

STEPPING STONES CHILDCARE (CORNWALL)

Annual Report and Unaudited

Financial Statements

For the year ended 31st August 2021

## **Stepping Stones Childcare (Cornwall)**

### **Financial Statements for the Year Ended 31st August 2021**

#### **Contents**

Page 1	Cover Sheet
Page 2	Contents
Page 3	Reference and Administration Details
Pages 4 - 8	Trustees' Report
Page 9	Independent Examiner's Report
Page 10	Statement of Financial Activities
Page 11	Balance Sheet
Page 12 - 13	Note 1: Accounting Policies
Page 14	Note 1: Accounting Policies (Cont.) Note 2: Voluntary Income
Page 15	Note 3: Other Activities Note 4: Investment Income
Page 16	Note 5: Incoming Resources from Charitable Activities Note 6: Other Income Note 7: Net Income/Expenditure for the Year Note 8: Cost of Raising Funds
Page 17	Note 9: Analysis of Expenditure on Charitable Activities and support cost allocations
Page 18	Note 10: Staff Costs Note 11: Payments to Trustees
Page 19	Note 12: Tangible Fixed Assets
Page 20	Note 13: Debtors: Amounts falling due within one year Note 14: Creditors: Amounts falling due within one year Note 15: Deferred Income
Page 21	Note 16: Movements in Restricted and Unrestricted Funds
Page 22	Note 17: Analysis of Net Assets between Funds Note 18: Related Party Transactions Note 19: Operating Lease Commitments Note 20: Full Analysis

**Stepping Stones Childcare (Cornwall)**  
**Reference and Administration Details of the Charity, Trustees, Senior**  
**Management Team and Advisors**

**Trustees**

Gayle Owen, Chair  
Terrie Lee, Assistant Secretary  
Melanie Rickard  
Joanne Crompton  
Teresa Frost, Vice Chair  
Laura Mitchell, Secretary  
Laura Hare

**Senior Management Team**

Julie Double	Manager
Gill Bate	Business Manager
Debbie Robinson	Deputy Manager

**Charity Number**

1154205

**Principal Office Address**

12-14 Wesley Place  
St Austell  
PL25 4QA

**Independent Examiner**

Phillips Frith LLP  
9 Tregarne Terrace  
St Austell  
PL25 4DD

**Solicitor**

Stephens Scown LLP  
1 High Cross Street  
St Austell  
Cornwall  
PL25 4AB

**Bankers**

National Westminster Bank plc  
1 Church Street  
St Austell  
Cornwall  
PL25 4AW

# **Stepping Stones Childcare (Cornwall)**

## **TRUSTEES' REPORT**

The Trustees present their annual report together with the financial statements and independent examiner's report for the year ended 31st August 2021.

The accounts have been prepared in accordance with the accounting policies set out in note 1 to the accounts and comply with the Charity's 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 (FRS 102)" (as amended for accounting periods commencing from 1 January 2016).

### **STRUCTURE, GOVERNANCE AND MANAGEMENT**

#### **Constitution**

The Charity is a Charitable Incorporated Organisation governed by a constitution approved by the Charity Commission following its registration on 15th October 2013. There are no restrictions in the governing document on the operation of the Charity or on its investment powers, other than those imposed by general charity law.

The Charity is governed by a committee of up to 12 trustees of whom at least one must be a parent, carer or family member of a child registered to use its services.

Details of the Trustees who served throughout the year, the charity number and principal office address are included in the Reference and Administration Details on page 3.

#### **Trustees' Indemnities**

In accordance with normal commercial practice, the Charity has purchased insurance to protect Trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on Charity business. The insurance provides cover up to £500,000 on any one claim.

#### **Method of recruitment and appointment or election of Trustees**

When appointing new Trustees, the Board will give consideration to the skills and experience of existing Trustees in order to ensure that the Board has the requisite mix of skills to contribute fully to the Charity's development.

#### **Policies and Procedures adopted for the Induction and Training of Trustees**

The training and induction provided for new Trustees will depend upon their existing experience but would always include a tour of the settings and a chance to meet staff and children. All Trustees are provided with copies of policies, procedures, minutes, accounts, budgets, plans and other documents that they will need to undertake their role as Trustees. Induction tends to be informal and is tailored specifically to the individual. Trustees are encouraged to attend external training courses to enhance their skills and understanding.

# **Stepping Stones Childcare (Cornwall)**

## **TRUSTEES' REPORT**

### **Organisational Structure**

The Board of Trustees normally meets at least once each half term.

The Trustees are responsible for setting general policy, approving the statutory accounts, monitoring the Charity by the use of budgets and other data, and making strategic decisions about the direction of the Charity, capital expenditure and staff appointments and remuneration.

The Trustees have devolved responsibility for day to day management of the Charity to the Senior Management Team (SMT). The SMT comprises the Manager, Deputy Manager and the Business Manager. The SMT implement the policies laid down by the Trustees and report back to them on performance.

The aim of the leadership structure is to devolve responsibility and encourage involvement in decision making at all levels.

### **OBJECTIVES AND ACTIVITIES**

#### **Objects and Aims**

The principal object and activity of the Charity is to advance pre-school education for the public benefit in Cornwall, in particular by establishing, maintaining, sustaining, managing and developing pre-school and childcare facilities. As such it provides education for children below compulsory school age in two settings in St Austell, Cornwall; Mount Charles and at Scol Kensa, Carclaze.

The aims of the Charity are summarised below:

- To offer appropriate play, education and care facilities, family learning and extended hours groups, together with the right of parents to take responsibility for and to become involved in the activities of such groups, ensuring that such groups offer opportunities for all children whatever their race, culture, religion, means or ability.
- Encouraging the study of the needs of such children and their families and promoting public interest in and recognition of such needs in the local areas.
- Instigating and adhering to and furthering the aims and objects of the Early Years Alliance.

The Charity is a community in which children, staff and parents should be part of a happy and caring environment.

