

Charity Number 1154205

STEPPING STONES CHILDCARE (CORNWALL)

Annual Report and Unaudited

Financial Statements

For the year ended 31st August 2022

Stepping Stones Childcare (Cornwall)

Financial Statements for the Year Ended 31st August 2022

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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	Acting Manager
Charlotte Pascoe	Acting 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

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 2022.

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 2022, 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.
- Resume pre-covid level relationships with local primary school 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 continued to affect achievements and performance at the start of this financial year although there were improvements towards the end of the year. We maintained our home support of families through social media and direct contact. Staff absences remained higher than usual and were difficult to manage resulting in occasional reductions in available places and closure of rooms. Parents were generally understanding and supportive despite this being an unwelcome situation. We saw a significant increase in demand for places at our holiday club for older children and moved this to our Mount Charles premises for the summer holiday period. We offered regular trips to local attractions which were very popular and well attended.

Government funding continued to be paid by our local authority and was based on actual attendance rather than the estimates which were necessary in the previous year. There was a noticeable increase in funding received across all ages and fee income also increased substantially. We increased our hourly rates twice during this financial year, in January and April, in an attempt to mitigate the rising cost of living together with minimum wage increases which had an impact on staff costs.

Recruitment of qualified staff has become difficult and our adverts generated very little interest. Research suggests that there are fewer qualified staff staying in the industry and those remaining are reluctant to move to a new establishments. This has led to a shortage of staff and it was decided that we would support two new recruits to study towards level 3 qualifications.

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 changes, most training during this year has taken place online.

We received a grant of £1400 to enable our acting deputy manager to access SENCO Level 3 award training which is now a mandatory requirement for Early Years SENCO leads. The course was completed by July 2022 and is proving to be very beneficial with our continuing high levels of children with additional needs.

During the year, the Charity's fundraising activities raised £3,990 (2021: £1,830). Costs of £745 (2021: £151) were incurred leaving a net profit of £3,245 (2021: £1,679). Our biggest fundraising event, the annual Party in the Park was postponed from May 2021 until September 2021 which means income and expenses for two events are included in this financial year. Their success was still limited due to reduced attendance post Covid-19. Our Christmas party returned this year generating £328 and we had success with selling child made "Scribble Mugs".

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. Income has increased this year in all areas and 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 2022, total income of £370,374 (2021: £313,758) is reported against total expenses of £341,083 (2021: £312,339) resulting in an overall net income of £29,291 (2021: £1,419). This increase is attributable to the higher levels in all categories of income coupled with labour costs being proportionately lower due to the difficulties in recruitment.

At 31st August 2022, the net book value of fixed assets was £94,616 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, £1,296 (2021: £587) of bad debts have been written off. This represents the combined debt of 32 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 or administrative fees that were voluntary 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 £165,698, of which £87,066 is tied up within fixed assets, leaving free reserves of £78,632 an increase of £30,893 on the previous year.

As the target of £60,000 by 2022 has been reached, the Trustees will reassess their long term aims at the next review.

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 2022, one trustee's child attended and invoices raised during the year totalled £58.00. There was a credit of £1.60 on account as at 31st August 2022.

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 and signed on their behalf by:

Gayle Owen
Chair

14 DEC 2023


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 2022.

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: 15-12-23

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 2022

	Notes	2022			2021
		Unrestricted	Restricted	Total	
Income from:					
Donations and grant funding	2	267	1,722	1,989	1,240
Other activities	3	3,990	-	3,990	1,830
Investments	4	18	-	18	4
Charitable activities	5	364,187		364,187	310,684
Other income	6	190	-	190	-
Total income		368,652	1,722	370,374	313,758
Expenditure on:					
Costs of raising funds	8	745	-	745	151
Charitable activities	9	340,338		340,338	312,188
Total expenditure		341,083	-	341,083	312,339
Net (expenditure)/income and net movement in funds		27,569	1,722	29,291	1,419
Total funds brought forward		135,693	8,935	144,628	143,209
Total funds carried forward	16	163,262	10,657	173,919	144,628

