

Registered number
05405743

APPLETREE CHILDCARE (SHEFFIELD) LIMITED

Report and Accounts

Year ended 31 March 2021

APPLETREE CHILDCARE (SHEFFIELD) LIMITED
Report of the Trustees for the period ended 31 March 2021

The trustees are pleased to present their report together with the financial statements of the charity for the period ended 31 March 2021.

Legal and administrative details

Charity number 1122241 (registered January 2008)

Company number 5405743

Principal address The Pavilion
Main Street
Grenoside
Sheffield
S35 8PR

Bankers Co-operative
Balloon Street
Manchester

Directors and trustees

The directors of the charitable company (the charity) are its trustees for the purpose of charity law and throughout this report are collectively referred to as the trustees.

The trustees serving during the period and since the period end were as follows:

Janet Parkin
Tony Cosentino (resigned 15 October 2021)
John Guymer
Trevor Bagshaw
Vikki Knowles
Lyndsey Herdman

Objects and organisation

The objects of the charity are:

To advance the education of children and their families, resident predominantly but not exclusively in the City of Sheffield, through the provision of day care and pre-school facilities for children, which stimulates their growth and development through safe and stimulating play. In the interests of social welfare, to promote and provide educational, training, support and recreational facilities and other leisure time activities for such children and their families, so that their conditions of life may be improved and so that unemployment amongst such families may be relieved.

The charity is managed by a voluntary management committee who are elected at the annual general meeting. Staff are employed in the day to day running of the organisation.

APPLETREE CHILDCARE (SHEFFIELD) LIMITED
Report of the Trustees for the period ended 31 March 2021

Appletree Childcare Review of Progress and Achievements 2020-21

Throughout, 2020-2021 COVID-19 struck resulting in an ongoing worldwide pandemic. More than 253 million cases and 5.09 million deaths have been confirmed, making it one of the deadliest pandemics in history.

On 23rd March 2020 the prime minister announced the country's first lockdown, with only essential business required to remain open. After deliberation it was decided to keep our charity open for safeguarded and front-line worker children. A small number of senior staff and nursery practitioners worked on through the pandemic navigating the ongoing health and safety changes and offering places to some children whose settings had closed.

Undeniably, this was a very stressful time for all concerned. Due to social distancing we had to make a number of operational changes so that staff were distanced from each other. In our roles as childcare professionals we could not socially distance from the children but all precautions were put into place to ensure every one's safety. Due to this good practice we remained open through the year without any COVID 19 cases.

Throughout the year our core staff either working in setting or remotely (due to having to self-isolate) received wonderful comments and praise, especially with regards to the support given to children who couldn't come into setting. The outcomes especially achieved by our children who moved onto school in September 2020 were very rewarding.

Trustees

Due to COVID 19 our plans to move Appletree forwards had to be put on hold. We were unable to continue holding Trustee meetings therefore we communicated via phone calls and emails. Updates on the charities progress with regards staffing, furlough and issues with the building were discussed directly with relevant sub-committee members and summarised via emails to all other Trustees.

Unfortunately, our negotiations with Grenoside Community Association (GCA) and Sheffield City Council (SCC) to enable Appletree Childcare to take over the steps leading from GCA carpark to nursery, broke down. Trustees decided to pull out of negotiations and to close the gate permanently that was at the bottom of the unsafe steps. GCA have since demolished the steps and have stopped the rainwater from flowing into our nursery's play area.

Our Strategy Trustees had to pester SCC to communicate as the roof of the pavilion, especially over the showers area, deteriorated which resulted in extensive damage to the walls of the nursery. Our aim of taking over the showers area and gaining permission to have the roof repaired wasn't resolved at the end of 2020-21 financial year.

During 2020-21 one of our Trustees was employed, and another was connected to the charity. As allowed within the Charities M&A scope and powers permitting directors' and connected persons' benefits all declaration of directors' interests and conflicts of interests noted within the M&A were adhered to and appropriately recorded.

