

**Trinity Gateway Community Services**

**Charity No. 1149050**

**Company No. 07305352**

**Trustees' Report and Unaudited Accounts**

**31 August 2022**

**Trinity Gateway Community Services**  
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The trustees, who are also directors of the charity for the purposes of the Companies Act 2006, present their report with the unaudited financial statements of the charity for the year ended 31 August 2022.

#### REFERENCE AND ADMINISTRATIVE DETAILS

**Company No. 07305352**

**Charity No. 1149050**

##### **Registered Office**

Unit 8  
The Old Railway  
Spring Garden Lane  
Gosport  
PO12 1FQ

##### **Directors and Trustees**

The Directors of the charitable company are its Trustees for the purposes of charity law.  
The following Directors and Trustees served during the year:

K.M.G. Beazley  
S.S. Gardner  
M.C. Johnson  
A.J. Williams

##### **Key Management Personnel**

Kim Beazley - Chair of Trustees  
Sheila Gardner - Managers Team Lead  
Michele Johnson - Finance

##### **Accountants**

Phyllis Cheung FCCA  
For and on Behalf of Ellyss Limited  
Chartered Certified Accountants  
1c High Street  
Fareham  
PO16 7AN

##### **Bankers**

Barclays Bank  
67-69 West Street  
Fareham  
PO16 0AW

##### **Solicitors**

Donnelly & Elliot  
38 Stoke Road  
Gosport  
PO12 1LG

##### **Bankers**

Lloyds Bank  
20-24 High Street  
Gosport  
PO12 1DE

## STRUCTURE, GOVERNANCE AND MANAGEMENT

### Governing document

The Charity is Limited by Guarantee by not having share capital and it is governed by Articles of Association.

### Appointment of Trustees

The first Trustees appointed are individuals that have been appointed as Directors of the Charity by notifying Companies House. Any subsequent Trustees are then appointed by a resolution for the existing Trustees. They will abide by the policies, processes, and procedures for safe recruiting of staff and induction of Trustees.

### Organisation structure

The Charity is based in Gosport and consists of, one Pre-school on the Grange Site (Grange Rowner), one Pre-school at St Columba's URC (Elson), one Pre-school at Leesland School (Leesland) and one Pre-school and one Breakfast and Afterschool club based at Brockhurst Primary School (Brockhurst Avery).

The charity is a Company limited by Guarantee with no subsidiaries, there is a Board of Trustees (who are also directors) which has the final say on all decisions. Pay decisions for staff are based on market conditions, while the Living Wage is the benchmark for all entry level staff, irrespective of age.

Day to day operations are overseen by two of the Trustees and the 4 setting managers.

Documents and information from the Charity Commission and Companies House relating to the roles and responsibilities of Trustees/Directors are used in the induction and training of Trustees/Directors. The charity has no links with any umbrella group.

### Related Parties

Please see note 18 in the accounts with reference to related party transactions.

### Public Benefit

As indicated above, the Charity operates 4 pre-schools and a Breakfast and After School Club on the Gosport peninsula. We look after approximately 400 children during term time and provide a safe haven for all children under our care, irrespective of race, religion or gender.

Because of our location on the Gosport peninsula, we are especially concerned for the poor and vulnerable who come to our doors. See "Objectives and Activities", "Our Principles and Philosophy" and "Achievements and Performance" as outlined further on in the Trustees Annual Report

We have given due consideration to the Charity Commission's published guidance on the public requirement under the Charity Act 2011 as updated on 16th September 2013.

## OBJECTIVES AND ACTIVITIES

1. To provide opportunities for children to access quality care and education, including spiritual development and facilities for recreation within the community.
2. To provide advice and support for families in respect of childcare and early years education.
3. Provide for all without discrimination, within a safe and secure environment. Gateway is a non-sectarian Early Years charity with a Christian ethos that permeates our approach to children, families, staff and the wider community. These attitudes express through the qualities of love, compassion, respect, righteousness, deep understanding, gratitude, and acceptance of the divine and uniqueness of every human being.

## OUR PRINCIPLES AND PHILOSOPHY

The aim of Gateway - is to provide a welcoming, stimulating, safe, and happy home-like atmosphere for children.

Children should be safe and secure at all times.

Staff must be trained/experienced in work with this age group.

