

ARC COMMUNITY TRUSTEES

(Company limited by guarantee)

Report and Financial Statements for the year ended 31 March 2024

Charity number 1130383

Company number 06777508

ARC COMMUNITY TRUSTEES

(Limited by Guarantee)

for the year ended 31 March 2024

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for the year ended 31 March 2024

Administrative information

During the year and until the date of signature of these financial statements, the composition of the Board of Trustees changed as follows. Additionally, on 31 May 2024, James Rickard resigned as Chairperson of the Board and Jana How was appointed in his stead.

Trustees

Jana How (Chairperson) (appointed on 1 August 2023)

Elinor Wilkes (Treasurer)

Thomas Wood

Gillian Walley

Yasmin Saleh (appointed on 1 June 2023)

Nikita Nemygin (appointed on 27 August 2024)

Ninjeri Pandit (appointed on 27 August 2024)

James Hopkins (appointed on 12 September 2024)

James Rickard (resigned 31 May 2024)

Holly Marshall (resigned 30 September 2023)

Company registration number

06777508

Charity registration number (England and Wales)

1130383

Company Secretary

Nathan Maknight Company Secretarial Limited

Bankers

C. Hoare & Co.

Independent Examiners

Lubbock Fine LLP

Paternoster House

65 St Paul's Churchyard

London

EC4M 8AB

Registered Office

39 Crosby Row,

London,

SE1 3YD

Trustees Annual Report

ARC COMMUNITY TRUSTEES

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for the year ended 31 March 2024

The Trustees present their annual report and the financial statements for the year ended 31 March 2024.

The financial statements have been prepared in accordance with the accounting policies set out on pages 12 and 13 and comply with the Memorandum and Articles of Association, applicable laws and the requirements of the Financial Reporting Standard applicable in the UK and Republic of Ireland (The FRS 102 Charities SORP), the Charities Act 2011 and the Companies Act 2006.

Structure, Governance and Management

Governing document

The organisation is a charitable company limited by guarantee, incorporated on 19th December 2008 and registered as a Charity on 26th June 2009. The company was established under a Memorandum of Association which established the objects and powers of the charitable company and is governed under its Articles of Association. In the event of the company being wound up, members are each required to contribute an amount not exceeding £10.

Recruitment and appointment of directors

The directors of the company are also Charity Trustees for the purposes of Charity law. Under the requirements of the Memorandum and Articles of Association, directors are elected to serve for a period of three years after which they must be re-elected at the next Annual General Meeting. All directors give their time voluntarily and receive no benefits from the Charity. Due to the nature of the Charity's work, there is particular focus upon the welfare of young children. The directors seek to ensure that the best interests of the charity and ultimately the children served by the charity are appropriately reflected through the diversity of the Trustee body. The more traditional business skills are well represented on the Board. In an effort to maintain this broad skill mix, members of the Board are requested to provide a list of their skills (and update it each year) and in the event of particular skills being lost due to retirement, individuals are approached to offer themselves for election to the Board. In the event that a new member joins the Board there is no formal induction process, however there is a checklist of requirements, supplemented with orientation by fellow Trustees. The training requirements of Board members are assessed periodically on a case by case basis, however mandatory training is uniformly undertaken and annually monitored.

Organisational structure

The Charity has a Board of Directors which meets monthly throughout the year and is responsible for the strategic direction and policy of the Charity, including the approval of budgets and the exercising of financial controls. At present, the Board has eight members from a variety of professional backgrounds, and each takes a nominal lead role across specific areas e.g., operational support, comms and marketing, health and safety, maintenance, parent liaison. Mandatory roles are filled by Board members for Chair, Treasurer and safeguarding.

A scheme of delegation is in place and day to day responsibility for the provision of the services rests with the Nursery Manager. The finance function is externally contracted to a firm of accountants. The Nursery Manager is responsible for ensuring that the Charity delivers the services specified and that key performance indicators are met. The Nursery Manager has responsibility for the day-to-day operational management of the nursery, individual supervision of the staff team, safeguarding, child protection, and also ensuring that the team continue to develop their skills and working practices in line with good practice. The performance and remuneration of the Nursery Manager is reviewed in the context of certain mutually agreed metrics each year by a sub-committee of the Board.