Stepping Stones Childcare (Cornwall)

Balance Sheet as at 31st August 2022

		<u>2022</u>	<u>2021</u>
	Notes		
FIXED ASSETS			
Tangible assets	12	94,616	96,018
CURRENT ASSETS			
Stock		1,235	1,324
Debtors and Prepayments	13	14,312	6,957
Cash at bank and in hand		97,325	69,140
		<u>112,872</u>	<u>77,421</u>
CREDITORS			
Amounts falling due within one year			
Creditors and Accruals	14	33,569	28,811
		<u>33,569</u>	<u>28,811</u>
NET CURRENT ASSETS		79,303	48,610
NET ASSETS		<u><u>173,919</u></u>	<u><u>144,628</u></u>
CHARITY FUNDS	16		
Unrestricted funds		165,698	135,693
Restricted funds		8,221	8,935
TOTAL FUNDS		<u><u>173,919</u></u>	<u><u>144,628</u></u>

These financial statements were approved by the Trustees on *14 Dec 2023*
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 2022

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 2022

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 incurred.

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 9.

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	Annual rate
Freehold property	not depreciated
Property Improvements - Mount Charles	not depreciated
Property improvements - Scol Kensa	25 years from 2015
Equipment	33.33% reducing balance

Stepping Stones Childcare (Cornwall)

Notes to the Financial Statements for the Year Ended 31st August 2022

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

	<u>2022</u>	<u>2021</u>
Donations	267	220
Grant Funding	1,722	1,020
Total	<u>1,989</u>	<u>1,240</u>

Total voluntary income was £1,989 (2021: £1,240) of which £1,722 was restricted (2021:£1,020)

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

HMRC Coronavirus SSP grant	242	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 2022

Note 3 Other activities

<u>Description</u>	<u>Mount Charles</u>	<u>Scol Kensa</u>	<u>Total</u>
September Party in the Park income	437	436	873
Name label commission	2	3	5
Profit on Sale of Children's Uniform	39	40	79
May Party in the Park income	756	756	1,512
Valentine keyring	2		2
Sale of leavers stones	35	25	60
Christmas raffle	128	124	252
Christmas party tickets	125	146	271
Christmas party stalls	29	28	57
Sale of bag tags	4	3	7
Bags2School clothes collection	217	218	435
Easyfundraising and Amazon Smile	59	59	118
Scribble mug sales	85	160	245
Halloween cake sale		8	8
Guess the sweets on the jar game		3	3
Christmas jumper day	6		6
Name the elf game		11	11
Sale of surplus tuck shop	23	23	46
Total 2022	1,947	2,043	3,990
Total 2021	838	992	1,830

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

Note 4 Investment Income

	<u>2022</u>	<u>2021</u>
Bank Interest receivable	18	4
Total	18	4

Stepping Stones Childcare (Cornwall)

Notes to the Financial Statements for the Year Ended 31st August 2022

Note 5 Incoming Resources from Charitable Activities

	Unrestricted Funds	Restricted Funds	Total	2021
Childcare fees charged	63,031		63,031	46,111
3 & 4 YO Grant funding	245,760		245,760	209,567
2 YO Grant funding	48,671		48,671	41,814
Additional Grant funding		3,415	3,415	10,796
Milk Reimbursement	3,310		3,310	2,396
Total	360,772	3,415	364,187	310,684

Total income from charitable activities was £364,187 (2021:£310,684) of which £3,415 was restricted (2021:£542). The government grants receivable have been analysed by reference to the year group that the funding related. Total government grants received was £297,846 (2021: £262,177).

