

REGISTERED COMPANY NUMBER: 04899075 (England and Wales)
REGISTERED CHARITY NUMBER: 1102007

REPORT OF THE TRUSTEES AND
UNAUDITED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2021
FOR
CLEETHORPES CHILDCARE

CLEETHORPES CHILDCARE

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FOR THE YEAR ENDED 31 AUGUST 2021

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**REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 AUGUST 2021**

The trustees who are also directors of the charity for the purposes of the Companies Act 2006, present their report with the financial statements of the charity for the year ended 31 August 2021. The trustees have adopted the provisions of Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019).

OBJECTIVES AND ACTIVITIES

The Charitable Objectives of Cleethorpes Childcare are:

In accordance with the Aims of the adopted Memorandum and Articles of Association of the Pre-school Learning Alliance:

To enhance the development and education of children primarily under statutory school age by encouraging parents to understand and provide for the needs of their children through community groups and by:

- Offering appropriate play, education and care facilities and training courses, together with the right of parents to take responsibility for and to become involved in the activities of such groups, ensuring that such groups offer opportunities for all children whatever their race, culture, religion, means or ability
- Encouraging the study of the needs of such children and their families and promoting public interest in and recognition of such needs
- Instigating and adhering to and furthering the aims of the Pre-school Learning Alliance

Activities:

The Work of the Executive Committee

The trustees confirm they have referred to the guidance contained in the Charity's Commission's guidance on public benefit when reviewing the charity's aims and objectives and in planning future activities.

Professional memberships & advisors

We continue as members of the Early Years Alliance (formerly Pre-school Learning Alliance), a membership organisation offering online training and regular updates of information and advice relating to the Early Years Sector which supports the development of services within Cleethorpes Childcare. The General Manager continues to represent Cleethorpes Childcare as a trustee for the national Charity.

HR service advice and support has been identified through Beetenon & Gibbon Solicitors on an as-and-when basis which meets our requirements alongside the Lawcall advice service we continue to access through our Early Years Alliance membership.

Fundraising and events

The Fundraising and Events sub-committee have not met this year as we were unable to hold any public events or have visitors into the setting during the pandemic. This has impacted significantly on activities and events which support fundraising and very little activity has taken place over the year. Trustees are aware of financial impacts Coronavirus has had on families too and will be looking at ways we will be able to redress some of the regular events we have held in previous years.

Welcome meetings were again held with parents individually outdoors to ensure we maintained appropriate distancing and hygiene, following on from positive feedback last year. Childcare Managers worked alongside each child's keyperson to check paperwork and registrations, discuss any concerns and support settling their child into a setting which many had not seen inside. This supported new families and children with a smooth transition and reassured parents of our level of care, and specific measures we had in place to protect children, parents and staff.

Easyfundraising is proving to be a small but steady income received from retailer donations when parents/ staff purchase through the Easyfundraising app. As this requires only general promotion to families, this has very minimal effort to support our fundraising efforts.

Concerts at Christmas and end of year were not able to be held due to continued Coronavirus restrictions on event numbers, however, we "raffled" Christmas hampers which were donated to us and raised a small amount of funds to support replacement of resources such as books and toys. Staff also produced a lovely video of them taking turns to read "The night before Christmas" and we held an online Christmas sing along for children and families who thoroughly enjoyed joining in.

REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 AUGUST 2021

OBJECTIVES AND ACTIVITIES

Public relations and marketing

Although word of mouth has, as always, proved to be our widest source of publicity, we also receive free advertising from Families First, a service provided by North East Lincolnshire Council. Families First support families accessing free funding entitlements, giving out a list of all registered providers within the authority. They also have a Facebook page and website. This year, they have again enabled individual providers to advertise through their Facebook page to promote parental take up of childcare due to Coronavirus issues regarding parental confidence and low levels of interactions between settings who were unable to hold events such as open days. This has been accessed by both Highgate and Signhills Pre-schools however, has appeared to have made very little difference to either setting. As always, many parents access our settings for their youngest children once a child moves on to school and so we remain confident that our service continues to meet the needs of our community.

The Famly app has continued to grow and the communication aspect of this has been utilised more during the pandemic with regular newsfeed posts and personal messages between staff and parents. Facebook and our website www.cleethorpeschildcare.co.uk are our main methods of communicating awareness of our organisation to the general public and have proved to be beneficial in offering enquiry forms to register for childcare places where we have followed up to offer places in accordance with both demand for places and availability alongside staff working patterns.

We continue to value the close relationships we share with our local Academies and Children's Centres and are grateful for their promotion of our services through distribution of our contact and event details.

ACHIEVEMENT AND PERFORMANCE

General

This year we have focussed on consolidation and maintaining presence within the community to promote long term sustainability in unpredictable pandemic circumstances.