Risk Management

The Board reviews on an annual basis the major risks to which the Charity is exposed. Where appropriate, systems or procedures have been established to mitigate the risks the Charity faces. Internal control risks are minimised by the implementation of procedures for authorisation of all transactions and projects. Procedures are in place to ensure compliance with Health and Safety of staff, volunteers, clients and visitors to the nursery. These procedures are periodically reviewed to ensure that they continue to meet the needs of the Charity and are assessed in accordance with EYFS policies and other relevant guidance.

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During the period April 2023 to March 2024, there has continued to be a risk associated with lower levels of occupancy than pre pandemic years, however there has been a gradual increase on the previous year, which is positive. In addition, and also related to occupancy, the continued challenge faced across the industry regarding attracting qualified staff of high quality has impacted the nursery. Significant focus has been on continued recruitment of staff to meet required ratios, ensure quality of care standards, and to enable additional children to be taken on.

In addition, rising cost of living was identified as an ongoing risk for the nursery as this not only increased for non pay/indirect costs but also has increased the costs of bank and agency staff. This has been monitored throughout the year, with robust controls on spend and also proactive action taken to reduce costs where possible (e.g. contract renewals). However these factors have impacted the overall financial position in terms of expenditure and reserves.

The financial position is reviewed by Trustees at the monthly Board meetings and discussed with the management team during monthly finance meetings focused on minimising spend and ensuring appropriate financial control.

Mission, Purpose and Objectives

The Charity reviews the aims, objectives and activities each year. This review looks at what has been achieved and the outcomes of work in the prior period. The review looks at the success of each key activity and the benefits they have brought to those groups of people the Charity is set up to help. The review also helps the Board ensure the aims, objectives and activities remained focused on the Charity's stated purposes.

Our Mission

To provide accessible, responsive childcare and related services to the local community (predominantly London, SE1). This aim is incorporated in a motto, namely, "Families working together for their own and each other's children".

Our Charitable Purpose

We aim to provide childcare of the highest standard, including affordable and vulnerable places, to families living and working in the local community.

Our Objectives

The Charity's objectives are:

- To enhance the development and education of children, principally below statutory school age, by providing childcare and early learning for children and families;
- To provide activities to enhance parental skills and child development; and
- To provide advice and assistance to families in relation to the costs of childcare.

The Charity recognises that its financial position must be sound and secure and that its activities should be managed with a view to at least breaking even each year.

Public benefit

The Trustees have referred to the Charity Commission guidance on public benefit in setting the aims and objectives of the Charity and its future plans.

Measuring our achievements against the Charity's objectives

The Charity has discharged its objectives by pursuing two complementary activities in the year to 31 March 2024. Firstly, the core activity of the Charity is to provide high quality early pre-school education and care through the provision of services at the Arc Nursery. In addition, as a core component of this service provision the Charity provides places to children on a substantially subsidised basis. These places are not fixed in number and their allocation to children is determined by the Trustees on the basis of need. The Trustees are satisfied that the Charity performed adequately well during the period under review considering each of their objectives, with a view to focusing on the core objectives of the charity.

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for the year ended 31 March 2024

Review of the year

This year has shown an increase in incoming resources for the Charity. Revenue from restricted and unrestricted sources increased by some £114,389 (2023: £21,795 decrease). The balance of restricted reserves of the Charity increased by £393 (2023: £2,800) whereas unrestricted reserves increased by £38,615 (2023: £89,273 decrease). Our unrestricted reserves at the end of the financial year were £38,620 (2023: £5).

Overall review of the Charity's performance

The Trustees are reasonably satisfied with the Charity's overall performance during the period under review given the challenging financial circumstances facing the economy more widely post pandemic. Income from charitable activities increased compared to prior year and occupancy levels achieved were broadly consistent with the Charity's operating targets given the post pandemic period. However there has continued to be significant challenges with recruitment to qualified level 3 practitioner roles, which has impacted the entire industry. This has restricted the ability of the Charity to increase occupancy levels significantly and generate more income to rebuild the financial reserves whilst compensating the steep rise in cost of living.