Note 6 Other Income

	2022	2021
SMP compensation	170	-
Sale of old cabinets	20	-
Total	190	-

Note 7 Net Income/(Expenditure) for the year

	2022	2021
This is stated after charging:		
Depreciation	2,002	2,001
Operating lease payments	6,258	6,159
Bank interest payable	-	8
Other interest payable	181	140

Note 8 Cost of raising funds

<u>Description</u>	Mount Charles	Scol Kensa	Total
September Party in the Park expenses	142	142	284
May Party in the Park expenses	144	144	288
Collection box seals	3	2	5
Small lottery licence	20	20	40
Purchase of mugs and ceramic pens	64	64	128
Total 2022	373	372	745
Total 2021	74	77	151

Stepping Stones Childcare (Cornwall)

Notes to the Financial Statements for the Year Ended 31st August 2022

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

	Delivery Costs	Support Costs	Governance Costs	Total	2021
Establishment Costs	19,876	-	-	19,876	19,303
Labour Costs	188,799	78,801	19,704	287,304	263,773
General Costs	17,025	1,772	-	18,797	15,724
Administration Costs	-	6,470	-	6,470	6,068
Other Costs	-	5,101	2,790	7,891	7,320
Total	225,700	92,144	22,494	340,338	312,188
Total 2021	223,715	73,791	14,682	312,188	

Total expenditure on charitable activities was £340,338 (2021: £312,188) of which £5,949 (2021: £2,535) 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:

	2022	2021
Proportion of managers' salaries	19,704	11,742
Independent examiners fees	2,790	2,940
	22,494	14,682

Governance costs have been allocated on a consistent basis to previous years but are significantly lower in 2021 due to long term absence. This absence was ongoing in 2022 but existing staff provided cover and have been included in the allocation of governance costs.

Stepping Stones Childcare (Cornwall)

Notes to the Financial Statements for the Year Ended 31st August 2022

Note 10 **Staff Costs**

	<u>Unrestricted Funds</u>	<u>Restricted Funds</u>	<u>Total</u>	<u>2021</u>
Wages and Salaries	274,461		274,461	254,368
Social security costs	8,575	-	8,575	6,228
Employers Pension Costs	4,268	-	4,268	3,177
	<u>287,304</u>	<u>-</u>	<u>287,304</u>	<u>263,773</u>

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

	<u>2022</u>	<u>2021</u>
Charitable Activities	22	22
Administrators	6	6
	<u>28</u>	<u>28</u>

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 £61,380 (2021: £38,846)

Note 11 **Payments to Trustees**

One Trustee (Joanne Crompton) was paid remuneration of £13,203 (2021: £7,185) 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 2022

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	600	9,975
	125,633	600	126,233
<u>Depreciation</u>	<u>b/f</u>	<u>Charge for the year</u>	<u>c/f</u>
Property Improvements Scol Kensa	8,866	1,402	10,268
Equipment Mount Charles	12,039	178	12,217
Equipment Scol Kensa	8,710	422	9,132
	29,615	2,002	31,617
<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	25,245		23,843
Equipment Mount Charles	534		356
Equipment Scol Kensa	665		843
	96,018		94,616

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 2022

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

	<u>2022</u>	<u>2021</u>
Outstanding Fees		
Mount Charles	1,484	149
Scol Kensa Caterpillars	1,405	956
Scol Kensa Butterflies	1,945	298
Scol Kensa Holiday Club	<u>2,473</u>	<u>1,318</u>
	7,307	2,721
Overpayments to suppliers	2,583	349
Prepayments	4,103	3,783
Other debtors	319	104
Total	<u>14,312</u>	<u>6,957</u>

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

	<u>2022</u>	<u>2021</u>
Owing to suppliers	2,937	3,247
Accruals	16,358	17,933
Wages Owed		
Week 22	6,347	4,232
PAYE Owed to HMRC	1,770	2,161
Pension Contributions	250	139
Fees received in advance	661	1,099
Deferred Income	5,246	-
Total	<u>33,569</u>	<u>28,811</u>

Note 15 **Deferred Income**

	<u>2022</u>	<u>2021</u>
Funding received in advance	5,246	-
	<u>5,246</u>	<u>-</u>

Stepping Stones Childcare (Cornwall)

