

Charlty registration number 1124222

Company registration number 06541176 (England and Wales)

PATA (UK)
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2023

PATA (UK)

LEGAL AND ADMINISTRATIVE INFORMATION

Trustees	K Heaton-Jones	
	A Williams	
	L Woore, nee Adler	
	D Jones	
	N Cranfield	
	S Allen	(Appointed 17 January 2023)
	J P Griffin	(Appointed 17 January 2023)
	H J Walker	(Appointed 14 March 2023)
Chair	K Heaton-Jones	
Chief Executive	P Hayball	
Treasurer	L Woore, nee Adler	
Secretary	P Hayball	
Charity number	1124222	
Company number	06541176	
Principal address	Chequers Bridge Centre Painswick Road Gloucester GL4 6PR	
Registered office	Chequers Bridge Centre Painswick Road Gloucester GL4 6PR	
Auditor	Griffiths Marshall Beaumont House 172 Southgate Street Gloucester Gloucestershire GL1 2EZ	
Bankers	National Westminster Bank 21 Eastgate Street Gloucester GL1 1NH	

PATA (UK)

CONTENTS

	Page
Trustees' report	1 - 11
Statement of trustees' responsibilities	12
Independent auditor's report	13 - 15
Statement of financial activities	16 - 17
Balance sheet	18
Statement of cash flows	19
Notes to the financial statements	20 - 33

PATA (UK)

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) FOR THE YEAR ENDED 31 AUGUST 2023

The trustees present their annual report and financial statements for the year ended 31 August 2023.

The accounts have been prepared in accordance with the accounting policies set out in note 1 to the accounts and comply with the charity's Memorandum of Association, the Companies Act 2006 and "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 2015).

Structure, governance and management

The charity was incorporated by guarantee on 20 March 2008. It has no share capital and is a registered charity. The guarantee of each member is limited to £1.

The trustees, who are also the directors for the purpose of company law, and who served during the year were:

K Heaton-Jones
A Williams
L Woore, nee Adler
D Jones
N Cranfield
S Allen
J P Griffin
H J Walker

(Appointed 17 January 2023)
(Appointed 17 January 2023)
(Appointed 14 March 2023)

Recruitment & Appointment of Trustees

Trustees are recruited from the PATA (UK) (herein referred to as PATA) membership. The officers are elected from within the Board of Trustees. The Board may co-opt trustees with specialist knowledge or interest.

Trustee induction & Training

PATA has an established trustee induction programme. New trustees meet with key staff members and are given relevant publications. Training (both internal and external) is provided for Trustees as required.

Organisational structure & decision making

All the main decisions concerning significant developments for the organisation are discussed and ratified at Board of Trustee meetings. Decisions with financial impact need approval of Trustees. Decisions on the day to day running of the organisation are taken by the Chief Executive and Chair of Trustees.

Related parties

PATA membership consists of both early years and childcare settings and individuals. All members are autonomous from PATA.

Review of risks

PATA regularly reviews the strengths, weaknesses, opportunities, and threats to its business. The trustees have assessed the major risks to which the charity is exposed and are satisfied that systems are in place to mitigate exposure to the major risks.

Key risks are identified in the detail of this Trustee's report.

PATA (UK)

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED) **FOR THE YEAR ENDED 31 AUGUST 2023**

Objectives and activities

The Charity's Aims

More children and families benefit from PATA supporting high quality community learning, play and early years education.

The Charity's objects ("the Objects") are ;

* to enhance the development, care and education of children primarily under statutory school age and also of children and young people of school age by encouraging parents to understand and provide for the needs of their children through community groups; and

* to encourage the formation of groups offering appropriate play, education and care facilities, together with the opportunity for parents to take responsibility for and to become involved in the activities of these groups, ensuring that such groups offer opportunities for all children and young people whatever their race, culture, religion, means or ability and offering continuing support, encouragement and help to these groups; and

* to encourage the study of the needs of such children and their families and promote public interest in the recognition of these needs.

Public Benefit Statement

The trustees have considered their duty in section 4 of the Charities Act 2006 to have due regard to the public benefit guidance published by the Charity Commission and believe that PATA offers a Public Benefit by :

* offering support and advice and appropriate services to it's member settings, including to the parent committees who oversee and support many of them;

* offering high quality training and development opportunities to practitioners working with children and parents where appropriate; and

* offering small grants to improve both the physical environment of charitable childcare settings and skill level of those working with the children.

The benefits of these services and support are measured via regular user surveys and feedback received along with the continued and improved sustainability of the voluntary and community early years settings in Gloucestershire.

Main objectives for 2022-23

To offer a range of accessible, responsive, information advice and guidance (IAG) services to member settings, their staff, and volunteers by offering online resources and newsletters. IAG will also be offered to learners and organisations through a phone helpline, email/online contacts, or face to face.

To deliver specialist support services and projects that respond to the needs of settings working with children and young people which include specific services to PATA members and a payroll service.

To develop the PATA Managed Groups' (PMG) infrastructure, administration, and team skillset to ensure their sustainability and provide the foundation for potential future acquisitions.

To provide high quality training and development opportunities for those working or intending to work in the Children and Young People's sector, by running non-accredited short courses and workshops.

To participate in partnerships and initiatives that focus on enhancing support for early years providers and/or giving them a voice on issues and shared concerns, amplifying the voices of our members by advocating for them on behalf of the sector with decision makers both locally and nationally.

PATA (UK)

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED) **FOR THE YEAR ENDED 31 AUGUST 2023**

To continue to work in partnership with Gloucestershire County Council (GCC) and other relevant Voluntary and Community Sector (VCS) organisations and take part in and encourage others to respond to research and consultations.

To undertake planned programmes of work that focus on PATA's own development and continuous improvement. We will seek to develop our quality improvement programme and monitoring and evaluation framework.

The trustees have paid due regard to guidance issued by the Charity Commission in deciding what activities the organisation should undertake.

Statement of Grant Making Policies

The 'Group Support and Development Fund' (formally Groups in Need Fund) is financed from donations as and when they are received. This offers grants under three headings; Emergency, Development and Upskilling. These categories enable a broad and strategic use of the funds to help secure the viability of groups for the years to come, as well as responding to immediate needs.

PATA has continued to support groups in need, and particularly those at crisis point following serious complaints, safeguarding or staffing issues by providing specialist HR and management support which has included attendance at key meetings and ongoing specialist telephone support.

Investment activities

Funds are only retained in bank current accounts for immediate requirements. The remaining funds are retained in business reserve accounts to optimise the interest receivable and protection available through the Financial Services Compensation Scheme.

Volunteers involvement

All major decisions concerning business plans, strategy and finances are taken by charity trustees within the Board of Trustees. PATA involves volunteers in building maintenance and gardening in PMG settings, parent fundraising to support the PMGs and providing HR guidance. Having previously had restrictions on visitors to settings due to Covid-19 we have now started to welcome back a small number of parent helpers and volunteers. We have been able to offer some placements for students registered on Early Years qualifications and we hope to be able to open opportunities more widely again this year.