We have continued to utilise the internal communication between parents and staff via Famly and continue to see a steady growth in the way parents and carers use different areas of the software.

Our work with Intergenerational projects such as toddler group at Rivelin Care home, alongside our search for security in premises and/or expansion of provision have been on hold this year whilst we focussed on maintaining viability during Coronavirus. We anticipate these will be revised and reviewed once a more certain market is established.

We have continued to invest in our staff development, supporting relevant and core training at all levels within the organisation. Our apprentices continued to work towards level 3 and we were able to extend their contracts to cover beyond their training period.

We were successful in supporting the DfE Holiday Activities and Food (HAF) programme at Hardys Den for four weeks over the summer holidays, enabling children who would be eligible for free school meals to access regular food and health promotion activities. Staff rose to the challenge of boosting the number of children attending each session and provided exciting meals, snacks and activities in line with the ethos of Hardys Den which fully supported the HAF programme. A total of 18 children were fully funded and supported over the summer holidays, in addition to children who regularly attended and positive feedback was received from both children, parents and staff, with children trying a range of foods new to them such as salmon and vegetarian sausages; and enjoying challenges and making new friends. HAF was promoted directly through Signhills Academies although Hardys Den also had a number of children attending from different schools which broadened our community reach.

REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 AUGUST 2021

ACHIEVEMENT AND PERFORMANCE

Inclusion

This year staff have continued to support one child with one-to-one care and education, accessing Early Years Inclusion Funding to support this work. Offering care at this level incurs additional staffing, meetings, support for the family, training and paperwork, all of which have been undertaken by knowledgeable, caring and professional staff. The funding received does not fully cover the cost of delivering one-to-one care for a child and we only apply for additional support where children are unable to be fully integrated into the setting without it.

We are unable to access any funding for out of school and holiday care sessions however, we often find ourselves supporting the individual needs of school age children with working parents or who need some respite and incorporate these children into everything we offer within Hardys Den.

We continue to see an increase in children who need low level additional support for communication and for those who have professional external intervention such as Social Workers for Child Protection. We have named Special Educational Needs Co-ordinators (SENCo's) in each setting and each setting Manager, Deputy Manager and SENCo are trained at Level 2 in Safeguarding to enable us to professionally support children and their families through specific strategies and interventions. These qualified staff are able to support other team members with signposting, monitoring, report writing and interventions on a daily basis which leads to a second nature approach to inclusion and respect and dignity for children and families.

Setting managers and SENCo's attend regular network, webinars and training meetings, more recently in a virtual capacity, and disseminate information and knowledge to the rest of their staff team to enhance best practice in meeting the individual needs of all children attending our settings. The local authority Inclusion Support team offer additional in-setting knowledge, support and advice to ensure we maintain procedures in line with the SEN Code of Practice. We have also gained professional support from Child Development Centre and Speech and Language therapists, which further enhance the services we provide for all families.

We have received Early Years Pupil Premium (EYPP) funding this year however this remains an unpredictable amount which is received almost a term after a child becomes eligible. This fund is granted with parental permission for 3 & 4 year old children, whose parents meet set criteria and is used to provide financial or developmental support for children in need. This year we have continued to develop staff training and provided additional staff within higher than required ratios to enhance children's learning experiences and opportunities with the aim of children gaining the best start in their education. EYPP has also supported additional staff time for increased communication/contact with parents and families.

Quality Assurance

The General Manager works alongside each setting manager to monitor and evaluate practice within each childcare provision, in turn informing staff development and progression.

We have worked extremely hard to manage and maintain the quality in all of our provisions this year whilst reacting to the impact of Covid-19.

North East Lincolnshire Local Authority continued to provide support for our settings through Early Years Teacher/ Advisor/ Area SENCO input. Managers work alongside the advisor to enhance quality and promote excellent practice within the settings. We continue to hold regular staff meetings, where some staff continue to attend virtually, to disseminate information and address areas for improvements. Individual staff members are supported in development through induction, 1-1 meetings and role supervisions.

**REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 AUGUST 2021**

ACHIEVEMENT AND PERFORMANCE

Staff Training and Development

Staff members undertake and update core elements of training to support their professional development which includes Safeguarding, Paediatric First Aid, Understanding and Addressing Behaviour, Prevent duty and Food Hygiene & Safety in the form of a short course, workshop or online training refresher through Educare.

Staff members have received support to undertake training courses, and workshops over the year including:

Safeguarding (inc. refresher)	Level 1 (6 member)
Safeguarding (inc. refresher)	Level 2 (4 members)
Paediatric First Aid	Level 3 (7 members)
Food Hygiene	Level 2 (5 members)
Early Years & Childcare (Apprenticeship)	Level 3 (2 members)
Prevent Duty	(7 members)
EYFS 2021 - internal training	(19 members)

Staff undertaking training are supported financially and with workplace release and at degree level with additional mentor support meetings.