Notes to the Financial Statements for the Year Ended 31st August 2022

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

	Balance b/f	Incoming resources	Outgoing resources	Transfers	Balance c/f
Restricted funds					
Cornwall Council SENIF/DAF	-	3415	3415	-	-
The Big Lottery	7,825	-	435	-	7,390
CCF Manor Farm	239	-	79	-	160
Coronavirus Wages Support	-	72	72	-	-
Tesco	871	-	200	-	671
St Austell Town Council	-	250	-	-	250
Cornwall Council training grant	-	1,400	1,400	-	-
	8,935	5,137	5,601	-	8,471
Unrestricted funds	135,693	365,237	335,482	-	165,448
	144,628	370,374	341,083	-	173,919
Prior year					
Restricted funds					
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
	9,908	1,562	2,535	-	8,935
Unrestricted funds	133,301	312,196	309,804	-	135,693
	143,209	313,758	312,339	-	144,628

Restricted fund details

Cornwall Council provides additional funding through the Disability Access Fund (DAF) and the SEN Inclusion Fund (SENIF) for children who need additional support. Three children were supported in 2022.

The Big Lottery provided a grant in 2017 towards the cost of air conditioning for Scol Kensa. The depreciation charged for the year is treated as outgoing restricted funds.

CCF Manor Farm provided a grant in 2017 to purchase bikes for both settings. The depreciation charged for the year is treated as outgoing restricted funds.

Tesco provided a grant for outdoor equipment at Scol Kensa. During the year, £200 of this was spent on small items leaving a balance of £671 to be used. There was no deadline or specific items attached to this funding so it was deemed reasonable to carry forward the balance until such time as equipment was required. The depreciation charged for the year is treated as outgoing restricted funds.

St Austell Town Council provided a grant of £250 towards the replacement cost of white goods at the Mount Charles premises. A new fridge was purchased after the year end in September 2022.

Cornwall Council provided a training grant for to enable a member of staff to access SENCO Level 3 award training. The grant paid for the cost of the training and helped towards the additional wages paid to cover the member of staff while attending the course.

Stepping Stones Childcare (Cornwall)

Notes to the Financial Statements for the Year Ended 31st August 2022

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

	Unrestricted Funds	Restricted Funds	Total Funds 2022
Tangible Fixed Assets	86,666	7,950	94,616
Current Assets	112,201	671	112,872
Creditors	(33,569)	-	(33,569)
	165,298	8,621	173,919

	Unrestricted Funds	Restricted Funds	Total Funds 2021
Prior year			
Tangible Fixed Assets	87,954	8,064	96,018
Current Assets	76,550	871	77,421
Creditors	(28,811)	-	(28,811)
	135,693	8,935	144,628

Note 18 **Related Party Transactions**

During the year one Trustee's child attended and invoices raised during the year totalled £58.00.
There was a credit of £1.60 on account as at 31st August 2022

Note 19 **Operating Lease Commitments**

At 31st August 2022, the Charity had total commitments for future minimum lease payments under non-cancellable operating leases, which fall due as follows:

	2022	2021
Within one year	6,556	6,159
Between two and five years	26,224	24,636
After five years	85,228	83,947
	118,008	114,742

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 2022

Stepping Stones Childcare (Cornwall)

Year Ended 31st August 2022

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Page 7	Other Income Analysis

Stepping Stones Childcare (Cornwall)