#### **Objectives, Strategies and Activities**

During the year ended 31st August 2021, the charity aimed to:

- Support families through the Covid-19 pandemic by providing a safe environment in which children can still be cared for and educated. Provide online learning opportunities and ideas to engage children and families at home.
- Increase awareness of the charity and potential occupancy by maintaining an online presence, in particular by using social media as a marketing and advertising tool.
- Explore ideas to increase occupancy levels significantly reduced by the Covid-19 pandemic paying particular attention to families in need.
- Continue to implement budgetary controls to minimise the impact of increasing staffing costs.
- Continue to maintain good relationships with local primary schools to enable the children's transition process to school to be as smooth as possible.
- Maintain and develop good professional relationships with outside agencies, professional bodies and to be involved with childcare improvement campaigns on a local level.
- Maintain and develop a good level of expertise amongst staff and encourage continuous professional development.

# **Stepping Stones Childcare (Cornwall)**

## **TRUSTEES' REPORT**

### **Public Benefit**

The Trustees confirm that they have complied with the duty of the Charities Act 2011 to have due regard to the Charity Commissioner's general guidance on public benefit in exercising their powers or duties. They have referred to this guidance when reviewing the Charity's aims and objectives and in planning its future activities.

The Charity aims to advance for the public benefit, pre-school education in St Austell and the surrounding area. In particular, but without prejudice to the generality of the foregoing by establishing, maintaining, managing and developing pre-schools offering affordable childcare services.

### **Achievements and Performance**

The Covid-19 pandemic has had a significant effect on our achievements and performance this year. Attendance was lower due to statutory guidance on self isolation and because some parents chose to keep children at home. We supported families at home through social media, direct contact and by providing resources. The number of new starters was impacted and fewer children joined in the September intake than usual. Sickness and the statutory guidance to self isolate and shield meant that staff absences were much higher than anticipated and difficult to manage. There were times when it was necessary reduce child attendance levels in order to meet statutory ratio requirements and a few occasions when full closure of rooms was necessary.

Government funding continued to be paid by our local authority and was based on pre-pandemic attendance estimates rather than actual attendance details. This enabled us to retain staff and offer home learning opportunities to support children at home. Fee income was lower than pre-pandemic levels due to reduced numbers of registered children and existing parents were often working more flexibly not requiring the same level of care as previously.

The Charity has struggled to maintain close links with local primary schools to enable smooth transition of children into school. This is because organised school visits and reception class teacher visits to us were cancelled due to Covid-19 restrictions. This made transition harder to manage this year but we continued with our programme of school readiness sessions and feedback from the schools remains good.

Full Ofsted inspections were carried out at both settings in 2017. Mount Charles was inspected in April 2017 and was rated "Good". Scol Kensa was inspected in August 2017 and also rated "Good". Inspection report comments common to both settings include "staff supporting children to make good progress in relation to their starting points", "staff professional development was seen as a priority" and "children are eager to attend". Recommendations for improvements have been noted and acted upon accordingly.

Continuing professional development for staff has been encouraged. All childcare staff hold a current paediatric first aid certificate, a food hygiene certificate and are fully up to date with Early Years Foundation Stage requirements. This is usually achieved through a combination of practical and online training methods but due to Covid-19 restrictions all training during this year has taken place online. Additional training was undertaken by some staff during quieter periods and periods of self isolation which has increased knowledge and skills.

During the year, the Charity's fundraising activities raised £1,830 (2020: £1,559). Costs of £151 (2020: £177) were incurred leaving a net profit of £1,679 (2020: £1,382). This is significantly lower than pre-pandemic levels which is to be expected. Our biggest fundraising event, the annual Party in the Park was postponed until September 2021 which means that there was no income from this source during this financial year. Other fundraising activities were restricted but well supported by families of registered children.

# **Stepping Stones Childcare (Cornwall)**

## **TRUSTEES' REPORT**

### **Going Concern**

After making appropriate enquiries, the Board of Trustees has a reasonable expectation that the Charity has adequate resources to continue in operational existence for the foreseeable future. The Covid-19 pandemic continues to impact profitability. However, the effects were mitigated by Nursery Education Grant Funding being paid at pre-pandemic levels. It is therefore reasonable to adopt the going concern basis in preparing the financial statements.

### **Financial Review**

The majority of the Charity's income is obtained from the Local Authority in the form of Nursery Education Grant Funding for 3 & 4 year olds, 2 year old funding and from fees charged to parents.

During the year ended 31st August 2021, total income of £313,758 (2020: £326,344) is reported against total expenses of £312,339 (2020: £330,924) resulting in an overall net income of £1,419 (2020: net expenditure £4,580). This decrease in expenditure corresponds to the decrease in income as the management team were able to reduce staffing levels in line with the reduction in attendance.

At 31st August 2021, the net book value of fixed assets was £96,018 and movements in tangible fixed assets are shown in note 12 to the financial statements.

Property improvements at Scol Kensa are being depreciated over the 25 year term of the lease. The lease terms state that the property is to be left as it was found and therefore improvements remain the property of the tenant after the term of the lease, meaning depreciation is appropriate rather than amortisation.

This year, £587 (2020: £1,733) of bad debts have been written off. This represents the combined debt of 15 children who have now left and for whom there is little likelihood of receiving payment. Many of these bad debts relate to invoices for sessions never attended and therefore cannot be pursued. We have a comprehensive system to collect genuine outstanding fees and aim to minimise the period in which debt is allowed to increase. In cases where debt is in excess of £100, we aim to pursue this through the small claims court system.

### **Reserves Policy**

The Trustees review the reserve levels of the Charity annually. This review encompasses the nature of income and expenditure streams, the need to match income with commitments and the nature of reserves. The Trustees take into consideration the future plans of the Charity, the uncertainty over future income streams and other key risks identified during the risk review.

The Trustees' long term aim is to maintain reserves sufficient for redundancy and notice provision and for large property repairs. This has been calculated to be in excess of £100,000 and the Trustees recognise that it would be unrealistic to set a reserve of this level in the shorter term. It was therefore decided to work towards free reserves of £60,000 by 2022.