A revision to the Early Years Foundation Stage Guidance has required us to support staff to be able to implement changes in practice before September 2021. This has been provided through additional time at staff meetings where whole setting discussions regarding change and implementation took place with a shift in focus on delivery of learning opportunities for the children. Changes to planning and delivery were agreed for implementation from September with Managers undertaking a shift in work balance to ensure we maintain the high standards of care and individual support for children which is required, and expected from our settings. We feel well placed to deliver these changes, particularly as each setting may receive a visit from Ofsted as due on their inspection cycle.

The General Manager has continued her representation to the Early Years Alliance throughout this year as a Trustee for the national organisation and a member of the Audit Committee though due to Coronavirus, representation at meetings has been virtual. Committee members recognise and support these roles for the General Manager's continuing development as information and skills are shared and developed for the benefit of both organisations.

Induction for new committee members took place in January 2021, following the Annual General Meeting elections. Members commented that they found this a very useful refresher and overview of the organisation, and that it helps them to better understand their roles and responsibilities.

Students and Volunteer Placements

Placement for students has been restricted this year due to the Coronavirus pandemic limiting visitors to the setting.

Due to limitations on events and activities over the year, an estimated total of 80 volunteer hours and no student volunteer hours have been undertaken.

Visitors and liaisons

We continue to work with other professionals although we have not had any visitors into settings due to Coronavirus. Virtual meetings and correspondence have continued with some level of support from Early Years and Inclusion team, Speech & Language therapists, Early Help team and social care teams.

The General Manager continues to represent our organisation and the private, voluntary and independent sector (PVI) at Schools Forum where decisions affecting the allocation of government finance for educational sectors takes place. These meetings have also been held virtually over this year due to Coronavirus restrictions.

Cleethorpes Childcare continues to operate as a preferred provider for The Hub Children's Centres and in particular Highgate Children's Centre. Informal meetings have taken place to ensure the Children's Centre remit of family support, health, safeguarding and partnership working is met through partnership engagement.

Professional Advisors

We have sought advice throughout the year from Professional Advisors, which are:

HSBC UK, PO Box 68, 130 New Street, Birmingham, B2 4JU

Smethurst & Co LLP, 12 Abbey Road, Grimsby, DN32 0HL

Lawcall, Early Years Alliance, 50 Featherstone Street, London, EC1Y 8RT

Early Years Alliance Membership and Insurance, 50 Featherstone Street, London, EC1Y 8RT

Dataplan Payroll services, 1 Prince Albert Gardens, Grimsby DN31 3AG

**REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 AUGUST 2021**

FINANCIAL REVIEW

Financial review

This relates to the enclosed financial statement as agreed by the Executive Committee and in accordance with the accounting procedures determined by Companies House and the Charity Commission.

The main source of income for the pre-school groups continues to be from Free Funding Entitlement (FFE) for 2, 3 and 4 year old children attending our settings, which has fortunately been supported through Government and has continued during the Coronavirus pandemic. We have a reasonable amount of children who are eligible to claim 30 hours funding entitlement from the term after their third birthday however, this funding is often banked to be used during holidays at Hardys Den. Attendance has been lower for the first half of the year however, as restrictions began to ease, we looked forward to a significant increase in attendance as well as a healthy waiting list which enables us to predict future funding.

Additional income is from fees in Hardys Den and for pre-school children not eligible for FFE, those taking sessions in addition to their FFE capacity or from children who attend the pre-school lunch clubs. Fees are reviewed annually to ensure they remain affordable to parents, maintain sustainability of the provisions, reflect local pay scales and are competitive within the marketplace. Further income is raised from fundraising activities throughout the year to enable us to enhance children's resources and experiences. Pre-school children are asked to pay a resource/consumables contribution which was reviewed and increased to £1 per child per session, with the majority of families paying this within the allocated timescales, in accordance with our fees policy and terms and conditions. The initial pre-school registration fee was frozen this year despite ongoing increases in our expenditure for items such as uniform and therefore a decision was taken to only offer one item of uniform to each preschool registration with the remaining fee supporting the cost of Family software, printing welcome booklets/ prospectus, providing badges and book-bags along with administration time for this preparation. This is reviewed as a minimal one-off cost to parents whilst Hardys Den administration fee is charged and reviewed annually. Registration fees do not present a barrier for entry to our settings as parents fully understand the reasons for this cost and we are able to support parents with scheduled payments so their child's start date is not delayed however, on occasions, the registration fee may be waived at the General Managers discretion due to a child's individual circumstances.