Partnership Working

As a partner of the Gloucestershire Going the Extra Mile (GEM) project we continued to employ a GEM Navigator/Developer to support participants to move into work, education or training. This project finished in December 2022 at which point the GEM Navigator/Developer contract ended and the role was subsequently made redundant. Access to the Green Impact Scheme through GEM has left a legacy of environmentally friendly behaviours amongst our staff and settings.

We continued to work closely with Facts4Life, promoting delivery of their courses specifically for Early Years through our own settings and Members. Facts4Life is a charity in Gloucestershire funded by the NHS Gloucestershire Integrated Care Board and their aim is to promote a new way of thinking about health which promotes resilience.

We participate in the Best Start in Life Group, which is a Government initiative and facilitated through GCC, to ensure that Early Years challenges are raised with key sector influencers at GCC and across the county.

We follow and support the VCS Alliance in Gloucestershire, sharing knowledge and expertise in the Early Years field as appropriate.

PATA (UK)

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2023

PATA Managed Groups (PMG)

The biggest influences on the PMG budgets remain child numbers and staffing costs.

Two to three years on from the height of the Pandemic we had expected to see a return to pre-Covid levels of attendance at our settings. Whilst we didn't see full closures due to Covid we continued to see disruptions due to Covid-related staff illness. Pressures created by staff absence in the PMGs meant that Head Office staff including the Early Years Lead and PMG Support Officer were required to spend a lot of time in settings to help keep them open by working within ratios. This meant these roles were necessarily deprioritised.

Child numbers remained low during the year as changes to the working culture, post-Covid, saw more parents working from home and therefore choosing for their children to attend only Nursery Education Funded (NEF) hours. This was exacerbated by the cost-of-living crisis as many parents were unable to afford additional hours, over the NEF hours.

Due to the inadequate funding rates in the Early Years sector it's essential that we have additional fee-paying hours to balance staffing costs. This together with a recruitment crisis in the sector, saw many experienced staff leave due to Covid fatigue and for better paid work in other sectors for example retail and elderly care. Again due to the inadequate funding rates in the Early Years sector it is difficult to compete with staff payrates in other sectors. There is very much a reliance on staff seeing their roles as a vocation, but the cost-of-living crisis is making this very difficult. It was therefore necessary in some settings to retain more staff than child ratios determined to ensure we could increase child numbers as demand grew throughout the academic year and beyond.

One of the biggest challenges seen this year was the unprecedented rise in the National Living/Minimum Wage (NLW) rate which saw staffing costs in April jump considerably higher than the rise in the NEF funding rates. For many staff their hourly rate of pay is indexed by the NLW. The increase from £9.50 to £10.42 per hour rippled through the entire payroll in order to meet mandatory NLW rates and to maintain a differential for seniority of roles; this significantly impacted budgets and skewed previous budget forecasts for the year.

Once the NLW and NEF funding rates were known it was clear we were facing a very difficult year. We were already feeling the impact of increased costs of snack, resources, cleaning, premises etc. and decided to ask for our parent's assistance in giving voluntary donations as we are not allowed to charge top-up fees for funded hours only, due to the NEF Providers Agreement. This was a difficult decision to make as we knew that many parents were struggling, and we were very grateful to the parents who valued their setting and were in a position to help us.

Due to a combination of low child numbers and a difficulty in recruiting an Early Years Manager we took the difficult decision to close PATA @ Siddington & Kemble at the end of the Summer Term. PATA @ Siddington & Kemble had been part of the PATA family for 5 years, having joined us as Kemble Playgroup when the committee were all leaving. It was a rocky road right from the start as Kemble School, where the setting was originally based, decided they needed their premises back. We found new premises at Siddington Village Hall, established the new setting PATA @ Siddington and Kemble and continued to offer provision in the area for the benefit of local children and families for a further 5 years, something we are very proud of.

Another huge and ongoing challenge is the number of children presenting with additional needs, some of which is attributable to their very early formative years being spent during the Pandemic. For many children this had a negative effect on their speech, language, personal independence, social and emotional skills thus impacting their whole early years development. This results in more children requiring lower ratio support and in some cases 1:1 support which is not funded for the vast majority of children. This in turn puts additional pressure on all staff who are striving to help all children be the best they can be.

In the course of the year we had Ofsted inspections at PATA @ Tiny Tots and PATA @ Winchcombe Early Years. We worked hard throughout the year to develop our Curriculum and support our staffing teams to ensure our children received education and care that enabled them to be the best they can be. We were delighted to finish the academic year receiving strong Good outcomes for both settings.

PATA (UK)

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED) **FOR THE YEAR ENDED 31 AUGUST 2023**

PATA staff continue to provide the majority of the administrative support for the settings and are working with the managers to standardise policies, procedures, documents and forms to make the provision sustainable for the future. This work continues to enable the PATA office team to provide key support to all groups in our membership through working directly with staff to identify and share best practice across the county and to lead by example. All PMG policies were reviewed over the summer period with updates made as required.

The proposed move for a further member setting to become a PMG was halted initially due to the Pandemic. However due to the time lapse since the initial vote, and a renewed interest from new parents within this setting, they were able to find a strong parent-led committee. A further vote at their AGM in the 2022-23 academic year confirmed that their position had changed and, with full PATA support, they decided not to pursue becoming a PMG.

Each setting has an individual website set up with a standardised PATA template, but with information specific to the setting. This links from the setting pages on the PATA website and is also linked from their Facebook pages. Each setting also has an open Facebook page for marketing purposes and a closed Facebook page to share photos and information with current families. Winchcombe also have an Instagram page which they keep updated regularly.

PMG staff attendees accounted for 179 places on PATA training courses, contributing to their personal development and enhanced practice/Continuing Professional Development (CPD). This is in addition to the mandatory training (First Aid, Safeguarding etc) and online self-directed short courses through NoodleNow.

PATA @ Winchcombe Early Years, with the help of a parent, were successfully granted £5,003 from HSBC Bank to purchase indoor, outdoor and forest school learning resources for the benefit of all children at the setting. This has been well received by all and our thanks go to the parent and HSBC for making this possible.

We were grateful to Gloucestershire County Council Early Years Team for providing a sufficiency grant for PATA @ Penguins to enable us to trial extended opening hours from 8am to 4pm above our core hours of 9am to 3pm. This has helped us to attract new children and families to the setting who have used the extended hours to enable them to work flexibly without needing to pay for full daycare. We will be extending this trial to other PMGs during the coming academic year as we recognise many parents need wraparound care to enable them to work and limit their childcare costs.

Strategic decisions are made in conjunction with PATA Trustees for the purpose of ensuring community playgroups remain viable and that foundations are put in place to ensure we are able to save other settings at risk if necessary.

Training and Development

PATA training continued to deliver training to individuals and Early Years Settings/Schools both throughout the UK and globally to many British International Schools who want to access high quality relevant training.

Most of our courses continued to be delivered via Zoom which has allowed us to both deliver training internationally and use trainers from around the UK without the necessity for factoring in high travel and accommodation costs. This has enabled us to keep our training course prices as competitive as possible.

