

Charity Number 1154205

STEPPING STONES CHILDCARE (CORNWALL)

Annual Report and Unaudited

Financial Statements

For the year ended 31st August 2023

Stepping Stones Childcare (Cornwall)

Financial Statements for the Year Ended 31st August 2023

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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 - resigned 05.10.22
Laura Mitchell, Secretary
Laura Hare
Leah Orme-Thompson - appointed 16.11.22
Emma Rowett - appointed 16.11.22

Senior Management Team

Julie Double	Manager
Gill Bate	Business Manager
Debbie Robinson	Deputy Manager (left 17.03.23)
Charlotte Pascoe	SENCo to 17.03.23, Deputy Manager/SENCo from 18.03.23

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 2023.

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 2023, the charity aimed to:

- Support families by providing a safe environment in which children are cared for and educated. Provide learning opportunities and ideas to engage children and to support 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 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

This year has proved to be challenging. An overspend on staffing due to wage increases and low levels of booked attendance have resulted in a poor year financially. Although it was planned to use some reserves to fund the wage increases in advance of the expected funding rate rise, it was unfortunately also necessary to use reserves to cover day to day expenses meaning a large proportion of the charity's reserves have been depleted.

Government funding continued to be paid by our local authority. The total received was just under £20,000 lower than the previous year but this represents only a 6.5% reduction and is due to a lower uptake of funded places during the year. The income received from fees charged would also have been lower but was mitigated by a rate increase in April 2023. The funding received to support children with additional needs has increased this year because our newly trained SENCo was able to successfully apply for more additional funding due to her higher level of knowledge.

Recruitment of qualified staff continues to be challenging. Research suggests that there are fewer qualified staff in the industry and those remaining are reluctant to move to a new establishments. Alongside supporting several members of staff to study towards Level 3 qualifications, the Trustees agreed to increase wages ahead of and in excess of the minimum wage increases in April 2023. This achieved its aim and new qualified members of staff were recruited.

Full Ofsted inspections were carried out at both settings in this financial year. Mount Charles was inspected in October 2022 and was rated "Requires Improvement" due to an issue with the key person system and the missed learning opportunities resulting from this. A re-inspection will take place within a year. Scol Kensa was inspected in April 2023 and rated "Good". Recommendations for improvements at both settings have been noted and acted upon accordingly.

Continuing professional development for staff is encouraged. All childcare staff hold a current paediatric first aid certificate and a food hygiene certificate which need to be renewed every 3 years. They are fully up to date in their knowledge of Early Years Foundation Stage requirements. This is achieved through a combination of practical and online training methods.

The relationships formed with local schools and outside agencies were curtailed during the Covid-19 pandemic. The charity is building these relationships again and arrangements supporting the children's transition to school have been resumed.

During the year, the Charity's fundraising activities raised £2,763 (2022: £3,990). Costs of £340 (2022: £745) were incurred leaving a net profit of £2,423 (2022: £3,245). Our biggest annual fundraising event, Party in the Park took place in May 2023 and generated funds of £1885 with low expenses of £242, an improvement on the previous year which was still feeling the effects of the Covid-19 pandemic. The cost of living crisis has had an impact on fundraising resulting in most of our regular fundraisers such as clothes collections and our annual Christmas party generating lower amounts than in previous years.

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 overspend on staffing has been addressed 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 2023, total income of £353,520 (2022: £370,374) is reported against total expenses of £409,636 (2022: £341,083) resulting in overall net expenses of £56,116 (2022: income £29,291). This significant deficit was due to a combination of factors. The trustees chose to use some reserves to increase wages in order to recruit and retain qualified staff in a challenging Early Years job market. In addition to this, approximately £10,000 was used for garden improvements, replacement of aging equipment at both settings and purchasing equipment in order to provide care for children under 2, a new service planned for September 2023. These extraordinary expenses coupled with a reduction in income due to low uptake of places and hours has resulted in a large loss. The Trustees have since acted to reduce staffing costs and increase income.