As at the year end, the charity had unrestricted reserves of £135,693, of which £87,954 is tied up within fixed assets, leaving free reserves of £47,739 an increase of £3,840 on the previous year.

# **Stepping Stones Childcare (Cornwall)**

## **TRUSTEES' REPORT**

### **Investment Policy**

Due to the nature and timing of receipt of funding, the Charity may at times hold cash balances surplus to its short term requirements. The Trustees have authorised the opening of additional short term bank investment accounts to take advantage of higher interest rates. No other form of investment is authorised.

### **Risk Policy**

The Trustees have assessed the major risks to which the Charity is exposed relating to its operations and finances and are satisfied that under the present system in place there is no significant exposure.

### **Related Party Transactions**

None of the Trustees receive remuneration or other benefit from their work as trustees with the charity (see note 11 for payments made to Trustees). Trustees whose children are registered to attend are charged at the going rate. During the year ended 31st August 2021, one trustee's child attended and invoices raised during the year totalled £71.40. There was a credit of £9.60 on account as at 31st August 2021.

### **Trustees' Responsibility Statement**

The Trustees are responsible for preparing the Trustees' report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

The law applicable to charities in England & Wales requires the Trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charity and of the incoming resources and application of resources of the charity for that period. In preparing these financial statements, the Trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgments and accounting estimates that are reasonable and prudent;
- 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 charity will continue in operation.

The Trustees are responsible for keeping proper accounting records that are sufficient to show and explain the charity's transactions and disclose with reasonable accuracy at any time the financial position of the charity and enable them to ensure that the financial statements comply with the Charities Act 2011, the Charity (Accounts and Reports) Regulations 2008 and the provisions of the charity's constitution. They are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

This report was approved by the Trustees on .....8.11.23..... and signed on their behalf by:

  
Gayle Owen  
Chair



## INDEPENDENT EXAMINER'S REPORT TO THE TRUSTEES OF STEPPING STONES CHILDCARE (CORNWALL)

I report to the Trustees on my examination of the financial statements of Stepping Stones Childcare (Cornwall) for the year ended 31 August 2021.

This report is made solely to the Charity's Trustees, as a body, in accordance with section 154 of the Charities Act 2011. My independent examiner's work has been undertaken so that I might state to the Charity's Trustees those matters I am required to state to them in an independent examiner's report and for no other purpose. To the fullest extent permitted by law, I do not accept or assume responsibility to anyone other than the Charity, the Charity's members as a body and the Charity's Trustees as a body, for my independent examiner's work, for this report, or for the opinions I have formed.

### Responsibilities and basis of report

As the Trustees of the Charity you are responsible for the preparation of the financial statements in accordance with the requirements of the Charities Act 2011 (the 2011 Act).

I report in respect of my examination of the Charity's financial statements carried out under section 145 of the 2011 Act. In carrying out my examination I have followed all the applicable Directions given by the Charity Commission under section 145(5)(b) of the 2011 Act.

### Independent examiner's statement

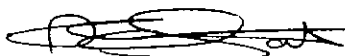
Your attention is drawn to the fact that the charity has prepared financial statements in accordance with Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) in preference to the Accounting and Reporting by Charities: Statement of Recommended Practice issued on 1 April 2005 which is referred to in the extant regulations but has now been withdrawn.

I understand that this has been done in order for financial statements to provide a true and fair view in accordance with Generally Accepted Accounting Practice effective for reporting periods beginning on or after 1 January 2015.

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

1. accounting records were not kept in respect of the Charity as required by section 130 of the 2011 Act; or
2. the financial statements do not accord with those records; or
3. the financial statements do not comply with the applicable requirements concerning the form and content of accounts set out in the Charities (Accounts and Reports) Regulations 2008 other than any requirement that the accounts give a true and fair view which is not a matter considered as part of an independent examination.

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.



Amy Sole FCA

Dated: 09/11/2023

Phillips Frith LLP  
9 Tregarne Terrace  
St Austell  
Cornwall, PL25 4DD

## **Stepping Stones Childcare (Cornwall)**

### **Statement of Financial Activities for the Year Ended 31st August 2021**

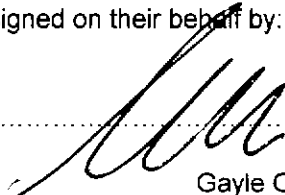
	Notes	<b>2021</b>			<b>2020</b>
		Unrestricted	Restricted	Total	
<b>Income from:</b>					
Donations and grant funding	2	220	1,020	1,240	22,549
Other activities	3	1,830	-	1,830	1,559
Investments	4	4	-	4	43
Charitable activities	5	310,684		310,684	302,193
Other income	6	-	-	-	-
<b>Total income</b>		<b>312,738</b>	<b>1,020</b>	<b>313,758</b>	<b>326,344</b>
<b>Expenditure on:</b>					
Costs of raising funds	8	151	-	151	177
Charitable activities	9	312,188		312,188	330,747
<b>Total expenditure</b>		<b>312,339</b>	<b>-</b>	<b>312,339</b>	<b>330,924</b>
<b>Net (expenditure)/income and net movement in funds</b>		<b>399</b>	<b>1,020</b>	<b>1,419</b>	<b>(4,580)</b>
Total funds brought forward		133,301	9,908	143,209	147,789
<b>Total funds carried forward</b>	16	<b>133,700</b>	<b>10,928</b>	<b>144,628</b>	<b>143,209</b>

## Stepping Stones Childcare (Cornwall)

### Balance Sheet as at 31st August 2021

	Notes	<u>2021</u>	<u>2020</u>
<b>FIXED ASSETS</b>			
Tangible assets	12	96,018	98,019
<b>CURRENT ASSETS</b>			
Stock		1,324	1,457
Debtors and Prepayments	13	6,957	7,384
Cash at bank and in hand		<u>69,140</u>	<u>102,677</u>
		77,421	111,518
<b>CREDITORS</b>			
Amounts falling due within one year			
Creditors and Accruals	14	<u>28,811</u>	<u>66,328</u>
		28,811	66,328
<b>NET CURRENT ASSETS</b>		48,610	45,190
<b>NET ASSETS</b>		<u><u>144,628</u></u>	<u><u>143,209</u></u>
<b>CHARITY FUNDS</b>	14		
Unrestricted funds		135,693	133,301
Restricted funds		8,935	9,908
<b>TOTAL FUNDS</b>		<u><u>144,628</u></u>	<u><u>143,209</u></u>

These financial statements were approved by the Trustees on ..... 8.11.23 .....  
and signed on their behalf by:

.....  
  
