

**Company Registration Number: 05871101**

**Charity Number: 1137866**

**ST BEDE'S CHILDCARE LIMITED**

**A Company Limited by Guarantee**

**Trustees' Report and Financial Statements**

**For The Year Ended  
31 August 2020**

**ST BEDE'S CHILDCARE LIMITED**  
**A COMPANY LIMITED BY GUARANTEE**

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**ST BEDE'S CHILDCARE LIMITED  
COMPANY LIMITED BY GUARANTEE**

**MEMBERS OF THE BOARD AND PROFESSIONAL ADVISERS**

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<b>Registered charity name</b>	St Bede's Childcare Limited
<b>Charity registration number</b>	1137866
<b>Company registration number</b>	05871101
<b>Registered office</b>	C/O MHA Moore and Smalley Richard House Winckley Square Preston PR1 3HP
<b>Principal office</b>	St Bede Church of England Primary Academy Morris Green Lane Bolton Lancashire BL3 3LJ
<b>Trustees</b>	J Hatch OBE (Resigned 1 September 2020) J Roberts S Bagshaw M A Caine K Dearden E Balmer (Appointed 1 September 2020) K Denton (Appointed 1 September 2020) E Pendlebury (Appointed 1 September 2020)
<b>Auditor</b>	MHA Moore and Smalley Chartered Accountants Richard House Winckley Square Preston PR1 3HP

# **ST BEDE'S CHILDCARE LIMITED COMPANY LIMITED BY GUARANTEE**

## **TRUSTEES' ANNUAL REPORT**

### **FOR THE YEAR ENDED 31 AUGUST 2020**

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The trustees submit their annual report and the financial statements of St Bede's Childcare Limited (the charity) for the year ended 31 August 2020. The trustees have adopted the provisions of the Statement of Recommended Practice (SORP) "Accounting and Reporting by Charities" (FRS 102) in preparing the annual report and financial statements of the charity.

The financial statements have been prepared in accordance with the accounting policies set out in notes to the accounts and comply with the charity's governing document, the Charities Act 2011 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 published in October 2019.

#### **Reference and administrative details**

Reference and administrative details are shown in the schedule of members of the board and professional advisers on page 1 of the financial statements.

#### **The trustees**

The directors of the charitable company are its trustees for the purposes of charity law. The trustees who have served during the year and since the year end were as follows:

J Hatch OBE	(Resigned 1 September 2020)
J Roberts	
S Bagshaw	
M A Caine	
K Dearden	
E Balmer	(Appointed 1 September 2020)
K Denton	(Appointed 1 September 2020)
E Pendlebury	(Appointed 1 September 2020)

#### **Structure, governance and management**

##### **Governing document**

The charity is governed by its memorandum and articles of association dated 30 June 2006.

##### **Trustees**

The number of Directors shall be not less than one. There is no maximum number of Directors.

Directors are appointed by the Board as and when required.

The trustees of the Charity receive extensive training via their individual professional organisations. They engage in ongoing continuous professional development through the Headship schemes, ICAEW, ACCA and Ofsted-approved training providers.

Pay and remuneration for the Childcare Director will be reviewed annually by Sarah Bagshaw (CEO) and the Finance Director and will be linked to performance targets.

One of the trustees is a director of St Bede Academy. The operation of the Charity is managed with assistance from staff at the school and services and costs are recharged by the Academy.

##### **Risk management**

The trustees have reviewed the risks to which the charity is subject, and developed systems to mitigate these risks.

##### **Objectives and activities**

The objects of the charity are to provide better educational and childcare resources to enable all members of the community to play a fuller role in the local community and society at large.

The charity provides nursery care and after school clubs.

**ST BEDE'S CHILDCARE LIMITED**  
**COMPANY LIMITED BY GUARANTEE**  
**TRUSTEES' ANNUAL REPORT (CONTINUED)**  
**FOR THE YEAR ENDED 31 AUGUST 2020**

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The nursery provision aims to offer parents an extension to their home, where children will be loved, cared for and educated to the highest standard, allowing parents to return to work knowing their child's needs, likes and enjoyment are fully catered for.

The trustees have taken into consideration the Charity Commission guidance on public benefit.

**Strategic Report**

**Achievements and performance**

In the year ended August 2020 the Charity's focus was on strengthening and growing our existing venues. This aim became more challenging from March 2020 onwards with the onset of the coronavirus pandemic. All 4 of our nurseries temporarily closed on 25th March, in line with government guidance, and re-opened on 1st June. Morris Green OOSC remained open throughout the year for key-worker and vulnerable children. St Andrews OOSC closed in March and re-opened on 1st September 2020 and Rainbows OOSC also closed in March and re-opened in July 2020 to provide holiday care. Our focus from March onwards has been on supporting our families and staff through the virus crisis. The directors regard the loyalty of both groups as key in our ongoing recovery.

Works to the outdoor area at Little Owls were completed, as planned, in October 2019 as part of our ongoing improvements programme at our nurseries. This has greatly enhanced the appeal of this nursery and has contributed to rising occupancy.

Capital works at our largest site in Leigh, which is currently home to Little Rainbows 2 nursery and Rainbows OOSC did not proceed as a result of the coronavirus pandemic. Post year-end we have resumed assessing these plans and are in discussions with our Quantity Surveyors regarding proposals to move these works forwards.