APPLETREE CHILDCARE (SHEFFIELD) LIMITED
Report of the Trustees for the period ended 31 March 2021

Appletree Childcare Nursery, Breakfast and After School / Holiday Clubs

As noted above we continued throughout the year to offer our services to those families who were eligible. From July 2020 a reduced number of children were allowed to attend nursery. Later in September more children were allowed to attend nursery and we also opened our wrap-around care for school aged children who go to our main feeder school Grenoside Primary.

Numbers of children were reduced to maintain health and safety and to stop cross contamination. That said, there has been a rise in the number of Safeguarded children being referred to our setting.

Appletree Childcare Staff / Working Practices

Throughout COVID 19 many staff members were furloughed. As the number of children increased staff members were welcomed back. Our Health and Safety Team developed an in-depth training program with accompanying policies so that all staff understood the new regime that had been made and was needed to keep everyone safe.

We now have 23 members of staff working within the Appletree team, many work part time around their own family's needs. Two staff members didn't return due to feeling unsafe because of COVID 19. Other staff members have struggled and have ongoing wellbeing discussions with their Manager.

The Furlough payment provided by the Government has enabled our charity to keep the majority of our staff and make no redundancies. Our charities strength is our staff, their professionalism, skill and compassion.

Bhayani HR & Employment Law advisors continue to work for our charity and offer support and advice.

Funding and Support

We were successful in eventually being able to access £10,000 from SCC that was made available to help business through the pandemic. This money was put to good use as we had to make alterations to the building to enable air flow throughout and went towards the huge amount of costs for personal protective clothing and materials and supplies of sterilisation fluids and disinfectant.

There has been very little funding available throughout COVID 19 that we have been able to access. But we did receive a £2119 grant to purchase 2 new computers and work stations that could be housed within the nursery. Previously, staff used the computers in the main office but due to social distancing this has had to be changed.

We continue to use the charity 'In Kind', which helps us purchase low cost cleaning products and other useful resources. Another charity that we use is 'Fare Share' – for a small donation towards petrol and their running costs we are able to receive food donated by local supermarkets. This is a wonderful resource as we are able to offer the children attending our settings a variety of healthy snacks.

APPLETREE CHILDCARE (SHEFFIELD) LIMITED
Report of the Trustees for the period ended 31 March 2021

It should also be noted that Alastair Norton of Norton Mayfield Architects and Solicitors DLA Piper have continued to support us on a pro-bono basis. Both companies have been a tremendous support in our negotiations with SCC with regards the roof and showers. Norton Mayfield have also developed the drawings for the replacement roof and sought planning permission for the charity free of charge.

Buildings

Since agreeing the lease in 2012 on the Pavilion, we have continued to maintain and update our buildings both inside and out making them bright and cheerful for our children and their families.

Unfortunately, we are still waiting for Sheffield City Council to invoice the Charity for the water and gas they provide and which our Charity is expected to pay for.

Finances

Despite COVID 19 and all the incidental costs connected to the pandemic we have worked hard to keep the Charity costs covered and have made a small surplus in 2020-21

Reserves Policy

The reserves policy is to maintain free reserves in unrestricted funds at a level which equates to three months of projected charitable expenditure. This will enable sufficient time to seek alternative funding should existing funding sources cease and ensure the continued operation of the charity.

The unrestricted reserve at 31st March 2021 is £65634 which falls short of the target amount but we continue to progress towards our goal.

APPLETREE CHILDCARE (SHEFFIELD) LIMITED
Report of the Trustees for the period ended 31 March 2020 - continued

Trustee's responsibilities statement

The trustees (who are also directors for the purposes of company law) are responsible for preparing the Trustees' Annual 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 that period. 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 adequate 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 and detection of fraud and other irregularities.

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

This report was approved by the board on 29 November 2021.



J Parkin
Director

Independent Examiner's Report to the Trustees of Appletree Childcare (Sheffield) Limited

I report on the accounts of the company for the year ended 31 March 2021 which are set out on pages 7 to 13.

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 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 ICAEW.

