

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

FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31<sup>ST</sup> AUGUST 2022

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 31<sup>ST</sup> AUGUST 2022

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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 31<sup>ST</sup> AUGUST 2022

The Trustees, who are also Directors of the Charity for the purposes of the Companies Act, submit their financial statements for the year ended 31<sup>st</sup> August 2022.

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  
Mrs H J Pearson  
Mr D Squire

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.

### **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.

GATEWAY (EDUCATION & CHILDCARE) TRUST LIMITED

TRUSTEES' ANNUAL REPORT

FOR THE YEAR ENDED 31<sup>ST</sup> AUGUST 2022

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.

**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 31<sup>st</sup> August 2022 amounted to £604,500 with total expenditure of £637,068, creating a deficit for the year of £32,568. Whilst disappointing, this does reflect a period of further recovery from the COVID-19 pandemic with no further support in respect of the Government's JRS (£30,171 in 2021) or further insurance claims (£48,454 in 2021). Normal fee income reduced in this financial year to £597,583 compared with £631,718 for the twelve months to 31<sup>st</sup> August 2021 but a fee increase is already planned for the forthcoming new financial year.

In terms of the balance sheet, fixed assets at the end of the new financial year to 31<sup>st</sup> August 2022 stood at £308,676, up from £300,614 at the 2021 financial year end. These fixed assets comprise primarily land and buildings.

Cash balances totalled £60,062 decreasing from £92,169 as at 31<sup>st</sup> August 2021. Healthy cash balances continue to be held in the business savings account for liquidity purposes.

Staffing costs continue to remain the main overhead at £488,493 and whilst this has reduced from £516,073 in the 2020-21 financial year, it does represent c. 77% of total costs compared with 75% in the previous financial year and will therefore need monitoring during the new financial year. Pleasingly however, other costs were again broadly in line with the previous year and the introduction of monthly management accounts in the new financial year will enable us to monitor this more closely and regularly, as well as overall financial performance.

Recruitment continues to present a challenge with a number of staff changes again during the year but the current cohort provides a good mix of experience and is being well led by our two main managers Sarah Reed and Elaine Talbot, who continue to work well together and have established excellent relationships with parents, as have the staff themselves. Numbers of children attending the nursery remain healthy where we are operating generally at full capacity, and we also continue to have a healthy waiting list and daily enquiries.

We also saw the resignation of a further Trustee, Tim Bryant, for personal reasons and would like to record our thanks to Tim for his long-standing support. We will seek to recruit a replacement during the new financial year and hopefully appoint additional Trustees in due course.

The priority for the forthcoming financial year will be long-awaited investment in the land and premises, with new fencing in the play areas and completion of the double decker bus project in particular. New metal security perimeter fencing was erected during the current financial year which was funded from reserves (cost c. £14,000) and we were successful with a bid for a grant from Herefordshire County Council for £3,000 with which we were able to construct a new wooden shelter for our forest school project which will also continue to be developed during the new financial year.

The Trustees would once again like to thank all management and staff for their continued commitment and support and we look forward to providing a further update at the end of the next financial year.

GATEWAY (EDUCATION & CHILDCARE) TRUST LIMITED

TRUSTEES' ANNUAL REPORT

FOR THE YEAR ENDED 31<sup>ST</sup> AUGUST 2022

**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  
26<sup>th</sup> June 2023

GATEWAY (EDUCATION & CHILDCARE) TRUST LIMITED

ACCOUNTANTS REPORT

FOR THE YEAR ENDED 31<sup>ST</sup> AUGUST 2022

**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 31<sup>st</sup> August 2022 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  
26<sup>th</sup> June 2023

