

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 2021**

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

Registered charity name	St Bede's Childcare Limited
Charity registration number	1137866
Company registration number	05871101
Registered office	C/O MHA Moore and Smalley Richard House Winckley Square Preston PR1 3HP
Principal office	St Bede Church of England Primary Academy Morris Green Lane Bolton Lancashire BL3 3LJ
Trustees	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)
Auditor	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 2021

The trustees submit their annual report and the financial statements of St Bede's Childcare Limited (the charity) for the year ended 31 August 2021. 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 10 July 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, CIPD 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.

Two of the trustees are directors 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 2021

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 2021 the charity continued to focus on our recovery from the effects of the coronavirus pandemic. The charity made use of the government's furlough scheme and then the flexi-furlough scheme to offset the costs of temporary venue closures and staff absences due to covid-19. Three of our nurseries returned to pre-pandemic occupancy levels by the end of the year. Little Rainbows 2 in Leigh is making a slower recovery but occupancy is rising and enquiries from prospective parents are being steadily received. Our Out of School Clubs remained quiet throughout the year and were greatly affected by bubble closures in the primary schools that they serve. Parents who were working from home did not have the same need for wrap-around care and this also affected occupancy at the clubs. Post year end, occupancy levels in the clubs are starting to recover.

Capital works at our largest site, in Leigh, were suspended in the year ended August 2020 due to the pandemic. These works have now been agreed by the board and are scheduled to begin in October 2021. This work will give the charity the capacity to increase the occupancy at our Leigh nurseries. Our catering facilities can also be expanded to cope with growing demand within the group. In addition, we are bringing two large rooms into use which will be available for hire by local community groups. This is part of the charity's long-term strategic plan for this building to become a centre of excellence for early years. This was the vision of our ex-CEO, Jack Hatch OBE, who has now sadly passed away.

Occupancy at Little Owls Nursery in Standish rose steeply post-pandemic. As a result, the board agreed to carry out capital works to bring unused parts of the nursery back into use so that capacity could be increased. These works were completed by the end of August 2021 and Little Owls is now one of our largest nurseries. Occupancy is still increasing and the directors are confident that this demand will continue. This nursery is based in a shared building. Other businesses include a swimming pool and dance school and Little Owls benefits from the synergy of being part of a child-centred hub.

In July 2021 the directors closed St Andrew's OOSC. This was our smallest OOSC and the only one which was not based on one of our own sites. This decision will enable the Childcare Director to focus on the two larger clubs which are based on our own sites.

Following the appointment of a dedicated Operations Manager in September 2020 all venues now have a rolling programme for maintenance works.

The board have agreed to invest in new nursery management software to replace the current, outdated system. The implementation of this software will be led by the Finance Director and will take place between January and June 2022.

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

The directors remain pleased with the performance of the Charity, particularly in light of the challenges faced during a global pandemic.

Public benefit

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

ST BEDE'S CHILDCARE LIMITED
COMPANY LIMITED BY GUARANTEE
TRUSTEES' ANNUAL REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2021

Financial review

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

Net incoming resources for the year were £207,172 (2020: £53,468).

Income from charitable activities increased by £342k from than year ended 2020. (£2,078,012 v £1,736,423).

Reserves

At 31 August 2021, the charity held reserves totalling £1,283,255. Of this, £3,312 were restricted balances held as per the detailed information in note 20. A further £104,279 are balances designated as a hardship fund and £783,337 relates to the net book value of fixed assets. The remaining £392,327 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 trustees 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 £3,312 in restricted balances received from Bolton Local Authority to provide free breakfasts at the Morris Green Out of School Club and Morris Green Holiday Club Funding.

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 and we have strong links with the local authorities that we operate under. Baby Bede and Little Rainbows 2 have high numbers of children with additional needs and are both regularly recommended to families by Bolton and Wigan councils. All of our venues continue to be 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 by our Childcare Director to ensure their continued effectiveness year on year.

Business Interruption

Business interruption is an ongoing risk to the charity. Our performance throughout the pandemic has proven that we are in a strong position and have the strategies in place to cope with shocks to the business. St Bede's Childcare has a strong board of directors with diverse business backgrounds and skill sets which can be drawn upon when situations such as the pandemic occur. We also have strong management teams at each venue who lead well-trained and committed staff teams.

Staff Recruitment, retention and engagement

Recruitment within the childcare sector is generally becoming more difficult due to the rising costs of National Living Wage and the increasing expectations that are placed on staff at all levels. Staff retention is currently high within all of our settings and the majority of our management staff have worked for St Bede's Childcare for a number of years. The directors regard our employees as one of our main assets. All staff engage in regular cpd and we aim to promote from within where possible.