Having satisfied myself that the charity is not subject to audit under company law and is eligible for independent examination, it is my responsibility to:

- examine the accounts under section 145 of the 2011 Act;
- follow the procedures laid down in the general Directions given by the Charity Commission under section 145(5)(b) of the 2011 Act; and
- 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 seeking explanations from you as trustees concerning any such matters. The procedures undertaken do not provide all the evidence that would be required in an audit and consequently no opinion is given as to whether the 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:

- 1 which gives me reasonable cause to believe that, in any material respect, the requirements:
 - to keep accounting records in accordance with section 386 of the Companies Act 2006; and
 - to prepare accounts which accord with the accounting records, comply with the accounting requirements of section 396 of the Companies Act 2006 and with the methods and principles of the Statement of Recommended Practice: Accounting and Reporting by Charities

have not been met; or

- 2 to which, in my opinion, attention should be drawn in order to enable a proper understanding of the accounts to be reached.



Keith Hawson FCA

Walters Hawson Limited
Norham House
Moutenoy Road
Rotherham
S60 2AJ

9/12/2021
Date: ~~20 November 2021~~

APPLETREE CHILDCARE (SHEFFIELD) LIMITED
Profit and Loss Account
for the year ended 31 March 2021

	2021	2020
	£	£
Turnover		
Administrative expenses	305,336	343,105
Other operating income	(302,549)	(330,703)
	-	-
Operating profit	2,787	12,402
Income from investments	-	-
Interest receivable	-	-
Interest payable	-	-
Profit on ordinary activities before taxation	2,787	12,402
Tax on profit on ordinary activities	-	-
Profit for the financial year	2,787	12,402

APPLETREE CHILDCARE (SHEFFIELD) LIMITED
Statement of financial activities
for the year ended 31 March 2021

	Notes	Unrestricted funds	Restricted funds	Total 2021	Total 2020
		£	£	£	£
Income					
Incoming from charitable activities					
Grants	2	10,025	206,472	216,497	168,834
Fees		86,195		86,195	173,097
Other income	3	2,644		2,644	1,175
Total income		<u>98,864</u>	<u>206,472</u>	<u>305,336</u>	<u>343,106</u>
Expenditure					
Consumables		7,102		7,102	6,479
Transport costs		5		5	55
Refreshments		2,191		2,191	3,743
Wages and salaries	11	39,226	204,353	243,579	259,741
Employers national insurance		5,745		5,745	6,748
Employers pension contributions		3,063		3,063	3,157
Staff training and welfare		1,752	-	1,752	1,431
Travel and subsistence		43		43	406
Rent		10,962		10,962	13,558
Rates		-		-	776
Legal fees		-		-	25
Property refurbishment		1,204	-	1,204	-
Light and heat		1,766		1,766	2,067
Waste collection		2,155		2,155	3,542
Telephone and fax		2,324		2,324	2,291
Stationery and printing		1,117		1,117	1,415
Computer costs		1,417	2,119	3,536	2,889
Licences and subscriptions		267		267	888
Registration and inspection fees		666		666	464
Insurance		1,874		1,874	1,808
Repairs and maintenance		2,038		2,038	4,377
Equipment repairs		3,187		3,187	2,197
Depreciation		315		315	380
Outings and events		121		121	1,989
Sundry expenses		(10)		(10)	268
Equipment leasing		478		478	468
Accountancy fees		1,350		1,350	1,350
Reporting accountants fees		450		450	450
Legal and professional fees		3,337	1,200	4,537	7,295
Marketing		-		-	127
Bad debts		732		732	320
Bank charges		-		-	-
Total expenditure		<u>94,877</u>	<u>207,672</u>	<u>302,549</u>	<u>330,704</u>
Net income/(expenditure)		3,987	(1,200)	2,787	12,402
Fund balances brought forward		61,647	9,300	70,947	58,545
Fund balances carried forward		<u>65,634</u>	<u>8,100</u>	<u>73,734</u>	<u>70,947</u>

APPLETREE CHILDCARE (SHEFFIELD) LIMITED

Registered number:

05405743

Balance Sheet

As at 31 March 2021

	Notes	2021 £	2020 £
Fixed assets			
Intangible assets	5	-	-
Tangible assets	6	1,814	2,129
		<u>1,814</u>	<u>2,129</u>
Current assets			
Debtors	7	10,760	11,104
Cash at bank and in hand		114,590	62,773
		<u>125,350</u>	<u>73,877</u>
Creditors: amounts falling due within one year	8a	(5,930)	(5,059)
Net current assets		<u>119,420</u>	<u>68,818</u>
Total assets less current liabilities		<u>121,234</u>	<u>70,947</u>
Creditors: amounts falling due after more than one year	8b	(47,500)	
Provisions for liabilities			
Net assets		<u>73,734</u>	<u>70,947</u>
Capital and reserves			
Unrestricted income fund		65,634	61,647
Restricted income funds		8,100	9,300
Total charity funds		<u>73,734</u>	<u>70,947</u>

The directors are satisfied that the company is entitled to exemption from the requirement to obtain an audit under section 477 of the Companies Act 2006.

The members have not required the company to obtain an audit in accordance with section 476 of the Act.

The directors acknowledge their responsibilities for complying with the requirements of the Companies Act 2006 with respect to accounting records and the preparation of accounts.

The accounts have been prepared and delivered in accordance with the special provisions applicable to companies subject to the small companies regime.

J Parkin
Director



Approved by the board on 29 November 2021

APPLETREE CHILDCARE (SHEFFIELD) LIMITED
Notes to the Accounts
for the year ended 31 March 2021

1 Accounting policies

Basis of preparation

Appletree Childcare (Sheffield) Limited is a charitable company limited by guarantee registered in England and Wales. In the event of the charity being wound up, the liability in respect of the guarantee is limited to £1 per member of the charity. The address of the registered office is given in the charity information on page 1 of these financial statements

The charity constitutes a public benefit entity as defined by FRS 102.

The financial statements have been prepared in accordance with 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) issued on 16 July 2014 (as updated through Update Bulletin 1 published on 2 February 2016), the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102), the Charities Act 2011, the Companies Act 2006 and UK Generally Accepted Practice as it applies from 1 January 2015.

The charity has applied Update Bulletin 1 as published on 2 February 2016 and does not include a cash flow statement on the grounds that it is applying FRS 102 Section 1A.

Turnover

Donations and sundry income are accounted for on a receipts basis. Grant income and fee income are accounted for on an accruals basis, insofar as it is prudent to do so.

Depreciation

Depreciation has been provided at the following rates in order to write off the assets over their estimated useful lives.

Plant and machinery	20% reducing balance basis.
Leasehold land and buildings	10% reducing balance basis.

Goodwill is being written off in equal instalments over its estimated useful life of 10 years.

Income recognition

Items of income are recognised and included in the accounts when all of the following criteria are met:

- the charity has entitlement to the funds;
- any performance conditions attached to the item(s) of income have been met or are fully within the of the charity
- there is sufficient certainty that receipt of the income is considered probable; and
- the amount can be measured reliably

APPLETREE CHILDCARE (SHEFFIELD) LIMITED
Notes to the Accounts

for the year ended 31 March 2021

1 Accounting policies - continued

Fund accounting

Unrestricted funds are available to spend on activities that further any of the purposes of the charity.

Restricted funds relate to incoming resources where the monies are ring-fenced by the grantor to be solely used for particular activities or projects.

The Charity receives funding from the Local authority for free early learning places and specific support for children with special needs. This is included within restricted funds and, for clarity, is regarded as being entirely spent by the allocation of payroll costs.

Where the Charity is able to secure any other grants which are for specific projects, that is shown as restricted income and the related expenditure is directly allocated as restricted fund expenditure. No support costs are allocated to restricted funds as the amounts involved would be negligible.

Expenditure

Expenditure is recognised once there is a legal or constructive obligation to make a payment to a third party, it is probable that settlement will be required and the amount of the obligation can be measured reliably.

For SORP accounts purposes, the Charity is regarded as having a single activity and simple affairs. In view of that, expenditure is reported by its natural analysis, and no distinction is made between direct expenditure, support expenditure and governance costs, all of which can be readily identified from the detailed breakdown of costs provided.

Allocation of support costs

Support costs are those functions that assist the work of the charity but do not directly undertake charitable activities. Support costs include back office costs, finance, personnel, payroll and governance costs which support the Charity's activities. As noted above, these costs are shown under their natural analysis under unrestricted funds.