During 2022-23 we ran 53 courses with 1,009 participants attending:

- General (advertised courses) – 42 courses with 812 participants attending
- Bespoke – 11 courses with 197 participants attending

This year we saw a reduction in participants of 38% which we know from our Training surveys is due to the economic factors affecting many settings. This is due to the lack of adequate funding, higher staffing costs (due to NLW increases) and the impact of the cost-of-living crisis on rents, utilities and cost of resources, as seen in our own settings. This has meant that many settings have only been able to afford mandatory training although they are very well aware of the need for CPD training to enhance practitioner skills.

PATA (UK)

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2023

Our in-house team continued to offer online network meetings to allow managers and senior staff from PATA member settings to 'network' and talk through issues with their peers. We are now offering these for free as part of their membership subscription. We also offered Coffee Evening Clinics for Committee members, HR Clinics and Parent support sessions with School Transitions.

We continued our partnerships with 2nd Chance for Paediatric First Aid training and Facts4Life.

Our partnership with NoodleNow grows stronger with many member settings taking advantage of the package we can offer. This enables us to offer discounted access to all of our members and our own staff.

We completed a training survey with our members and gave them an opportunity to highlight areas which they would like covered in the forthcoming year. Based on the results of this we will be offering 'PATA Pocket-Sized' (shorter bitesize) courses in the following year at a cheaper price to allow more practitioners to attend training, which is affordable for the settings.

We continue to look to secure funding for further learning opportunities aiming to help learners to take the next step into volunteering or work in the childcare sector.

Support the development of early years and childcare settings

We continued to provide a membership service to 169 playgroups, toddler groups, nurseries, out of school clubs, children's centres, childminders and individuals throughout Gloucestershire and its borders, which includes providing information, advice and guidance on running effective groups, a job vacancy advertising service, subsidies on training, a Group Support and Development Officer and grant giving scheme, together with our long-established and well respected PATA Payroll Service. We continue to attract members from outside of Gloucestershire who are keen to benefit from the support PATA offers.

Our vacancies service posted 163 individual jobs for 67 different member settings onto our own website during the year. This is a 17% increase in jobs advertised on the previous year which may reflect the difficulties of recruitment and retention in the sector. Due to our partnership with GlosJobs these were also posted automatically on the GlosJobs website free of charge. This saves settings £35+VAT per job advertised. Jobs are also advertised on a Facebook 'round-up' post each week.

In the summer term we rebranded the Groups in Need Grant programme as the Group Support and Development Fund (GSDF) to distribute funds from the Groups in Need Fund. This continues to offer grants, now in three distinct areas; Emergency, Development and Upskilling. These categories enable a broader and more strategic use of the funds to help secure the viability of groups for the years to come, as well as responding to immediate needs. The re-brand was completed following feedback that some settings were discouraged from applying as they felt that they weren't a 'group in need', particularly where the money was under the Development or Upskilling section. One group requested and received a grant in this academic year.

In addition to this we started the two-year project from September 2022 to offer Charitable member settings one visit per year from a dedicated support officer, funded from the GSDF. This enabled us to reconnect with member settings and offer them much needed face to face support from a qualified and experienced Early Years professional. The visits were extremely well received and by focusing on settings who were due Ofsted in the academic year we were able to help at least 6 to achieve a Good or Outstanding outcome within a week of our visit. It also enabled us to learn and share ideas and good practice from member settings that we visited.

We continued to support members with 14 email briefings covering everything from legislative changes, sector updates and support and advice. We also made 5 blog posts on specific topics, with more planned for next year. As well as being emailed to all PATA members these are posted on the website in the Member's Area, providing a back catalogue of information for members to draw on.

Our advice line and email help-desk services were invaluable to our members dealing with a large volume of enquiries split by email and direct phone calls, mainly from registered childcare providers, playgroups or nurseries with some also from toddler groups and out of school/holiday clubs. These dealt with significant issues of which 25% related to human resources, 23% governance, 17% legislation as well as financial concerns. Many groups were provided with immediate advice and/or signposting.

PATA (UK)

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2023

Our website continues to attract both returning and new visitors. The Home page, Training Course Calendar page and the Job Vacancies pages continue to be the most active with over 13,000 views on the Job Vacancies page alone. Overall total page views for the year are above 72,000.

Our Facebook page remains our primary source of social media engagement and provides members and the wider early years community with valuable up to date information. We post all sector related updates from Government and relevant regulatory bodies, as well as articles on current topics and ideas for improving practice. We also use it to advertise upcoming training and provide a weekly round-up of job adverts. Over the year we published 351 posts and our organic reach was over 20,000. Over the summer we again posted daily activities which settings could share with families to keep children occupied. We have spent a very small amount on boosting posts which either might bring in revenue or are related to recruitment. When we do this, we make use of Facebook offers to maximise our spend. We are looking at other social media platforms to increase our reach and remain relevant.

We continue supporting and encouraging member groups to adopt the updated PATA Group Constitution and are working with GCC to identify previous PATA member groups that may still be using and relying on the now outdated historic version. We also continue to monitor the need for other types of charitable set-up for settings but maintain that for the majority of our members, the current format is the most suitable.

PATA Payroll Service

The PATA Payroll Service continues to be valued by its clients and numbers have increased from 215 to 229 regular clients, processing on average 848 employees per month. Some new clients have balanced out the playgroups which have closed who were payroll clients. Clients consist of 72 Member settings, predominantly pre-school groups and 157 Non-Member clients made up of 145 parish and town councils, 8 other charities and 5 small businesses/community cafes. Just over 40% of our clients now benefit from a move to Sage Cloud, which is an online storage 'cloud' that allows employees' access independently to view their monthly payslips and their annual P60's.

As well as our member clients receiving the PATA support for settings briefings, we produce supplementary payroll related briefings for all our clients. For many member settings where a sole administrator, treasurer or manager oversees the payroll side of their business, the support of the PATA Payroll team is vital.

Elmbridge Children's Centre

To provide security for PATA @ Elmbridge Under Fives, PATA took over the lease of Elmbridge Children's Centre during Gloucestershire's 2016 decommissioning plan for Children's Centres. PATA @ Elmbridge Under Fives continued to run with an additional room for Rising 3's and offer a Stay & Play session in the Children's Centre for babies, toddlers, and their parents, which is run by members of the setting team.

The lease is now up for renewal, and we are currently in discussions with GCC as they want us to take on full responsibility for the building and any associated costs.

Provide a voice for PATA members and the wider VCS on external partnerships

PATA have regular contact with Gloucestershire County Council (GCC), as well as other relevant VCS organisations across the county to provide information exchange on behalf of our members. We use our knowledge and influence at County level to ensure the voice of the sector is heard and help member groups to feel less alone and more supported. This was particularly relevant this year when championing the need for prompt payment to all Early Years settings in the county of the underspend in the early years budget, together with pushing for a full increase on the headline rate for NEF funding, to be confirmed as quickly as possible to enable settings to budget for future terms. This was imperative as soon as it was known how significant the increase in NLW was going to be and the potential this had to force some settings to consider closure.