Gayle Owen  
Chair

The notes on pages 12 to 22 form part of these financial statements.

## **Stepping Stones Childcare (Cornwall)**

### **Notes to the Financial Statements for the Year Ended 31st August 2021**

#### **Note 1**

#### **Accounting Policies**

##### **Basis of preparation of financial statements**

The financial statements have been prepared for the individual charity in accordance with the Charities Act 2011 and the 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) (as amended for accounting periods commencing from 1 January 2016) - (Charities SORP (FRS102) and taking note of the Update Bulletin 1 issued in 2016.

The Charity has taken advantage of the provisions in the SORP for charities applying FRS 102 Update Bulletin 1 not to prepare a statement of cash flows

Stepping Stones Childcare (Cornwall) meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy note(s).

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

The financial statements have departed from the Charities (Accounts and Reports) Regulations 2008 only to the extent required to provide a true and fair view. This departure has involved following the Statement of Recommended Practice for Charities applying FRS 102 rather than the version of the Statement of Recommended Practice which is referred to in the Regulations but which has since been withdrawn.

##### **Going Concern**

The accounts have been prepared on the assumption that the Charity is able to carry on as a going concern, which the Trustees consider appropriate. The Trustees are not aware of any reason why they should not continue to adopt the going concern basis of accounting (see the Trustees' Report).

##### **Fund accounting**

The funds of the Charity comprise:

- unrestricted funds that are available for use at the trustees' discretion in furtherance of the objectives of the charity, and;
- restricted funds that can only be used for particular purposes within the objects of the charity. The restrictions, which are legally binding, arise when specified by the donor.

##### **Incoming resources**

All incoming resources are recognised once the Charity has entitlement to the funds, certainty of receipt and the amount can be measured with sufficient reliability.

Income derived from charitable activities are recognised as earned. Investment income is recognised on a receivable basis.

Grants and donations are only included in the SOFA when the charity has unconditional entitlement to the resources. Government grants are recognised when any performance conditions attached to the grants have been met and it is possible that the income will be received.

## **Stepping Stones Childcare (Cornwall)**

### **Notes to the Financial Statements for the Year Ended 31st August 2021**

#### **Note 1**

#### **(continued) Accounting Policies**

##### **Incoming resources continued**

Income from other activities represents voluntary income from fundraising events (principally donations). This is recognised on receipt.

Donated services, or facilities which comprise donated services, are included in income at a valuation which is an estimate of the financial cost borne by the donor where such a cost is quantifiable and measurable. No income is recognised where there is no financial cost borne by a third party.

##### **Resources**

Expenditure is accounted for on an accruals basis and is recognised once there is a legal or constructive obligation to make a payment to a third party, it is probable that settlement will be required and the amount of the obligation can be measured reliably. Expenditure is classified under the following activity headings:

- Costs of raising funds comprise the costs associated with fundraising events
- Expenditure on charitable activities includes the education and childcare undertaken to further the purposes of the charity and their associated support costs.

Irrecoverable VAT is charged as a cost against the activity for which the expenditure was

Support costs comprise those costs which are incurred directly in support of expenditure on the objects of the Charity and include governance cost, finance, and office costs. Governance costs are those costs incurred in the connection with the compliance with constitutional and statutory requirements of the charity. The allocation of support costs has been detailed in note

##### **Taxation**

The Charity is exempt from tax on income and gains falling within section 505 of the Taxes Act 1988 or section 256 of the Taxation of Chargeable Gains Act 1992 to the extent that these are applied to its charitable objects. No tax charges have arisen in the Charity

##### **Stocks**

Stocks are valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving items.

##### **Tangible fixed assets**

Individual fixed assets costing £100 or more are capitalised at cost. Depreciation is provided at the rates calculated to write off the cost less estimated residual value of each asset over its estimated useful economic life, as follows:

##### **Asset Category**

Freehold property  
Property Improvements - Mount Charles  
Property improvements - Scol Kensa  
Equipment

##### **Annual rate**

not depreciated  
not depreciated  
25 years from 2015  
33.33% reducing balance

## **Stepping Stones Childcare (Cornwall)**

### **Notes to the Financial Statements for the Year Ended 31st August 2021**

#### **Note 1**

##### **(continued) Accounting Policies**

###### **Impairment of fixed assets**

At each reporting end date, the Charity reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any).

###### **Cash and cash equivalents**

Cash and cash equivalents include cash in hand and deposits held at call with banks.

###### **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 the statement of financial activities (SOFA).

###### **Pension costs**

The Charity offers a workplace pension scheme to its employees and makes contributions as detailed in note 10. The Charity has no liability beyond making its contributions and paying across the deductions for the employee's contributions. The costs are expensed in the SOFA and allocated to charitable activities, support and governance costs and charged to the unrestricted funds of the Charity. Any difference between the share to the SOFA and the contributions payable to the scheme is shown as an asset or liability in the Balance Sheet.

###### **Operating leases**

Rentals applicable to operating leases are charged to the SOFA over the period in which the cost is incurred.

#### **Note 2**

##### **Voluntary Income**

	<b><u>2021</u></b>	<b><u>2020</u></b>
Donations	220	2,735
Grant Funding	1,020	19,814
<b>Total</b>	<b><u>1,240</u></b>	<b><u>22,549</u></b>

Total voluntary income was £1240 (2020: £22549) of which £1020 was restricted (2019: £10,980)

Grant income received specifically due to the Covid-19 pandemic was received as follows:

HMRC Coronavirus SSP grant	1,020
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The trustees are grateful to everyone who has made donations and grant funding throughout the year.