2 Grants and donations

Grants and donations received during the year were:

Restricted:

Sheffield City Council - Free early learning fund
 CJRS grants
 Sheffield City Council - Training funding
 Sheffield City Council - Special needs grant
 Grant - SYCF

	2021	2020
	£	£
144,371		152,166
58,202		-
1,000		-
780		1,868
2,119		-
<u>206,472</u>		<u>154,034</u>

Unrestricted:

Covid grant - SCC
 Grant - other
 Grant - Church Burgesses Trust
 Grant - WH Smith
 Reach Fund

10,000	-
25	-
-	1,400
-	200
-	<u>13,200</u>
<u>10,025</u>	<u>14,800</u>

APPLETREE CHILDCARE (SHEFFIELD) LIMITED

Notes to the Accounts

for the year ended 31 March 2021

3 Other income

	2021 £	2020 £
Fund raising	2,535	577
Other income	9	598
Donations	100	-
	<u>2,644</u>	<u>1,175</u>

4 Staff number and costs

No employees received emoluments in excess of £60,000 per year.
The average number of employees during the period was 26.

5 Intangible fixed assets

Goodwill:

	2021 £
Cost	
At 1 April 2020	30,000
At 31 March 2021	<u>30,000</u>
Amortisation	
At 1 April 2020	30,000
Provided during the period	
At 31 March 2021	<u>30,000</u>
Net book value	
At 31 March 2021	-
At 31 March 2020	<u>-</u>

6 Tangible fixed assets

	Leasehold land and buildings £	Plant and machinery £	Total £
Cost			
At 1 April 2020	4,000	7,377	11,377
Additions		-	-
At 31 March 2021	<u>4,000</u>	<u>7,377</u>	<u>11,377</u>
Depreciation			
At 1 April 2020	2,896	6,352	9,248
Charge for the period	101	214	315
At 31 March 2021	<u>2,997</u>	<u>6,566</u>	<u>9,563</u>
Net book value			
At 31 March 2021	<u>1,003</u>	<u>811</u>	<u>1,814</u>
At 31 March 2020	<u>1,104</u>	<u>1,025</u>	<u>2,129</u>

APPLETREE CHILDCARE (SHEFFIELD) LIMITED
Notes to the Accounts
for the year ended 31 March 2021

7 Debtors	2021 £	2020 £
Trade debtors	3,201	6,003
Other debtors	7,559	5,101
	<u>10,760</u>	<u>11,104</u>

8a Creditors: amounts falling due within one year	2021 £	2020 £
Bank loan	2,500	2,558
Trade creditors	1,381	551
Other taxes and social security costs	-	1,950
Accruals	2,049	5,059
	<u>5,930</u>	<u>5,059</u>

8b Creditors: amounts falling after more than one year	2021 £	2020 £
Bank loan	47,500	-
	<u>47,500</u>	<u>-</u>

9 Restricted funds	At 01/04/20 £	Incoming Resources £	Outgoing Resources £	At 31/03/21 £
Sheffield City Council - Free early learning	-	144,371	(144,371)	-
Sheffield City Council - Special needs	-	780	(780)	-
Sheffield City Council - Other	-	1,000	(1,000)	-
CJRS grants	-	58,202	(58,202)	-
Grant - SYCF	9,300	2,119	(2,119)	-
Grant - Reach Fund	9,300	-	(1,200)	8,100
	<u>9,300</u>	<u>206,472</u>	<u>(207,672)</u>	<u>8,100</u>

10 Other financial commitments

Total amount of commitments, guarantees and contingencies is £260,000.

The above includes a lease which commenced on 21 May 2012 with a term of 40 years.
Rent is fixed at fair market value, currently £7,900 per year.

11 Trustee remuneration and other related party transaction

As permitted by the Charity's constitution, the charity employed trustees, or persons connected with a trustee, within its settings and paid for their services accordingly. For the year ended 31 March 2021, the payroll costs were as follows:

J Parkin	£27,611	Trustee and Chief Executive Officer
M Guymer	£18,811	A person who is a Related Party of a trustee

No trustees were paid or expenses reimbursed for their work as trustees of the Charity.