

Registered number
05405743

APPLETREE CHILDCARE (SHEFFIELD) LIMITED

Report and Accounts

Year ended 31 March 2023

APPLETREE CHILDCARE (SHEFFIELD) LIMITED

Report of the Trustees for the period ended 31 March 2023

The trustees are pleased to present their report together with the financial statements of the charity for the period ended 31 March 2023.

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
John Guymer
Trevor Bagshaw
Vikki Knowles
Lyndsey Herdman
Richard Elliott
Patricia Hudson
Amy Stanbridge - appointed 30 November 2023

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 2023

Appletree Childcare Review of Progress and Achievements 2022-23

Childcare settings, as many other businesses, are still in recovery from Covid 19. 2022-23 brought further challenges due to rising energy and cost of living increases, creating further financial pressures for our charity to meet. To remain offering our services we have had to be as thrifty as possible to keep sustainable. That said, as the year progressed both our nursery and our After School Clubs filled and we have been very busy.

A wonderful highlight starting in May 22 was the celebration of our Queen's Jubilee. We had a brilliant party for our nursery, afterschool club children and parents with a 30ft bouncy obstacle course, activities and refreshments. We had a second party for the children in nursery and we also planted a blossom tree with accompanying plaque in Grenoside Park, just along from our nursery, in remembrance of our Queens 70 year's wonderful service.

Trustees

Our Trustee Board have continued to meet throughout the year to monitor and review our practices, offering advice and support where required. We were delighted to invite two new Trustees; Anne Hudson who, in the past has worked within our Management Team supporting on strategy and fundraising. Anne has extensive experience as she has worked for Legal Aid organisations for a number of years. Richard Elliott also joined our board, Richard has two children who attended our nursery and now attend our After School Clubs, Richard's parent and community point of view, plays a central role within our charity, furthermore Richard has many business skills.

Our plans to move Appletree forwards with our aim to take over the showers and changing rooms area from Sheffield City Council and gaining permission to have the roof repaired was not resolved until the end of October 2022. But as soon as we had the lease we had a new slightly pitched roof built across the whole off the pavilion. This has made our main nursery building so much warmer. We then started planning to demolish the showers and changing room area to make way for our new baby room. Further to our Review of Progress and Achievements report 21-22 we financed this work with the Government bounce back loan and fundraising monies.

During 2022-23 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 2023

Appletree Childcare Staff / Working Practices

We continue to have a strong staff team with few changes. There are now 23 members of staff working within the Appletree team, the majority of our team are nursery practitioners who have either an NVQ 2 or NVQ 3 in Early Years Health and wellbeing qualification. We also have Room Managers and Executive Managers that work alongside our CEO to take over from her as she reduces her hours of work towards retirement. The remainder of our team are our 2 Apprentices working towards their NVQ 2 and our wonderful housekeeper and caretaker. Our charities strength is our staff, their professionalism, skill and compassion.

Wage increase: A rise of 2.3%, as agreed by Trustees, was implemented from April 22 to all staff to coincide with the increase in NMW. As the year progressed and the cost of living crisis gained momentum a Trustee subcommittee was developed to look at the staff wages as everyone was experiencing financial difficulty. Trustees called an Emergency General Meeting in September 22 as our financial performance due to the demand for childcare and our continued frugality our finances were in a positive position. Trustees agreed to a further wage increase for all staff members, which was gratefully received by the staff team.

With the help of Bhayani HR & Employment Law Advisors we reviewed and updated our staff contracts. The advice we from our HR Company ensures we continue to meet all our legal requirements.

Funding and Support

We continue to use the charity 'In Kind', which helps us purchase low cost cleaning products and other useful resources but unfortunately, we had to cancel our subscription to the 'Fare Share' charity, when our contract was due for renewal as their charges had escalated and it was decided that the products we were receiving were not always useful for our refreshments needs. We have become members of the home store IKEA charities aid, and welcome their invitation to visit the IKEA warehouse and see what resources they have to donate!

Alastair Norton of Norton Mayfield Architects has been a great support, especially with drawing up plans for the new roof and gaining planning permission. Solicitors DLA Piper have continued to support us on a pro-bono basis with legal advice with regards to Sheffield City Council and progressing the work to take over the showers and changing rooms, roof etc. With the help of these 2 wonderful business as noted above we now have our lease.