We were invited to attend an Early Years Conference organised by GCC where we had a stand and advertised PATA's support and services available.

We have regular conversations with GCC's Head of Early Years & Early Years Manager which allow us to communicate the needs of the sector. The PATA CEO and PMG Managers are also very actively involved in working parties looking at new support tools the county wants to bring in for Early Years settings. This ensures they are as useful and relevant as possible.

PATA (UK)

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED) **FOR THE YEAR ENDED 31 AUGUST 2023**

CEO involvement in the Best Start in Life Group has opened up additional opportunities to champion the needs of the sector and the support that PATA can offer.

We reach out to local MPs to discuss the difficulties faced in the Early Years sector and following a meeting with Siobhan Baillie (MP for Stroud) she went on to reference PATA in her speech to a House of Commons Select Committee.

In the summer term we met with the local MP for Gloucester (Richard Graham) taking the opportunity to explain the budgeting issues settings have when in July there was still no confirmation of funding rates for September. We continued to express concerns over the debate about the relaxation of ratios which may be seen as a cost saving measure but increases pressure on staff, reduces the quality of education and care that can be given to the children and creates a false expectation from parents that fees will be reduced. We will continue to campaign with our local MPs for the good of the Early Years sector.

Initial talks were held with Morton Michel about ongoing sponsorship for PATA and the possibility of joining their Passive Introducer scheme which would provide discounts for our members.

Identify measures to improve organisations effectiveness and efficiency

We have begun work on updating the PATA Business Pack for relaunch in the next academic year. This will give member settings the tools to deal with many of the queries that we get through Support for Settings and also help them to improve their own organisations. It will also bring an opportunity to increase revenue through sales of the pack and accompanying documents.

We have continued to invest in our IT infrastructure including additional dual screens for staff members and continuing to replace old laptops to enable staff to work more effectively.

We value our staff teams highly and whilst having limited funds as a charity we recognise the importance of providing staff benefits in order to improve their personal circumstances, improve professional practice and help with staff retention. Our benefits include:

- Enhanced holiday for long service (one additional day's leave during term time after 2 and 4 years continuous service)
- Christmas shopping afternoon (one half day's paid leave to be taken in October/November)
- Mid-year staff celebration payment (budget of £10 per head for all those attending an event arranged for each setting/team)
- Staff Christmas party payment (budget of £20 per head for all those attending an event arranged for each setting/team)
- Attendance at high quality CPD training events and access to NoodleNow & Flick for self-directed learning.

We continued our staff recognition programme with our Outstanding Achievement award. We extended this to include annual awards in key categories to recognise the hard work and dedication of members of our PATA team.

We support all staff with CPD training through our own training programme, and by supporting them to access other relevant training. This year we were pleased to support Head Office and PMG staff (who are not already qualified) to complete accredited training as follows:

- Level 2 Early Years Practitioner
- Level 3 Early Years Educator
- Level 3 SENDCo
- Level 2 Certificate in Information Advice & Guidance
- Level 2 in Digital Marketing
- 2 x Payroll Diplomas
- 2 x Level 2 Certificate in Understanding Mental Health First Aid & Mental Health Advocacy in the Workplace

PATA (UK)

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED) **FOR THE YEAR ENDED 31 AUGUST 2023**

Two further staff are enrolled on L3 Early Years Educator programmes (one as an apprentice) and another on L3 Forest School Training which they will complete in the coming year.

Our Wild Apricot membership database and training course management system continues to be used and we keep abreast of system upgrades to capitalise on any further efficiency and cost savings these can bring. We are constantly updating our website and looking for ways to provide additional support and tools for both our members and our wider audience through its mobile-friendly content.

The Head Office team continue to have the option to work in a hybrid way, working half of their hours from home as well as being in the office. We continued to be a preferred and trusted source of information for our members through our regular briefings, blog posts and our email and telephone support.

Fundraising Performance

PATA continues to source and apply for funding for specialist projects that support the development of early years and childcare settings.

Most of PATA's activities are funded through partnership contracts, nursery education funding and charges for services provided or membership fees. Traditional fundraising from the general public represents only a very small part of the charity's income and usually originates through the PATA Managed Groups where they fundraise locally for improvements to their own settings.

There were no instances to comply with Fundraising standards, nor any complaints received.

Consideration of factors within & outside the Charity's control

The Early Years sector is at crisis point for many reasons primarily due to financial issues relating to the Nursery Education Funding (NEF) rates and National Living / Minimum Wage. These are fundamental to every Early Years setting's budget and impact greatly although are completely out of individual setting's control. This is compounded by the lack of notice of funding rate changes and having to be reactive to Living Wage increases.

Low wages within the sector, together with the impact of the cost-of-living crisis has been the main contributory factor in the recruitment crisis in the Early Years sector. Early Years relies very much on staff seeing their role as vocational and many practitioners and managers have been forced to make the difficult decision to leave the sector due to financial reasons. Repeated recruitment is costly in terms of time, money and resources, adding further financial pressure to the business.

The cost-of-living crisis and parents being eligible for 30 hours funding impacted the number of additional sessions parents were paying for. This was a contributory factor in the overall income reducing in this financial year. By contrast, necessary expenditure on overheads increased significantly due many suppliers raising their costs in line with inflation (in some cases this was as much as 13.4%).

We have seen more parents waiting for their children to become eligible for 3-year-old funding rather than paying for sessions while their children are still two years old. Many parents deferred their children's start dates, often at short notice, which in turn contributed to higher staff costs due to the need to retain staff to meet demand later in the academic year.

The additional bank holidays for the Queen's funeral and the subsequent King's Coronation resulted in the loss of two days parent's fees income, as the settings were forced to close, but staff wages still had to be paid.

All of these factors resulted in a significant variation between actual fee income received and the estimates in our well-established and usually accurate forecasting model for the year.

PATA (UK)

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED) **FOR THE YEAR ENDED 31 AUGUST 2023**

Financial review

Policy on reserves

PATA holds reserves based on a realistic assessment of need. The purpose of reserves is to provide security and stability to the association and enable PATA to meet its legal obligations in the event of having to dissolve.

At the year end, PATA held total funds of £356k (2022: £455k). Of this, £38k is restricted (2022: £48k), £105k is designated (2022: £123k) and £213k is unrestricted (2022: £284k). The charity has total free reserves of £203k (2022: £272k).

It aims to keep the equivalent of six month's core running costs in unrestricted funds so that the money can be called upon in times of short-term cash flow difficulties. It aims to retain enough money to carry out its legal obligations in the event of it having to close which includes, salary payments to cover notice periods, obligations to staff for redundancy costs, any payments required to terminate leases and similar contracts.

At the end of each financial year, the CEO, Board of Trustees, and the Finance Manager review the amount of money held in reserves.