In June we surrendered the lease on Rainbow Corner nursery which had been closed since 31st March 2017. We also closed our Child-minder agency during the year to enable our Childcare Director to focus on the nurseries and OOSC.

All of our venues are rated Ofsted 'outstanding' or 'good'.

The directors remain pleased with the performance of the Charity, especially throughout such a challenging year both for St Bede's Childcare Ltd and the childcare sector as a whole.

**Public benefit**

The Trustees have had due regard to the Charity Commission guidance on public benefit.

**Financial review**

The detailed results for the charity are included in the Statement of Financial Activities.

Net incoming resources for the year were £53,468 (2019: £121,149).

Income from charitable activities was £423k lower than year ended 2019. (£1,736,423 v £2,168,236) this was as a result of the venue closures as mandated by the government due to covid-19.

**ST BEDE'S CHILDCARE LIMITED**  
**COMPANY LIMITED BY GUARANTEE**  
**TRUSTEES' ANNUAL REPORT (CONTINUED)**  
**FOR THE YEAR ENDED 31 AUGUST 2020**

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**Principal risks and uncertainties**

The main risks to the Charity are:

*Reputational risk and Ofsted inspections*

St Bede's Childcare continues to be a well-established high quality childcare provider. We have strong links with the local authorities that we operate under and they regularly recommend our settings to local families. All of our venues are rated Ofsted outstanding or good. We maintain this high quality care by having robust systems in place for training, safeguarding and recruitment which are constantly reviewed to ensure their continued effectiveness year on year. Staff morale is good and staff turnover is low. The majority of our employees, particularly our management teams, are long-standing.

*Business Interruption*

This has been tested this year throughout the coronavirus pandemic. The Charity has still performed well due to our strong management team and loyal staff & families. We have contingency plans in place for a number of scenarios. Our Site Manager oversees buildings maintenance to mitigate as much risk as possible of buildings becoming not fit for purpose. We also have additional insurance cover in place as further protection.

*Further outbreaks of the coronavirus and subsequent 'lockdowns'*

St Bede's Childcare now have plans in place to deal with any future outbreaks or lockdowns. These have been put in place as a result of the expertise of our strong leadership teams. Along with the majority of businesses in the country, the childcare sector has suffered the adverse economic effects of the pandemic. We continue to monitor and manage the situation very closely.

**Factors likely to affect future financial performance or position**

*Decrease in demand for childcare*

St Bede's Childcare use a specialist software system in our nurseries. The nursery management staff use this software onsite to facilitate the day-to-day running of the venues and it is kept 'live' with all enquiries and future bookings recorded immediately. Our experienced finance team oversee this system and produce monthly reports and reconciliations. Occupancy is one of our most important KPI's and is monitored by the finance team and reported to the board on a regular basis. Weekly KPI's are prepared at each OOSC, collated by the finance team and also reported to the board. This enables the directors to have an early warning system to identify any venues with falling numbers so that targeted marketing can then be put into place.

*Government Funding*

Government funding continues to be an issue across the childcare sector. Hourly funding rates are still below the level required to enable nurseries not to require a 'top-up' payment from parents/carers for meals. We are aware of nurseries within the sector also making charges for resources. This is not a course of action that St Bede's Childcare has had to take to date. Compounded with the increases to national living wage, low government funding rates continue to cause problems for the childcare sector.

**Reserves**

At 31 August 2020, the charity held reserves totalling £1,076,083. Of this, £4,081 were restricted balances held as per the detailed information in note 20. A further £83,526 are balances designated as a hardship fund and £763,563 relates to the net book value of fixed assets. The remaining £224,913 are unrestricted balances for use at the discretion of the charity.

The trustees consider that a reasonable level of free reserves is 1 month's running costs. This would be approximately £170,000. Extra reserves are being held to ensure financial stability during the current coronavirus pandemic and associated business uncertainty. Any free reserves that are not used in this way are being held to fund future capital works and potential expansion. The directors regard this as prudent in the current economic climate and are also aware of the ongoing rising costs of national living wage and government funding rates in Early Years still not increasing accordingly.

At the year end the charity was holding £4,081 in restricted balances received from Bolton Local Authority to provide free breakfasts at the Morris Green Out of School Club.

**ST BEDE'S CHILDCARE LIMITED**  
**COMPANY LIMITED BY GUARANTEE**  
**TRUSTEES' ANNUAL REPORT (CONTINUED)**  
**FOR THE YEAR ENDED 31 AUGUST 2020**

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**Plans for future periods**

In the year ended August 2020 plans to begin capital works at our Leigh site were put on hold due to the global pandemic. Post year-end we have started to progress these works. Surveys are being completed by our Quantity Surveyors for presentation to the board so that decisions can be made on how to progress our plans. Initial works planned for 2021 are repairs to the roof which will enable the mothballed areas of the building to be brought into use.

Our newly-appointed Operations Director is working closely with our Site Manager and Childcare Director to investigate expansion at our Little Owls site due to increasing occupancy.

The directors continue to monitor the local market to look for potential acquisitions.