At 31st August 2023, the net book value of fixed assets was £97,924 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, £2,558 (2022: £1,296) of bad debts have been written off. This represents the combined debt of 39 children for whom there is little likelihood of receiving payment. Many of these bad debts relate to invoices for sessions never attended or administrative fees invoiced through the sales system that were voluntary and therefore cannot be pursued. Voluntary charges are made when a child has a fully funded place which has to be offered with the option of no additional cost. 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.

At the beginning of this financial year, there were free reserves of £78,632 and a review was planned to increase the previous aim of £60,000 which had been exceeded. However, due to a substantial deficit this financial year, free reserves have reduced to £19,880 by the end of the year. Therefore, it is the Trustees' aim to build reserves back up to the £60,000 level as soon as possible.

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 2023, no children of Trustees attended and there were no invoices raised during the year. There was a credit of £1.60 on account for one Trustee as at 31st August 2023.

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:


Gail 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 2023.

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: 11/6/2024

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 2023

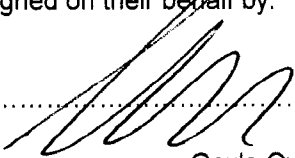
	Notes	2023			2022
		Unrestricted	Restricted	Total	
Income from:					
Donations and grant funding	2	141	-	141	1,989
Other activities	3	2,763	-	2,763	3,990
Investments	4	346	-	346	18
Charitable activities	5	343,206	7,055	350,261	364,187
Other income	6	9	-	9	190
Total income		346,465	7,055	353,520	370,374
Expenditure on:					
Costs of raising funds	8	340	-	340	745
Charitable activities	9	401,448	7,848	409,296	340,338
Total expenditure		401,788	7,848	409,636	341,083
Net (expenditure)/income and net movement in funds		(55,323)	(793)	(56,116)	29,291
Total funds brought forward		165,448	8,471	173,919	144,628
Total funds carried forward	16	110,125	7,678	117,803	173,919

Stepping Stones Childcare (Cornwall)

Balance Sheet as at 31st August 2023

		<u>2023</u>	<u>2022</u>
	Notes		
FIXED ASSETS			
Tangible assets	12	97,924	94,616
CURRENT ASSETS			
Stock		1,060	1,235
Debtors and Prepayments	13	11,742	14,312
Cash at bank and in hand		<u>35,371</u>	<u>97,325</u>
		48,173	112,872
CREDITORS			
Amounts falling due within one year			
Creditors and Accruals	14	<u>28,294</u>	<u>33,569</u>
		28,294	33,569
NET CURRENT ASSETS		19,879	79,303
NET ASSETS		<u><u>117,803</u></u>	<u><u>173,919</u></u>
CHARITY FUNDS	16		
Unrestricted funds		110,125	165,448
Restricted funds		7,678	8,471
TOTAL FUNDS		<u><u>117,803</u></u>	<u><u>173,919</u></u>

These financial statements were approved by the Trustees on
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 2023

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 2023

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 2023

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>2023</u>	<u>2022</u>
Donations	141	267
Grant Funding	-	1,722
Total	<u>141</u>	<u>1,989</u>

Total voluntary income was £141 (2022: £1,989) of which none was restricted (2022:£1,722)

The trustees are grateful to everyone who has made donations throughout the year.

Stepping Stones Childcare (Cornwall)

Notes to the Financial Statements for the Year Ended 31st August 2023

Note 3 **Other activities**

<u>Description</u>	<u>Mount Charles</u>	<u>Scol Kensa</u>	<u>Total</u>
Name label commission	4	3	7
Loss on Sale of Children's Uniform	(32)	(32)	(64)
Party in the Park income	942	943	1,885
Sale of leavers stones	37	-	37
Christmas party tickets	91	71	162
Christmas party stalls	46	45	91
Bags2School clothes collection	140	141	281
Commission on clothing sales	8	9	17
Easyfundraising and Amazon Smile	44	43	87
Halloween party	-	144	144
Guess the name of the bear game	-	7	7
Reindeer food sales	4	4	8
Photocopying charges	6	5	11
Sale of old gazebos	25	25	50
Sale of surplus toys	15	15	30
Sale of surplus tuck shop	5	5	10
Total 2023	<u>1,335</u>	<u>1,428</u>	<u>2,763</u>
Total 2022	<u>1,947</u>	<u>2,043</u>	<u>3,990</u>