Each child should have the security and the freedom to develop at his/her own pace. Children's abilities should be identified, respected and encouraged in a developmentally appropriate environment.

A warm secure relationship must exist between the adult and child, which encourages and enables the child to better use the environment, and through play develop knowledge of themselves and their world. They will learn to socialise, develop new skills, make decisions, develop emotionally and start to gain some independence.

All adults working with children should be actively involved in planning programmes of activity in collaboration with children which promotes children's physical, personal, social, emotional and intellectual development.

As far as possible, programmes for young children should resemble how they should be cared for at home. Every effort should be made to maintain a happy and relaxed atmosphere for the children, where they are well cared for, where there is an acceptable standard of care and the developmental needs of the children are met including their religious persuasion, racial origin and cultural and linguistic background.

All children should be treated equally and with respect. Diversity should be recognised and positively embraced.

Parents, families or carers are children's first educators and role models. Partnership with you is vital for children's development and wellbeing.

An agreed code of confidentiality appropriate to the childcare setting must be adhered to when working with children and families, which establishes clear expectations about the sharing of information whenever there are child protection concerns. Gateway provides nursery and preschool education, plus a Breakfast and Afterschool Club for approximately 400 families in the Gosport Area. At Gateway we follow the Early Years Foundation Stage (EYFS 2018) which is the framework for the care and education of babies and children up to five years. The areas of learning and development consist of the prime areas and four specific areas. The prime areas cover the knowledge and skills which are the foundations for children's school readiness and future progress, and which are applied and reinforced by the specific areas. Where they have close links with National Curriculum subject areas - particularly literacy and maths - they form an appropriate baseline for the National Curriculum.

There are 17 Early Learning Goals. For each goal we must determine whether children are meeting expected levels, are exceeding them, or are below the expected level, ('emerging').

**OUR PRINCIPLES AND PHILOSOPHY (cont)**

The EYFS learning and development requirements comprise:

The seven areas of learning and development and the educational programmes (described below); The early learning goals, which summarise the knowledge, skills and understanding that all young children should have gained by the end of the Reception year; and the assessment requirements (when and how practitioners must assess children's achievements, and when and how they should discuss children's progress with parents and/or carers).

There are seven areas of learning and development that shape the educational programme. All areas of learning and development are important and inter-connected. Three areas are particularly crucial for igniting children's curiosity and enthusiasm for learning, and for building their capacity to learn, form relationships and thrive.

These three areas, the prime areas, are:

1. communication and language;
2. physical development; and
3. personal, social and emotional development

We also support children in four specific areas, through which the three prime areas are strengthened and applied. The specific areas are:

Literacy;  
Mathematics;  
Understanding the world; and  
Expressive arts and design.

Finally, we involve activities and experiences for children, as follows.

Communication and language development involves giving children opportunities to experience a rich language environment; to develop their confidence and skills in expressing themselves; and to speak and listen in a range of situations.

Physical development involves providing opportunities for young children to be active and interactive; and to develop their co-ordination, control, and movement. Children must also be helped to understand the importance of physical activity, and to make healthy choices in relation to food.

Personal, social and emotional development involves helping children to develop a positive sense of themselves, and others; to form positive relationships and develop respect for others; to develop social skills and learn how to manage their feelings; to understand appropriate behaviour in groups; and to have confidence in their own abilities.

Literacy development involves encouraging children to link sounds and letters and to begin to read and write. Children must be given access to a wide range of reading materials (books, poems, and other written materials) to ignite their interest.

**OUR PRINCIPLES AND PHILOSOPHY (cont)**

Mathematics involves providing children with opportunities to develop and improve their skills in counting, understanding and using numbers, calculating simple addition and subtraction problems; and to describe shapes, spaces, and measures .

Understanding the world involves guiding children to make sense of their physical world and their community through opportunities to explore, observe and find out about people, places, technology and the environment.

Expressive arts and design involves enabling children to explore and play with a wide range of media and materials, as well as providing opportunities and encouragement for sharing their thoughts, ideas and feelings through a variety of activities in art, music, movement, dance, role-play, and design and technology.

While operating within a Christian ethos, Gateway has a strong commitment to equality and diversity and accommodation is made for those with faith commitment or no-faith commitment. Engaging parents as partners through links with Setting manager and key-person for the child, parents, celebrating events such as Mother's Day, Harvest, Easter and Christmas.