**Fundraising standards information**

The charity does not currently raise funds from the public.

**Responsibilities of the trustees**

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

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

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

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP 2019 (FRS102);
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in operation.

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

In so far as the trustees are aware:

- there is no relevant audit information of which the charitable company's auditor is unaware; and
- the trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

**ST BEDE'S CHILDCARE LIMITED**  
**COMPANY LIMITED BY GUARANTEE**  
**TRUSTEES' ANNUAL REPORT (CONTINUED)**  
**FOR THE YEAR ENDED 31 AUGUST 2020**

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**Auditor**

MHA Moore and Smalley are deemed to be re-appointed under section 487 (2) of the Companies Act 2006.

**Small company provisions**

This report has been prepared in accordance with the Statement of Recommended Practice "Accounting and Reporting by Charities", and in accordance with the special provisions for small companies under Part 15 of the Companies Act 2006.

Signed by order of the trustees

*June Roberts*

.....  
June Roberts  
Trustee

Registered office:  
St Bede Church of England Primary Academy  
Morris Green Lane  
Bolton  
Lancashire  
BL3 3LJ

Date: 24/03/21



**ST BEDE'S CHILDCARE LIMITED**  
**COMPANY LIMITED BY GUARANTEE**  
**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS**  
**FOR THE YEAR ENDED 31 AUGUST 2020**

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**Opinion**

We have audited the financial statements of St Bede's Childcare Limited (the 'charitable company') for the year ended 31 August 2020 which comprise the Statement of Financial Activities, the Balance Sheet, the Cash Flow Statement and related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice, 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 2020, and of its incoming resources and application of resources, including its income and expenditure, 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 charitable company 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**

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the trustees' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the charitable company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

**Other information**

The trustees are responsible for the other information. The other information comprises the information included in the trustees' annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

# **ST BEDE'S CHILDCARE LIMITED COMPANY LIMITED BY GUARANTEE**

## **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS**

### **FOR THE YEAR ENDED 31 AUGUST 2020**

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In connection with our audit of the financial statements, 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 audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. 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.

#### **Opinions on other matters prescribed by the Companies Act 2006**

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the trustees' report (incorporating the strategic report and the directors' report) for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report has been prepared in accordance with applicable legal requirements.

#### **Matters on which we are required to report by exception**

In the light of our knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report and the directors' report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 require us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.; or
- the trustees were not entitled to prepare the financial statements in accordance with the small companies' regime and take advantage of the small companies' exemptions in preparing the directors' report.

#### **Responsibilities of the trustees**

As explained more fully in the Trustees' Responsibilities Statement set out on page 4, the trustees (who are also the directors of St Bede's Childcare Limited for the purposes 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 misstatements, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the charitable company'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.

**ST BEDE'S CHILDCARE LIMITED  
COMPANY LIMITED BY GUARANTEE**

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS  
FOR THE YEAR ENDED 31 AUGUST 2020**

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**Auditor's responsibilities for the audit of the financial statements**

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.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our auditor's report.

**Use of our report**

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's members 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 charitable company and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.



**Christine Wilson (Senior Statutory Auditor)**

**For and on behalf of**

MHA Moore and Smalley

Richard House  
9 Winckley Square  
Preston  
PR1 3HP

26/03/2021

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**ST BEDE'S CHILDCARE LIMITED  
COMPANY LIMITED BY GUARANTEE**

**STATEMENT OF FINANCIAL ACTIVITIES  
(INCORPORATING THE INCOME AND EXPENDITURE ACCOUNT)**

**FOR THE YEAR ENDED 31 AUGUST 2020**

	<b>Note</b>	<b>Unrestricted funds £</b>	<b>Restricted funds £</b>	<b>2020 Total Funds £</b>	<b>2019 Total Funds £</b>
<b>Income and endowments from:</b>					
Donations and legacies	2	9,845	-	9,845	-
Charitable activities	3	1,746,607	-	1,746,607	2,184,615
Investments	4	236	-	236	250
Other	5	270,315	-	270,315	-
<b>Total income and endowments</b>		<b>2,027,003</b>	<b>-</b>	<b>2,027,003</b>	<b>2,184,865</b>
<b>Expenditure on:</b>					
Charitable activities	6/7	1,968,200	5,335	1,973,535	2,063,716
<b>Total expenditure</b>		<b>1,968,200</b>	<b>5,335</b>	<b>1,973,535</b>	<b>2,063,716</b>
<b>Net income / (expenditure)</b>		<b>58,803</b>	<b>(5,335)</b>	<b>53,468</b>	<b>121,149</b>
Transfers between funds		-	-	-	-
<b>Net movement in funds</b>		<b>58,803</b>	<b>(5,335)</b>	<b>53,468</b>	<b>121,149</b>
<b>Reconciliation of funds</b>					
Total funds brought forward		1,013,199	9,416	1,022,615	901,466
<b>Total funds carried forward</b>		<b>1,072,002</b>	<b>4,081</b>	<b>1,076,083</b>	<b>1,022,615</b>

All income and expenditure derive from continuing activities.