Management and the Trustees have worked hard throughout the year to recruit key roles and to mitigate risks associated with vacancies, preserving early years staffing ratios, and to ensure the safety and well-being of staff and children.

Two new Trustees were appointed in summer 2023 which helped to bolster the Board skills, capability and capacity, and overall parent satisfaction remains high, with positive reviews and healthy waiting lists (often generated through word of mouth).

Financial Review

The Trustees recognise that it has been a challenging financial year for the Charity post pandemic given the increasing costs facing the economy more widely and the ongoing industry issues with recruitment. In particular it has been acknowledged that there were financial challenges in relation to agency spend, recruitment agency costs, slightly lower occupancy than hoped and an ongoing rise in the cost of living. The Treasurer and management team have worked closely to review budgets and take proactive measures to reduce spend where appropriate, especially on contracts. In addition, a strict approvals process has been put in place for use of agency to help minimise any unnecessary spend. This has had a positive impact of significantly reducing overall agency spend.

The Charity's financial performance will continue to be largely determined by the mix of the relevant age groups of children attending the Nursery and, crucially, overall occupancy levels throughout the year.

Overall average occupancy increased to 66% (2023: 61%) and the fee rates were increased with effect from 1 January 2024, and the terms and conditions reviewed to tighten certain policy aspects pertaining to seasonal fluctuation. There will continue to be an annual review of fees, which has been communicated to parents, taking into account local comparators to ensure competitiveness.

Occupancy levels are reviewed on a monthly basis with work ongoing to bring the nursery back to pre-covid occupancy levels, and the Charity has seen demand continue to grow with the number of families living in the Arc's catchment area increasing. However, the Arc has experienced significant recruitment challenges (seen industry wide) which has negatively impacted on the ability to increase occupancy to the required levels and fully service the demand. Recruitment strategies are in place to help with recruitment which is the key to enabling further occupancy growth.

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for the year ended 31 March 2024

Fundraising activities

The Charity received the following grants during the year. All restricted grants have been or will be used for the purposes for which they were given.

Southwark Council – Restricted grant For ‘Deprivation funding’	£5,003 (2023: £4,108)
Southwark Council – Restricted grant Early Years SEND/EHCP Inclusion Fund	£12,900 (2023: £nil)

Reserves policy

It is the policy of the Charity that unrestricted funds which have not been designated for a specific use should be maintained at a level equivalent to at least six month’s budgeted expenditure. The Trustees consider that reserves at this level will ensure that, in the event of a significant decline in attendances and therefore fee income, they will be able to continue the Charity’s current activities while consideration is given to ways in which additional funds may be raised. Under this policy, the year-end free reserves target should be no less than £454,581 (2023: £423,374). For the year ended 31 March 2024, the Charity’s free reserves stood at £38,620 (2023: £5). The Trustees acknowledge that the level of free reserves available to the Charity have significantly declined in recent years and must be rebuilt as a matter of priority. For the year ended 31 March 2024, the Charity’s restricted funds stood at £4,178 (2023: £3,785).

Investment policy

The Charity maintains its banking facilities with C. Hoare & Co., 37 Fleet Street, London, EC4P 4DQ. All surplus funds are maintained in short and long term deposits held with its main bankers.

Future plans

In May 2019, following a review by OFSTED the nursery’s rating was amended from Inadequate to Good. The nursery has had an improvement plan in place focusing on practice and procedure which is continually reviewed and updated with input from Trustees and the Local Authority. The nursery has focused on Ofsted preparedness during 2023/24 to reflect good practice, to test processes, policies and procedures, and to ensure that standards continue to rise. There will be a continued focus on staff and team development in 2024/25.

It is recognised that there will be some investment requirement for infrastructure and physical learning ‘aides’ in support of providing high quality education into 2024/25. In particular, there will be a focus on the outside spaces and maximising these areas, plus more permanent structures to enhance the experience of children and staff. Avenues such as fund raising and donations continue to be explored to supplement fee related income.