APPLETREE CHILDCARE (SHEFFIELD) LIMITED
Report of the Trustees for the period ended 31 March 2023

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.

Work on the former showers area of the building was ongoing as at the year end, and to that date £21,000 had been spent towards the project to bring that area into use for the Nursery. Those costs have been capitalised and will begin to be depreciated once the new areas created come into actual use in the 23/24 year.

Finances

This year has been a whirlwind of activity with lots of ups and downs. Despite these challenges and all the related costs connected we have worked hard to keep the Charity costs covered and have made a small surplus in 2022-23.

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 cease and ensure the continued operation of the charity.

The unrestricted reserve at 31st March 2023 is £99,485 which the Trustees believe 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 2023 - 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 12 December 2023 .

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 2023 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
Mountenoy Road
Rotherham
S60 2AJ

Date: 12 December 2023

APPLETREE CHILDCARE (SHEFFIELD) LIMITED
Profit and Loss Account
for the year ended 31 March 2023

	2023 £	2022 £
Turnover	386,157	338,921
Administrative expenses	(381,452)	(307,037)
Other operating income	-	-
Operating profit	<u>4,705</u>	<u>31,884</u>
Interest payable	(1,082)	(308)
Profit on ordinary activities before taxation	<u>3,623</u>	<u>31,576</u>
Tax on profit on ordinary activities	-	-
Profit for the financial year	<u><u>3,623</u></u>	<u><u>31,576</u></u>

APPLETREE CHILDCARE (SHEFFIELD) LIMITED

Statement of financial activities

for the year ended 31 March 2023

	Notes	Unrestricted funds £	Restricted funds £	Total 2023 £	Total 2022 £
Income					
Incoming from charitable activities					
Grants	2	191	157,150	157,341	152,074
Fees		227,714		227,714	185,591
Other income	3	1,102		1,102	1,256
Total income		229,007	157,150	386,157	338,921
Expenditure					
Consumables		8,463		8,463	8,530
Transport costs		-		-	69
Refreshments		3,914		3,914	3,812
Wages and salaries	11	127,844	157,150	284,994	243,426
Employers national insurance		8,778		8,778	1,237
Employers pension contributions		4,405		4,405	5,539
Staff training and welfare		1,014		1,014	577
Travel and subsistence		116		116	-
Rent		13,906		13,906	14,386
Rates		-		-	990
Property refurbishment - roofing work		17,400		17,400	41
Light and heat		3,287		3,287	2,177
Waste collection		3,437		3,437	3,133
Telephone and fax		3,916		3,916	2,539
Stationery and printing		1,042		1,042	1,843
Computer costs		3,113		3,113	3,586
Licences and subscriptions		889		889	796
Registration and inspection fees		1,027		1,027	736
Insurance		1,755		1,755	1,492
Repairs and maintenance		4,850		4,850	3,040
Equipment repairs		1,344		1,344	481
Depreciation		-		-	256
Outings and events		1,772		1,772	964
Sundry expenses		238		238	292
Equipment leasing		478		478	478
Accountancy fees		600		600	450
Reporting accountants fees		2,090		2,090	1,350
Legal and professional fees		5,096		5,096	3,227
Marketing		2,092		2,092	1,590
Bad debts		1,436		1,436	-
Loan interest		1,082		1,082	308
Total expenditure		225,384	157,150	382,534	307,345
Net income/(expenditure)		3,623	-	3,623	31,576
Transfers		-	-	-	-
Fund balances brought forward		95,862	9,448	105,310	73,734
Fund balances carried forward		99,485	9,448	108,933	105,310