## **Stepping Stones Childcare (Cornwall)**

### **Notes to the Financial Statements for the Year Ended 31st August 2021**

#### **Note 3**      **Other activities**

<b><u>Description</u></b>	<b><u>Mount Charles</u></b>	<b><u>Scol Kensa</u></b>	<b><u>Total</u></b>
Jewellery sales	19	20	39
Name label commission	17	17	34
Profit on Sale of Children's Uniform	15	15	30
Pirate day and name game	2	38	40
Easter competition	1	2	3
Sale of leavers stones	12	33	45
Christmas raffle and fundraising	350	412	762
Sale of peg people	7	15	22
Sale of bag tags	5	5	10
Bags2School clothes collection	167	166	333
Easyfundraising	47	47	94
Halloween dress up day		16	16
Treasure hunt	30	40	70
Sale of surplus toys/equipment at car boot sales	166	166	332
<b>Total 2021</b>	<b>838</b>	<b>992</b>	<b>1,830</b>
<b>Total 2020</b>	<b>701</b>	<b>858</b>	<b>1,559</b>

All fundraising income in both the current and previous year relate to unrestricted funds.

#### **Note 4**      **Investment Income**

	<b><u>2021</u></b>	<b><u>2020</u></b>
Bank Interest receivable	4	43
<b>Total</b>	<b>4</b>	<b>43</b>

## **Stepping Stones Childcare (Cornwall)**

### **Notes to the Financial Statements for the Year Ended 31st August 2021**

#### **Note 5 Incoming Resources from Charitable Activities**

	<b>Unrestricted Funds</b>	<b>Restricted Funds</b>	<b>Total</b>	<b>2020</b>
Childcare fees charged	46,111	-	46,111	35,793
3 & 4 YO Grant funding	209,567	-	209,567	212,918
2 YO Grant funding	41,814	-	41,814	49,467
Additional Grant funding	10,254	542	10,796	1,883
Milk Reimbursement	2,396	-	2,396	2,132
<b>Total</b>	<b>310,142</b>	<b>542</b>	<b>310,684</b>	<b>302,193</b>

Total income from charitable activities was £310,684 (2020:302,193 ) of which £542 was restricted (2020:£1883). The government grants receivable have been analysed by reference to the year group that the funding related. Total government grants received was £262,177 (2020: £264,268).

#### **Note 6 Other Income**

	<b>2021</b>	<b>2020</b>
Reimbursement of costs	-	-
SMP compensation	-	-
<b>Total</b>	<b>-</b>	<b>-</b>

#### **Note 7 Net Income/(Expenditure) for the year**

This is stated after charging:	<b>2021</b>	<b>2020</b>
Depreciation	2,001	2,301
Operating lease payments	6,159	6,774
Bank interest payable	8	-
Other interest payable	140	140

#### **Note 8 Cost of raising funds**

<b>Description</b>	<b>Mount Charles</b>	<b>Scol Kensa</b>	<b>Total</b>
Party in the Park expenses	54	54	108
Purchase of peg dolls	8	8	16
Purchase of items for Christmas fundraising	12	15	27
<b>Total 2021</b>	<b>74</b>	<b>77</b>	<b>151</b>
<b>Total 2020</b>	<b>80</b>	<b>97</b>	<b>177</b>



## **Stepping Stones Childcare (Cornwall)**

### **Notes to the Financial Statements for the Year Ended 31st August 2021**

#### **Note 9 Analysis of Expenditure on Charitable Activities**

	<b>Delivery Costs</b>	<b>Support Costs</b>	<b>Governance Costs</b>	<b>Total</b>	<b>2020 Total</b>
Establishment Costs	19,303	-	-	19,303	16,276
Labour Costs	189,631	62,400	11,742	263,773	284,532
General Costs	14,781	943	-	15,724	15,464
Administration Costs	-	6,068	-	6,068	6,059
Other Costs	-	4,380	2,940	7,320	8,416
<b>Total</b>	<b>223,715</b>	<b>73,791</b>	<b>14,682</b>	<b>312,188</b>	<b>330,747</b>
<b>Total 2020</b>	<b>228,299</b>	<b>79,894</b>	<b>22,554</b>	<b>330,747</b>	

Total expenditure on charitable activities was £312,188 (2020: £330,747) of which £2,535 (2020: £12,468 ) was restricted.

#### **Support costs allocation**

Cost allocation includes an element of judgement and the Charity has had to consider the cost/benefit of detailed calculations and record keeping. The basis for support costs allocation of wages is the estimated percentage of time spent on each activity. Governance costs are made up of the following:

	<b>2021</b>	<b>2020</b>
Proportion of managers' salaries	11,742	19,914
Independent examiners fees	2,940	2,760
	<b>14,682</b>	<b>22,674</b>

Governance costs have been allocated on a consistent basis to previous years but are significantly lower in 2021 due to long term absence.

## **Stepping Stones Childcare (Cornwall)**

### **Notes to the Financial Statements for the Year Ended 31st August 2021**

#### **Note 10**      **Staff Costs**

	<b>Unrestricted Funds</b>	<b>Restricted Funds</b>	<b>Total</b>	<b>2020</b>
Wages and Salaries	254,368		254,368	274,503
Social security costs	6,228	-	6,228	6,499
Employers Pension Costs	3,177	-	3,177	3,530
	<b>263,773</b>	<b>-</b>	<b>263,773</b>	<b>284,532</b>

Pension costs are allocated to the activities in proportion to the related staffing costs incurred.

Monthly average number of employees in the year were as follows

	<b>2021</b>	<b>2020</b>
Charitable Activities	22	23
Administrators	6	6
	<b>28</b>	<b>29</b>

No employee earned more than £60,000 per annum. The Charity considered its key management personnel in the year to comprise of the trustees and the Senior Management Team.