Trustees’ Responsibilities Statement

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

Company law requires the Trustees to prepare financial statements for each financial year. Under company law the Trustees must not approve the financial statements unless they are satisfied that they 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 judgments and accounting estimates that are reasonable and prudent;
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in operation.

Trustees Annual Report
ARC COMMUNITY TRUSTEES
(Limited by Guarantee)
for the year ended 31 March 2024

The Trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the charitable company's transactions and 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.

The financial statements and this report have been prepared in accordance with current legislation and the statement of recommended practice "Accounting and Reporting by Charities" (January 2019).

These financial statements have been prepared in accordance with the special provisions available to small companies under Part 15 of the Companies Act 2006 and the Financial Reporting Standard 102.

30 December 2024

These accounts were approved by the Board on..... and signed on their behalf by:



.....
Elinor Wilkes
Treasurer

COMPANY NUMBER: 06777508

Independent Examiner's Report

ARC COMMUNITY TRUSTEES

(Limited by Guarantee)

for the year ended 31 March 2024

Independent Examiner's Report to the Trustees of Arc Community Trustees ('the Charity')

I report to the charity Trustees on my examination of the accounts of the Charity for the year ended 31 March 2024.

Responsibilities and Basis of Report

As the Trustees of the Charity (and its directors for the purposes of company law) you are responsible for the preparation of the accounts in accordance with the requirements of the Companies Act 2006 ('the 2006 Act').

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

Independent Examiner's Statement

The company's gross income exceeded £250,000 and I am qualified to undertake the examination by being a qualified member of the Institute of Chartered Accountants England and Wales (ICAEW).

I have completed my examination. I confirm that no material matters have come to my attention in connection with the examination giving me cause to believe:

1. accounting records were not kept in respect of the Charity as required by section 386 of the 2006 Act; or
2. the accounts do not accord with those records; or
3. the accounts do not comply with the accounting requirements of section 396 of the 2006 Act other than any requirement that the accounts give a 'true and fair' view which is not a matter considered as part of an independent examination; or
4. the accounts have not been prepared in accordance with the Charities SORP (FRS102).

I have no concerns and have come across no other matters in connection with the examination to which attention should be drawn in this report in order to enable a proper understanding of the accounts to be reached.

This report is made solely to the Charity's Trustees in accordance with Part 4 of the Charities (Accounts and Reports) Regulations 2008. My work has been undertaken so that I might state to the Charity's Trustees those matters I am required to state to them in an Independent Examiner's Report and for no other purpose. To the fullest extent permitted by law, I do not accept or assume responsibility to anyone other than the Charity and the Charity's Trustees for my work or for this report.

Hazra Patel

**Hazra Patel ACA
Lubbock Fine LLP**

Chartered Accountants & Statutory Auditors
Paternoster House
65 St Paul's Churchyard
London
EC4M 8AB
Date: 09 January 2025

ARC COMMUNITY TRUSTEES

(Company limited by guarantee)

Statement of Financial Activities

(Incorporating an Income and Expenditure Account)

for the year ended 31 March 2024

		2024	2024	2024	2023	2023	2023
		Restricted	Unrestricted	Total	Restricted	Unrestricted	Total
	Notes	£	£	£	£	£	£
Income from:							
Donations		-	1,463	1,463	-	1,875	1,875
Charitable activities		5,700	779,396	785,096	2,800	684,617	687,417
Grants		19,705	-	19,705	4,108	-	4,108
Other trading activities		-	2,093	2,093	-	568	568
Total income	2	25,405	782,952	808,357	6,908	687,060	693,968
Expenditure on:							
Charitable activities		25,012	744,337	769,349	4,108	776,333	780,441
Total charitable expenditure	3	25,012	744,337	769,349	4,108	776,333	780,441
Transfers between funds	12	-	-	-	-	-	-
Net income / (expenditure) for the year		393	38,615	39,008	2,800	(89,273)	(86,473)
Total funds brought forward		3,785	5	3,790	985	89,278	90,263
Funds at the end of the year	12	4,178	38,620	42,798	3,785	5	3,790

There were no recognised gains or losses other than the surplus reported for the financial year.