Consideration is given to both staff and parents undergoing financial pressure. This is reflect in reducing fees, reducing debts of overdue fees and offering free places, with agreement from the Trustees. Gateway has no policy on grant-making or an investment program. All trustees (acting in their capacity as trustees) and volunteers are valued and appreciated and unpaid.

**ACHIEVEMENTS AND PERFORMANCE**

As of 31st August 2022 Gateway operated four Pre-school settings and an afterschool club in Gosport, catering for over four hundred children.

Every member of staff has been encouraged to go on Advanced Child Protection Policy.

Closer links with local schools continue to be established to enable a smooth transition from Preschool to Infant School.

Parents' evenings are very popular with parents and furthered a closer working relationship. The overall quality of all Gateway Settings has improved considerably. Staff are happy and there has been very little turnover, bearing in mind Gateway employs 60+ staff.

There has been a greater emphasis on embedding practices within each member of staff. There has been more open communication between staff and trustees and staff meeting has become a place of two-way communication where more feedback from staff is taken on board and acted upon. At a time of financial recession, the popularity of Gateway with parents and Children has not been adversely affected. Gateway continues to grow in quality. The benefits of working closely with Children's' Services and Children's Links have reflected in safer and securer practices throughout the settings.

## FINANCIAL REVIEW

The board of Trustees have established a reserves policy of a minimum of three times the monthly salary costs. The surplus for the current year currently stands at £6,004 (2021: Surplus of £5,626). Under charity law, all capital grants for buildings etc. are required to be shown as income in the year they are received, with the capital asset depreciated over its useful life. This distorts the normal trading results. If property depreciation was ignored as well as Covid-19 grant income, the revised figures would be:-

	2022	2021
	£	£
Total unrestricted funds of	6,004	5,626
Less grant received for Covid -19 Support (see Misc. Income)	(4,322)	(16,853)
Add deprecation on fixed assets created buy use of grants for capital expenditure	15,308	15,669
Increase(decrease ) in reserves for the year based on normal trading activities.	16,990	4,442

**This surplus of £6,004 is the direct result of Government and local council grant support and the unceasing work of the managers and staff.**

Ongoing Living Wage and Auto-enrolment pension increases in the year, once again, are not matched by funding increases. We continue to actively seek other sources of funding from grant making bodies and the local community.

We have not sought to impose extra charges on our families as we feel this is not helpful for families already struggling financially. Any support we will seek from our families will be via voluntary donations only. 2023 has continued to be challenging, but management information does indicate that Gateway will show a small surplus for the year ending 31st August 2023.

We would like to thank Hampshire County Council for making grants to us by way of 'Sustainability Grants' totalling £4,500 in the 2022 year and £9,000 in the 2023 year

For Gateway to show surpluses for the 2020,2021 and 2022 financial years is testament to our staff, and could be regarded as miraculous, when so many other businesses are suffering.

### Minimum Reserves

Our Minimum Reserve requirement is c£150,000, being 3 months' salary costs.

The 'free' Reserves are currently below our target range, indeed there are net current liabilities at 31st August 2022 of £80,448 (2021, 51,451). However, Gateway has access to loan facilities to ensure there will not be any immediate cash flow problems.

**Trinity Gateway Community Services**  
**Trustees Annual Report**

Ongoing risks to Gateway

These have reduced over the last 3 years, but we are still dependent on Government funding for 90% of our income, while wages cost represents 75% of each setting operating costs.

All our settings are occupying leasehold sites and the Grange lease was renewed on 1st October 2021.

However, increasing wage costs (living wage and auto enrolment pension costs) together with minimal increases in Government Funding will see the pre-school sector under more pressure in coming years.

Gateway however, as a charity with 4 settings and a good reputation is well placed the deal with these opportunities/challenges. But we will also seek funding via Grant making bodies and donations.

It is uncertain how the recent government changes for more funded hours for children under 4 will pan out.

**PLANS FOR FUTURE PERIODS**

Our Plans for future periods continue to be broadly to build up our reserves and pay down our 'soft' loans. We have no plans to open any more settings and will review all our current settings in the light of child needs for each setting and viability (with special reference to wage costs and other operating costs.)