Marshall Business Centre  
Faraday Road  
Hereford  
HR4 9NS



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

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

FOR THE YEAR ENDED 31<sup>ST</sup> AUGUST 2022

	Note	<u>Unrestricted Funds</u> £	<u>Restricted Funds</u> £	<u>Total Funds 2022</u> £	<u>Total Funds 2021</u> £
<u>INCOMING RESOURCES</u>					
Income resources from generated funds					
Interest received		9	-	9	5
Incoming resources from charitable activities	2	604,491	-	604,491	712,432
<u>TOTAL INCOMING RESOURCES</u>		<u>604,500</u>	<u>-</u>	<u>604,500</u>	<u>712,437</u>
<u>RESOURCES EXPENDED</u>					
Charitable activities	3	610,531	-	610,531	649,093
Governance costs	4	26,537	-	26,537	28,939
<u>TOTAL RESOURCES EXPENDED</u>		<u>637,068</u>	<u>-</u>	<u>637,068</u>	<u>678,032</u>
<u>NET MOVEMENT IN FUNDS</u>		<u>(32,568)</u>	<u>-</u>	<u>(32,568)</u>	<u>34,405</u>
<u>TOTAL FUNDS BROUGHT FORWARD</u>		<u>102,534</u>	<u>236,209</u>	<u>338,743</u>	<u>304,338</u>
<u>TOTAL FUNDS CARRIED FORWARD</u>	8	<u>69,966</u>	<u>236,209</u>	<u>£306,175</u>	<u>£338,743</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  
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BALANCE SHEET

31<sup>ST</sup> AUGUST 2022

	Note	£	2022	£	£	2021	£
<u>FIXED ASSETS</u>							
Tangible Assets	5		308,676			300,614	
<u>CURRENT ASSETS</u>							
Debtors	6	10,736			14,692		
Cash at Bank and in hand		60,062			92,169		
		<u>70,798</u>			<u>106,861</u>		
<u>CREDITORS: Amounts falling due within one year</u>							
	7	73,299			68,732		
<u>NET CURRENT (LIABILITIES) / ASSETS</u>							
			(2,501)			38,129	
<u>TOTAL ASSETS LESS TOTAL LIABILITIES</u>							
			<u>£306,175</u>			<u>£338,743</u>	
<u>FUNDS</u>							
Unrestricted	8	69,966			102,534		
Restricted	8	236,209			236,209		
		<u>£306,175</u>			<u>£338,743</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 26<sup>th</sup> June 2023.

..... 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 31<sup>ST</sup> AUGUST 2022

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>2022</u> £	<u>2021</u> £
Fees	597,583	631,718
Other Income	3,908	403
Insurance Claim	-	48,454
JRS Furlough Income	-	30,171
Small Business Grant	3,000	-
Other Grant Income	-	1,686
	<u>£604,491</u>	<u>£712,432</u>

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

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

**FOR THE YEAR ENDED 31<sup>ST</sup> AUGUST 2022**

**3. ANALYSIS OF RESOURCES EXPENDED**

<u>Charitable Activities</u>	<u>Basis of Allocation</u>	<u>Charitable Activities</u> £	<u>Governance Costs</u> £	<u>Total 2022</u> £	<u>Total 2021</u> £
<u>Teaching and care of children</u>					
Wages	Direct	488,493	-	488,493	516,073
Foods and disposables	Direct	24,088	-	24,088	25,293
Training expenses and healthcare	Direct	906	-	906	6,071
Sundry	Direct	2,338	-	2,338	2,557
Activity Costs	Direct	5,748	-	5,748	4,305
		521,573	-	521,573	554,299
<u>Running costs</u>					
Light, heat & power	Direct	10,777	-	10,777	10,105
Grounds maintenance	Direct	6,541	-	6,541	8,429
Premises expenses	Direct	8,689	-	8,689	16,257
Sundry expenses	Direct	4,860	-	4,860	2,615
Telephone, postage and stationery	Direct	5,254	-	5,254	6,534
Advertising	Direct	392	-	392	669
Travel and motor running	Direct	10,958	-	10,958	8,973
Equipment repairs	Direct	7,222	-	7,222	8,892
Insurance	Direct	4,504	-	4,504	4,185
Loss on disposal of motor vehicle	Direct	-	-	-	-
Bad debt provision	Direct	-	-	-	-
Computer Expenses	Direct	3,738	-	3,738	5,489
		62,935	-	62,935	72,148
<u>Administration Costs</u>					
Depreciation	Direct	23,825	-	23,825	20,872
Bank charges and interest	Direct	2,198	-	2,198	1,774
		26,023	-	26,023	22,646
<u>Total charitable activities costs</u>		610,531	-	610,531	649,093
<u>Governance costs</u>					
Accountancy	Direct	-	6,890	6,890	6,540
Legal and professional	Direct	-	19,647	19,647	22,399
		-	26,537	26,537	28,939