Consideration of Surplus/Deficit

In the financial year 2022-23 we saw a significant reduction in our income. This came from several areas across the business. In the previous financial year, we had a £68k grant under the Kickstart scheme which ended in summer 2022. Income from PMGs was also significantly lower than previously (£68k) mainly due to lower children numbers and fewer parents paying additional sessions. Training income also decreased by £49k as our partnership with Odyssey Teaching School Hub ended and Flintshire Local Authority did not have funding to further commission additional training that they indicated would be expected. Income from the GEM project was reduced as it ended in December 2022.

Expenditure during the year decreased by £27k overall but staffing costs were slightly increased due to the necessity of keeping staff during the recruitment crisis and the large increase in National Minimum Wage.

In the financial period 2022-23 PATA made a deficit of £-98,656 (Financial year 2021-22: surplus of £74,629).

Principle funding sources

PATA main income sources for 2022-23 were:

- PATA Managed Groups – Nursery Education Funding (NEF) and Parent Fees
- Payroll service fees (Split by member and non-member clients)
- Membership fees
- Individual training course fees
- Bespoke training course fees

Other funding sources for 2022-23 were:

- GEM Project
- Morton Michel Donation
- HSBC Community Grant
- GCC Early Years Sufficiency Grant

NEF and Parent Fees received termly for the PATA Managed Groups are used to provide nursery education for the children of each setting in line with the principles and practices of the Statutory Framework for the Early Years Foundation Stage.

A Sinking Fund of £35,000 existed towards any costs incurred from the PATA Managed Group premises we have responsibility for. There was no expenditure against this fund in 2022-23 therefore a decision was made to maintain this level and start 2023-24 with £35,000.

A Refurbishment (designated) Cash Fund of £28,259 existed for PATA and the PATA Managed Groups towards redecoration, replacement of infrastructure, equipment and furnishings which may be needed over and above any localised fundraising efforts.

PATA (UK)

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED) **FOR THE YEAR ENDED 31 AUGUST 2023**

During the year we completed the refurbishment of PATA @ Funbusters which had been delayed due to Covid-19 and manager changes, new cookers, and dishwasher for PATA @ Elmbridge Under 5s and have purchased laptops to enable key staff to work more efficiently. This totalled £9,726, leaving a balance of £18,533.

The Continuing Professional Development Training Bursary (designated fund) was created to support the training and development of members of office and PMG staff which is over and above each setting's individual training budget. This year it gave opportunities for PMG staff to attend "Wonder of Woodwork", "Developing Number Sense", "Is it Me? Impact on Child Behaviours" and for PMG Managers to attend "Outstanding Leadership in Early Years" training. A total of £3,638 was spent, leaving a balance of £15,292.

The Elmbridge Children's Centre Transition (designated) Fund is used to cover the rates cost each year. Total cost of £1,101, leaving a closing balance of £6,799.

The PATA Group Support and Development (restricted) Fund received income of £1,730 from a closing member setting. We awarded one grant for £1,000 and funded a Support Officer to visit charitable member settings. Total cost of £6,950, leaving a closing balance of £23,359.

Other grants and contracts awarded as above have enabled PATA to succeed this year in its key objectives.

Specifically, PATA has employed staff, purchased consumables, occupied an office base and six PATA Managed Group setting buildings to carry out its aims and objectives.

Auditor

In accordance with the company's articles, a resolution proposing that Griffiths Marshall be reappointed as auditor of the company will be put at a General Meeting.

The trustees' report was approved by the Board of Trustees.



K Heaton-Jones

Chair

Dated: 30 January 2024

PATA (UK)

STATEMENT OF TRUSTEES' RESPONSIBILITIES FOR THE YEAR ENDED 31 AUGUST 2023

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

Company Law requires the trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charity and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that year.

In preparing these financial statements, the trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity 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 charity 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 charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The trustees are responsible for the maintenance and integrity of the charity and financial information included on the charity's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

PATA (UK)

INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES OF PATA (UK)

Opinion

We have audited the financial statements of PATA (UK) (the 'charity') for the year ended 31 August 2023 which comprise the statement of financial activities, the balance sheet, the statement of cash flows and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 August 2023 and of its incoming resources and application of resources, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the financial statements* section of our report. We are independent of the charity in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the charity's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the trustees with respect to going concern are described in the relevant sections of this report.

Other information

The other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

PATA (UK)

INDEPENDENT AUDITOR'S REPORT (CONTINUED) TO THE TRUSTEES OF PATA (UK)

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters in relation to which the Charities (Accounts and Reports) Regulations 2008 require us to report to you if, in our opinion:

- the information given in the financial statements is inconsistent in any material respect with the trustees' report; or
- sufficient accounting records have not been kept; or
- the financial statements are not in agreement with the accounting records; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of trustees

As explained more fully in the statement of trustees' responsibilities, the trustees, who are also the directors of the charity for the purpose of company law, are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error. In preparing the financial statements, the trustees are responsible for assessing the charity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

We have been appointed as auditor under section 144 of the Charities Act 2011 and report in accordance with the Act and relevant regulations made or having effect thereunder.

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below.

We gained an understanding of the legal and regulatory framework applicable to PATA (UK) and the industry in which it operates and, considered the risk of acts by Management and Trustees of PATA (UK) which were contrary to applicable laws and regulations, including fraud. These included but were not limited to compliance with the Companies Act 2006, Charities Act 2011 and Employment Law. We made enquiries of the Trustees to obtain further understanding of risks of non-compliance.

We focused on laws and regulations that could give rise to a material misstatement in the financial statements. Our tests included, but were not limited to:

- agreement of the financial statement disclosures to underlying supporting documentation;
- enquiries of management regarding known or suspected instances of non-compliance with laws and regulations;
- review of minutes of the Board meetings throughout the year; and
- obtaining an understanding of the control environment in place to prevent and detect irregularities.

Our audit procedures were designed to respond to risks of material misstatement in the financial statements, recognising that the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery, misrepresentations or through collusion. There are inherent limitations in the audit procedures performed and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we are to become aware of it.

A further description of our responsibilities is available on the Financial Reporting Council's website at: <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

PATA (UK)

INDEPENDENT AUDITOR'S REPORT (CONTINUED) TO THE TRUSTEES OF PATA (UK)

Use of our report

This report is made solely to the charity's trustees, as a body, in accordance with part 4 of the Charities (Accounts and Reports) Regulations 2008. Our audit work has been undertaken so that we might state to the charity's trustees those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charity and the charity's trustees as a body, for our audit work, for this report, or for the opinions we have formed.



Griffiths Marshall

30 January 2024

**Chartered Accountants
Statutory Auditor**

Beaumont House
172 Southgate Street
Gloucester
Gloucestershire
GL1 2EZ

Griffiths Marshall is eligible for appointment as auditor of the charity by virtue of its eligibility for appointment as auditor of a company under section 1212 of the Companies Act 2006.