Profit and Loss Account Year Ended 31st August 2022

	<u>2022</u>		<u>2021</u>
<u>INCOME</u>			
Fees charged	63,031		46,111
3 & 4 YO Nursery Education Grant funding	245,760		209,567
2 YO Funding	48,671		41,814
Additional funding	3,415		10,796
	<u>360,877</u>		<u>308,288</u>
Milk Reimbursement	3,310		2,396
Other Income	2,197		1,244
Fundraising Income	3,990		1,830
	<u>370,374</u>		<u>313,758</u>
<u>COST OF SALES</u>			
Fundraising Purchases	745		151
<u>EXPENSES</u>			
<u>Establishment Costs</u>			
Business Rates	1,028		12
Water Rates	627		843
Light and Heat	5,900		5,076
Buildings Insurance	1,373		1,373
Property Repairs	2,637		2,631
Rent	6,258		6,159
Security Costs	823		1,619
Storage Costs	1,230		1,590
	<u>19,876</u>		<u>19,303</u>
<u>Labour Costs</u>			
Gross Wages	274,461		254,368
Employer's National Insurance	8,575		6,228
Employer's Pension costs	4,268		3,177
	<u>287,304</u>		<u>263,773</u>
<u>General Costs</u>			
Catering	4,658		2,877
Consumables	3,911		4,868
Craft	695		400
Holiday Club expenses	1,113		531
Repairs and Renewals	2,006		1,271
Training	1,027		1,337
Staff Uniform	560		37
Insurance	3,256		3,359
Subscriptions and Publications	1,212		906
Sundries	257		137
Mileage	102		1
	<u>18,797</u>		<u>15,724</u>
<u>Administration Costs</u>			
Postage and Stationery	1,716		1,882
Telephone	2,152		1,947
Advertising	-		166
Computer Expenses	2,602		2,073
	<u>6,470</u>		<u>6,068</u>
<u>Other Costs</u>			
Bank Charges	1,622		1,644
Bank Interest	-		8
Other interest paid	181		140
Bad debts	1,296		587
Independent examination	2,790		2,940
Depreciation	2,002		2,001
	<u>7,891</u>		<u>7,320</u>
	<u>341,083</u>		<u>312,339</u>
Surplus/(Deficit) for the year	<u><u>29,291</u></u>		<u><u>1,419</u></u>

Stepping Stones Childcare (Cornwall)

Profit and Loss Account Year Ended 31st August 2022

MOUNT CHARLES

	<u>2022</u>		<u>2021</u>
<u>INCOME</u>			
Pre-School fees	12,044		13,693
3 & 4 YO Nursery Education Grant funding	111,990		72,265
2 YO Funding	20,122		23,216
Additional funding	668		7,827
	<u>144,824</u>		<u>117,001</u>
Milk Reimbursement	1,447		915
Other Income	1,372		728
Fundraising Income	1,947		838
	<u>149,590</u>		<u>119,482</u>
<u>COST OF SALES</u>			
Fundraising Purchases	373		74
<u>EXPENSES</u>			
<u>Establishment Costs</u>			
Business Rates	132		12
Water Rates	627		843
Light and Heat	1,943		1,950
Buildings Insurance	1,121		1,121
Property Repairs	1,880		220
Security Costs	295		247
Storage Costs	615		795
	<u>6,613</u>		<u>5,188</u>
<u>Labour Costs</u>			
Gross wages:			
Pre-School	92,682		87,868
Employer's National Insurance	2,942		1,866
Employer's Pension costs	1,498		1,045
	<u>4,440</u>		<u>2,911</u>
<u>General Costs</u>			
Catering	2,116		1,175
Consumables	1,879		2,624
Craft	398		87
Repairs and Renewals	491		303
Training	449		525
Staff Uniform	215		13
Insurance	1,845		1,828
Subscriptions and Publications	618		486
Sundries	111		27
Mileage	51		-
	<u>8,173</u>		<u>7,068</u>
<u>Administration Costs</u>			
Postage and Stationery	753		820
Telephone	1,104		1,017
Advertising	-		83
Computer Expenses	1,301		651
	<u>3,158</u>		<u>2,571</u>
<u>Other Costs</u>			
Bank Charges	811		822
Bank Interest	-		4
Other interest paid	91		70
Bad Debts	706		215
Independent Examination	1,395		1,470
Depreciation	178		267
	<u>3,181</u>		<u>2,848</u>
	<u>118,620</u>		<u>108,528</u>
Surplus/(Deficit) for the year	<u><u>30,970</u></u>		<u><u>10,954</u></u>

Stepping Stones Childcare (Cornwall)