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

The above report has been prepared in accordance with the provisions applicable to companies subject to the small companies regime as set out in Part 15 of the Companies Act 2006 and in accordance with the Charities SORP (FRS 102).

Signed on behalf of the board

K.M.G. Beazley  
Trustee  
03 May 2023

*Kim Beazley*

*M.C. Johnson*  
M.C. Johnson  
Trustee  
03 May 2023

**Independent Examiner's Report to the trustees of Trinity Gateway Community Services**

I report to the charity trustees on my examination of the financial statements of Trinity Gateway Community Services for the year ended 31 August 2022 which comprise the Statement of Financial Activities, the Summary Income and Expenditure Account, the Balance Sheet, the Statement of Cash Flows and the related notes.

**Responsibilities and basis of report**

The trustees (who are also directors of the charitable company for the purposes of company law) are responsible for the preparation of the accounts. The trustees consider that an audit is not required for this year under the Charities Act 2011, s.144(2) (the Charities Act) and that an independent examination is needed.

The charity's gross income exceeded £250,000 and I am qualified to undertake the examination by being a qualified member of The Association of Chartered Certified Accountants.

Having satisfied myself that the charity is not subject to audit under company law and is eligible for independent examination, it is my responsibility to:

- examine the accounts under s.145 of the Charities Act;
- to follow procedures laid down in the general Directions given by the Charity Commission under S.145(5)(b) of the charities act; and
- to state whether particular matters have come to my attention.

**Basis of independent examiner's report**

My examination was carried out in accordance with the general directions given by the Charity Commission. An examination includes a review of the accounting records kept by the charity and a comparison of the accounts presented with those records. It also includes consideration of any unusual items or disclosures in the accounts, and seeking explanations from you as trustees concerning any such matters. The procedures undertaken do not provide all the evidence that would be required in an audit, and consequently no opinion is given as to whether the accounts present a "true and fair" view and the report is limited to those matters set out in the statement below.

**Independent examiner's statement**

As the charity's gross income exceeded £250,000 your examiner must be a member of a body listed in section 145 of the 2011 Act. I confirm that I am qualified to undertake the examination because I am a member of ACCA.

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

- accounting records were not kept in accordance with section 386 of the 2006 Act ; or
- the financial statements do not accord with those records; or
- the financial statements do not comply with the accounting requirements under section 396 of the 2006 Act other than any requirement that the financial statements give a 'true and fair' view which is not a matter considered as part of an independent examination; or
- the financial statements have not been prepared in accordance with the Charities SORP (FRS 102).

Trinity Gateway Community Services  
Independent Examiners Report

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

A handwritten signature in black ink, appearing to be 'Phyllis Cheung', written over a horizontal line.

Phyllis Cheung FCCA  
For and on behalf of Ellyss Limited  
Chartered Certified Accountants  
1c High Street  
Fareham  
PO16 7AN

03 May 2023

Trinity Gateway Community Services  
Statement of Financial Activities  
for the year ended 31 August 2022

		Unrestricted funds 2022 £	Total funds 2022 £	Total funds 2021 £
	Notes			
<b>Income and endowments</b>				
<b>from:</b>				
Donations and legacies	3	-	-	1
Charitable activities	4	763,154	763,154	791,077
Other	5	4,861	4,861	17,892
<b>Total</b>		<b>768,015</b>	<b>768,015</b>	<b>808,970</b>
<b>Expenditure on:</b>				
Charitable activities	6	739,434	739,434	780,599
Other	7	22,577	22,577	22,745
<b>Total</b>		<b>762,011</b>	<b>762,011</b>	<b>803,344</b>
Net gains on investments		-	-	-
<b>Net income</b>		<b>6,004</b>	<b>6,004</b>	<b>5,626</b>
Transfers between funds		-	-	-
<b>Net income before other gains/(losses)</b>		<b>6,004</b>	<b>6,004</b>	<b>5,626</b>
<b>Other gains and losses</b>				
<b>Net movement in funds</b>		<b>6,004</b>	<b>6,004</b>	<b>5,626</b>
<b>Reconciliation of funds:</b>				
Total funds brought forward		521,722	521,722	516,096
<b>Total funds carried forward</b>		<b>527,726</b>	<b>527,726</b>	<b>521,722</b>