The Family software has continued to support us with our invoicing and to enable parents to see their balance and payments due at a glance. Fee payments continue to be monitored to ensure we have a sustainable cash-flow. We have been unable to accept cash payments for fees during the pandemic which has meant all payments have been made directly through online banking which also alleviates time for childcare managers and supports direct accountability and recording of payments, whilst reducing the risks of holding cash on our premises. This has not proved to be a barrier to parents with many preferring this payment method, once established. Good communication between families and the administration team ensure that we offer all opportunities for parents to pay under mutually agreed terms. Outstanding fees are a regular agenda item at committee meetings and the Finance Administrator provides updates to each setting manager to allow them to monitor payments from their own families, enabling us to make initial approaches for debtor accounts informally, often then avoiding escalation. We continue to recover debts via HMRC online where all other attempts have failed.

The ongoing increases to the National Minimum Wage and National Living Wage, coupled with low increases in FFE funding rates continues to challenge our financial viability due to the majority of our expenditure being for staff costs. Trustees again reviewed the staff payroll structure to account for future potential increases which impact on the differentials between rates paid for each level of job responsibility, whilst recognising qualifications and potential progression opportunities through the organisation, which in turn provides job security. Any increase in employer pension contributions are also factored into our predicted financial expectations and implemented through the Nest and Halifax pension schemes. We work closely with Dataplan to ensure we meet all requirements for HMRC payroll.

Guarantors

Members of the Charitable Company guarantee to contribute an amount not exceeding £1 to the assets of the Charitable Company in the event of winding up. The total number of such Guarantors at 31st August 2021 was 155.

Reserves

Reserves are currently held to support Cleethorpes Childcare in meeting future potential expenditure:

- Recruitment and training costs
- Three months working reserves to cover staff redundancies and the winding up of the business, should this become necessary
- Increase to National Minimum & Living Wage and to pension contributions due to no planned increase in Early Years Entitlement
- Development of additional childcare provision to enhance security in lease of premises
- Unexpected/emergency costs associated with national closures and Coronavirus

**REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 AUGUST 2021**

FINANCIAL REVIEW

Risk Review

This year has proved a challenge for all charities and businesses and we recognise that we have been well placed and fortunate to have achieved as much as we have over the year. We are never complacent and continuously review our current and future market position to ensure we are in touch with the needs of the local community through completion and review of a Business Plan, Risk Analysis and regular Executive Committee meetings. Although trustees are not aware of any major risks to which the charity has been exposed, concerns have been noted regarding the rates paid to providers for Free Funding entitlement in light of escalating expenditure and we constantly check the need for purchases alongside a full evaluation whenever a staff post becomes vacant.

We continue to have concerns regarding the potential a School/Academy has to cease a lease agreement, in relation to sustainability. This risk continues to be monitored and reported at committee meetings and strategies to secure continuing viability have been implemented to confirm we remain a going concern. We continue to seek security of tenure in suitable premises within our current community base.

The Trustees ensure the agenda for each meeting promotes full monitoring and evaluation of government / local challenge to mitigate risk.

PLANS FOR FUTURE PERIODS

Future Sustainability

We anticipated challenges with lower birth rates in our community and were prepared for this by way of limited recruitment of new staff and continuing to adjust expenditure where we were able. In reality, the Coronavirus Job Retention Scheme (furlough) and FFE funding have supported Cleethorpes Childcare throughout the Covid pandemic and, providing government continue to fund 2, 3 and 4 year old childcare places with annual increases in funding rates, we will be able to make appropriate physical and financial adaptations for the foreseeable future.

We are aware our premises leases are approaching renewal at Signhills and Highgate Pre-schools and discussions have begun to secure a further lease with Signhills whilst further work needs to be done to engage with the Local Authority regarding Highgate. Consolidation of service and quality remain an ongoing focus.

Our ability to react to uncertainty relies on the expertise and experience of a well established staff team working alongside trustees. Though none have previous experience of working through a pandemic, the skills balance enables us to be able to make clear and fair judgements and to address and react quickly to risks when they are presented.

Trustees recognise the challenges in continuing to meet the needs of the community and identify potential expansion within the current and/or new provisions. The annual increases to National Minimum Wage alongside low increases in funding rates pushes increasing expenditure onto parents and we continually aim to mitigate the impact of this. We do feel confident that, with the knowledge and experience within the organisation, partnerships and community involvement, representations to local and national networks and the long established record of quality provision, we remain flexible, well placed in the childcare market and review our services accordingly.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Governing document

The charity is controlled by its governing document, a deed of trust, and constitutes a limited company, limited by guarantee, as defined by the Companies Act 2006.

Risk management

The trustees have a duty to identify and review the risks to which the charity is exposed and to ensure appropriate controls are in place to provide reasonable assurance against fraud and error.

