

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

FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31<sup>ST</sup> AUGUST 2023

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 2023

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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 2023

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 2023.

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.

TRUSTEES' ANNUAL REPORT

FOR THE YEAR ENDED 31<sup>ST</sup> AUGUST 2023

**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 2023

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 2023 amounted to £712,951 with total expenditure of £703,722, creating a surplus for the year of £9,229. This is particularly pleasing given the heavy expenditure in the previous financial year and creating a much-welcomed surplus. Fee income is the major source of total income and has increased substantially this year from £597,583 for the twelve months to 31<sup>st</sup> August 2022, to £699,871. Whilst the increase in fees (up 17%) produced the uplift in overall income that we anticipated, overall costs also increased by 10%, from £637,068 in 2022, to £703,722.

In terms of the balance sheet, fixed assets at the end of the new financial year to 31<sup>st</sup> August 2023 stood at £306,506, from £308,676 at the 2022 financial year end. These fixed assets, as in previous years, comprise primarily land and buildings.

Cash balances totalled £60,198, broadly level with £60,062 as at 31<sup>st</sup> August 2022. Healthy cash balances continue to be held in the business savings account for liquidity purposes. Total funds overall increased to £315,404 from £306,175 in the previous financial year.

Staffing costs continue to remain the main overhead at £545,324, up from £488,493 in the 2021-22 financial year. However, this has remained consistent over the last 2 years, representing c. 77% of total costs. General running costs increased by around £9,000 and the focus for the forthcoming financial year will be on more regular monitoring of day-to-day operational costs via monthly management accounts. We also experienced a significant flooding issue during the year where a toilet leak ruined the flooring in our pre-school facility but thankfully costs were largely covered by our insurance company.

Recruitment continues to present a challenge with a few further staff changes again during the year but the current cohort continues to provide a good mix of experience and continues to be well led by our two main managers, Elaine Talbot and Sarah Reed, with Senior Manager Jude Larkin (and co-founder of Gateway) now able to concentrate on the financial administration of the business. Numbers of children attending the nursery still remain healthy where we are still operating generally at full capacity, and we also continue to have a healthy waiting list and daily enquiries.

The priority for the forthcoming financial year still remains on investment in the land and premises, with fencing and our double decker bus project in particular a priority, recovering our large polytunnel, plus an upgrade to our fire and security systems.

The Trustees would once again like to thank all management and staff for their continued commitment and support which is so gratefully recognised and appreciated.

GATEWAY (EDUCATION & CHILDCARE) TRUST LIMITED

TRUSTEES' ANNUAL REPORT

FOR THE YEAR ENDED 31<sup>ST</sup> AUGUST 2023

**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  
24<sup>th</sup> May 2024

ACCOUNTANTS REPORT

FOR THE YEAR ENDED 31<sup>ST</sup> AUGUST 2023

**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 2023 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  
24<sup>th</sup> May 2024

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 2023

	Note	<u>Unrestricted Funds</u> £	<u>Restricted Funds</u> £	<u>Total Funds 2023</u> £	<u>Total Funds 2022</u> £
<u>INCOMING RESOURCES</u>					
Income resources from generated funds					
Interest received		321	-	321	9
Incoming resources from charitable activities	2	712,630	-	712,630	604,491
<u>TOTAL INCOMING RESOURCES</u>		<u>712,951</u>	<u>-</u>	<u>712,951</u>	<u>604,500</u>
<u>RESOURCES EXPENDED</u>					
Charitable activities	3	676,658	-	676,658	610,531
Governance costs	4	27,064	-	27,064	26,537
<u>TOTAL RESOURCES EXPENDED</u>		<u>703,722</u>	<u>-</u>	<u>703,722</u>	<u>637,068</u>
<u>NET MOVEMENT IN FUNDS</u>		9,229	-	9,229	(32,568)
<u>TOTAL FUNDS BROUGHT FORWARD</u>		69,966	236,209	306,175	338,743
<u>TOTAL FUNDS CARRIED FORWARD</u>	8	<u>79,195</u>	<u>236,209</u>	<u>£315,404</u>	<u>£306,175</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 2023

	Note	£	2023	£	£	2022	£
<u>FIXED ASSETS</u>							
Tangible Assets	5		306,506			308,676	
<u>CURRENT ASSETS</u>							
Debtors	6	17,672			10,736		
Cash at Bank and in hand		60,198			60,062		
		<u>77,870</u>			<u>70,798</u>		
<u>CREDITORS: Amounts falling due within one year</u>							
	7	68,972			73,299		
<u>NET CURRENT ASSETS / (LIABILITIES)</u>							
			8,898		(2,501)		
<u>TOTAL ASSETS LESS TOTAL LIABILITIES</u>							
			<u>£315,404</u>		<u>£306,175</u>		
<u>FUNDS</u>							
Unrestricted	8	79,195			69,966		
Restricted	8	236,209			236,209		
		<u>£315,404</u>			<u>£306,715</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 24<sup>th</sup> May 2024.