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

**ST BEDE'S CHILDCARE LIMITED  
COMPANY LIMITED BY GUARANTEE**

**BALANCE SHEET**

**AS AT 31 AUGUST 2020**

	Note	Unrestricted funds £	Restricted funds £	2020 Total Funds £	2019 Total Funds
<b>Fixed assets</b>					
Intangible assets	14	-	-	-	-
Tangible assets	15	763,563	-	763,563	789,190
		763,563	-	763,563	789,190
<b>Current assets</b>					
Debtors	16	96,281	-	96,281	70,810
Cash at bank and in hand		662,452	4,081	666,533	635,895
		758,733	4,081	762,814	706,705
<b>Creditors: amounts falling due within one year</b>	17	(190,039)	-	(190,039)	(197,433)
<b>Net current assets</b>		568,694	4,081	572,775	509,272
<b>Total assets less current liabilities</b>		1,332,257	4,081	1,336,338	1,298,462
<b>Creditors: amounts falling due after more than one year</b>	18	(260,255)	-	(260,255)	(275,847)
<b>Net assets</b>		1,072,002	4,081	1,076,083	1,022,615
<b>Charity Funds</b>					
Restricted income funds		-	4,081	4,081	9,416
Unrestricted funds		1,072,002	-	1,072,002	1,013,199
<b>Total charity funds</b>		1,072,002	4,081	1,076,083	1,022,615

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

These financial statements were approved and authorised for issue by the members of the committee on 24/03/2021..... and are signed on their behalf by:

*June Roberts*

.....  
June Roberts  
Director

The notes on pages 13 to 26 form part of these financial statements.

Company Registration Number: 05871101

**ST BEDE'S CHILDCARE LIMITED  
COMPANY LIMITED BY GUARANTEE**

**STATEMENT OF CASH FLOWS**

**FOR THE YEAR ENDED 31 AUGUST 2020**

		<b>2020</b>		<b>2019</b>	
	<b>Note</b>	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
<b>Cash flow from operating activities:</b>					
<b>Net cash flow from operating activities</b>	20		<u>71,701</u>		<u>175,315</u>
<b>Cash flow from investing activities:</b>					
Payments to acquire tangible fixed assets		(8,337)		(63,568)	
Interest received		<u>236</u>		<u>250</u>	
<b>Net cash flow from investing activities</b>			<u>(8,101)</u>		<u>(63,318)</u>
<b>Cash flow from financing activities</b>					
Repayment of long term loans		(17,028)		(27,471)	
Interest paid		<u>(15,934)</u>		<u>(16,335)</u>	
<b>Net cash flow from financing activities</b>			<u>(32,962)</u>		<u>(43,806)</u>
<b>Net increase/(decrease) in cash and cash equivalents</b>			30,638		68,191
Cash and cash equivalents at 1 September 2019			<u>635,895</u>		<u>567,704</u>
<b>Cash and cash equivalents at 31 August 2020</b>			<u>666,533</u>		<u>635,895</u>

# **ST BEDE'S CHILDCARE LIMITED COMPANY LIMITED BY GUARANTEE**

## **NOTES TO THE FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 AUGUST 2020**

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### **1 Accounting policies**

#### **General information and basis of preparation**

St Bede's Childcare Limited is a charity registered in England and also a company limited by guarantee. In the event of the charity being wound up, the liability in respect of the guarantee is limited to £1 per member of the charity. The address of the registered office is given in the charity information on page 1 of these financial statements. The nature of the charity's operations and principal activities are the operation of full day care nursery provision for children from 6 weeks to 4 years all year around together with breakfast, after school and holiday care for 3 to 11 year olds.

The charity constitutes a public benefit entity as defined by FRS 102. The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland issued in October 2019, the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102), the Charities Act 2011, the Companies Act 2006 and UK Generally Accepted Accounting Practice.

The financial statements are prepared on a going concern basis under the historical cost convention. The financial statements are presented in sterling which is the functional currency of the charity and rounded to the nearest pound.

The significant accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all years presented unless otherwise stated.

#### **Going concern**

The trustees are required to assess whether the use of going concern is appropriate, ie whether there are any material uncertainties related to events or conditions that may cast significant doubt on the ability of the charitable company to continue as a going concern. The Trustees make this assessment in respect of a period of at least one year from the date of authorisation of the accounts. All four of our nurseries have been fully open since June 2020. The trustees expect income to return to pre-pandemic levels throughout the year ended 2021 as more people return to work from furlough and/or continue to need childcare if they are working from home. The Trustees and Senior Management Team continue to monitor the levels of the charity's reserves. At the date of approving these accounts the trustees have a reasonable expectation that the charity will be able to manage the situation and that it has sufficient cash resources to enable it to meet its liabilities as they fall due for at least 12 months from the date of approval. Thus the trustees continue to adopt the going concern basis of accounting in preparing the financial statements.

#### **Funds**

Unrestricted funds are available for use at the discretion of the trustees in furtherance of the general objectives of the charity and which have not been designated for other purposes.

Designated funds comprise unrestricted funds that have been set aside by the trustees for particular purposes. The aim and use of each designated fund is set out in the notes to the financial statements.

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by donors or which have been raised by the charity for particular purposes. The cost of raising and administering such funds are charged against the specific fund. The aim and use of each restricted fund is set out in the notes to the financial statements.