Structure

Cleethorpes Childcare consists of:

- Signhills Pre-school
- Highgate Pre-school
- Hardys Den out-of-school club
- Cleethorpes Childcare Crèche Services
- Intergenerational Toddler Groups

**REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 AUGUST 2021**

STRUCTURE, GOVERNANCE AND MANAGEMENT

Appointment of Members

All member families are invited to attend the AGM; a member is an adult representative for a child who attends any of the settings of Cleethorpes Childcare. As in previous years, a meeting date was agreed and publicised at each of Cleethorpes Childcare provisions to allow parents and member representatives to attend. An Annual General Meeting was held in November 2020 via Teams online due to Covid restrictions on meeting numbers. Members were re-appointed with an additional member enrolling into the trustee position. Suitable checks and registrations were undertaken alongside the Trustee Induction programme to ensure all elected members fully understood their responsibilities and duties prior to the first committee meeting which followed the AGM. At the first meeting, officers were voted into post by fellow trustees. Training, both formal and informal, is offered for committee members should they wish to further develop their skills and knowledge through Educare, offered as part of our Early Years Alliance (formerly Pre-school Learning Alliance) membership. In this voluntary role, committee members offer their time and expertise in the decision making of Cleethorpes Childcare. Elected members often offer practical time to carry out further duties throughout the year within the childcare provisions or through fundraising, community events and activities.

This year, we have found it particularly difficult to recruit new committee members into Cleethorpes Childcare due to Coronavirus as we have less member families alongside infrequent opportunities to fully engage with families in a less formal way. We continue to work with staff to encourage and support connections with families and identify potential new members who may become trustees. This continues year on year and has been incorporated into all meetings between staff and parents as a less formal approach to trustee recruitment.

Staffing

The executive committee have a responsibility to ensure that staff are employed within the company to meet company objectives. A General Manager is employed to oversee the day-to-day running of the work of Cleethorpes Childcare within each provision and in addition to this, an average of 21 members of staff have worked to provide high quality care and education for the children who have attended, offering support and information to parents and family members. The number of staff has reduced this year as employees moved onto other posts, none of which were in the childcare sector. The continuing localised falling birth rates of children alongside the uncertainty of Coronavirus restrictions impacting on uncertainty to ensure long term sustainable employment means we have not recruited into these positions. We continued with our support for two Level 3 Early Years apprentices who completed their qualifications in December 2020. As appropriate for each individual and within a core training offer, all staff are supported to develop their skills within the organisation and internal progression is also encouraged when vacancies arise.

The Coronavirus pandemic, lockdowns and imposed closures continued to create an uncertain future for Cleethorpes Childcare. Trustees reviewed every change of guidance from government to consider the risks and opportunities provided to continue to work within our aims and objectives. We continued to access Coronavirus Job Retention Scheme (CJRS) for many staff though this was mainly part time furlough to top up and retain staff to provide security of employment and consistency in staffing for future periods. Announcements made for guidance changes at the beginning of January 2021 led to individual discussions with staff to ensure they were fully aware of the risks involved in returning to work due to Early Years settings opening for all children to attend who's parents wished them to, when all other educational settings were ordered to close. Trustees were extremely grateful and proud of the hard work and dedication to the children and each other shown by staff over this difficult year as the challenges were tackled face-on and changes to practice were implemented to the highest levels to maintain the safest working environment possible. The General Manager remained in contact with staff at regular intervals via personal phone calls and newsfeed updates on the Family software. Some staff continued to work from home either part time or fully with regular "check-ins" to support communication and wellbeing.

The General Manager, alongside Childcare Managers, continued to report to the executive committee on a regular basis at online/virtual meetings and communicated with executive members as required to deal with matters that arose during the periods between meetings. As physical meetings were not able to be held, regular monthly dates were set for virtual meetings via Teams to ensure organisational business could be maintained and we could continue to react quickly to guidance changes.

Policies

All policies and procedures have been reviewed this year in light of changes regarding health and safety due to Coronavirus and changes to impending Early Years Foundation Stage Guidance updates. All policy changes were discussed with staff and Trustees before agreement, allowing full consultation with those who are tasked with implementation. Paper copies of policies are made available within each setting and through our website which members, staff and trustees access using a secure password acquired on joining the organisation.

Risk assessments were reviewed regularly with full updates being communicated to trustees and staff to support wellbeing and safety within our childcare provisions.

Organisational risk assessment and business plan have been reviewed and revised over this year to ensure Trustees were confident in our marketplace position and to identify where future investments and opportunities may arise and to maintain a sustainable and viable business.

**REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 AUGUST 2021**

REFERENCE AND ADMINISTRATIVE DETAILS

Registered Company number

04899075 (England and Wales)

Registered Charity number

1102007

Registered office

Signhills School
Hardys Road
Cleethorpes
N E Lincs
DN35 0DN

Trustees

B Rodgers-Gibbs
T Whitehead (resigned 18.11.20)
C Moore
L Pendred
K Scott (resigned 18.11.20)
L Hammond
J Speck (appointed 21.4.21)
C Wray (appointed 18.11.20)

Independent Examiner

Mrs H Spauls FCA
ICAEW
Smethurst & Co LLP
12 Abbey Road
GRIMSBY
DN32 0HL

Bankers

HSBC
PO Box 68
130 New Street
Birmingham
West Midlands
B2 4JU

Solicitors

BG Solicitors LLP
27 Osborne Street
Grimsby
N E Lincs
DN31 1JB

Cleethorpes Childcare is a charitable company limited by guarantee, incorporated on 15 September 2003 and registered as a charity on 10 February 2004.

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

STATEMENT OF TRUSTEES' RESPONSIBILITIES

The trustees (who are also the directors of Cleethorpes Childcare for the purposes of company law) are responsible for preparing the Report of the Trustees and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 AUGUST 2021

STATEMENT OF TRUSTEES' RESPONSIBILITIES - continued

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 that period. In preparing those financial statements, the trustees are required to

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charity SORP;
- make judgements and estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

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

Approved by order of the board of trustees on 8 November 2021 and signed on its behalf by:

C Moore - Trustee

**INDEPENDENT EXAMINER'S REPORT TO THE TRUSTEES OF
CLEETHORPES CHILDCARE (REGISTERED NUMBER: 04899075)**

Independent examiner's report to the trustees of Cleethorpes Childcare ('the Company')

I report to the charity trustees on my examination of the accounts of the Company for the year ended 31 August 2021.

Responsibilities and basis of report

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

Having satisfied myself that the accounts of the Company are not required to be audited under Part 16 of the 2006 Act and are eligible for independent examination, I report in respect of my examination of your charity's accounts as carried out under section 145 of the Charities Act 2011 ('the 2011 Act'). In carrying out my examination I have followed the Directions given by the Charity Commission under section 145(5) (b) of the 2011 Act.

Independent examiner's statement

Since your charity's gross income exceeded £250,000 your examiner must be a member of a listed body. I can confirm that I am qualified to undertake the examination because I am a registered member of ICAEW 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:

1. accounting records were not kept in respect of the Company as required by section 386 of the 2006 Act; or
2. the accounts do not accord with those records; or
3. the accounts do not comply with the accounting requirements of section 396 of the 2006 Act other than any requirement that the accounts give a true and fair view which is not a matter considered as part of an independent examination; or
4. the accounts 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 accounts to be reached.

Mrs H Spauls FCA
ICAEW
Smethurst & Co LLP
12 Abbey Road
GRIMSBY
DN32 0HL

10 November 2021

CLEETHORPES CHILDCARE

**STATEMENT OF FINANCIAL ACTIVITIES
FOR THE YEAR ENDED 31 AUGUST 2021**

	Notes	Unrestricted fund £	Designated fund £	Restricted fund £	31.8.21 Total funds £	31.8.20 Total funds £
INCOME AND ENDOWMENTS FROM						
Incoming resources from charitable activities		285,178	-	6,747	291,925	353,666
Activities for generating funds	2	1,273	-	-	1,273	1,346
Other income		-	-	-	-	1,000
Total		286,451	-	6,747	293,198	356,012
EXPENDITURE ON						
Costs of generating funds		1,743	-	-	1,743	1,570
Charitable activities						
Childcare		285,278	-	6,747	292,025	303,932
Premises costs		30,211	6,400	12	36,623	45,186
Total		317,232	6,400	6,759	330,391	350,688
NET INCOME/(EXPENDITURE)		(30,781)	(6,400)	(12)	(37,193)	5,324
RECONCILIATION OF FUNDS						
Total funds brought forward		100,707	7,467	12	108,186	102,862
TOTAL FUNDS CARRIED FORWARD		69,926	1,067	-	70,993	108,186

The notes form part of these financial statements

BALANCE SHEET
31 AUGUST 2021

	Notes	31.8.21 £	31.8.20 £
FIXED ASSETS			
Tangible assets	6	5,194	12,984
CURRENT ASSETS			
Stocks	7	702	321
Debtors	8	9,786	15,354
Cash at bank and in hand		110,730	121,239
		<u>121,218</u>	<u>136,914</u>
CREDITORS			
Amounts falling due within one year	9	(55,419)	(41,712)
NET CURRENT ASSETS		<u>65,799</u>	<u>95,202</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>70,993</u>	<u>108,186</u>
NET ASSETS		<u>70,993</u>	<u>108,186</u>
FUNDS	12		
Unrestricted funds		70,993	108,174
Restricted funds		-	12
TOTAL FUNDS		<u>70,993</u>	<u>108,186</u>

The charitable company is entitled to exemption from audit under Section 477 of the Companies Act 2006 for the year ended 31 August 2021.