..... 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 2023

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>2023</u> £	<u>2022</u> £
Fees	699,871	597,583
Other Income	1,079	3,908
Small Business Grant	-	3,000
Other Grant Income	3,600	-
Insurance Claim	8,080	-
	<u>£712,630</u>	<u>£604,491</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 2023**

**3. ANALYSIS OF RESOURCES EXPENDED**

<u>Charitable Activities</u>	<u>Basis of Allocation</u>	<u>Charitable Activities</u> £	<u>Governance Costs</u> £	<u>Total 2023</u> £	<u>Total 2022</u> £
<u>Teaching and care of children</u>					
Wages	Direct	545,324	-	545,324	488,493
Foods and disposables	Direct	24,590	-	24,590	24,088
Training expenses and healthcare	Direct	1,487	-	1,487	906
Sundry	Direct	2,315	-	2,315	2,338
Activity Costs	Direct	5,895	-	5,895	5,748
		579,611	-	579,611	521,573
<u>Running costs</u>					
Light, heat & power	Direct	9,073	-	9,073	10,777
Grounds maintenance	Direct	5,786	-	5,786	6,541
Premises expenses	Direct	10,298	-	10,298	8,689
Sundry expenses	Direct	7,410	-	7,410	4,860
Telephone, postage and stationery	Direct	6,317	-	6,317	5,254
Advertising	Direct	367	-	367	392
Travel and motor running	Direct	15,345	-	15,345	10,958
Equipment repairs	Direct	6,843	-	6,843	7,222
Insurance	Direct	4,915	-	4,915	4,504
Bad debt provision	Direct	-	-	-	-
Computer Expenses	Direct	5,335	-	5,335	3,738
		71,689	-	71,689	62,935
<u>Administration Costs</u>					
Depreciation	Direct	22,386	-	22,386	23,825
Bank charges and interest	Direct	2,972	-	2,972	2,198
		25,358	-	25,358	26,023
<u>Total charitable activities costs</u>		676,658	-	676,658	610,531
<u>Governance costs</u>					
Accountancy	Direct	-	6,845	6,845	6,890
Legal and professional	Direct	-	20,219	20,219	19,647
		-	27,064	27,064	26,537

**NET INCOMING RESOURCES**

	<u>2023</u> £	<u>2022</u> £
Net incoming resources are stated after charging		
Accountancy	6,845	6,890
Depreciation	21,883	23,825

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

FOR THE YEAR ENDED 31<sup>ST</sup> AUGUST 2023

5.	<u>TANGIBLE FIXED ASSETS</u>	<u>Telephone Exchange Conversion</u> £	<u>Property Improvements</u> £	<u>Land &amp; Buildings</u> £	<u>Equipment Fixtures &amp; Fittings</u> £	<u>Motor Vehicles</u> £	<u>Total</u> £
	<u>Cost</u>						
	At 1 <sup>st</sup> April 2022	59,226	180,715	239,376	115,054	1,575	595,946
	Additions	-	10,846	-	9,370	-	20,216
	Disposals	-	-	-	-	-	-
	At 31 <sup>st</sup> August 2023	59,226	191,561	239,376	124,424	1,575	616,162
	<u>Depreciation</u>						
	At 1 <sup>st</sup> April 2022	34,152	55,091	92,963	104,119	945	287,270
	Charge for the Year	2,369	7,663	4,788	7,251	315	22,386
	On Disposals	-	-	-	-	-	-
	At 31 <sup>st</sup> August 2023	36,521	62,754	97,751	111,370	1,260	309,656
	<u>Net Book Value</u>						
	At 31 <sup>st</sup> August 2023	22,705	128,807	141,625	13,054	315	£306,506
	At 31 <sup>st</sup> August 2022	25,074	125,624	146,413	10,935	630	£308,676
6.	<u>DEBTORS</u>					<u>2023</u> £	<u>2022</u> £
	Trade Debtors					3,956	5,063
	Other Debtors and Prepayments					13,716	5,673
						£17,672	£10,736
7.	<u>CREDITORS: Amounts falling due within one Year</u>						
	Trade Creditors					10,916	4,426
	Other creditors & accruals					18,965	18,795
	Other Taxation and Social Security					8,477	7,808
	J Larkin					240	165
	Bank Overdraft					30,374	42,105
						£68,972	£73,299

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

FOR THE YEAR ENDED 31<sup>ST</sup> AUGUST 2023

8.	<u>MOVEMENT IN FUNDS</u>	<u>At</u> <u>01.09.22</u>	<u>Incoming</u> <u>Resources</u>	<u>Outgoing</u> <u>Resources</u>	<u>At</u> <u>31.08.23</u>
		£	£	£	£
	Unrestricted funds	69,966	712,951	703,722	79,195
	Restricted funds	236,209	-	-	236,209
	Net assets at 31 <sup>st</sup> August 2023	<u>306,175</u>	<u>712,951</u>	<u>703,722</u>	<u>315,404</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 £240. During this year Mrs A J Larkin was employed as the senior manager and paid remuneration of £40,440 in total covering the year.

Included within grounds maintenance is a total of £1,650, payment for services to Prozone Services Ltd, a company operated by the chair of trustees, A J Larkin. A further £312 was paid to the company for cleaning services, included within premises expenses in the accounts. Both transactions were at strictly agreed commercial rates.