Trinity Gateway Community Services  
Summary Income and Expenditure Account  
for the year ended 31 August 2022

	2022 £	2021 £
Income	768,015	808,970
<b>Gross income for the year</b>	<u>768,015</u>	<u>808,970</u>
Expenditure	739,434	780,599
Interest payable	3,090	2,732
Depreciation and charges for impairment of fixed assets	19,487	20,013
<b>Total expenditure for the year</b>	<u>762,011</u>	<u>803,344</u>
Net income before tax for the year	6,004	5,626
<b>Net income for the year</b>	<u>6,004</u>	<u>5,626</u>

Trinity Gateway Community Services

Balance Sheet

at 31 August 2022

Company No. 07305352	Notes	2022 £	2021 £
<b>Fixed assets</b>			
Tangible assets	9	693,170	712,029
		<u>693,170</u>	<u>712,029</u>
<b>Current assets</b>			
Debtors	10	8,751	13,673
Cash at bank and in hand		5,349	13,967
		<u>14,100</u>	<u>27,640</u>
<b>Creditors: Amount falling due within one year</b>	11	(94,548)	(79,091)
<b>Net current liabilities</b>		<u>(80,448)</u>	<u>(51,451)</u>
<b>Total assets less current liabilities</b>		612,722	660,578
<b>Creditors: Amounts falling due after more than one year</b>	12	(84,996)	(138,856)
<b>Net assets excluding pension asset or liability</b>		<u>527,726</u>	<u>521,722</u>
<b>Total net assets</b>		<u><u>527,726</u></u>	<u><u>521,722</u></u>
<b>The funds of the charity</b>			
<b>Restricted funds</b>	14		
<b>Unrestricted funds</b>	14		
General funds		527,726	521,722
		<u>527,726</u>	<u>521,722</u>
<b>Reserves</b>	14		
<b>Total funds</b>		<u><u>527,726</u></u>	<u><u>521,722</u></u>

These accounts have been prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small companies.

For the year ended 31 August 2022 the company was entitled to exemption under section 477 of the Companies Act 2006 relating to small companies.

The members have not required the company to obtain an audit in accordance with section 476 of the Companies Act 2006.

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

Approved by the board on 03 May 2023

And signed on its behalf by:

K.M.G. Beazley  
Trustee  
03 May 2023

Kim  
Beazley



M.C. Johnson  
Trustee  
03 May 2023

Trinity Gateway Community Services  
Statement of Cash flows  
for the year ended 31 August 2022

	2022 £	2021 £
<b>Cash flows from operating activities</b>		
Net income per Statement of Financial Activities	6,004	5,626
<b>Adjustments for:</b>		
Depreciation of property, plant and equipment	19,487	20,013
Dividends, interest and rents from investments	(4,861)	(17,892)
Decrease/(Increase) in trade and other receivables	5,731	(6,179)
Decrease in trade and other payables	(2,912)	(44,499)
<b>Net cash provided by/(used in) operating activities</b>	<u>23,449</u>	<u>(42,931)</u>
<b>Cash flows from investing activities</b>		
Payments for property, plant and equipment	(628)	(1,088)
Dividends, interest and rents from investments	4,861	17,892
<b>Net cash from investing activities</b>	<u>4,233</u>	<u>16,804</u>
<b>Cash flows from financing activities</b>		
Repayment of borrowings	(53,839)	(45,930)
<b>Net cash used in financing activities</b>	<u>(53,839)</u>	<u>(45,930)</u>
<b>Net decrease in cash and cash equivalents</b>	(26,157)	(72,057)
<b>Cash and cash equivalents at the beginning of the year</b>	13,967	86,024
<b>Cash and cash equivalents at the end of the year</b>	<u>(12,190)</u>	<u>13,967</u>
<b>Components of cash and cash equivalents</b>		
Cash and bank balances	5,349	13,967
Bank overdrafts	(17,539)	-
	<u>(12,190)</u>	<u>13,967</u>

# 1 Accounting policies

## Basis of preparation

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2015) - (Charities SORP (FRS 102)), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

## Change in basis of accounting or to previous accounts

There has been no change to the accounting policies (valuation rules and method of accounting) since last year and no changes have been made to accounts for previous years.