The net movements in funds for the year derived from the charity's continuing activities.

The notes on pages 12 to 19 form a part of these financial statements.

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Balance Sheet

As at 31 March 2024

	Notes	£	2024 £	2023 £
Fixed assets				
Tangible fixed assets	7		<u>8,756</u>	<u>7,093</u>
Current assets				
Debtors	8	51,724		42,814
Cash at bank and in hand		<u>113,799</u>		<u>103,322</u>
		165,523		146,136
Creditors: amounts falling due within one year	9	<u>131,481</u>		<u>149,439</u>
Net current (liabilities) / assets			<u>34,042</u>	<u>(3,303)</u>
Net assets	12		<u>42,798</u>	<u>3,790</u>
Funds	12			
Restricted funds			4,178	3,785
Unrestricted funds			<u>38,620</u>	<u>5</u>
Total funds			<u>42,798</u>	<u>3,790</u>

The notes on pages 12 to 19 form a part of these financial statements.

For the year ending 31 March 2024 the company was entitled to exemption from audit under section 477 of the Companies Act 2006 relating to small companies.

- The members have not required the company to obtain an audit of its accounts for the year in question in accordance with section 476,
- The directors acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and the preparation of accounts.

These accounts have been prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small companies and in accordance with the Financial Reporting Standard 102 (FRS 102).

30 December 2024

The financial statements were approved by the Board and authorised for distribution on
and signed on its behalf by:



.....
Elinor Wilkes
Treasurer

Company number 06777508

ARC COMMUNITY TRUSTEES

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Cash Flow Statement

for the year ended 31 March 2024

	Notes	2024 £	2024 £	2023 £	2023 £
Net cash (used) / provided by operating activities	13		<u>17,768</u>		<u>(52,292)</u>
Cash flows from investing activities:					
Cost of purchasing tangible fixed assets		(9,384)		(2,798)	
Proceeds from disposal of tangible fixed assets		-		140	
Bank interest receivable		<u>2,093</u>		<u>568</u>	
Net cash used by investing activities			(7,291)		(2,090)
Change in cash and cash equivalents in the reporting period			<u>10,477</u>		<u>(54,382)</u>
Cash and cash equivalents at the beginning of the reporting period			103,322		157,704
Cash and cash equivalents at the end of the reporting period			<u>113,799</u>		<u>103,322</u>

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Notes to the financial statements for the year ended 31 March 2024

1. Accounting policies

- a) These financial statements have been prepared on a going concern basis, under the historical cost convention and in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102). The Charitable Company is a public benefit company for the purposes of FRS 102 and therefore the Charity also prepared its financial statements in accordance with the 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 (The FRS 102 Charities SORP), the Companies Act 2006 and the Charities Act 2011.

The trustees have assessed whether the use of the going concern basis is appropriate and have considered possible events or conditions that might cast significant doubt on the ability of the charity to continue as a going concern. The trustees have made this assessment for a period of at least one year from the date of approval of the financial statements. In particular the trustees have considered the charity's forecasts and projections. After making enquiries the trustees have concluded that there is a reasonable expectation that the charity has adequate resources to continue in operational existence for the foreseeable future. The charity therefore continues to adopt the going concern basis in preparing its financial statements.

The following principal accounting policies have been adopted in preparing the financial statements.

- b) Incoming resources include the total amount of grants, voluntary income and nursery fees receivable and are recognised when there is entitlement to the funds, the receipt is probable and the amount can be measured reliably. Revenue and capital grants are accounted for gross when notification is received. Where the grants specify the time period they relate to, they are recognised as income in that period. Other grants are recognised as income when received.
- c) Resources expended are 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 benefit will be required in settlement and the amount of the obligation can be measured reliably. All expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all costs related to the category. The Charity is not registered for VAT and its expenses are therefore inclusive of VAT which cannot be recovered.
- d) Resources expended are allocated to the particular activity where the cost relates directly to that activity. However, the cost of overall direction and administration of each activity, comprising the salary and overhead costs of the central function, is apportioned on the following basis which is an estimate, based on staff time, of the amount attributable to each activity.