The members have not required the company to obtain an audit of its financial statements for the year ended 31 August 2021 in accordance with Section 476 of the Companies Act 2006.

The trustees acknowledge their responsibilities for

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

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

The financial statements were approved by the Board of Trustees and authorised for issue on 8 November 2021 and were signed on its behalf by:

C Moore - Trustee

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021**

1. ACCOUNTING POLICIES

Basis of preparing the financial statements

The financial statements of the charitable company, which is a public benefit entity under FRS 102, have been prepared in accordance with the Charities SORP (FRS 102) '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)', Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and the Companies Act 2006. The financial statements have been prepared under the historical cost convention.

Income

Grants are recognised in full in the Statement of Financial Activities in the year in which they are receivable.

Donations and gifts are recognised in the Statement of Financial Activities when received.

Incoming resources for the provision of pre-school places and from investments are recognised in full in the Statement of Financial Activities when receivable.

Resources expended

Resources expended are recognised in the period in which they are incurred.

Tangible fixed assets

Tangible fixed assets are stated at cost (or deemed cost) or valuation less accumulated depreciation and accumulated impairment losses.

Depreciation is provided on all tangible fixed assets at rates calculated to write off their cost, less estimated residual value, of each asset on a systematic basis over their expected useful lives as follows -

Land and buildings	- 20% on reducing balance or over lease term
Fixtures, fittings and equipment	- 20% on cost

Fixed assets are not capitalised if they cost less than £100.

Stocks

Stocks are valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving items.

Taxation

The charity is exempt from corporation tax on its charitable activities.

Fund accounting

Unrestricted funds are donations and other incoming resources receivable or generated for the objects of the charity without further specified purpose and are available as general funds.

Designated funds are unrestricted funds earmarked by the management committee for particular purposes.

Restricted funds are to be used for specific purposes as laid down by the donor. Expenditure which meets these criteria is charged to the fund, together with a fair allocation of management and support costs.

Pension costs and other post-retirement benefits

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

Leasing commitments

Rents payable under leases are charged to the Statement of Financial Activities on a straight line basis over the period of the lease.

CLEETHORPES CHILDCARE

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 AUGUST 2021

2. ACTIVITIES FOR GENERATING FUNDS

	31.8.21	31.8.20
	£	£
Fundraising events	416	797
Uniform sales	857	549
	<u>1,273</u>	<u>1,346</u>

3. NET INCOME/(EXPENDITURE)

Net income/(expenditure) is stated after charging/(crediting):

	31.8.21	31.8.20
	£	£
Depreciation - owned assets	<u>7,790</u>	<u>11,853</u>

4. TRUSTEES' REMUNERATION AND BENEFITS

	31.8.21	31.8.20
	£	£
Trustees' salaries	27,295	27,295
Trustees' social security	2,551	2,567
Trustees' pension contributions to money purchase schemes	1,092	819
	<u>30,938</u>	<u>30,681</u>

The memorandum of association updated in May 2017 allows trustees of the charity to be a paid employee of the charity, but no trustee can be paid for their duties as a trustee.

Lorna Pendred has been paid for her employment as the general manager of the charity.

Trustees' expenses

There were no trustees' expenses paid for the year ended 31 August 2021 nor for the year ended 31 August 2020.

5. STAFF COSTS

	31.8.21	31.8.20
	£	£
Wages and salaries	244,088	251,494
Social security costs	11,461	10,950
Other pension costs	10,315	9,873
	<u>265,864</u>	<u>272,317</u>

The average monthly number of employees during the year was as follows:

	31.8.21	31.8.20
Furtherance of the entity's activities	19	23
Management and administration	3	3
	<u>22</u>	<u>26</u>

No employees received emoluments in excess of £60,000.

CLEETHORPES CHILDCARE

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 AUGUST 2021

6. TANGIBLE FIXED ASSETS

	Land and buildings £	Fixtures, fittings and equipment £	Totals £
COST			
At 1 September 2020 and 31 August 2021	42,291	43,713	86,004
DEPRECIATION			
At 1 September 2020	34,581	38,439	73,020
Charge for year	6,448	1,342	7,790
At 31 August 2021	41,029	39,781	80,810
NET BOOK VALUE			
At 31 August 2021	1,262	3,932	5,194
At 31 August 2020	7,710	5,274	12,984

7. STOCKS

	31.8.21 £	31.8.20 £
Stocks	702	321

8. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	31.8.21 £	31.8.20 £
Trade debtors	4,181	6,248
Other debtors	5,605	9,106
	9,786	15,354

9. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	31.8.21 £	31.8.20 £
Trade creditors	(78)	98
Social security and other taxes	3,572	1,081
Other creditors	10,579	10,029
Accruals and deferred income	41,346	30,504
	55,419	41,712

10. LEASING AGREEMENTS

The following operating lease payments are committed to be paid:

	Land and Buildings 31.8.21 £	31.8.20 £
Expiring:		
Within one year	7,790	6,863
Between one and five years	-	6,489

CLEETHORPES CHILDCARE

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 AUGUST 2021

11. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Unrestricted fund £	Designated fund £	Restricted fund £	31.8.21 Total funds £	31.8.20 Total funds £
Fixed assets	4,127	1,067	-	5,194	12,984
Current assets	121,218	-	-	121,218	136,914
Current liabilities	(55,419)	-	-	(55,419)	(41,712)
	<u>69,926</u>	<u>1,067</u>	<u>-</u>	<u>70,993</u>	<u>108,186</u>

12. MOVEMENT IN FUNDS

	At 1.9.20 £	Net movement in funds £	At 31.8.21 £
Unrestricted funds			
General fund	100,707	(30,781)	69,926
Designated fund	7,467	(6,400)	1,067
	<u>108,174</u>	<u>(37,181)</u>	<u>70,993</u>
Restricted funds			
Restricted fund	12	(12)	-
	<u>108,186</u>	<u>(37,193)</u>	<u>70,993</u>

Net movement in funds, included in the above are as follows:

	Incoming resources £	Resources expended £	Movement in funds £
Unrestricted funds			
General fund	286,451	(317,232)	(30,781)
Designated fund	-	(6,400)	(6,400)
	<u>286,451</u>	<u>(323,632)</u>	<u>(37,181)</u>
Restricted funds			
Restricted fund	6,747	(6,759)	(12)
	<u>293,198</u>	<u>(330,391)</u>	<u>(37,193)</u>

Comparatives for movement in funds

	At 1.9.19 £	Net movement in funds £	At 31.8.20 £
Unrestricted funds			
General fund	84,989	15,718	100,707
Designated fund	13,867	(6,400)	7,467
	<u>98,856</u>	<u>9,318</u>	<u>108,174</u>
Restricted funds			
Restricted fund	4,006	(3,994)	12
	<u>102,862</u>	<u>5,324</u>	<u>108,186</u>

CLEETHORPES CHILDCARE

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 AUGUST 2021

12. MOVEMENT IN FUNDS - continued

Comparative net movement in funds, included in the above are as follows:

	Incoming resources £	Resources expended £	Movement in funds £
Unrestricted funds			
General fund	350,550	(334,832)	15,718
Designated fund	-	(6,400)	(6,400)
	<u>350,550</u>	<u>(341,232)</u>	<u>9,318</u>
Restricted funds			
Restricted fund	5,462	(9,456)	(3,994)
	<u>5,462</u>	<u>(9,456)</u>	<u>(3,994)</u>
TOTAL FUNDS	<u><u>356,012</u></u>	<u><u>(350,688)</u></u>	<u><u>5,324</u></u>

A current year 12 months and prior year 12 months combined position is as follows:

	At 1.9.19 £	Net movement in funds £	At 31.8.21 £
Unrestricted funds			
General fund	84,989	(15,063)	69,926
Designated fund	13,867	(12,800)	1,067
	<u>98,856</u>	<u>(27,863)</u>	<u>70,993</u>
Restricted funds			
Restricted fund	4,006	(4,006)	-
	<u>4,006</u>	<u>(4,006)</u>	<u>-</u>
TOTAL FUNDS	<u><u>102,862</u></u>	<u><u>(31,869)</u></u>	<u><u>70,993</u></u>

A current year 12 months and prior year 12 months combined net movement in funds, included in the above are as follows:

	Incoming resources £	Resources expended £	Movement in funds £
Unrestricted funds			
General fund	637,001	(652,064)	(15,063)
Designated fund	-	(12,800)	(12,800)
	<u>637,001</u>	<u>(664,864)</u>	<u>(27,863)</u>
Restricted funds			
Restricted fund	12,209	(16,215)	(4,006)
	<u>12,209</u>	<u>(16,215)</u>	<u>(4,006)</u>
TOTAL FUNDS	<u><u>649,210</u></u>	<u><u>(681,079)</u></u>	<u><u>(31,869)</u></u>

Purposes of designated and restricted funds

Restricted funds includes amounts received to assist with the inclusion of children and to provide free holiday provision for children entitled to free school meals.

Restricted and designated funds brought forward represent the carrying value of fixed assets acquired from restricted funds and the carrying value of the new building at Signhills.

The balances relating to capital expenditure are adjusted each year in line with the depreciation of the assets acquired.

CLEETHORPES CHILDCARE

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 AUGUST 2021

12. MOVEMENT IN FUNDS - continued

Designated funds at 31 August 2021 represents the carrying value of the new building at Signhills of £1,067 (2020: £7,467).

13. RELATED PARTY DISCLOSURES

There were no related party transactions for the year ended 31 August 2021.