**ST BEDE'S CHILDCARE LIMITED  
COMPANY LIMITED BY GUARANTEE**

**NOTES TO THE FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 AUGUST 2020**

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**1 Accounting policies (continued)**

**Income recognition**

All incoming resources are included in the Statement of Financial Activities (SoFA) when the charity is legally entitled to the income after any performance conditions have been met, the amount can be measured reliably and it is probable that the income will be received.

Income from government and other grants are recognised at fair value when the charity has entitlement after any performance conditions have been met, it is probable that the income will be received and the amount can be measured reliably. If entitlement is not met then these amounts are deferred. Grants where the application of the grant is determined by the funder are included as restricted funds. Grants where there are no conditions set by the funders other than the general objects of the charity are included as unrestricted funds. Grants are accrued when any conditions on their receipt have been met and are deferred where conditions on their receipt have not been met.

Investment income is earned through holding assets for investment purposes such as shares and property. It includes interest. Interest income is recognised using the effective interest method.

Fees income represents amounts receivable for childcare services within the year.

**Expenditure recognition**

All expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all costs related to the category. Expenditure is recognised where there is a legal or constructive obligation to make payments to third parties, it is probable that the settlement will be required and the amount of the obligation can be measured reliably. It is categorised under the following heading:

- Expenditure on charitable activities includes all costs relating to the operating of the nurseries and clubs.

Irrecoverable VAT is charged as an expense against the activity for which expenditure arose.

**Tangible fixed assets**

Tangible fixed assets are stated at cost (or deemed cost) less accumulated depreciation and accumulated impairment losses. Cost includes costs directly attributable to making the asset capable of operating as intended.

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

- Freehold property - 2% - 10% per annum straight line
- Leasehold property - 2% per annum straight line
- Fixtures and fittings - 20% per annum straight line

**Debtors and creditors receivable/payable within one year**

Debtors and creditors with no stated interest rate and receivable or payable within one year are recorded at transaction price. Any losses arising from impairment are recognised in expenditure.

**Loans and borrowings**

Loans and borrowings are initially recognised at the transaction price including transaction costs. Subsequently, they are measured at amortised cost using the effective interest rate method, less impairment. If an arrangement constitutes a finance transaction it is measured at present value.



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**1 Accounting policies (continued)**

**Leases**

Rentals payable and receivable under operating leases are charged to the SoFA on a straight line basis over the period of the lease.

**Employee benefits**

When employees have rendered service to the charity, short-term employee benefits to which the employees are entitled are recognised at the undiscounted amount expected to be paid in exchange for that service.

The charity operates a defined contribution plan for the benefit of its employees. Contributions are expensed as they become payable.

**Tax**

The charity is an exempt charity within the meaning of schedule 3 of the Charities Act 2011 and is considered to pass the tests set out in Paragraph 1 Schedule 6 Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes.

**Judgements and key sources of estimation uncertainty**

There have been no significant judgements made in the process of preparing the financial statements.

There have been no key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

**2 Donations and legacies**

	<b>Unrestricted Funds</b>	<b>Restricted funds</b>	<b>2020 Total Funds</b>
	<b>£</b>	<b>£</b>	<b>£</b>
Donations	9,845	-	9,845
	<hr/>	<hr/>	<hr/>
	9,845	-	9,845
	<hr/>	<hr/>	<hr/>

**3 Income from charitable activities**

	<b>Unrestricted Funds</b>	<b>Restricted funds</b>	<b>2020 Total Funds</b>
	<b>£</b>	<b>£</b>	<b>£</b>
Fees	1,736,423	-	1,736,423
Other income	10,184	-	10,184
	<hr/>	<hr/>	<hr/>
	1,746,607	-	1,746,607
	<hr/>	<hr/>	<hr/>

**ST BEDE'S CHILDCARE LIMITED**  
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**3 Income from charitable activities (continued)**

	<b>Unrestricted Funds</b>	<b>Restricted funds</b>	<b>2019 Total Funds</b>
	<b>£</b>	<b>£</b>	<b>£</b>
<i>Grant income</i>	-	13,948	13,948
<i>Fees</i>	2,168,236	-	2,168,236
<i>Other income</i>	2,431	-	2,431
	<hr/>	<hr/>	<hr/>
	2,170,667	13,948	2,184,615
	<hr/>	<hr/>	<hr/>

**4 Income from investments**

	<b>Unrestricted Funds</b>	<b>Restricted funds</b>	<b>2020 Total Funds</b>
	<b>£</b>	<b>£</b>	<b>£</b>
Bank interest receivable	236	-	236
	<hr/>	<hr/>	<hr/>

	<b>Unrestricted Funds</b>	<b>Restricted funds</b>	<b>2019 Total Funds</b>
	<b>£</b>	<b>£</b>	<b>£</b>
<i>Bank interest receivable</i>	250	-	250
	<hr/>	<hr/>	<hr/>

**5 Other income**

	<b>Unrestricted Funds</b>	<b>Restricted funds</b>	<b>2020 Total Funds</b>
	<b>£</b>	<b>£</b>	<b>£</b>
Coronavirus Job Retention Scheme Grants	210,315	-	210,315
Other Coronavirus Related Grants	60,000	-	60,000
	<hr/>	<hr/>	<hr/>
	270,315	-	270,315
	<hr/>	<hr/>	<hr/>