Incoming resources from charitable activities	90.0%
Governance and support	10.0%

- e) Governance and support costs include the management of the Charity's assets, organisation and management, and compliance with constitutional and statutory requirements. The only governance costs included in the accounts relate to audit fees as disclosed in note 4.

ARC COMMUNITY TRUSTEES

(Company limited by guarantee)

Notes to the financial statements for the year ended 31 March 2024

- f) Individual fixed assets costing £100 or more are capitalised at cost and are depreciated over their estimated useful economic life. The depreciation rates in use are as follows:

Office equipment	25% straight line
Fixtures and fittings	25% straight line
Leasehold improvements	Over the lease term
Leasehold improvements (additional)	Over 3 years

- g) Unrestricted funds comprise accumulated surpluses of general funds and these are available for use at the discretion of the Trustees in the furtherance of the general charitable objectives of the Charity.
- h) Restricted funds are those that can only be used for restricted purposes within the objects of the Charity. Restrictions arise when specified by donors or when funds are raised for particular restricted purposes.
- i) Trade and other debtors are recognised at the settlement amount due after any discount offered. Prepayments are valued at the amount prepaid net of any discounts due.
- j) Cash at bank and cash in hand include funds available to the Charity immediately in current and deposit accounts and petty cash.
- k) Creditors and provisions are recognised where the charity has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors and provisions are normally recognised at their settlement amount after allowing for any discounts due.
- l) The Charity only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their amortised cost.
- m) ARC Community Trustees provides all employees access to a designated stakeholder pension scheme. Contributions made by the employee are matched by the company up to a maximum of 6% of the employee's annual salary.
- n) Rentals applicable to operating leases where substantially all of the benefits and risks of ownership remain with the lessor are charged against profits on a straight line basis over the period of the lease.

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Notes to the financial statements for the year ended 31 March 2024

2. Total income

	2024 Unrestricted £	2024 Restricted £	2024 Total £	2023 Unrestricted £	2023 Restricted £	2023 Total £
Donations						
Parent donation	263	-	263	470	-	470
Trustees donation	1,200	-	1,200	405	-	405
Norton Rose Charitable Foundation Fulbright donation	-	-	-	1,000	-	1,000
Charitable activities						
Nursery school fees	779,396	-	779,396	684,617	-	684,617
Workplace Nursery Scheme Contributions	-	5,700	5,700	-	2,800	2,800
Grants						
Southwark Council deprivation funding	-	5,003	5,003	-	4,108	4,108
Southwark Council Early Years SENDIF funding	-	4,112	4,112	-	-	-
Southwark Council Early Years EHCP funding	-	8,788	8,788	-	-	-
Southwark Council Early Years Supplementary Grant	-	1,802	1,802	-	-	-
Other trading activities						
Bank interest receivable	2,093	-	2,093	568	-	568
Total income	782,952	25,405	808,357	687,060	6,908	693,968

During the year, the nursery received 'Deprivation funding' in respect of children aged under five years of age, who on the relevant headcount day, were eligible to receive free nursery education at the charity's main nursery setting. The eligibility criteria are set by Southwark Council and the grant is based on information submitted to the Council. The charity provided free early years education to all such eligible pupils.