The total employment benefits including pension contributions of the key management personnel were £38,846 (2020: £53,578 )

#### **Note 11**      **Payments to Trustees**

One Trustee (Joanne Crompton) was paid remuneration of £7185 (2020: £7,052) for the services provided in her employment with the Charity (play assistant). These payments have been made under authority of a provision in the constitution of the Charity. The Trustees have not been reimbursed for expenses during the year.

## **Stepping Stones Childcare (Cornwall)**

### **Notes to the Financial Statements for the Year Ended 31st August 2021**

#### **Note 12**      **Tangible Fixed Assets**

<u>Cost</u>	<u>b/f</u>	<u>Additions</u>	<u>c/f</u>
Freehold property	25,410		25,410
Property improvements Mount Charles	44,164		44,164
Property improvements Scol Kensa	34,111		34,111
Equipment Mount Charles	12,573		12,573
Equipment Scol Kensa	9,375		9,375
	<b>125,633</b>	<b>-</b>	<b>125,633</b>
<u>Depreciation</u>	<u>b/f</u>	<u>Charge for the year</u>	<u>c/f</u>
Property Improvements Scol Kensa	7,464	1,402	8,866
Equipment Mount Charles	11,772	267	12,039
Equipment Scol Kensa	8,378	332	8,710
	<b>27,614</b>	<b>2,001</b>	<b>29,615</b>
<u>WDV</u>	<u>b/f</u>		<u>c/f</u>
Freehold property	25,410		25,410
Property improvements Mount Charles	44,164		44,164
Property improvements Scol Kensa	26,647		25,245
Equipment Mount Charles	801		534
Equipment Scol Kensa	997		665
	<b>98,019</b>		<b>96,018</b>

All tangible fixed assets are used principally towards the furtherance of the Charity's direct charitable work

## **Stepping Stones Childcare (Cornwall)**

### **Notes to the Financial Statements for the Year Ended 31st August 2021**

**Note 13**      **Debtors: Amounts falling due within one year**

	<u>2021</u>	<u>2020</u>
Outstanding Fees		
Mount Charles	149	106
Scol Kensa Caterpillars	956	103
Scol Kensa Butterflies	298	1,316
Scol Kensa Holiday Club	<u>1,318</u>	<u>281</u>
	2,721	1,806
Overpayments to suppliers	349	1,262
Prepayments	3,783	4,237
Other debtors	104	79
<b>Total</b>	<b><u>6,967</u></b>	<b><u>7,384</u></b>

**Note 14**      **Creditors: Amounts falling due within one year**

	<u>2021</u>	<u>2020</u>
Owing to suppliers	3,247	3,230
Accruals	17,933	14,451
Wages Owed		
Week 23	4,232	4,942
PAYE Owed to HMRC	2,161	2,049
Pension Contributions	139	169
Fees received in advance	1,099	168
Deferred Income	-	41,319
	Note 15	
<b>Total</b>	<b><u>28,811</u></b>	<b><u>66,328</u></b>

**Note 15**      **Deferred Income**

	<u>2021</u>	<u>2020</u>
Funding received in advance	-	41,319
	<u>-</u>	<u>-</u>

## **Stepping Stones Childcare (Cornwall)**

### **Notes to the Financial Statements for the Year Ended 31st August 2021**

#### **Note 16**      **Movements in Restricted and Unrestricted Funds**

	<b>Balance b/f</b>	<b>Incoming resources</b>	<b>Outgoing resources</b>	<b>Transfers</b>	<b>Balance c/f</b>
<b><u>Restricted funds</u></b>					
Disability Access Fund	-	-	-	-	-
Access to Learning	-	542	542	-	-
The Big Lottery	8,260	-	435	-	7,825
CCF Manor Farm	357	-	118	-	239
Pirate Trust	125	-	125	-	-
Coronavirus Wages Support	-	1,020	1,020	-	-
Tesco	1,166	-	295	-	871
	<b>9,908</b>	<b>1,562</b>	<b>2,535</b>	<b>-</b>	<b>8,935</b>
<b><u>Unrestricted funds</u></b>	<b>133,301</b>	<b>312,196</b>	<b>309,804</b>	<b>-</b>	<b>135,693</b>
	<b>143,209</b>	<b>313,758</b>	<b>312,339</b>	<b>-</b>	<b>144,628</b>
	<b>Balance b/f</b>	<b>Incoming resources</b>	<b>Outgoing resources</b>	<b>Transfers</b>	<b>Balance c/f</b>
<b><u>Prior year</u></b>					
<b><u>Restricted funds</u></b>					
Disability Access Fund	-	1,230	1,230	-	-
Access to Learning	-	653	653	-	-
The Big Lottery	8,695	-	435	-	8,260
CCF Manor Farm	535	-	178	-	357
Cornwall Council	158	-	158	-	-
Pirate Trust	125	-	-	-	125
Coronavirus Wages Support	-	9,814	9,814	-	-
Tesco	-	1,166	-	-	1,166
	<b>9,513</b>	<b>12,863</b>	<b>12,468</b>	<b>-</b>	<b>9,908</b>
<b><u>Unrestricted funds</u></b>	<b>138,276</b>	<b>313,481</b>	<b>318,456</b>	<b>-</b>	<b>133,301</b>
	<b>147,789</b>	<b>326,344</b>	<b>330,924</b>	<b>-</b>	<b>143,209</b>

#### **Restricted fund details**

Cornwall Council provides additional funding through the Disability Access Fund and the Access to Learning Grant for children who need additional support. One child was supported in 2021.

The Big Lottery provided a grant in 2017 towards the cost of air conditioning for Scol Kensa.

CCF Manor Farm provided a grant in 2017 to purchase bikes for both settings.

The Pirate Trust provided a grant in 2019 towards the cost of repairs and modifications in the toilet area at Scol Kensa. This was delayed due to the pandemic and spent in 2021.