PATA (UK)

STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 AUGUST 2023

	Notes	Unrestricted funds general 2023 £	Unrestricted funds designated 2023 £	Restricted funds 2023 £	Total 2023 £	Unrestricted funds general 2022 £	Unrestricted funds designated 2022 £	Restricted funds 2022 £	Total 2022 £
<u>Income and endowments from:</u>									
Donations, grants and memberships	2	269	-	-	269	1,495	-	-	1,495
Charitable activities									
GEM Project	3	-	-	10,588	10,588	-	-	26,888	26,888
Support For Settings	3	22,502	-	1,730	24,232	19,875	-	11,396	31,271
KickStart Scheme	3	-	-	-	-	-	-	68,302	68,302
PATA Managed Groups	3	666,097	-	20,033	686,130	717,488	9,000	27,642	754,130
Training & Induction Fees	3	63,636	-	-	63,636	112,925	-	-	112,925
Payroll income	4	77,419	-	-	77,419	69,681	-	-	69,681
Investments	5	2,944	-	-	2,944	163	-	-	163
Other income	6	27	-	-	27	1,980	-	-	1,980
Total income		832,894	-	32,351	865,245	923,607	9,000	134,228	1,066,835
<u>Expenditure on:</u>									
Charitable activities	7	907,401	13,041	38,320	958,762	862,134	11,138	112,623	985,895
Other expenditure	12	-	5,139	-	5,139	-	6,311	-	6,311
Total expenditure		907,401	18,180	38,320	963,901	862,134	17,449	112,623	992,206
Net (outgoing)/incoming resources before transfers		(74,507)	(18,180)	(5,969)	(98,656)	61,473	(8,449)	21,605	74,629

PATA (UK)

STATEMENT OF FINANCIAL ACTIVITIES (CONTINUED) INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 AUGUST 2023

	Notes	Unrestricted funds general 2023 £	Unrestricted funds designated 2023 £	Restricted funds 2023 £	Total 2023 £	Unrestricted funds general 2022 £	Unrestricted funds designated 2022 £	Restricted funds 2022 £	Total 2022 £
Net (outgoing)/incoming resources before transfers		(74,507)	(18,180)	(5,969)	(98,656)	61,473	(8,449)	21,605	74,629
Gross transfers between funds		3,516	-	(3,516)	-	(28,604)	30,000	(1,396)	-
Net (expenditure)/income for the year/ Net movement in funds		(70,991)	(18,180)	(9,485)	(98,656)	32,869	21,551	20,209	74,629
Fund balances at 1 September 2022		284,292	122,838	47,689	454,819	251,423	101,287	27,480	380,190
Fund balances at 31 August 2023		<u>213,301</u>	<u>104,658</u>	<u>38,204</u>	<u>356,163</u>	<u>284,292</u>	<u>122,838</u>	<u>47,689</u>	<u>454,819</u>

The statement of financial activities includes all gains and losses recognised in the year.

All income and expenditure derive from continuing activities.

The statement of financial activities also complies with the requirements for an income and expenditure account under the Companies Act 2006.

PATA (UK)

BALANCE SHEET

AS AT 31 AUGUST 2023


	Notes	2023 £	£	2022 £	£
Fixed assets					
Tangible assets	14		50,137		51,343
Current assets					
Stocks	15	789		486	
Debtors	16	13,411		18,761	
Cash at bank and in hand		330,984		440,188	
		<u>345,184</u>		<u>459,435</u>	
Creditors: amounts falling due within one year	17	<u>(39,158)</u>		<u>(55,959)</u>	
Net current assets			306,026		403,476
Total assets less current liabilities			<u>356,163</u>		<u>454,819</u>
Income funds					
Restricted funds	19		38,204		47,689
<u>Unrestricted funds</u>					
Designated funds	20	104,658		122,838	
General unrestricted funds		<u>213,301</u>		<u>284,292</u>	
			317,959		407,130
			<u>356,163</u>		<u>454,819</u>

The company is entitled to the exemption from the audit requirement contained in section 477 of the Companies Act 2006, for the year ended 31 August 2023, although an audit has been carried out under section 144 of the Charities Act 2011.

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

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

The financial statements were approved by the Trustees on 30 January 2024



K Heaton-Jones
Trustee

Company registration number 06541176

PATA (UK)

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 AUGUST 2023

	Notes	2023 £	£	2022 £	£
Cash flows from operating activities					
Cash (absorbed by)/generated from operations	24		(94,286)		95,806
Investing activities					
Purchase of tangible fixed assets		(17,913)		(10,907)	
Proceeds from disposal of tangible fixed assets		51		-	
Investment income received		2,944		163	
Net cash used in investing activities			(14,918)		(10,744)
Net cash used in financing activities			-		-
Net (decrease)/increase in cash and cash equivalents			(109,204)		85,062
Cash and cash equivalents at beginning of year			440,188		355,126
Cash and cash equivalents at end of year			330,984		440,188

PATA (UK)

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2023

1 Accounting policies

Charity information

PATA (UK) is a private company limited by guarantee incorporated in England and Wales. The registered office is Chequers Bridge Centre, Painswick Road, Gloucester, GL4 6PR.

1.1 Accounting convention

The financial statements have been prepared in accordance with the charity's governing document, the Companies Act 2006 and "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)". The charity is a Public Benefit Entity as defined by FRS 102.

The financial statements are prepared in sterling, which is the functional currency of the charity. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared under the historical cost convention. The principal accounting policies adopted are set out below.

1.2 Going concern

At the time of approving the financial statements, the trustees have a reasonable expectation that the charity has adequate resources to continue in operational existence for the foreseeable future. Thus the trustees continue to adopt the going concern basis of accounting in preparing the financial statements.

1.3 Charitable funds

Unrestricted funds are available for use at the discretion of the trustees in furtherance of their charitable objectives.

Restricted funds are subject to specific conditions by donors as to how they may be used. The purposes and uses of the restricted funds are set out in the notes to the financial statements.

PATA has no endowment funds.

1.4 Incoming resources

Income is recognised when the charity is legally entitled to it after any performance conditions have been met, the amounts can be measured reliably, and it is probable that income will be received.

Cash donations are recognised on receipt. Other donations are recognised once the charity has been notified of the donation, unless performance conditions require deferral of the amount. Income tax recoverable in relation to donations received under Gift Aid or deeds of covenant is recognised at the time of the donation.

Incoming resources are deferred when the associated expenditure is specified for a period after the reporting date.

Turnover is measured at the fair value of the consideration received or receivable and represents amounts receivable for goods and services provided in the normal course of business, net of discounts, VAT and other sales related taxes.

PATA (UK)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2023

1 Accounting policies

(Continued)

1.5 Resources expended

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

Expenditure is classified by activity. The costs of each activity are made up of the total of direct costs and shared costs, including support costs involved in undertaking each activity. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs which contribute to more than one activity and support costs which are not attributable to a single activity are apportioned between those activities on a basis consistent with the use of resources. Central staff costs are allocated on the basis of time spent, and depreciation charges are allocated on the portion of the asset's use.

Expenditure is accounted for on an accruals basis and has been included under expense categories that aggregate all costs for allocation to activities. Where costs cannot be directly attributed to particular activities they have been allocated on a basis consistent with the use of the resources.