APPLETREE CHILDCARE (SHEFFIELD) LIMITED

Registered number: 05405743

Balance Sheet

As at 31 March 2023

	Notes	2023 £	2022 £
Fixed assets			
Intangible assets	5	-	-
Tangible assets	6	22,415	1,557
		<u>22,415</u>	<u>1,557</u>
Current assets			
Debtors	7	11,563	7,475
Cash at bank and in hand		119,426	147,229
		<u>130,989</u>	<u>154,704</u>
Creditors: amounts falling due within one year	8a	(16,200)	(3,613)
Net current assets		<u>114,789</u>	<u>151,091</u>
Total assets less current liabilities		<u>137,204</u>	<u>152,648</u>
Creditors: amounts falling due after more than one year	8b	(28,271)	(47,338)
Provisions for liabilities			
Net assets		<u>108,933</u>	<u>105,310</u>
Capital and reserves			
Unrestricted income fund		99,485	95,862
Restricted income funds		9,448	9,448
Total charity funds		<u>108,933</u>	<u>105,310</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 12 December 2023

APPLETREE CHILDCARE (SHEFFIELD) LIMITED

Notes to the Accounts

for the year ended 31 March 2023

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 2023

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	2023	2022
	£	£
Grants and donations received during the year were:		
Restricted:		
Sheffield City Council - Free early learning fund	155,650	133,620
CJRS grants	-	15,746
Sheffield City Council - Training funding	1,500	2,500
Sheffield City Council - Special needs grant	-	(480)
Grant - ECC re CCTV		688
	<u>157,150</u>	<u>152,074</u>
Unrestricted:		
Covid grant - SCC	-	1,000
Grants - other	191	25
	<u>191</u>	<u>1,025</u>

APPLETREE CHILDCARE (SHEFFIELD) LIMITED
Notes to the Accounts
for the year ended 31 March 2023

3 Other income	2023	2022
	£	£
Fund raising	1,029	1,244
Other income	73	12
Donations	-	-
	<u>1,102</u>	<u>1,256</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 23.

5 Intangible fixed assets	2023
	£
Goodwill:	
Cost	
At 1 April 2022	30,000
At 31 March 2023	<u>30,000</u>
Amortisation	
At 1 April 2022	(30,000)
Provided during the period	
At 31 March 2023	<u>(30,000)</u>
Net book value	
At 31 March 2023	60,000
At 31 March 2022	<u>60,000</u>

6 Tangible fixed assets	Leasehold land and buildings £	Plant and machinery £	Total £
Cost			
At 1 April 2022	4,000	7,370	11,370
Additions	20,858	-	20,858
At 31 March 2023	<u>24,858</u>	<u>7,370</u>	<u>32,228</u>
Depreciation			
At 1 April 2022	3,087	6,726	9,248
Charge for the period	-	-	-
At 31 March 2023	<u>3,087</u>	<u>6,726</u>	<u>9,813</u>
Net book value			
At 31 March 2023	<u>21,771</u>	<u>644</u>	<u>22,415</u>
At 31 March 2022	<u>913</u>	<u>644</u>	<u>1,557</u>

APPLETREE CHILDCARE (SHEFFIELD) LIMITED
Notes to the Accounts
for the year ended 31 March 2023

7 Debtors	2023	2022
	£	£
Trade debtors	5,449	4,395
Other debtors	6,114	3,080
	<u>11,563</u>	<u>7,475</u>

8a Creditors: amounts falling due within one year

Bank loan	9,808	307
Trade creditors	2,527	1,257
Other taxes and social security costs	-	-
Other creditors	1,016	
Accruals	2,849	2,049
	<u>16,200</u>	<u>3,613</u>

8b Creditors: amounts falling after more than one year

Bank loan	28,271	47,338
	<u>28,271</u>	<u>47,338</u>

9 Restricted funds

	At	Incoming	Outgoing	Transfers	At
	01/04/22	Resources	Resources		31/03/23
	£	£	£	£	£
Sheffield City Council - Free early learning	-	155,650	(155,650)		-
Sheffield City Council - Other	-	1,500	(1,500)		-
Grant - ECC re CCTV	688				688
Grant - Reach Fund	8,760	-			8,760
	<u>9,448</u>	<u>157,150</u>	<u>(157,150)</u>	<u>-</u>	<u>9,448</u>

10 Other financial commitments

Total amount of commitments, guarantees and contingencies is £311,000.

The above includes a lease which commenced on 21 May 2012 with a term of 40 years, and a supplemental lease commencing in 2022 to the same date.

Rent is fixed at fair market value.

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 2023, the payroll costs were as follows:

J Parkin	£22,406	Trustee and Chief Executive Officer
M Guymer	£22,711	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.