## Fund accounting

Unrestricted funds	These are available for use at the discretion of the trustees in furtherance of the general objects of the charity.
Designated funds	These are unrestricted funds earmarked by the trustees for particular purposes.
Revaluation funds	These are unrestricted funds which include a revaluation reserve representing the restatement of investment assets at their market values.
Restricted funds	These are available for use subject to restrictions imposed by the donor or through terms of an appeal.

## Income

Recognition of income	Income is included in the Statement of Financial Activities (SoFA) when the charity becomes entitled to, and virtually certain to receive, the income and the amount of the income can be measured with sufficient reliability.
Income with related expenditure	Where income has related expenditure the income and related expenditure is reported gross in the SoFA.
Donations and legacies	Voluntary income received by way of grants, donations and gifts is included in the the SoFA when receivable and only when the Charity has unconditional entitlement to the income.
Tax reclaims on donations and gifts	Income from tax reclaims is included in the SoFA at the same time as the gift/donation to which it relates.
Donated services and facilities	These are only included in income (with an equivalent amount in expenditure) where the benefit to the Charity is reasonably quantifiable, measurable and material.
Volunteer help	The value of any volunteer help received is not included in the accounts.
Investment income	This is included in the accounts when receivable.
Gains/(losses) on revaluation of fixed assets	This includes any gain or loss resulting from revaluing investments to market value at the end of the year.
Gains/(losses) on investment assets	This includes any gain or loss on the sale of investments.

**Notes to the Accounts**

**Expenditure**

Recognition of expenditure	Expenditure is recognised on an accruals basis. Expenditure includes any VAT which cannot be fully recovered, and is reported as part of the expenditure to which it relates.
Expenditure on raising funds	These comprise the costs associated with attracting voluntary income, fundraising trading costs and investment management costs.
Expenditure on charitable activities	These comprise the costs incurred by the Charity in the delivery of its activities and services in the furtherance of its objects, including the making of grants and governance costs.
Grants payable	All grant expenditure is accounted for on an actual paid basis plus an accrual for grants that have been approved by the trustees at the end of the year but not yet paid.
Governance costs	These include those costs associated with meeting the constitutional and statutory requirements of the Charity, including any audit/independent examination fees, costs linked to the strategic management of the Charity, together with a share of other administration costs.
Other expenditure	These are support costs not allocated to a particular activity.

**Taxation**

The charity is exempt from corporation tax on its charitable activities.

**Tangible fixed assets and depreciation**

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life:

Leasehold property	2% Straight line
Preschool Equipment	10 - 33% Straight line
Office Equipment & F & F	25 - 33% Straight line

**Stocks**

Stock is included at the lower of cost or net realisable value. Donated items of stock are recognised at fair value which is the amount the charity would have been willing to pay for the items on the open market.

**Trade and other debtors**

Trade and other debtors are recognised at the settlement amount due after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due.

**Cash and cash equivalents**

Cash and cash equivalents comprise cash at bank and on hand, demand deposits with banks and other short-term highly liquid investments with original maturities of three months or less and bank overdrafts. In the statement of financial position, bank overdrafts are shown within borrowings or current liabilities. In the Statement of Cash Flows, cash and cash equivalents are shown net of bank overdrafts that are repayable on demand and form an integral part of the company's cash management.

#### **Trade and other creditors**

Short term creditors are measured at the transaction price. Other creditors and provisions are recognised where the charity has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors and provisions are normally recognised at their settlement amount after allowing for any trade discounts due.

#### **Leased assets**

Where the charity enters into a lease which entails taking substantially all the risks and rewards of ownership of an asset, the lease is treated as a finance lease.

Leases which do not transfer substantially all the risks and rewards of ownership to charity are classified as operating leases.

Assets held under finance leases are initially recognised as assets of the charity at their fair value at the inception of the lease or, if lower, at the present value of the minimum lease payments. The corresponding liability to the lessor is included in the balance sheet date as a finance lease obligation. Lease payments are apportioned between finance expenses and reduction of the lease obligation so as to achieve a constant rate of interest on the remaining balance of the liability. Finance expenses are recognised immediately, unless they are directly attributable to qualifying assets, in which case they are capitalised in accordance with the charity's policy on borrowing costs.