Profit and Loss Account Year Ended 31st August 2022

Scol Kensa

	<u>2022</u>		<u>2021</u>
<u>INCOME</u>			
Caterpillar room fees	23,676		14,018
2 YR Funding	28,549		18,598
Butterfly room fees	13,665		8,329
3 & 4 YR Nursery Education Grant funding	133,770		137,302
Additional funding	2,747		2,969
Holiday Club fees	<u>13,646</u>		<u>10,071</u>
	216,053		191,287
Milk reimbursement	1,863		1,481
Other Income	825		516
Fundraising Income	<u>2,043</u>		<u>992</u>
	220,784		194,276
<u>COST OF SALES</u>			
Fundraising Purchases	372		77
<u>EXPENSES</u>			
<u>Establishment Costs</u>			
Business rates	896		-
Light and Heat	3,957		3,126
Property Repairs	757		2,411
Buildings Insurance	252		252
Security Costs	528		1,372
Storage Costs	615		795
Rent	<u>6,258</u>		<u>6,159</u>
	13,263		14,115
<u>Labour Costs</u>			
Gross wages:			
Caterpillar room	85,832		67,280
Butterfly room	80,329		83,380
Holiday Club	<u>15,618</u>		<u>15,840</u>
	181,779		166,500
Employer's National Insurance	5,633		4,362
Employer's Pension costs	<u>2,770</u>		<u>2,132</u>
	8,403		6,494
<u>General Costs</u>			
Catering	2,542		1,702
Consumables	2,032		2,244
Craft	297		313
Holiday Club expenses	1,113		531
Repairs and Renewals	1,515		968
Training	578		812
Staff Uniform	345		24
Insurance	1,411		1,531
Subscriptions and Publications	594		420
Sundries	146		110
Mileage	<u>51</u>		<u>1</u>
	10,624		8,656
<u>Administration Costs</u>			
Postage and Stationery	963		1,062
Telephone	1,048		930
Advertising	-		83
Computer Expenses	<u>1,301</u>		<u>1,422</u>
	3,312		3,497
<u>Other Costs</u>			
Bank Charges	811		822
Bank Interest	-		4
Other interest paid	90		70
Bad Debts	590		372
Independent Examination	1,395		1,470
Depreciation	<u>1,824</u>		<u>1,734</u>
	4,710		4,472
	222,463		203,811
Surplus/(Deficit) for the year	<u><u>(1,679)</u></u>		<u><u>(9,535)</u></u>

Stepping Stones Childcare (Cornwall)

Governance and Support Costs Analysis

Year Ended 31st August 2022

Governance Costs

	<u>2022</u>	<u>2021</u>
Independent Examination	2,790	2,940
Wages: Business Manager (50% governance)	7,443	7,516
Acting Manager (50% governance)	9,524	-
Manager (50% governance)	<u>2,737</u>	<u>4,226</u>
	19,704	11,742
Total	<u><u>22,494</u></u>	<u><u>14,682</u></u>

Support Costs

Wages: Administrator	7,111	12,821
Finance Assistant	20,944	17,802
Administrative Assistants	9,070	4,673
Acting Manager (50%)	9,524	-
Acting Deputy Manager	21,972	-
Deputy Manager/Inclusion Co-ordinator	-	15,362
Business Manager (50%)	7,443	7,516
Manager (50%)	<u>2,737</u>	<u>4,226</u>
	<u><u>78,801</u></u>	<u><u>62,400</u></u>

Stepping Stones Childcare (Cornwall)

Analysis of Other Income

Year Ended 31st August 2022

<u>Mount Charles</u>	Voluntary Income	Investment Income	Grant income	Total
Donations	43			43
HMRC Coronavirus SSP rebate				0
Cornwall Council Training Grant			700	700
St Austell Town Council			250	250
Asda green token scheme	200			200
HMRC SMP compensation	170			170
Bank Interest		9		9
	413	9	950	1,372
<u>Scol Kensa</u>				
Donations	24			24
HMRC Coronavirus SSP rebate			72	72
Cornwall Council Training Grant			700	700
Bank Interest		9		9
Sale of cabinets	20			20
	44	9	772	825
Total	457	18	1,722	2,197