**ST BEDE'S CHILDCARE LIMITED  
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**6 Analysis of expenditure on charitable activities by fund type**

	<b>Unrestricted Funds</b>	<b>Restricted funds</b>	<b>2020 Total Funds</b>
	<b>£</b>	<b>£</b>	<b>£</b>
Wages and salaries	1,345,023	5,058	1,350,081
Food	78,380	-	78,380
Heat and light	30,551	-	30,551
Rent and rates	106,771	-	106,771
Repairs and maintenance	22,643	-	22,643
Cleaning and caretaking	25,394	-	25,394
Insurance	17,918	-	17,918
Telephone	5,001	-	5,001
Equipment and activities	67,294	277	67,571
Venue set up costs	-	-	-
Legal and professional	46,155	-	46,155
Depreciation	29,690	-	29,690
Senior management recharge	140,302	-	140,302
Administration	13,343	-	13,343
Bank interest (note 12)	15,934	-	15,934
Other expenses	11,842	-	11,842
Bad debt written off	(115)	-	(115)
Loss on disposal of tangible fixed assets	4,274	-	4,274
Governance costs (note 8)	7,800	-	7,800
	<b>1,968,200</b>	<b>5,335</b>	<b>1,973,535</b>
	<b>Unrestricted Funds</b>	<b>Restricted funds</b>	<b>2019 Total Funds</b>
		<b>£</b>	<b>£</b>
Wages and salaries	1,422,313	19,432	1,441,745
Food	111,705	-	111,705
Heat and light	36,360	-	36,360
Rent and rates	117,304	-	117,304
Repairs and maintenance	25,686	-	25,686
Cleaning and caretaking	26,403	-	26,403
Insurance	16,155	-	16,155
Telephone	2,156	-	2,156
Equipment and activities	88,821	100	88,921
Venue set up costs	4,037	-	4,037
Legal and professional	2,845	-	2,845
Depreciation	30,876	-	30,876
Senior management recharge	117,496	-	117,496
Administration	16,746	-	16,746
Bank interest (note 12)	16,335	-	16,335
Other expenses	802	-	802
Bad debt written off	1,064	-	1,064
Governance costs (note 8)	7,080	-	7,080
	<b>2,044,184</b>	<b>19,532</b>	<b>2,063,716</b>

**ST BEDE'S CHILDCARE LIMITED  
COMPANY LIMITED BY GUARANTEE**

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**FOR THE YEAR ENDED 31 AUGUST 2020**

**7 Analysis of expenditure on charitable activities by activity type**

	<b>Direct charitable costs £</b>	<b>Support Costs £</b>	<b>2020 Total Funds £</b>
Wages and salaries	1,350,081	-	1,350,081
Food	78,380	-	78,380
Heat and light	30,551	-	30,551
Rent and rates	106,771	-	106,771
Repairs and maintenance	22,643	-	22,643
Cleaning and caretaking	-	25,394	25,394
Insurance	-	17,918	17,918
Telephone	-	5,001	5,001
Equipment and activities	67,571	-	67,571
Venue set up costs	-	-	-
Legal and professional	-	46,155	46,155
Depreciation	-	29,690	29,690
Senior management recharge	-	140,302	140,302
Administration	-	13,343	13,343
Bank interest (note 12)	-	15,934	15,934
Other expenses	-	11,842	11,842
Bad debt written off	(115)	-	(115)
Loss on disposal of tangible fixed assets	-	4,274	4,274
Governance costs (note 8)	-	7,800	7,800
	<b>1,655,882</b>	<b>317,653</b>	<b>1,973,535</b>

	<b>Direct charitable costs £</b>	<b>Support Costs £</b>	<b>2019 Total Funds £</b>
Wages and salaries	1,441,745	-	1,441,745
Food	111,705	-	111,705
Heat and light	36,360	-	36,360
Rent and rates	117,304	-	117,304
Repairs and maintenance	25,686	-	25,686
Cleaning and caretaking	-	26,403	26,403
Insurance	-	16,155	16,155
Telephone	-	2,156	2,156
Equipment and activities	88,921	-	88,921
Venue set up costs	4,037	-	4,037
Legal and professional	-	2,845	2,845
Depreciation	-	30,876	30,876
Senior management recharge	-	117,496	117,496
Administration	-	16,746	16,746
Bank interest (note 12)	-	16,335	16,335
Other expenses	-	802	802
Bad debt written off	1,064	-	1,064
Governance costs (note 8)	-	7,080	7,080
	<b>1,826,822</b>	<b>236,894</b>	<b>2,063,716</b>

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**8 Governance costs**

	<b>Unrestricted Funds</b>	<b>Restricted funds</b>	<b>2020 Total Funds</b>
	<b>£</b>	<b>£</b>	<b>£</b>
Audit and Accountancy fees	7,800	-	7,800
	<hr/>	<hr/>	<hr/>
	<b>Unrestricted Funds</b>	<b>Restricted funds</b>	<b>2019 Total Funds</b>
	<b>£</b>	<b>£</b>	<b>£</b>
<i>Audit and Accountancy fees</i>	<i>7,080</i>	<i>-</i>	<i>7,080</i>
	<hr/>	<hr/>	<hr/>

**9 Auditor's remuneration**

The auditor's remuneration amounts to an audit fee of £6,500 (2019: £5,900) excluding VAT.