3. Total charitable expenditure

Expenditure on charitable activities

	Unrestricted £	Restricted £	Support and governance £	2024 Total £	2023 Total £
Direct costs	45,434	22,588	-	68,022	167,026
Staff costs (See Note 5)	472,515	-	7,887	480,402	399,888
Nursery occupancy costs	141,002	-	-	141,002	136,549
Other operating charges	41,073	-	31,130	72,203	71,947
Depreciation (See Note 7)	5,296	2,424	-	7,720	5,031
Total resources expended	705,320	25,012	39,017	769,349	780,441

Expenditure on charitable activities

	Unrestricted £	Restricted £	Support and governance £	2023 Total £
Direct costs	162,918	4,108	-	167,026
Staff costs (See Note 5)	393,585	-	6,303	399,888
Nursery occupancy costs	136,549	-	-	136,549
Other operating charges	39,497	-	32,450	71,947
Depreciation (See Note 4)	5,031	-	-	5,031
Total resources expended	737,580	4,108	38,753	780,441

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Notes to the financial statements for the year ended 31 March 2024

4. Net outgoing resources for the year

This is stated after charging:

	2024	2023
	£	£
Depreciation	7,720	5,031
Independent examiner fee: Current year	3,000	3,000
Operating lease payments	104,536	103,634

5. Staff costs and numbers

Staff costs were as follows:

	2024	2023
	£	£
Salaries and wages	438,316	367,427
Social security costs	29,276	23,357
Pension contributions	12,810	9,104
	480,402	399,888

None of the employees earned over £60,000 during the year.

The average weekly number of employees analysed by activity was as follows:

	Headcount method 2024 No.	Full-time equivalent 2024 No.	Full-time equivalent 2023 No.
Teaching staff	20	16	14
Governance and support	3	3	3
	23	19	17

A number of volunteers assist with the activities of the Charity. As these volunteers are not employed by the charity, they are not included in the above note.

Key management personnel and Trustees

No trustee received any remuneration in the current year or the previous year. Key management personnel received remuneration of £44,757 (2023: £39,859) including employers national insurance contributions (NIC) and pension.

During the year Trustees received reimbursement of expenses amounting to £955 (2023: £2,993).

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Notes to the financial statements for the year ended 31 March 2024

6. Taxation

The Charity is exempt from corporation tax as all its income is charitable and is applied for charitable purposes.

7. Tangible fixed assets

	Leasehold Improvements £	Leasehold Improvements Additional £	Fixtures & Fittings £	Office Equipment £	Total £
COST					
At 1 April 2023	248,297	23,957	41,200	10,801	324,255
Additions in the year	-	4,104	2,836	2,444	9,384
Disposals in the year	-	-	-	-	-
At 31 March 2024	<u>248,297</u>	<u>28,061</u>	<u>44,036</u>	<u>13,245</u>	<u>333,639</u>
DEPRECIATION					
At 1 April 2023	248,297	20,514	40,550	7,801	317,162
Charge for the year	-	4,811	952	1,958	7,721
On disposals	-	-	-	-	-
At 31 March 2024	<u>248,297</u>	<u>25,325</u>	<u>41,502</u>	<u>9,759</u>	<u>324,883</u>
NET BOOK VALUE					
At 31 March 2024	<u>-</u>	<u>2,736</u>	<u>2,534</u>	<u>3,486</u>	<u>8,756</u>
At 31 March 2023	<u>-</u>	<u>3,443</u>	<u>650</u>	<u>3,000</u>	<u>7,093</u>

All tangible fixed assets are used for direct charitable purposes.

ARC COMMUNITY TRUSTEES

(Company limited by guarantee)

Notes to the financial statements for the year ended 31 March 2024

8. Debtors

	2024 £	2023 £
Trade debtors	4,874	2,720
Prepayments and accrued income	46,540	37,463
Other debtors	310	2,631
	<u>51,724</u>	<u>42,814</u>

9. Creditors : amounts falling due within one year

	2024 £	2023 £
Trade creditors	16,545	50,432
Other creditors including taxation and social security	102,429	87,564
Accruals	12,507	11,443
	<u>131,481</u>	<u>149,439</u>

10. Analysis of net assets between funds - current year

	Restricted funds £	Unrestricted funds (General & Designated) £	Total funds £
Tangible fixed assets	-	8,756	8,756
Net current assets	<u>4,178</u>	<u>29,864</u>	<u>34,042</u>
Net assets at 31 March 2024	<u>4,178</u>	<u>38,620</u>	<u>42,798</u>

	Restricted funds £	Unrestricted funds (General & Designated) £	Total funds £
Tangible fixed assets	-	7,093	7,093
Net current assets	<u>3,785</u>	<u>(7,088)</u>	<u>(3,303)</u>
Net assets at 31 March 2023	<u>3,785</u>	<u>5</u>	<u>3,790</u>

11. Financial instruments

	2024 £	2023 £
Financial Assets measured at amortised cost	14,278	5,813
Financial Liabilities measured at amortised cost	124,858	142,111

Financial Assets measured at amortised cost comprise of trade debtors, other debtors and accrued income.