## **Stepping Stones Childcare (Cornwall)**

### **Notes to the Financial Statements for the Year Ended 31st August 2021**

**Note 17**      **Analysis of Net Assets between Funds**

	<b>Unrestricted Funds</b>	<b>Restricted Funds</b>	<b>Total Funds 2021</b>
Tangible Fixed Assets	87,954	8,064	96,018
Current Assets	76,550	871	77,421
Creditors	(28,811)	-	(28,811)
	<b>136,693</b>	<b>8,935</b>	<b>144,628</b>

<b>Prior year</b>	<b>Unrestricted Funds</b>	<b>Restricted Funds</b>	<b>Total Funds 2020</b>
Tangible Fixed Assets	89,402	8,617	98,019
Current Assets	111,517	-	111,517
Creditors	(66,328)	-	(66,328)
	<b>134,591</b>	<b>8,617</b>	<b>143,208</b>

**Note 18**      **Related Party Transactions**

During the year, no Trustees were invoiced for childcare services by the Charity.

**Note 19**      **Operating Lease Commitments**

At 31st August 2021, the Charity had total commitments for future minimum lease payments under non-cancellable operating leases, which fall due as follows:

	<b>2021</b>	<b>2020</b>
Within one year	6,159	6,159
Between two and five years	24,636	24,636
After five years	83,947	90,106
	<b>114,742</b>	<b>120,901</b>

**Note 20**      **Full Analysis**

A full analysis of incoming and outgoing resources can be found in the appendix attached.

# STEPPING STONES CHILDCARE (CORNWALL)

## Appendix

For the Year Ended 31st August 2021

# **Stepping Stones Childcare (Cornwall)**

**Year Ended 31st August 2021**

## **Appendix Contents**

Page 1	Cover Sheet
Page 2	Contents
Page 3	Total Profit and Loss Account
Page 4	Mount Charles Profit and Loss Account
Page 5	Scol Kensa Profit and Loss Account
Page 6	Emergency Care Profit and Loss Account
Page 7	Governance Costs Analysis Support Costs Analysis
Page 8	Other Income Analysis



## **Stepping Stones Childcare (Cornwall)**

### **Profit and Loss Account** **Year Ended 31st August 2021**

	<b><u>2021</u></b>		<b><u>2020</u></b>
<b><u>INCOME</u></b>			
Fees charged	46,111		35,793
3 & 4 YO Nursery Education Grant funding	209,567		212,918
2 YO Funding	41,814		49,467
Additional funding	<u>10,796</u>		<u>1,883</u>
	308,288		300,061
Milk Reimbursement	2,396		2,132
Other Income	1,244		22,592
Fundraising Income	<u>1,830</u>		<u>1,559</u>
	313,758		326,344
<b><u>COST OF SALES</u></b>			
Fundraising Purchases	151		177
<b><u>EXPENSES</u></b>			
<b><u>Establishment Costs</u></b>			
Business Rates	12		123
Water Rates	843		471
Light and Heat	5,076		4,276
Buildings Insurance	1,373		1,373
Property Repairs	2,631		952
Rent	6,159		7,054
Security Costs	1,619		655
Storage Costs	<u>1,590</u>		<u>1,372</u>
	19,303		16,276
<b><u>Labour Costs</u></b>			
Gross Wages	254,368		274,503
Employer's National Insurance	6,228		6,499
Employer's Pension costs	<u>3,177</u>		<u>3,530</u>
	263,773		284,532
<b><u>General Costs</u></b>			
Catering	2,877		2,999
Consumables	4,868		3,421
Craft	400		699
Holiday Club expenses	531		169
Repairs and Renewals	1,271		1,387
Training	1,337		1,108
Staff Uniform	37		473
Insurance	3,359		3,312
Subscriptions and Publications	906		1,668
Sundries	137		55
Mileage	<u>1</u>		<u>153</u>
	15,724		15,464
<b><u>Administration Costs</u></b>			
Postage and Stationery	1,862		2,008
Telephone	1,947		1,607
Advertising	166		-
Computer Expenses	<u>2,073</u>		<u>2,444</u>
	6,068		6,059
<b><u>Other Costs</u></b>			
Bank Charges	1,644		1,602
Bank Interest	8		-
Other interest paid	140		140
Bad debts	587		1,733
Legal and Professional Fees	-		-
Independent examination	2,940		2,640
Depreciation	<u>2,001</u>		<u>2,301</u>
	7,320		8,416
	312,339		330,924
<b>Surplus/(Deficit) for the year</b>	<u><u>1,419</u></u>		<u><u>(4,580)</u></u>

## Stepping Stones Childcare (Cornwall)

### Profit and Loss Account Year Ended 31st August 2021

#### MOUNT CHARLES

	<u>2021</u>	<u>2020</u>
<b><u>INCOME</u></b>		
Pre-School fees	13,693	7,586
Toddler group fees	-	445
3 & 4 YO Nursery Education Grant funding	72,285	83,496
2 YO Funding	23,216	23,985
Additional funding	<u>7,827</u>	<u>615</u>
	117,001	118,127
Milk Reimbursement	915	914
Other Income	728	10,693
Fundraising Income	<u>838</u>	<u>701</u>
	119,482	128,435
<b><u>COST OF SALES</u></b>		
Fundraising Purchases	74	80
<b><u>EXPENSES</u></b>		
<b><u>Establishment Costs</u></b>		
Business Rates	12	123
Water Rates	843	471
Light and Heat	1,950	1,521
Buildings Insurance	1,121	1,121
Property Repairs	220	648
Security Costs	247	216
Storage Costs	<u>795</u>	<u>686</u>
	5,188	4,786
<b><u>Labour Costs</u></b>		
Gross wages:		
Pre-School	87,868	87,732
Toddler Group	<u>-</u>	<u>572</u>
	87,868	88,304
Employer's National Insurance	1,866	2,050
Employer's Pension costs	<u>1,045</u>	<u>1,123</u>
	2,911	3,173
<b><u>General Costs</u></b>		
Catering	1,175	1,280
Consumables	2,624	1,766
Craft	87	251
Repairs and Renewals	303	505
Training	525	461
Staff Uniform	13	245
Insurance	1,828	1,801
Subscriptions and Publications	488	642
Sundries	27	45
Mileage	<u>-</u>	<u>28</u>
	7,068	7,004
<b><u>Administration Costs</u></b>		
Postage and Stationery	820	901
Telephone	1,017	888
Advertising	83	-
Computer Expenses	<u>651</u>	<u>975</u>
	2,571	2,764
<b><u>Other Costs</u></b>		
Bank Charges	822	801
Bank Interest	4	-
Other interest paid	70	70
Bad Debts	215	1,001
Legal and Professional Fees	-	-
Independent Examination	1,470	1,320
Depreciation	<u>267</u>	<u>400</u>
	2,848	3,592
	109,528	109,703
<b>Surplus/(Deficit) for the year</b>	<u><u>10,964</u></u>	<u><u>18,732</u></u>