Support costs are those costs incurred directly in support of expenditure on the objects of the Charity. Governance costs are those incurred in connection with the administration of the the Charity and compliance with constitutional and statutory requirements.

All resources expended are inclusive of VAT.

1.6 Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Fixtures, fittings & equipment	10%-20% of cost per annum
--------------------------------	---------------------------

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is recognised in net income/(expenditure) for the year.

1.7 Stocks

Stocks are stated at the lower of cost and estimated selling price less costs to complete and sell. Items held for distribution at no or nominal consideration are measured the lower of replacement cost and cost.

Net realisable value is the estimated selling price less all estimated costs of completion and costs to be incurred in marketing, selling and distribution.

1.8 Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

PATA (UK)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2023

1 Accounting policies

(Continued)

1.9 Financial instruments

The charity has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the charity's balance sheet when the charity becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Basic financial assets

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

Basic financial liabilities

Basic financial liabilities, including creditors and bank loans are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of operations from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

1.10 Retirement benefits

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

2 Donations, grants and memberships

	Unrestricted funds general 2023 £	Unrestricted funds general 2022 £
Donations and gifts	269	16
Grants receivable	-	1,479
	<u>269</u>	<u>1,495</u>
Grants receivable for core activities		
Coronavirus SSP Rebate	-	1,479
	<u>-</u>	<u>1,479</u>

PATA (UK)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2023

3 Charitable activities	GEM Project 2023	£	Support For PATA Settings	2023	£	Managed Groups	2023	£	Training & Induction Fees	2023	£	Total 2023	Total 2022
Income from charitable activities	-		-			124,952			63,636			188,588	238,832
Funding for services provided	10,588		-			541,145			-			551,733	665,642
Grants & Donations	-		24,232			20,033			-			44,265	89,042
	10,588		24,232			686,130			63,636			784,586	993,516
Analysis by fund													
Unrestricted funds - general	-		22,502			666,097			63,636			752,235	850,288
Unrestricted funds - designated	-		-			-			-			-	9,000
Restricted funds	10,588		1,730			20,033			-			32,351	134,228
	10,588		24,232			686,130			63,636			784,586	993,516

PATA (UK)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) **FOR THE YEAR ENDED 31 AUGUST 2023**

3 Charitable activities	(Continued)						
	For the year ended 31 August 2022						
	GEM Project	Support For	KickStartPATA	Managed	Training &	Total	
	£	Settings	Scheme	Groups	Induction Fees	2022	£
Income from charitable activities	-	-	-	125,907	112,925	238,832	
Funding for services provided	26,888	-	68,302	570,452	-	665,642	
Grants & Donations	-	31,271	-	57,771	-	89,042	
	<u>26,888</u>	<u>31,271</u>	<u>68,302</u>	<u>754,130</u>	<u>112,925</u>	<u>993,516</u>	
Analysis by fund							
Unrestricted funds - general	-	19,875	-	717,488	112,925	850,288	
Unrestricted funds - designated	-	-	-	9,000	-	9,000	
Restricted funds	26,888	11,396	68,302	27,642	-	134,228	
	<u>26,888</u>	<u>31,271</u>	<u>68,302</u>	<u>754,130</u>	<u>112,925</u>	<u>993,516</u>	

PATA (UK)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2023

4 Payroll income

	Unrestricted funds general 2023 £	Unrestricted funds general 2022 £
Payroll fees from members	47,794	45,159
Payroll fees from non-members	29,625	24,522
	<u>77,419</u>	<u>69,681</u>

5 Investments

	Unrestricted funds general 2023 £	Unrestricted funds general 2022 £
Interest receivable	<u>2,944</u>	<u>163</u>

6 Other income

	2023 £	2022 £
Net loss on disposal of tangible fixed assets	(163)	-
Sales of Publications & services	-	1,434
Other income	190	546
	<u>27</u>	<u>1,980</u>

PATA (UK)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2023

7 Charitable activities

	GEM Project		Support for		PATA Managed		Training Project 2023	Payroll Project 2023	Total 2023	Total 2022
	2023	£	2023	£	2023	£				
Staff costs	10,361		36,426		612,541		36,975	53,176	749,479	746,445
Depreciation and impairment	-		1,698		12,901		1,813	2,493	18,905	15,638
Restricted direct costs	1,065		5,950		-		-	-	7,015	27,094
Bad debt expense	-		-		2,066		-	-	2,066	(23)
Project costs	-		601		35,065		-	6,180	41,846	49,996
Tutor training expenses	-		-		-		-	-	-	27
External tutors	-		-		-		28,197	-	28,197	41,545
	11,426		44,675		662,573		66,985	61,849	847,508	880,722
Grant funding of activities (see note 8)	-		1,000		-		-	-	1,000	1,250
Share of support costs (see note 9)	-		15,029		47,090		16,030	22,041	100,190	94,570
Share of governance costs (see note 9)	-		1,510		4,730		1,610	2,214	10,064	9,353
	11,426		62,214		714,393		84,625	86,104	958,762	985,895
Analysis by fund										
Unrestricted funds - general	-		53,684		686,990		82,940	83,787	907,401	
Unrestricted funds - designated	-		1,580		7,459		1,685	2,317	13,041	
Restricted funds	11,426		6,950		19,944		-	-	38,320	
	11,426		62,214		714,393		84,625	86,104	958,762	

PATA (UK)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2023

8 Grants payable

	Support for Settings 2023 £	Support for Settings 2022 £
Grants to institutions:		
Groups in Need Donations	-	1,250
Other	1,000	-
	<u>1,000</u>	<u>-</u>

9 Support costs

	Support costs £	Governance costs £	2023 £	2022 £
Rent	45,146	-	45,146	42,482
Copier charges & leasing	3,927	-	3,927	3,169
Telephone	6,599	-	6,599	6,265
Postage & stationery	5,623	-	5,623	5,056
IT Support	12,210	-	12,210	11,030
Repairs & premises costs	12,214	-	12,214	11,559
Conferences & training	546	-	546	1,052
Insurance	7,385	-	7,385	6,620
Memberships & subscriptions	2,275	-	2,275	2,066
Sundry costs	4,265	-	4,265	5,271
Audit fees	-	4,958	4,958	4,750
Accountancy	-	2,533	2,533	2,308
Legal and professional	-	701	701	815
Bank charges	-	1,872	1,872	1,480
	<u>100,190</u>	<u>10,064</u>	<u>110,254</u>	<u>103,923</u>
Analysed between				
S4S	15,029	1,510	16,539	6,498
PMG	47,090	4,730	51,820	82,283
Training	16,030	1,610	17,640	6,785
Payroll	22,041	2,214	24,255	8,357
	<u>100,190</u>	<u>10,064</u>	<u>110,254</u>	<u>103,923</u>

10 Trustees

Trustees were reimbursed for expenses of £55.33 in the year (2022 - £nil).