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

Note 4 **Investment Income**

	<u>2023</u>	<u>2022</u>
Bank Interest receivable	346	18
Total	<u>346</u>	<u>18</u>

Stepping Stones Childcare (Cornwall)

Notes to the Financial Statements for the Year Ended 31st August 2023

Note 5 **Incoming Resources from Charitable Activities**

	Unrestricted Funds	Restricted Funds	Total	2022
Childcare fees charged	64,523	-	64,523	63,031
3 & 4 YO Grant funding	194,807	-	194,807	245,760
2 YO Grant funding	80,597	-	80,597	48,671
Additional Grant funding	-	7,055	7,055	3,415
Milk Reimbursement	3,279	-	3,279	3,310
Total	343,206	7,055	350,261	364,187

Total income from charitable activities was £350,261 (2022:£364,187) of which £7,055 was restricted (2022:£3,415). The government grants receivable have been analysed by reference to the year group that the funding related. Total government grants received was £282,459 (2022: £297,846).

Note 6 **Other Income**

	2023	2022
SMP compensation	9	170
Sale of old cabinets	-	20
Total	9	190

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

This is stated after charging:	2023	2022
Depreciation	4,357	2,002
Operating lease payments	6,556	6,258
Bank interest payable	12	-
Other interest payable	200	181

Note 8 **Cost of raising funds**

<u>Description</u>	Mount Charles	Scol Kensa	Total
Party in the Park expenses	121	121	242
Halloween party expenses	-	60	60
Small lottery licence	10	10	20
Purchase of bear	-	9	9
Purchase of baubles	9	-	9
Total 2023	140	200	340
Total 2022	373	372	745

Stepping Stones Childcare (Cornwall)

Notes to the Financial Statements for the Year Ended 31st August 2023

Note 9 Analysis of Expenditure on Charitable Activities

	Delivery Costs	Support Costs	Governance Costs	Total	2022
Establishment Costs	22,004	-	-	22,004	19,876
Labour Costs	228,374	93,795	25,291	347,460	287,304
General Costs	19,384	1,932	-	21,316	18,797
Administration Costs	-	7,569	-	7,569	6,470
Other Costs	-	8,807	2,140	10,947	7,891
Total	269,762	112,103	27,431	409,296	340,338
Total 2022	225,700	92,144	22,494	340,338	

Total expenditure on charitable activities was £409,296 (2022: £340,338) of which £8,014 (2022: £5,949) 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:

	2023	2022
Proportion of managers' salaries	25,291	19,704
Independent examiners fees	2,140	2,790
	27,431	22,494

Governance costs have been allocated on a consistent basis to previous years but were lower than usual in 2022 due to long term absence. In 2023, this was resolved and there was some restructuring of the management team which is reflected in the figures.

Stepping Stones Childcare (Cornwall)

Notes to the Financial Statements for the Year Ended 31st August 2023

Note 10 **Staff Costs**

	Unrestricted Funds	Restricted Funds	Total	2022
Wages and Salaries	322,392	7,055	329,447	274,461
Social security costs	12,625	-	12,625	8,575
Employers Pension Costs	5,388	-	5,388	4,268
	340,405	7,055	347,460	287,304

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

	2023	2022
Charitable Activities	28	22
Administrators	5	6
	33	28

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 £77,273 (2022: £61,380)

Note 11 **Payments to Trustees**

One Trustee (Joanne Crompton) was paid remuneration of £14,120 (2022: £13,203) 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 2023

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	3,112	15,685
Equipment Scol Kensa	9,975	4,553	14,528
	<u>126,233</u>	<u>7,665</u>	<u>133,898</u>
<u>Depreciation</u>	<u>b/f</u>	<u>Charge for the year</u>	<u>c/f</u>
Property Improvements Scol Kensa	10,268	1,402	11,670
Equipment Mount Charles	12,217	1,156	13,373
Equipment Scol Kensa	9,132	1,799	10,931
	<u>31,617</u>	<u>4,357</u>	<u>35,974</u>
<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	23,843		22,441
Equipment Mount Charles	356		2,312
Equipment Scol Kensa	843		3,597
	<u>94,616</u>		<u>97,924</u>