ST BEDE'S CHILDCARE LIMITED
COMPANY LIMITED BY GUARANTEE
TRUSTEES' ANNUAL REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2021

Factors likely to affect future financial performance or position

Future outbreaks of covid-19 or other pandemics

Whilst the charity has performed well in spite of the recent pandemic, future outbreaks remain a concern. The charity still has reserves and the directors continue to monitor these levels diligently.

Increases to National Living Wage

Annual increases to NLW continue to affect St Bede's Childcare and the childcare sector as a whole. The charity did not increase fees in the year ended August 2021 but future fee increases will become inevitable as NLW rises sharply.

Going Concern

The majority of our nurseries have returned to pre-pandemic income levels throughout the year ended August 2021, with one nursery expanding and increasing capacity. This trend has continued post year end. Occupancy levels at the other nursery and our OOSC are forecast to steadily increase throughout the year ended August 2022.

Plans for future periods

In the year ended August 2021 expansion works were undertaken at Little Owls Nursery and further capital works were agreed at our largest site in Leigh. Demand continues to be high at Little Owls and the directors expect this nursery to reach capacity again within 2 years. The capital works that have been agreed for the year ended August 2022 are at our largest site, the Lancastrian building in Leigh. This building is the home of Little Rainbows 2 nursery and Rainbows OOSC. This work will enable us to increase nursery capacity within Leigh. We will also have two large rooms which we will market for rental within the local community to groups who are in keeping with our charitable aims. This continues our strategic plan to make this building a centre of excellence for early years.

The directors continue to monitor the local market to look for potential acquisitions. Whilst recovery from the pandemic is our immediate priority, expansion is a long term objective for St Bede's Childcare.

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.

ST BEDE'S CHILDCARE LIMITED
COMPANY LIMITED BY GUARANTEE
TRUSTEES' ANNUAL REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2021

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.

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

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June Roberts
Trustee

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

ST BEDE'S CHILDCARE LIMITED COMPANY LIMITED BY GUARANTEE

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS

FOR THE YEAR ENDED 31 AUGUST 2021

Opinion

We have audited the financial statements of St Bede's Childcare Limited (the 'charitable company') for the year ended 31 August 2021 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 2021, 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

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 charitable company'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 trustees 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 report². 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. 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.

ST BEDE'S CHILDCARE LIMITED
COMPANY LIMITED BY GUARANTEE
INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS
FOR THE YEAR ENDED 31 AUGUST 2021

Other information

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 directors' report) for the financial year for which the financial statements are prepared is consistent with the financial statements; 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 5, 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 2021

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.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

- Enquiry of management, those charged with governance around actual and potential litigation and claims.
- Reviewing minutes of meetings of those charged with governance.
- Reviewing financial statement disclosures and testing to supporting documentation to assess compliance with applicable laws and regulations.
- Auditing the risk of management override of controls, including through testing journal entries and other adjustments for appropriateness, and evaluating the business rationale of significant transactions outside the normal course of business'.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

A further description of our responsibilities is available on the Financial Reporting Council's website at: <https://www.frc.org.uk/Our-Work/Audit/Audit-and-assurance/Standards-and-guidance/Standards-and-guidance-for-auditors/Auditors-responsibilities-for-audit/Description-of-auditors-responsibilities-for-audit.aspx>.

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

03/05/2022

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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 2021

	Note	Unrestricted funds £	Restricted funds £	2021 Total Funds £	2020 Total Funds £
Income and endowments from:					
Donations and legacies	2	25,000	-	25,000	9,845
Charitable activities	3	2,079,615	1,397	2,081,012	1,746,607
Investments	4	58	-	58	236
Other	5	69,924	-	69,924	270,315
Total income and endowments		2,174,597	1,397	2,175,994	2,027,003
Expenditure on:					
Charitable activities	6/7	1,966,656	2,166	1,968,822	1,973,535
Total expenditure		1,966,656	2,166	1,968,822	1,973,535
Net income / (expenditure)		207,941	(769)	205,775	53,468
Transfers between funds		-	-	-	-
Net movement in funds		207,941	(769)	207,172	53,468
Reconciliation of funds					
Total funds brought forward		1,072,002	4,081	1,076,083	1,022,615
Total funds carried forward		1,279,943	3,312	1,283,255	1,076,083