Assets held under finance leases are depreciated in the same way as owned assets.

Operating lease payments are recognised as an expense on a straight-line basis over the lease term.

In the event that lease incentives are received to enter into operating leases, such incentives are recognised as a liability. The aggregate benefit of incentives is recognised as a reduction of rental expense on a straight-line basis.

#### **Pension costs**

The charity operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the company pays fixed contributions into a separate entity. Once the contributions have been paid the company has no further payments obligations. The contributions are recognised as expenses when they fall due. Amounts not paid are shown in accruals in the balance sheet. The assets of the plan are held separately from the company in independently administered funds.

#### **Receipt of donated goods, facilities and services**

All donated goods, facilities and services received are recognised within incoming resources and expenditure at an estimate of the value to the charity.

## **2 Company status**

The company is limited by guarantee and has no share capital; thus no single party controls the company. At the end of the year Mr K Beazley, a Trustee, had a total amount outstanding on the loans made to the charity of £41,635 (2021: £71,635). Interest of 3.5% above base rate will be paid on the loan. During the year Mrs S Gardner a Trustee, was paid £25,262 (2020: £24,370) as a member of staff and Mrs M Johnson, a Trustee, invoiced the Charity £15,959 (2021 £15,959) for accountancy and book keeping services and expenses incurred on behalf of the charity. The authority under which these payments were made are the Memorandum and Articles of Association.

Trinity Gateway Community Services  
Notes to the Accounts

3 Income from donations and legacies

	Total 2022	Total 2021
	£	£
	-	1
	-	1

4 Income from charitable activities

	Unrestricted	Total 2022	Total 2021
	£	£	£
Early Years funding	617,974	617,974	677,138
Grants - Resources	36,727	36,727	32,225
Fees	104,986	104,986	79,394
Miscellaneous	3,467	3,467	2,320
	<u>763,154</u>	<u>763,154</u>	<u>791,077</u>

5 Other income

	Unrestricted	Total 2022	Total 2021
	£	£	£
Coronavirus support grant	4,861	4,861	17,892
	<u>4,861</u>	<u>4,861</u>	<u>17,892</u>

6 Expenditure on charitable activities

	Unrestricted	Total 2022	Total 2021
	£	£	£
Provision of Preschools	673,983	673,983	719,891
Management Accountancy	15,959	15,959	15,959
Bank Charges	2,413	2,413	2,040
Insurance	5,505	5,505	4,989
Legal and Professional	4,344	4,344	2,093
Office Costs	12,107	12,107	8,534
Software	16,979	16,979	18,208
Sundry Expenses	98	98	290
Telephone and Internet	6,876	6,876	7,441
Governance Costs	1,170	1,170	1,155
	<u>739,434</u>	<u>739,434</u>	<u>780,599</u>

7 Other expenditure

	Unrestricted	Total 2022	Total 2021
	£	£	£
Bank loan and overdraft interest payable	3,090	3,090	2,732
Amortisation, depreciation, impairment, profit/loss on disposal of fixed assets	19,487	19,487	20,013
	<u>22,577</u>	<u>22,577</u>	<u>22,745</u>

8 Staff costs

The total staff costs and employee benefits for the reporting period are analysed as follows:

	2022 £	2021 £
Salaries and Wages	565,797	601,687
Statutory Maternity Pay Rebate	(6,572)	(8,744)
Social security costs	13,354	15,056
Pension Costs	6,623	6,622
	<u>579,202</u>	<u>614,621</u>

No employee received employee benefits of more the £60,000 during the year (2021: nil)

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

	2022 Number	2021 Number
Preschool Staff	51	55
Admin Staff	4	4
	<u>55</u>	<u>59</u>

The amount recognised in income and expenditure as an expense in relation to defined contribution plans was £6,623 (2021 £6,622)

9 Tangible fixed assets

	Land and buildings	Preschool Equipment	Office Equipment & F & F	Total
	£	£	£	£
<b>Cost or revaluation</b>				
At 1 September 2021	767,234	75,431	21,519	864,184
Additions	-	-	628	628
At 31 August 2022	<u>767,234</u>	<u>75,431</u>	<u>22,147</u>	<u>864,812</u>
<b>Depreciation and impairment</b>				
At 1 September 2021	76,532	54,975	20,648	152,155
Depreciation charge for the year	15,309	3,579	599	19,487
At 31 August 2022	<u>91,841</u>	<u>58,554</u>	<u>21,247</u>	<u>171,642</u>
<b>Net book values</b>				
At 31 August 2022	<u>675,393</u>	<u>16,877</u>	<u>900</u>	<u>693,170</u>
At 31 August 2021	<u>690,702</u>	<u>20,456</u>	<u>871</u>	<u>712,029</u>