# Stepping Stones Childcare (Cornwall)

## Profit and Loss Account Year Ended 31st August 2021

### Scol Kense

	<u>2021</u>		<u>2020</u>
<b><u>INCOME</u></b>			
Caterpillar room fees	14,018		20,531
2 YR Funding	18,598		24,400
Toddler group fees	-		429
Butterfly room fees	8,329		3,805
3 & 4 YR Nursery Education Grant funding	137,302		127,967
Additional funding	2,969		1,268
Holiday Club fees	10,071		2,899
	<u>191,287</u>		<u>181,299</u>
Milk reimbursement	1,481		1,218
Other income	516		11,899
Fundraising Income	992		858
	<u>194,276</u>		<u>195,274</u>
<b><u>COST OF SALES</u></b>			
Fundraising Purchases	77		97
<b><u>EXPENSES</u></b>			
<b><u>Establishment Costs</u></b>			
Light and Heat	3,126		2,755
Property Repairs	2,411		304
Buildings Insurance	252		252
Security Costs	1,372		439
Storage Costs	795		886
Rent	6,159		7,054
	<u>14,115</u>		<u>11,490</u>
<b><u>Labour Costs</u></b>			
Gross wages:			
Caterpillar room	67,280		82,665
Toddler group	-		862
Butterfly room	83,380		89,047
Holiday Club	15,840		11,021
	<u>166,500</u>		<u>183,595</u>
Employer's National Insurance	4,362		4,449
Employer's Pension costs	2,132		2,366
	<u>6,494</u>		<u>6,815</u>
<b><u>General Costs</u></b>			
Catering	1,702		1,728
Consumables	2,244		1,552
Craft	313		448
Holiday Club expenses	531		189
Repairs and Renewals	968		882
Training	812		647
Staff Uniform	24		228
Insurance	1,531		1,511
Subscriptions and Publications	420		1,026
Sundries	110		10
Mileage	1		114
	<u>8,656</u>		<u>8,335</u>
<b><u>Administration Costs</u></b>			
Postage and Stationery	1,062		1,107
Telephone	930		719
Advertising	83		-
Computer Expenses	1,422		1,469
	<u>3,497</u>		<u>3,295</u>
<b><u>Other Costs</u></b>			
Bank Charges	822		801
Bank Interest	4		-
Other Interest paid	70		70
Bad Debts	372		732
Legal and Professional fees	-		-
Independent Examination	1,470		1,320
Depreciation	1,734		1,901
	<u>4,472</u>		<u>4,824</u>
	<u>203,811</u>		<u>218,451</u>
<b>Surplus/(Deficit) for the year</b>	<u>(9,535)</u>		<u>(23,177)</u>

## Stepping Stones Childcare (Cornwall)

### Profit and Loss Account Year Ended 31st August 2021

#### Emergency Care

	<u>2021</u>	<u>2020</u>	
<b><u>INCOME</u></b>			
Fees	0	98	
3 & 4 YO Funding	0	1455	
2 YO Funding	<u>0</u>	<u>1082</u>	
	0		2635
<b><u>EXPENSES</u></b>			
<b><u>Labour Costs</u></b>			
Gross wages	0	2,604	
Employer's Pension costs	<u>0</u>	<u>41</u>	
	0		2,645
<b><u>General Costs</u></b>			
Catering	0	11	
Consumables	0	103	
Mileage	<u>0</u>	<u>11</u>	
	0		125
		0	2,770
<b>Surplus/(Deficit) for the year</b>	<u><u>0</u></u>	<u><u>(135)</u></u>	

## **Stepping Stones Childcare (Cornwall)**

### **Governance and Support Costs Analysis**

**Year Ended 31st August 2021**

#### **Governance Costs**

	<b><u>2021</u></b>	<b><u>2020</u></b>
Independent Examination	2,940	2,760
Legal and Professional Fees	-	-
Wages: Business Manager (50% governance)	7,516	8,993
Manager (50% governance)	<u>4,226</u>	<u>10,921</u>
	11,742	19,914
<b>Total</b>	<b><u><u>11,742</u></u></b>	<b><u><u>22,674</u></u></b>

#### **Support Costs**

Wages: Administrator	12,821	11,990
Finance Assistant	17,802	14,948
Administrative Assistants	4,673	5,317
Assistant Manager/Inclusion Co-ordinator	15,362	13,750
Business Manager (50%)	7,516	8,992
Manager (50%)	<u>4,226</u>	<u>10,921</u>
	62,400	65,918
	<b><u><u>62,400</u></u></b>	<b><u><u>65,918</u></u></b>

## **Stepping Stones Childcare (Cornwall)**

### **Analysis of Other Income**

**Year Ended 31st August 2021**

<b><u>Mount Charles</u></b>	Voluntary Income	Investment Income	Grant income	Total
Donations	191			191
HMRC Coronavirus SSP rebate			535	535
Bank Interest		2		2
	<b>191</b>	<b>2</b>	<b>535</b>	<b>728</b>
<b><u>Scol Kensa</u></b>				
Donations	29			29
HMRC Coronavirus SSP rebate			485	485
Bank Interest		2		2
	<b>29</b>	<b>2</b>	<b>485</b>	<b>516</b>
<b>Total</b>	<b>220</b>	<b>4</b>	<b>1,020</b>	<b>1,244</b>