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 2021

	Note	Unrestricted funds £	Restricted funds £	2021 Total Funds £	2020 Total Funds
Fixed assets					
Intangible assets	14	1,824	-	1,824	-
Tangible assets	15	781,513	-	781,513	763,563
		783,337	-	783,337	763,563
Current assets					
Debtors	16	61,453	-	61,453	96,281
Cash at bank and in hand		907,669	3,312	910,981	666,533
		969,122	3,312	972,434	762,814
Creditors: amounts falling due within one year	17	(224,561)	-	(224,561)	(190,039)
Net current assets		744,561	3,312	747,873	572,775
Total assets less current liabilities		1,527,898	3,312	1,531,210	1,336,338
Creditors: amounts falling due after more than one year	18	(247,955)	-	(247,955)	(260,255)
Net assets		1,279,943	3,312	1,283,255	1,076,083
Charity Funds					
Restricted income funds		-	3,312	3,312	4,081
Unrestricted funds		1,279,943	-	1,279,943	1,072,002
Total charity funds		1,279,943	3,312	1,283,255	1,076,083

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 28/04/2022..... 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 2021

		2021		2020	
	Note	£	£	£	£
Cash flow from operating activities:					
Net cash flow from operating activities	20		<u>310,182</u>		<u>71,701</u>
Cash flow from investing activities:					
Payments to acquire tangible fixed assets		(39,816)		(8,337)	
Interest received		<u>58</u>		<u>236</u>	
Net cash flow from investing activities			<u>(39,758)</u>		<u>(8,101)</u>
Cash flow from financing activities					
Repayment of long term loans		(13,123)		(17,028)	
Interest paid		<u>(12,853)</u>		<u>(15,934)</u>	
Net cash flow from financing activities			<u>(25,976)</u>		<u>(32,962)</u>
Net increase/(decrease) in cash and cash equivalents			244,448		30,638
Cash and cash equivalents at 1 September 2020			<u>666,533</u>		<u>635,895</u>
Cash and cash equivalents at 31 August 2021			<u>910,981</u>		<u>666,533</u>

ST BEDE'S CHILDCARE LIMITED COMPANY LIMITED BY GUARANTEE

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2021

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 of our nurseries and out of school clubs are now open and returning to pre-pandemic occupancy levels. The trustees expect demand to continue to grow as more people return to the office or need to access childcare even when 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 2021

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.

Intangible assets – website development

Website development costs are capitalised, classified as an asset on the balance sheet and amortised on a straight line basis over its useful life. The period chosen for amortising website development is 5 years. Provision is made for any impairment.

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% - 10% 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.

ST BEDE'S CHILDCARE LIMITED
COMPANY LIMITED BY GUARANTEE

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2021

1 Accounting policies (continued)

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.

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

	Unrestricted Funds	Restricted funds	2021 Total Funds	2020 Total Funds
	£	£	£	£
Donations	25,000	-	25,000	9,845
	<hr/>	<hr/>	<hr/>	<hr/>
	25,000	-	25,000	9,845
	<hr/>	<hr/>	<hr/>	<hr/>

ST BEDE'S CHILDCARE LIMITED
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021

3 Income from charitable activities

	Unrestricted Funds	Restricted funds	2021 Total Funds	2020 Total Funds
	£	£		£
Fees	2,076,615	1,397	2,078,012	1,736,423
Other income	3,000	-	3,000	10,184
	<u>2,079,615</u>	<u>-</u>	<u>2,081,012</u>	<u>1,746,607</u>

4 Income from investments

	Unrestricted Funds	Restricted funds	2021 Total Funds	2020 Total Funds
	£	£	£	£
Bank interest receivable	58	-	58	236
	<u>58</u>	<u>-</u>	<u>58</u>	<u>236</u>

5 Other income

	Unrestricted Funds	Restricted funds	2021 Total Funds	2020 Total Funds
	£	£	£	£
Coronavirus Job Retention Scheme Grants	64,588	-	64,588	210,315
Other Coronavirus Related Grants	5,336	-	5,336	60,000
	<u>69,924</u>	<u>-</u>	<u>69,924</u>	<u>270,315</u>

**ST BEDE'S CHILDCARE LIMITED
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NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2021