10 Debtors

	2022	2021
	£	£
Trade debtors	3,859	1,258
Other debtors	630	780
Prepayments and accrued income	4,262	11,635
	<u>8,751</u>	<u>13,673</u>

11 Creditors:

amounts falling due within one year

	2022	2021
	£	£
Bank loans and overdrafts	27,539	10,000
Other loans	43,860	43,839
Trade creditors	6,636	14,040
Other taxes and social security	2,659	1,402
Other creditors	1,478	1,248
Accruals	10,595	6,607
Deferred income	1,781	1,955
	<u>94,548</u>	<u>79,091</u>

12 Creditors:

amounts falling due after more than one year

	2022	2021
	£	£
Bank loans and overdrafts	27,500	37,500
Other loans	57,496	101,356
	<u>84,996</u>	<u>138,856</u>

### 13 Key Judgements and Assumptions

There have been no specific judgements, apart from those involving estimations, that management has made in the process of applying the entity's accounting policies, which would significantly impact the financial statements.

There are no key assumptions made 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 reporting period.

### 14 Movement in funds

	At 1 September 2021	Incoming resources (including other gains/losses ) £	Resources expended £	At 31 August 2022 £
<b>Restricted funds:</b>				
<b>Unrestricted funds:</b>				
<b>General funds</b>	521,722	768,015	(762,011)	527,726
<b>Total funds</b>	<u>521,722</u>	<u>768,015</u>	<u>(762,011)</u>	<u>527,726</u>

### 15 Analysis of net assets between funds

	Unrestricted funds £	Total £
Fixed assets	693,170	693,170
Net current assets	(80,448)	(80,448)
Creditors due in more than one year and provisions	(84,996)	(84,996)
	<u>527,726</u>	<u>527,726</u>

### 16 Reconciliation of net debt

	At 1 September 2021 £	Cash flows £	At 31 August 2022 £
Cash and cash equivalents	13,967	(8,618)	5,349
Bank overdrafts	-	(17,499)	(17,499)
	<u>13,967</u>	<u>(26,117)</u>	<u>(12,150)</u>
Borrowings	(145,195)	43,839	(101,356)
Bank loans	(47,500)	10,000	(37,500)
	<u>(192,695)</u>	<u>53,839</u>	<u>(138,856)</u>
Net debt	<u>(178,728)</u>	<u>27,722</u>	<u>(151,006)</u>

## 17 Commitments

### *Operating lease commitments*

Annual commitments under non-cancellable operating leases are as follows:

	2022	2022	2021	2021
	Land and	Other	Land and	Other
	buildings		buildings	
	£	£	£	£
Operating leases with expiry date:				
Within one year	19,968	-	17,956	-
In the second to fifth years inclusive	79,872	-	79,872	-
Over five years	257,078	-	279,058	-
	<u>356,918</u>	<u>-</u>	<u>376,886</u>	<u>-</u>

### *Pension commitments*

	2022	2021
	£	£
The pension cost charge to the company amounted to:	<u>6,623</u>	<u>6,622</u>

## 18 Related Parties

### **Controlling party**

The company is limited by guarantee and has no share capital; thus no single party controls the company. At the end of the year Mr K Beazley, a Trustee, had a total amount outstanding on the loans made to the charity of £41,635 (2021: £71,635). Interest of 3.5% above base rate will be paid on the loan. During the year Mrs S Gardner a Trustee, was paid £25,262 (2020: £24,370) as a member of staff and Mrs M Johnson, a Trustee, invoiced the Charity £15,959 (2021 £15,959) for accountancy and book keeping services and expenses incurred on behalf of the charity. The authority under which these payments were made are the Memorandum and Articles of Association.

## 19 Trustees Expenses

No Trustees expenses have been incurred.

## 20 Public Benefit

The Charity is a public benefit entity.