**NET INCOMING RESOURCES**

	<u>2022</u> £	<u>2021</u> £
Net incoming resources are stated after charging		
Accountancy	6,890	6,540
Depreciation	23,825	20,872

GATEWAY (EDUCATION & CHILDCARE) TRUST LIMITED  
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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31<sup>ST</sup> AUGUST 2022

5.	<u>TANGIBLE FIXED ASSETS</u>	<u>Telephone</u> <u>Exchange</u> <u>Conversion</u> £	<u>Property</u> <u>Improvements</u> £	<u>Land &amp;</u> <u>Buildings</u> £	<u>Equipment</u> <u>Fixtures &amp;</u> <u>Fittings</u> £	<u>Motor</u> <u>Vehicles</u> £	<u>Total</u> £
	<u>Cost</u>						
	At 1 <sup>st</sup> April 2021	59,226	154,265	239,376	109,617	1,575	564,059
	Additions	-	26,450	-	5,437	-	31,887
	Disposals	-	-	-	-	-	-
	At 31 <sup>st</sup> August 2022	59,226	180,715	239,376	115,054	1,575	595,946
	<u>Depreciation</u>						
	At 1 <sup>st</sup> April 2021	31,783	48,225	88,175	94,632	630	263,445
	Charge for the Year	2,369	6,866	4,788	9,487	315	23,825
	On Disposals	-	-	-	-	-	-
	At 31 <sup>st</sup> August 2022	34,152	55,091	92,963	104,119	945	287,270
	<u>Net Book Value</u>						
	At 31 <sup>st</sup> August 2022	25,074	125,624	146,413	10,935	630	£308,676
	At 31 <sup>st</sup> August 2021	27,443	106,040	151,201	14,985	945	£300,614
6.	<u>DEBTORS</u>					<u>2022</u> £	<u>2021</u> £
	Trade Debtors					5,063	8,469
	Other Debtors and Prepayments					5,673	6,223
						£10,736	£14,692
7.	<u>CREDITORS: Amounts falling due within one Year</u>						
	Trade Creditors					4,426	15,345
	Other creditors & accruals					18,795	10,513
	Other Taxation and Social Security					7,808	6,161
	J Larkin					165	611
	Bank Overdraft					42,105	36,102
						£73,299	£68,732

GATEWAY (EDUCATION & CHILDCARE) TRUST LIMITED  
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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31<sup>ST</sup> AUGUST 2022

8.	<u>MOVEMENT IN FUNDS</u>	<u>At</u> <u>01.09.21</u>	<u>Incoming</u> <u>Resources</u>	<u>Outgoing</u> <u>Resources</u>	<u>At</u> <u>31.08.22</u>
		£	£	£	£
	Unrestricted funds	102,534	604,500	637,068	69,966
	Restricted funds	236,209	-	-	236,209
	Net assets at 31 <sup>st</sup> August 2022	<u>£338,743</u>	<u>604,500</u>	<u>637,068</u>	<u>£306,175</u>

9. RELATED PARTY TRANSACTIONS

It was agreed by the trustees that, with effect from the 1<sup>st</sup> 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 £165. During this year Mrs A J Larkin was employed as the senior manager and paid remuneration of £39,389 in total covering the year.

Included within property improvement costs this year is a total of £13,200 payment for services to Daniel Squire Ltd, a company operated by one of the trustees Mr D. Squire.