6 Analysis of expenditure on charitable activities by fund type

	Unrestricted Funds	Restricted funds	2021 Total Funds	2020 Total Funds
	£	£	£	£
Wages and salaries	1,406,932	2,166	1,409,098	1,350,081
Food	92,395	-	92,395	78,380
Heat and light	32,604	-	32,604	30,551
Rent and rates	106,159	-	106,159	106,771
Repairs and maintenance	26,683	-	26,683	22,643
Cleaning and caretaking	26,938	-	26,938	25,394
Insurance	17,111	-	17,111	17,918
Telephone	5,775	-	5,775	5,001
Equipment and activities	54,347	-	54,347	67,571
Legal and professional	25,237	-	25,237	46,155
Depreciation	21,866	-	21,866	29,690
Senior management recharge	114,394	-	114,394	140,302
Administration	7,404	-	7,404	13,343
Bank interest (note 12)	12,853	-	12,853	15,934
Other expenses	7,572	-	7,572	11,842
Bad debt written off	489	-	489	(115)
Governance costs (note 8)	-	-	-	4,724
	<u>1,958,760</u>	<u>2,166</u>	<u>1,960,926</u>	<u>1,965,735</u>

In 2020 there were £5,335 of costs relating to restricted funds. £5,058 of wages and salaries and £277 of equipment and activities.

**ST BEDE'S CHILDCARE LIMITED
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NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2021

7 Analysis of expenditure on charitable activities by activity type

	Direct charitable costs £	Support Costs £	2021 Total Funds £
Wages and salaries	1,409,098	-	1,409,098
Food	92,395	-	92,395
Heat and light	32,604	-	32,604
Rent and rates	106,159	-	106,159
Repairs and maintenance	26,683	-	26,683
Cleaning and caretaking	-	26,938	26,938
Insurance	-	17,111	17,111
Telephone	-	5,775	5,775
Equipment and activities	54,347	-	-
Legal and professional	-	25,237	25,237
Depreciation	-	21,866	21,866
Senior management recharge	-	114,394	114,394
Administration	-	7,404	7,404
Bank interest (note 12)	-	12,853	12,853
Other expenses	-	7,572	7,572
Bad debt written off	489	-	489
Governance costs (note 8)	-	7,896	7,896
	<u>1,721,776</u>	<u>247,046</u>	<u>1,968,822</u>

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

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021

8 Governance costs

	Unrestricted Funds	Restricted funds	2021 Total Funds	2020 Total Funds
	£	£	£	£
Audit and Accountancy fees	7,896	-	7,896	7,800

9 Auditor's remuneration

The auditor's remuneration amounts to an audit fee of £6,825 (2020: £6,500) excluding VAT.

10 Trustees' and key management personnel remuneration and expenses

The total amount of employee benefits received by key management personnel is £142,781 (2020: £176,947). 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.

Three trustees received remuneration (including employee benefits recharged by St Bede Church of England Primary Academy) of £75,924 during the year (2020: four trustees £120,729).

The trustees had expenses reimbursed during the year of £799.80 (2020: £nil).

11 Staff costs and employee benefits

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

	2021 No	2020 No
Management	16	19
Nursery and after school club workers	80	87
	96	100

The total staff costs and employees benefits were as follows:

	2021 £	2020 £
Wages and salaries	1,327,544	1,265,014
Social security	57,907	51,194
Defined contribution pension costs	23,647	20,984
	1,409,098	1,337,192

Wages and salaries includes £76,315 (2020: £69,345) of staff charges at cost from St Bede Primary Academy.

No employees received total employee benefits (excluding employer pension costs) of more than £60,000 (2020: Nil).

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12 Interest payable and similar expenses

	2021 £	2020 £
Bank loans and overdrafts	12,853	15,934
	<u>12,853</u>	<u>15,934</u>

13 Net Incoming Resources

Net incoming resources is stated after charging

	2021 £	2020 £
Depreciation	21,866	29,690
Auditors' remuneration (net of VAT)	6,825	6,500
	<u>28,691</u>	<u>36,190</u>

14 Intangible assets

	Goodwill £	Website	Total
Cost			
At 1 September 2020	270,000	-	270,000
Additions	<u>-</u>	<u>1,920</u>	<u>1,920</u>
At 31 August 2021	<u>270,000</u>	<u>1,920</u>	<u>271,920</u>
Amortisation to date			
At 1 September 2020	270,000	-	270,000
Amortisation	<u>-</u>	<u>96</u>	<u>95</u>
At 31 August 2021	<u>270,000</u>	<u>95</u>	<u>270,095</u>
Net book value			
At 31 August 2021	<u>0</u>	<u>1,824</u>	<u>1,824</u>
At 31 August 2020	<u>0</u>	<u>0</u>	<u>0</u>

ST BEDE'S CHILDCARE LIMITED
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15 Tangible fixed assets