Financial Liabilities measured at amortised cost comprise of trade creditors, other creditors and accruals.

ARC COMMUNITY TRUSTEES

(Company limited by guarantee)

Notes to the financial statements for the year ended 31 March 2024

12. Movements in funds

	At 1 April 2023 £	Incoming resources £	Resources expended (including losses) £	Transfer between funds £	At 31 March 2024 £
Restricted funds					
Southwark Council - Deprivation funding *1	-	5,003	(5,003)	-	-
Southwark Council - Early Years SENDIF/EHCP funding *2	-	12,900	(12,900)	-	-
Southwark Council - Early Years Supplementary Grant *3	-	1,802	(1,802)	-	-
Workplace Nursery Scheme Contributions*4	3,785	5,700	(5,307)	-	4,178
Total restricted funds	3,785	25,405	(25,012)	-	4,178
General fund	5	782,952	(744,337)	-	38,620
Total unrestricted funds	5	782,952	(744,337)	-	38,620
Total funds	3,790	808,357	(769,349)	-	42,798

	At 1 April 2022 £	Incoming resources £	Resources expended (including losses) £	Transfer between funds £	At 31 March 2023 £
Restricted funds					
Southwark Council - Deprivation funding *1	-	4,108	(4,108)	-	-
Southwark Council - Early Years SENDIF/EHCP funding *2	-	-	-	-	-
Southwark Council - Early Years Supplementary Grant *3	-	-	-	-	-
Workplace Nursery Scheme Contributions*4	985	2,800	-	-	3,785
Total restricted funds	985	6,908	(4,108)	-	3,785
General fund	89,278	687,060	(776,333)	-	5
Total unrestricted funds	89,278	687,060	(776,333)	-	5
Total funds	90,263	693,968	(780,441)	-	3,790

*1. Additional funding provided by Southwark Council to support children from deprived families.

*2. Funding provided by Southwark Council to support children with special educational needs.

*3. Additional early years entitlement funding provided by Southwark Council to support childcare providers.

*4. Contributions made by Workplace Nursery Schemes.

13. Reconciliation of net expenditure to net cash provided by operating activities

	2024 £	2023 £
Net expenditure	39,008	(86,473)
Depreciation of tangible assets	7,720	5,031
Loss on disposal of tangible assets	-	109
(Increase)/Decrease in debtors	(8,910)	1,096
(Decrease)/Increase in creditors	(17,957)	28,513
Bank interest receivable	(2,093)	(568)
Net cash (Outflow)/Inflow from operating activities	17,768	(52,292)

ARC COMMUNITY TRUSTEES

(Company limited by guarantee)

Notes to the financial statements for the year ended 31 March 2024

14. Operating lease commitments

At 31 March 2024, the charity had total minimum lease payments under non-cancellable operating leases as set out below:

	2024	2023
	£	£
Within 1 year	101,909	104,511
Between 2 to 5 years	300,000	401,909

15. Related parties

During the year, nursery fees paid by the Trustees totalled £40,971 (2023: £34,810).

During the year, handyman services were provided by the partner of a Trustee £1,714 (2023: £nil)

16. Company limited by guarantee

Every trustee promises, if the Charity is dissolved while he or she is a member, or within twelve months after he or she ceases to be a member, to contribute such sum (not exceeding £10) as may be demanded of him or her towards the payment of the debts and liabilities of the Charity incurred before he or she ceases to be a member, and of the costs, charges and expenses of winding up, and the adjustment of the rights of the contributories among themselves.