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 2023

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

	<u>2023</u>	<u>2022</u>
Outstanding Fees		
Mount Charles	2,110	1,484
Scol Kensa Caterpillars	1,023	1,405
Scol Kensa Butterflies	879	1,945
Scol Kensa Holiday Club	<u>1,713</u>	<u>2,473</u>
	5,725	7,307
Overpayments to suppliers	1,716	2,583
Prepayments	4,210	4,103
Other debtors	91	319
Total	<u>11,742</u>	<u>14,312</u>

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

	<u>2023</u>	<u>2022</u>
Owing to suppliers	4,346	2,937
Accruals	14,357	16,358
Wages Owed		
Week 22	5,642	6,347
PAYE Owed to HMRC	3,271	1,770
Pension Contributions	332	250
Fees received in advance	346	661
Deferred Income	-	5,246
Total	<u>28,294</u>	<u>33,569</u>

Note 15 **Deferred Income**

	<u>2023</u>	<u>2022</u>
Funding received in advance	-	5,246
	<u>-</u>	<u>5,246</u>

Stepping Stones Childcare (Cornwall)

Notes to the Financial Statements for the Year Ended 31st August 2023

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

	Balance b/f	Incoming resources	Outgoing resources	Transfers	Balance c/f
<u>Restricted funds</u>					
Cornwall Council SENIF/DAF	-	7055	7055	-	-
The Big Lottery	7,390	-	435	-	6,955
CCF Manor Farm	160	-	52	-	108
Tesco	671	-	222	-	449
St Austell Town Council	250	-	84	-	166
	8,471	7,055	7,848	-	7,678
<u>Unrestricted funds</u>					
	165,448	346,465	401,788	-	110,125
	173,919	353,520	409,636	-	117,803
<u>Prior year</u>					
<u>Restricted funds</u>					
Cornwall Council SENIF/DAF	-	3,415	3,415	-	-
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
<u>Unrestricted funds</u>					
	135,693	365,237	335,482	-	165,448
	144,628	370,374	341,083	-	173,919

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. Five children were supported in 2023.

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 in 2022. The balance of this grant funding unspent at the end of the previous year was used during this financial year to purchase wooden blocks and a wooden sand and water tray. 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 in the previous year. A new fridge was purchased in September 2022.

Stepping Stones Childcare (Cornwall)

Notes to the Financial Statements for the Year Ended 31st August 2023

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

	Unrestricted Funds	Restricted Funds	Total Funds 2023
Tangible Fixed Assets	90,246	7,678	97,924
Current Assets	48,173	-	48,173
Creditors	(28,294)	-	(28,294)
	110,125	7,678	117,803

Prior year	Unrestricted Funds	Restricted Funds	Total Funds 2022
Tangible Fixed Assets	86,816	7,800	94,616
Current Assets	112,201	671	112,872
Creditors	(33,569)	-	(33,569)
	165,448	8,471	173,919

Note 18 **Related Party Transactions**

During the year no Trustees used childcare services. There was a credit of £1.60 on account for one Trustee as at 31st August 2023 in relation to an overpayment in the previous year.

Note 19 **Operating Lease Commitments**

At 31st August 2023, the Charity had total commitments for future minimum lease payments under non-cancellable operating leases, which fall due as follows:

	2023	2022
Within one year	6,556	6,556
Between two and five years	26,224	26,224
After five years	78,672	85,228
	111,452	118,008

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 2023

Stepping Stones Childcare (Cornwall)

Year Ended 31st August 2023

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Page 6	Governance Costs Analysis Support Costs Analysis
Page 7	Other Income Analysis

Stepping Stones Childcare (Cornwall)