	Land and buildings £	Fixtures & fittings £	Total £
Cost			
<i>At 1 September 2020</i>	846,532	20,889	867,421
Additions	26,600	13,216	39,816
Disposals	-	-	-
At 31 August 2021	873,132	34,105	908,630
Depreciation			
<i>At 1 September 2020</i>	94,719	9,139	103,858
Charge in the period	18,561	3,305	21,866
Eliminated on disposals	-	-	-
At 31 August 2021	113,280	12,444	125,724
Net book value			
At 31 August 2021	759,852	21,661	781,513
<i>At 31 August 2020</i>	<i>751,813</i>	<i>11,750</i>	<i>763,563</i>

The net book value of land and buildings comprised:

	2021 £	2020 £
Land and buildings:		
Freehold	225,422	232,236
Leasehold	534,430	519,577
	759,852	751,813

16 Debtors

	2021 £	2020 £
Trade debtors	32,119	39,028
Prepayments and accrued income	29,334	57,253
	61,453	96,281

**ST BEDE'S CHILDCARE LIMITED
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FOR THE YEAR ENDED 31 AUGUST 2021

17 Creditors : Amounts falling due within one year

	2021	2020
	£	£
Bank loan	28,853	27,852
Trade creditors	53,170	19,628
Accruals and deferred income	105,849	104,214
Other creditors	36,689	38,345
	224,561	190,039

18 Creditors : Amounts falling due after more than one year

	2021	2020
	£	£
Bank loan	247,955	260,255

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 £75,908.

19 Deferred income

	2021	2020
	£	£
Balance brought forward at 1 September 2020	54,422	43,828
Amounts deferred in the year	46,909	54,422
Amounts released to income	(54,422)	(43,828)
	46,909	54,422

Deferred income comprises fee income received in advance.

20 Movements in funds

Current year

	At 1				At 31
	September	Incoming	Outgoing	Transfers	August
	2020	resources	resources	£	2021
	£	£	£		£
Unrestricted fund	988,476	2,174,597	(1,964,633)	(22,775)	1,175,664
Designated fund	83,526	-	(2,023)	22,775	104,279
Restricted fund	4,081	1,397	(2,166)	-	3,312
	1,076,083	2,175,994	(1,968,822)	-	1,283,255

ST BEDE'S CHILDCARE LIMITED
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FOR THE YEAR ENDED 31 AUGUST 2021

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 £1,915 was remaining in relation to this. The charity is carrying an amount of £1,397 at the year end to be used for the Morris Green holiday club funding.

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

21 Analysis of net assets between funds – prior year

	Unrestricted funds	Restricted funds	2020 Total £
<i>Fixed assets</i>	763,563	-	763,563
<i>Current assets</i>	758,733	4,081	762,814
<i>Current liabilities</i>	(190,039)	-	(190,039)
<i>Non-current liabilities</i>	(260,255)	-	(260,255)
	<u>1,072,002</u>	<u>4,081</u>	<u>1,076,083</u>

22 Operating lease commitments

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

	2021 Land and Buildings £	2020 Land and Buildings £
Operating leases which expire		
Within 1 year	57,750	30,000
Within 2 to 5 years	147,750	120,000
More than 5 years	300,000	330,000
	<u>505,500</u>	<u>480,000</u>

ST BEDE'S CHILDCARE LIMITED
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NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2021

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

	2021 £	2020 £
Net income/(expenditure) for the period	207,172	53,468
Interest receivable	(58)	(236)
Interest payable	12,853	15,934
Loss on disposal of tangible fixed assets	-	4,274
Depreciation and impairment of tangible fixed assets	21,866	29,690
Decrease/(increase) in debtors	34,828	(25,471)
Decrease in creditors	33,521	(5,958)
Net cash flow from operating activities	310,182	71,701

24 Analysis of net debt

	1 September 2020 £	Cash flow £	Other non- cash changes £	31 August 2021 £
Net cash:				
Cash at bank and in hand	666,533	244,448	-	910,981
Debt:				
Bank loans	(288,108)	13,239	(1,940)	(276,808)
Net debt	378,425	257,687	(1,940)	634,173

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 £16,883 (2020: £14,509) due to St Bede Primary Academy.

Management recharges of £114,394 (2020: £140,302) have been charged from St Bede Primary Academy during the period.

Three trustees received remuneration (including employee benefits recharged by St Bede Church of England Primary Academy) of £75,924 during the year (2020: four trustees £120,729).

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 £3,908 (2020: £2,286) due to St Bede Teaching School Limited.

During the year, St Bede Teaching School Limited made donations totalling £25,000 (2010: £9,845) to St Bede's Childcare Limited.

**ST BEDE'S CHILDCARE LIMITED
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NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2021

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.