31 st August 2020	29,812	106,868	155,989	14,151	1,260	£308,080
6.	<u>DEBTORS</u>					<u>2021</u> £	<u>2020</u> £
	Trade Debtors					8,469	5,570
	Other Debtors and Prepayments					6,223	5,506
						£14,692	£11,076
7.	<u>CREDITORS: Amounts falling due within one Year</u>						
	Trade Creditors					15,345	13,042
	Other creditors & accruals					10,513	5,965
	Other Taxation and Social Security					6,161	218
	J Larkin					611	47
	Bank Overdraft					36,102	50,813
						£68,732	£70,085

GATEWAY (EDUCATION & CHILDCARE) TRUST LIMITED
(A Company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31ST AUGUST 2021

8. <u>MOVEMENT IN FUNDS</u>	<u>At</u> <u>01.09.20</u>	<u>Incoming</u> <u>Resources</u>	<u>Outgoing</u> <u>Resources</u>	<u>At</u> <u>31.08.21</u>
	£	£	£	£
Unrestricted funds	68,129	712,437	678,032	102,534
Restricted funds	236,209	-	-	236,209
Net assets at 31 st August 2021	<u>£304,338</u>	<u>712,437</u>	<u>678,032</u>	<u>£338,743</u>

9. RELATED PARTY TRANSACTIONS

It was agreed by the trustees that, with effect from the 1st April 2018, the related party balances shown with Gateway (Education & Childcare) Trust and Gateway Nurseries Limited should be written off. All nursery activities are conducted through Gateway (Education & Childcare) Trust Limited and the trustees are progressing ceasing the registration for the other two charities with the Charity Commission.

Included within creditors are expenses due to Mrs J Larkin, who is the wife of Mr A J Larkin, of £611. During this year Mrs A J Larkin was employed as the senior manager and paid remuneration of £33,965 in total covering the year.