**10 Trustees' and key management personnel remuneration and expenses**

The trustees neither received nor waived any remuneration during the year (2019: £Nil).

The total amount of employee benefits received by key management personnel is £176,947 (2019: £149,263). The charity considers its key management personnel comprise the senior management staff, whose employee benefits are recharged by St Bede Church of England Primary Academy, and the Childcare Director, whose employee benefits are included on the charity's own payroll.

None of the trustees are accruing any pension benefits.

The trustees did not have any expenses reimbursed during the year (2019: £nil).

**ST BEDE'S CHILDCARE LIMITED**  
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**11 Staff costs and employee benefits**

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

	<b>2020</b> <b>No</b>	<b>2019</b> <b>No</b>
Management	19	16
Nursery and after school club workers	81	87
	<hr/>	<hr/>
	100	103
	<hr/>	<hr/>

The total staff costs and employees benefits were as follows:

	<b>2020</b> <b>£</b>	<b>2019</b> <b>£</b>
Wages and salaries	1,265,014	1,363,481
Social security	51,194	59,907
Defined contribution pension costs	20,984	18,357
	<hr/>	<hr/>
	1,337,192	1,441,745
	<hr/>	<hr/>

No employees received total employee benefits (excluding employer pension costs) of more than £60,000 (2019: Nil).

**12 Interest payable and similar expenses**

	<b>2020</b> <b>£</b>	<b>2019</b> <b>£</b>
Bank loans and overdrafts	15,934	16,335
	<hr/>	<hr/>
	15,934	16,250
	<hr/>	<hr/>

**ST BEDE'S CHILDCARE LIMITED**  
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**13 Net Incoming Resources**

Net incoming resources is stated after charging

	<b>2020</b>	<b>2019</b>
	<b>£</b>	<b>£</b>
Depreciation	29,690	30,876
Auditors' remuneration (net of VAT)	6,500	5,900
	<hr/>	<hr/>

**14 Intangible assets**

	<b>Goodwill</b>
	<b>£</b>
<b>Cost</b>	
At 1 September 2019 and 31 August 2020	270,000
	<hr/>
<b>Amortisation to date</b>	
At 1 September 2019 and 31 August 2020	270,000
	<hr/>
<b>Net book value</b>	
At 31 August 2019 and 31 August 2020	-
	<hr/>

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**15 Tangible fixed assets**

	<b>Land and buildings £</b>	<b>Fixtures &amp; fittings £</b>	<b>Total £</b>
<b>Cost</b>			
<i>At 1 September 2019</i>	907,839	13,932	921,771
Additions	1,380	6,957	8,337
Disposals	(62,687)	-	(62,687)
<b>At 31 August 2020</b>	<b>846,532</b>	<b>20,889</b>	<b>867,421</b>
<b>Depreciation</b>			
<i>At 1 September 2019</i>	126,880	5,701	132,581
Charge in the period	26,252	3,438	29,690
Eliminated on disposals	(58,413)	-	(58,413)
<b>At 31 August 2020</b>	<b>94,719</b>	<b>9,139</b>	<b>103,858</b>
<b>Net book value</b>			
<b>At 31 August 2020</b>	<b>751,813</b>	<b>11,750</b>	<b>763,563</b>
<i>At 31 August 2019</i>	780,959	8,231	789,190

The net book value of land and buildings comprised:

	<b>2020 £</b>	<b>2019 £</b>
Land and buildings:		
Freehold	232,236	239,051
Leasehold	519,577	529,782
Leasehold improvements	-	12,126
	<b>751,813</b>	<b>780,959</b>

**16 Debtors**

	<b>2020 £</b>	<b>2019 £</b>
Trade debtors	39,028	31,163
Prepayments and accrued income	57,253	39,647
	<b>96,281</b>	<b>70,810</b>



**ST BEDE'S CHILDCARE LIMITED**  
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**17 Creditors : Amounts falling due within one year**

	<b>2020</b>	<b>2019</b>
	<b>£</b>	<b>£</b>
Bank loan	27,852	29,288
Trade creditors	19,628	52,916
Accruals	104,214	115,229
Other creditors	38,345	-
	<b>190,039</b>	<b>197,433</b>

**18 Creditors : Amounts falling due after more than one year**

	<b>2020</b>	<b>2019</b>
	<b>£</b>	<b>£</b>
Bank loan	<b>260,255</b>	<b>275,847</b>

The bank loan is secured by a first legal charge over the assets of Baby Bede Private Day Nursery, Little Owls Private Day Nursery and Little Rainbows 2 Private Day Nursery.

The amount repayable after more than five years is £112,104.

**19 Deferred income**

	<b>2020</b>	<b>2019</b>
	<b>£</b>	<b>£</b>
Balance brought forward at 1 September 2019	43,828	63,964
Amounts deferred in the year	54,422	43,828
Amounts released to income	(43,828)	(63,964)
	<b>54,422</b>	<b>43,828</b>

Deferred income comprises fee income received in advance.