Profit and Loss Account **Year Ended 31st August 2023**

	<u>2023</u>	<u>2022</u>
<u>INCOME</u>		
Fees charged	64,523	63,031
3 & 4 YO Nursery Education Grant funding	194,807	245,760
2 YO Funding	80,597	48,671
Additional funding	<u>7,055</u>	<u>3,415</u>
	346,982	360,877
Milk Reimbursement	3,279	3,310
Other Income	496	2,197
Fundraising Income	<u>2,763</u>	<u>3,990</u>
	353,520	370,374
<u>COST OF SALES</u>		
Fundraising Purchases	340	745
<u>EXPENSES</u>		
Business Rates	443	1,028
Water Rates	681	627
Light and Heat	6,506	5,900
Buildings Insurance	1,373	1,373
Property Repairs	4,275	2,637
Rent	6,556	6,258
Security Costs	1,270	823
Storage Costs	<u>900</u>	<u>1,230</u>
	22,004	19,876
<u>Labour Costs</u>		
Gross Wages	329,447	274,461
Employer's National Insurance	12,625	8,575
Employer's Pension costs	<u>5,388</u>	<u>4,268</u>
	347,460	287,304
<u>General Costs</u>		
Catering	5,315	4,658
Consumables	4,342	3,911
Craft	957	695
Holiday Club expenses	751	1,113
Repairs and Renewals	2,874	2,006
Training	1,349	1,027
Staff Uniform	383	580
Insurance	3,342	3,256
Subscriptions and Publications	1,549	1,212
Sundries	372	257
Mileage	<u>82</u>	<u>102</u>
	21,316	18,797
<u>Administration Costs</u>		
Postage and Stationery	2,020	1,716
Telephone	2,224	2,152
Computer Expenses	<u>3,325</u>	<u>2,602</u>
	7,569	6,470
<u>Other Costs</u>		
Bank Charges	1,680	1,622
Bank Interest	12	-
Other interest paid	200	181
Bad debts	2,558	1,296
Independent examination	2,140	2,790
Depreciation	<u>4,357</u>	<u>2,002</u>
	10,947	7,891
	409,636	341,083
Surplus/(Deficit) for the year	<u><u>(56,116)</u></u>	<u><u>29,291</u></u>

Stepping Stones Childcare (Cornwall)

Profit and Loss Account **Year Ended 31st August 2023**

MOUNT CHARLES

	<u>2023</u>		<u>2022</u>
<u>INCOME</u>			
Pre-School fees	16,514		12,044
3 & 4 YO Nursery Education Grant funding	82,381		111,990
2 YO Funding	54,596		20,122
Additional funding	<u>3,452</u>		<u>668</u>
	156,943		144,824
Milk Reimbursement	1,315		1,447
Other Income	240		1,372
Fundraising Income	<u>1,335</u>		<u>1,947</u>
	159,833		149,590
<u>COST OF SALES</u>			
Fundraising Purchases	140		373
<u>Establishment Costs</u>			
Business Rates	181		132
Water Rates	681		627
Light and Heat	2,655		1,943
Buildings Insurance	1,121		1,121
Property Repairs	1,663		1,880
Security Costs	374		295
Storage Costs	<u>450</u>		<u>615</u>
	7,125		6,613
<u>Labour Costs</u>			
Gross wages:			
Pre-School	116,267		92,682
Employer's National Insurance	4,367		2,942
Employer's Pension costs	<u>1,924</u>		<u>1,498</u>
	6,291		4,440
<u>General Costs</u>			
Catering	2,147		2,116
Consumables	2,351		1,879
Craft	213		398
Repairs and Renewals	1,344		491
Training	497		449
Staff Uniform	139		215
Insurance	1,894		1,845
Subscriptions and Publications	696		618
Sundries	152		111
Mileage	<u>54</u>		<u>51</u>
	9,487		8,173
<u>Administration Costs</u>			
Postage and Stationery	896		753
Telephone	1,121		1,104
Computer Expenses	<u>1,664</u>		<u>1,301</u>
	3,681		3,158
<u>Other Costs</u>			
Bank Charges	840		811
Bank Interest	6		-
Other interest paid	100		91
Bad Debts	1,102		706
Independent Examination	1,070		1,395
Depreciation	<u>1,156</u>		<u>178</u>
	4,274		3,181
	147,265		118,620
Surplus/(Deficit) for the year	<u><u>12,568</u></u>		<u><u>30,970</u></u>