PATA (UK)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2023

11 Employees

The average monthly number of employees during the year was:

	2023 Number	2022 Number
Office Based Staff	19	18
PATA @ Elmbridge Under Fives	10	10
PATA @ Penguins	6	6
PATA @ Tiny Tots	5	6
PATA @ Funbusters	6	6
PATA @ Siddington & Kemble	3	4
PATA @ Winchcombe	5	4
Total	54	54

Employment costs

	2023 £	2022 £
Wages and salaries	706,510	705,612
Social security costs	32,618	31,947
Other pension costs	10,351	8,886
	749,479	746,445

There were no employees whose annual remuneration was £60,000 or more.

12 Other expenditure

	Unrestricted designated funds 2023	Unrestricted designated funds 2022
ECC Transition fund	1,101	1,050
CPD fund	3,639	1,900
Refurb fund	399	3,361
	5,139	6,311

13 Taxation

The charity is exempt from tax on income and gains falling within section 505 of the Taxes Act 1988 or section 252 of the Taxation of Chargeable Gains Act 1992 to the extent that these are applied to its charitable objects.

PATA (UK)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2023

14 Tangible fixed assets

	Fixtures, fittings & equipment £
Cost	
At 1 September 2022	165,816
Additions	17,913
Disposals	(657)
At 31 August 2023	183,072
Depreciation and impairment	
At 1 September 2022	114,473
Depreciation charged in the year	18,905
Eliminated in respect of disposals	(443)
At 31 August 2023	132,935
Carrying amount	
At 31 August 2023	50,137
At 31 August 2022	51,343

15 Stocks

	2023 £	2022 £
Finished goods and goods for resale	789	486

16 Debtors

	2023 £	2022 £
Amounts falling due within one year:		
Trade debtors	5,318	7,582
Prepayments and accrued income	8,093	11,179
	13,411	18,761

PATA (UK)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2023

17 Creditors: amounts falling due within one year

	Notes	2023 £	2022 £
Other taxation and social security		9,919	13,392
Deferred income	18	5,695	27,283
Trade creditors		4,225	7,037
Other creditors		115	683
Accruals and deferred income		19,204	7,564
		<u>39,158</u>	<u>55,959</u>

18 Deferred Income

	2023 £	2022 £
Movements in the year:		
Deferred income at 1 September 2022	27,283	23,431
Released from previous periods	(27,283)	(23,431)
Resources deferred in the year	<u>5,695</u>	<u>27,283</u>
Deferred income at 31 August 2023	<u>5,695</u>	<u>27,283</u>

The trustees consider the above grants and funding as deferred income on the basis the entitlement to the income does not exist at the balance sheet date. Instead, deferred income is disclosed as a liability in the balance sheet.

Deferred income includes additional funding from Gloucestershire County Council of £nil (2022 - £7,903) received for the Autumn term of 2022-2023 and £5,695 (2022 - £19,380) received for trainings courses due to be completed after the reporting date.

PATA (UK)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2023

19 Restricted funds

The income funds of the charity include restricted funds comprising the following unexpended balances of donations and grants held on trust for specific purposes:

	Balance at 1 September 2021 £	Movement in funds			Balance at 1 September 2022 £	Movement in funds			Balance at 31 August 2023 £
		Incoming resources £	Resources expended £	Transfers £		Incoming resources £	Resources expended £	Transfers £	
EYPP (Pupil Premium)	2,649	13,176	(9,441)	85	6,469	8,675	(9,634)	-	5,510
Fundraising	6,398	14,466	(12,577)	-	8,287	6,355	(7,568)	-	7,074
Group Support & Development Fund	18,433	11,396	(1,250)	-	28,579	1,730	(6,950)	-	23,359
GEM Project	-	26,888	(22,534)	-	4,354	10,588	(11,426)	(3,516)	-
KickStart Scheme	-	68,302	(66,821)	(1,481)	-	-	-	-	-
HSBC Grant	-	-	-	-	-	5,004	(2,743)	-	2,261
	27,480	134,228	(112,623)	(1,396)	47,689	32,351	(38,320)	(3,516)	38,204

Of the GEM project income, 15% is provided to cover overall overheads. The transfer of £3,516 represents the income towards overheads for the financial year to 31st August 2022 and 31st August 2023.

Please refer to the Trustee Report for additional information.

PATA (UK)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2023

20 Designated funds

The income funds of the charity include the following designated funds which have been set aside out of unrestricted funds by the trustees for specific purposes:

	Balance at 1 September 2021 £	Incoming resources £	Resources expended £	Transfers £	Balance at 1 September 2022 £	Resources expended £	Balance at 31 August 2023 £
Sinking fund	35,000	-	-	-	35,000	-	35,000
Refurbishment fund	51,507	9,000	(14,500)	15,000	61,007	(13,440)	47,567
ECC Transition fund	8,950	-	(1,050)	-	7,900	(1,101)	6,799
CPD Fund	5,830	-	(1,899)	15,000	18,931	(3,639)	15,292
	<u>101,287</u>	<u>9,000</u>	<u>(17,449)</u>	<u>30,000</u>	<u>122,838</u>	<u>(18,180)</u>	<u>104,658</u>

Please refer to the Trustee Report for additional information on the funds.

21 Analysis of net assets between funds

	Unrestricted funds 2023 £	Designated funds 2023 £	Restricted funds 2023 £	Total Unrestricted funds 2023 £	Designated funds 2022 £	Restricted funds 2022 £	Total 2022 £
Fund balances at 31 August 2023 are represented by:							
Tangible assets	9,926	29,788	10,423	50,137	32,748	6,188	51,343
Current assets/(liabilities)	203,375	74,870	27,781	306,026	90,090	41,501	403,476
	<u>213,301</u>	<u>104,658</u>	<u>38,204</u>	<u>356,163</u>	<u>122,838</u>	<u>47,689</u>	<u>454,819</u>

PATA (UK)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2023

22 Operating lease commitments

At the reporting end date the lease payment for Elmbridge Children's Centre for 2022-23 had not been invoiced for by GCC whilst the lease was under review. Expected lease payment due for the 2022-23 period is £8,800, which has been included in accruals. As the lease is still under review, no commitment has been made for future periods that requires disclosure.

The charity had no outstanding commitments for future minimum lease payments under non-cancellable operating leases.

23 Related party transactions

Remuneration of key management personnel

The remuneration of the 3 key management personnel (2022 - 3), is as follows.

	2023 £	2022 £
Aggregate compensation	125,261	129,169

There were no related party transactions in the year (2022 - none).

24 Cash generated from operations

	2023 £	2022 £
(Deficit)/surplus for the year	(98,656)	74,629
Adjustments for:		
Investment income recognised in statement of financial activities	(2,944)	(163)
Loss on disposal of tangible fixed assets	163	-
Depreciation and impairment of tangible fixed assets	18,905	15,638
Movements in working capital:		
(Increase)/decrease in stocks	(303)	147
Decrease in debtors	5,350	6,892
Increase/(decrease) in creditors	4,787	(5,189)
(Decrease)/increase in deferred income	(21,588)	3,852
Cash (absorbed by)/generated from operations	(94,286)	95,806