**20 Movements in funds**

<i>Current year</i>	<b>At 1</b>	<b>Incoming</b>	<b>Outgoing</b>	<b>Transfers</b>	<b>At 31</b>
	<b>September</b>	<b>resources</b>	<b>resources</b>		<b>August</b>
	<b>2019</b>	<b>£</b>	<b>£</b>	<b>£</b>	<b>2020</b>
	<b>£</b>				<b>£</b>
Unrestricted fund	946,336	2,027,003	(1,968,200)	(16,663)	<b>988,476</b>
Designated fund	66,863	-	-	16,663	<b>83,526</b>
Restricted fund	9,416	-	(5,335)	-	<b>4,081</b>
	<b>1,022,615</b>	<b>2,027,003</b>	<b>(1,973,535)</b>	<b>-</b>	<b>1,076,083</b>

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**20 Movements in funds (continued)**

**Restricted funds**

An amount of £15,000 was received in the year ended 31 August 2018 to be used for the Morris Green breakfast club at the year end a balance of £4,081 was remaining in relation to this.

**Designated funds**

The directors have designated an amount equal to the lower of 2.5% of the audited net balance of the balance sheet at 31 August and the reconciled bank balance to be transferred to a hardship fund for the benefit of the public.

In addition, places are held open at each venue to be used at the discretion of the Directors to aid in safeguarding and/or where particular areas of hardship are identified within families accessing our childcare.

<i>Prior year</i>	<i>At 1 September 2018 £</i>	<i>Incoming resources £</i>	<i>Outgoing resources £</i>	<i>Transfers £</i>	<i>At 31 August 2019 £</i>
<i>Unrestricted fund</i>	755,770	2,234,299	(2,157,501)	(14,193)	818,375
<i>Designated fund</i>	57,457	-	(3,559)	14,193	68,091
<i>Restricted fund</i>	-	15,000	-	-	15,000
	<u>813,227</u>	<u>2,249,299</u>	<u>(2,161,060)</u>	<u>-</u>	<u>901,466</u>

**21 Analysis of net assets between funds – prior year**

	<i>Unrestricted funds</i>	<i>Restricted funds</i>	<i>2019 Total £</i>
<i>Fixed assets</i>	789,190	-	789,190
<i>Current assets</i>	697,289	9,416	706,705
<i>Current liabilities</i>	(197,433)	-	(197,433)
<i>Non-current liabilities</i>	(275,847)	-	(275,847)
	<u>1,013,199</u>	<u>9,416</u>	<u>1,022,615</u>

**22 Operating lease commitments**

Total future minimum lease payments under non-cancellable operating leases are as follows:

	<i>2020 Land and Buildings £</i>	<i>2019 Land and Buildings £</i>
Operating leases which expire		
Within 1 year	30,000	55,000
Within 2 to 5 years	120,000	120,000
More than 5 years	330,000	360,000
	<u>480,000</u>	<u>535,000</u>

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**23 Reconciliation of net income/(expenditure) to net cash flow from operating activities**

	<b>2020</b> <b>£</b>	<b>2019</b> <b>£</b>
Net income/(expenditure) for the period	53,468	121,149
Interest receivable	(236)	(250)
Interest payable	15,934	16,335
Loss on disposal of tangible fixed assets	4,274	-
Depreciation and impairment of tangible fixed assets	29,690	30,876
Decrease/(increase) in debtors	(25,471)	18,124
Decrease in creditors	(5,958)	(10,919)
Net cash flow from operating activities	<b>71,701</b>	<b>175,315</b>

**24 Analysis of net debt**

	<b>1 September</b> <b>2019</b> <b>£</b>	<b>Cash flow</b> <b>£</b>	<b>Other non-</b> <b>cash</b> <b>changes</b> <b>£</b>	<b>31 August</b> <b>2020</b> <b>£</b>
Net cash:				
Cash at bank and in hand	635,895	30,638	-	666,533
Debt:				
Bank loans	(305,135)	21,952	(4,925)	(288,108)
<b>Net debt</b>	<b>330,760</b>	<b>52,590</b>	<b>(4,925)</b>	<b>378,425</b>

**25 Related party transactions**

The directors consider that there is no overall controlling party.

St Bede Primary Academy is considered to be a related party as the directors of the charity are also part of the management team of the school.

Included within the accounts is a balance of £14,509 (2019: £16,753) due to St Bede Primary Academy.

Management recharges of £140,302 (2019: £117,496) have been charged from St Bede Primary Academy during the period.

St Bede Teaching School Limited is also considered to be a related party as there are common directors of the two companies.

Included within the accounts is a balance of £2,286 (2019: £nil) due to St Bede Teaching School Limited.

During the year, St Bede Teaching School Limited made donations totalling £9,845 to St Bede's Childcare Limited.

**ST BEDE'S CHILDCARE LIMITED**  
**COMPANY LIMITED BY GUARANTEE**

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**FOR THE YEAR ENDED 31 AUGUST 2020**

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**26 Company limited by guarantee**

The charity is a company limited by guarantee. In the event of the charity being wound up or dissolved, each member undertakes to contribute such amount as is required, not exceeding £1, for payment of any debts or liabilities.