Stepping Stones Childcare (Cornwall)

Profit and Loss Account
Year Ended 31st August 2023

Scol Kensa

	<u>2023</u>		<u>2022</u>
<u>INCOME</u>			
Caterpillar Under 2 fees	328		-
Caterpillar room fees	22,769		23,676
2 YR Funding	26,001		28,549
Butterfly room fees	8,223		13,665
3 & 4 YR Nursery Education Grant funding	112,426		133,770
Additional funding	3,603		2,747
Holiday Club fees	<u>16,689</u>		<u>13,646</u>
	190,039		216,053
Milk reimbursement	1,964		1,863
Other Income	256		825
Fundraising Income	<u>1,428</u>		<u>2,043</u>
	193,687		220,784
<u>COST OF SALES</u>			
	200		372
<u>EXPENSES</u>			
<u>Establishment Costs</u>			
Business rates	262		896
Light and Heat	3,851		3,957
Property Repairs	2,612		757
Buildings Insurance	252		252
Security Costs	896		528
Storage Costs	450		615
Rent	<u>6,556</u>		<u>6,258</u>
	14,879		13,263
<u>Labour Costs</u>			
Gross wages:			
Caterpillar room	90,514		85,832
Butterfly room	94,588		80,329
Holiday Club	<u>28,078</u>		<u>15,618</u>
	213,180		181,779
Employer's National Insurance	8,258		5,633
Employer's Pension costs	<u>3,464</u>		<u>2,770</u>
	11,722		8,403
<u>General Costs</u>			
Catering	3,168		2,542
Consumables	1,991		2,032
Craft	744		297
Holiday Club expenses	751		1,113
Repairs and Renewals	1,530		1,515
Training	852		578
Staff Uniform	244		345
Insurance	1,448		1,411
Subscriptions and Publications	853		594
Sundries	220		146
Mileage	<u>28</u>		<u>51</u>
	11,829		10,624
<u>Administration Costs</u>			
Postage and Stationery	1,124		963
Telephone	1,103		1,048
Computer Expenses	<u>1,661</u>		<u>1,301</u>
	3,888		3,312
<u>Other Costs</u>			
Bank Charges	840		811
Bank Interest	6		-
Other interest paid	100		90
Bad Debts	1,456		590
Independent Examination	1,070		1,395
Depreciation	<u>3,201</u>		<u>1,824</u>
	6,673		4,710
	262,371		222,463
Surplus/(Deficit) for the year	<u><u>(68,684)</u></u>		<u><u>(1,679)</u></u>

Stepping Stones Childcare (Cornwall)

Governance and Support Costs Analysis

Year Ended 31st August 2023

Governance Costs

	<u>2023</u>	<u>2022</u>
Independent Examination	2,140	2,790
Wages: Business Manager (50% governance)	9,175	7,443
Deputy Manager (50% governance)	4,445	9,524
Manager (50% governance)	<u>11,671</u>	<u>2,737</u>
	25,291	19,704
Total	<u>27,431</u>	<u>22,494</u>

Support Costs

Wages: Administrator	-	7,111
Finance Assistant	23,782	20,944
Administrative Assistants	18,031	9,070
Acting Manager (50%)	-	9,524
Acting Deputy Manager	-	21,972
Deputy Manager 50%)	4,445	-
Deputy Manager/SENCo	26,691	-
Business Manager (50%)	9,175	7,443
Manager (50%)	<u>11,671</u>	<u>2,737</u>
	<u>93,795</u>	<u>78,801</u>

Stepping Stones Childcare (Cornwall)

Analysis of Other Income

Year Ended 31st August 2023

Mount Charles

	Voluntary Income	Investment Income	Grant income	Total
Donations	58			58
HMRC SMP compensation	9			9
Bank Interest		173		173
	67	173	0	240

Scol Kensa

Donations	83			83
Bank Interest		173		173
	83	173	0	256

Total

150	346	0	496
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