

Charity Number 1154205

STEPPING STONES CHILDCARE (CORNWALL)

Annual Report and Unaudited

Financial Statements

For the year ended 31st August 2024

Stepping Stones Childcare (Cornwall)

Financial Statements for the Year Ended 31st August 2024

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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 - resigned 28.02.2024
Laura Mitchell
Laura Hare
Leah Orme-Thompson, Secretary
Emma Rowett - Resigned 04.10.2023
James Double - Appointed 28.02.2024
Fern Mackenzie - Appointed 24.04.2024

Senior Management Team

Julie Double	Manager
Gill Bate	Business Manager (Left 30.06.2024)
Charlotte Pascoe	Deputy Manager/SENCo

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 2024.

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.

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 and Deputy 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.

Stepping Stones Childcare (Cornwall)

TRUSTEES' REPORT

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 2024, 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.

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.

Stepping Stones Childcare (Cornwall)

TRUSTEES' REPORT

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 over £40,000 higher than the previous year and this represents a 15% increase and is due to an uptake of funded places during the year. The funding received to support children with additional needs has decreased this year as the funding was harder to achieve.

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 2024. 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 September 2023 and was rated "Good". 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 charity is building relationships again between local school's and arrangements supporting the children's transition to school have been resumed.

During the year, the Charity's fundraising activities raised £3,693 (2023: £2,763). Costs of £480 (2023: £340) were incurred leaving a net profit of £3,213 (2023: £2,423). Our biggest annual fundraising event, Party in the Park took place in May 2024 and generated funds of £2,219 with low expenses of £365, an improvement on the previous year which was still feeling the effects of the Covid-19 pandemic. Fundraising has improved on the prior year, with increased attendance and trying other fundraising activities such as breakfast with Santa, a Halloween Party and an event at Kidzworld.

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.

Stepping Stones Childcare (Cornwall)

TRUSTEES' REPORT

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 2024, total income of £420,799 (2023: £353,520) is reported against total expenses of £429,423 (2023: £409,636) resulting in overall net expenses of £8,624 (2023: expenses £56,116).

Wages continue to be a significant expense to the charity. The trustees chose to use some reserves to increase wages above national minimum wage increases to continue to recruit and retain qualified staff in a challenging Early Years job market.

The Trustees have since acted to increase income by making grant applications so that care can be provided from 9 months old, a new service planned to start in 2025.

At 31st August 2024, the net book value of fixed assets was £94,807 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, £1,777 (2023: £2,558) of bad debts have been written off. This represents the combined debt of 42 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 2025.

At the beginning of this financial year, there were free reserves of £19,880 and a review was planned to increase the previous aim of £60,000 which had been exceeded. However, due to a deficit this financial year, free reserves have reduced to £14,371 by the end of the year. Therefore, it is the Trustee's aim to build reserves back up to the £60,000 level as soon as possible.

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.

Stepping Stones Childcare (Cornwall)

TRUSTEES' REPORT

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 2024, no children of Trustees attended and there were no invoices raised during the year.

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

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 2024.

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: 20/5/2025

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 2024

	Notes	2024			2023
		Unrestricted	Restricted	Total	
Income from:					
Donations and grant funding	2	9	400	409	141
Other activities	3	3,695	-	3,695	2,763
Investments	4	290	-	290	346
Charitable activities	5	412,815	2,960	415,775	350,261
Other income	6	632	-	632	9
Total income		417,441	3,360	420,801	353,520
Expenditure on:					
Costs of raising funds	8	481	-	481	340
Charitable activities	9	425,104	3,841	428,945	409,296
Total expenditure		425,585	3,841	429,426	409,636
Net (expenditure)/income and net movement in funds		(8,144)	(481)	(8,625)	(56,116)
Total funds brought forward		110,125	7,678	117,803	173,919
Total funds carried forward	16	101,981	7,197	109,178	117,803

Stepping Stones Childcare (Cornwall)

Balance Sheet as at 31st August 2024

	Notes	<u>2024</u>	<u>2023</u>
FIXED ASSETS			
Tangible assets	12	94,807	97,924
CURRENT ASSETS			
Stock		1,149	1,060
Debtors and Prepayments	13	9,807	11,742
Cash at bank and in hand		<u>85,302</u>	<u>35,371</u>
		96,258	48,173
CREDITORS			
Amounts falling due within one year			
Creditors and Accruals	14	<u>81,887</u>	<u>28,294</u>
		81,887	28,294
NET CURRENT ASSETS		14,371	19,879
NET ASSETS		<u><u>109,178</u></u>	<u><u>117,803</u></u>
CHARITY FUNDS	16		
Unrestricted funds		101,981	110,125
Restricted funds		7,197	7,678
TOTAL FUNDS		<u><u>109,178</u></u>	<u><u>117,803</u></u>

These financial statements were approved by the Trustees on 17 May 25
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 2024

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 2024

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 2024

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>2024</u>	<u>2023</u>
Donations	9	141
Grant Funding	400	-
Total	<u><u>409</u></u>	<u><u>141</u></u>

Total voluntary income was £409 (2023: £141) of which £400 was restricted (2023:none)

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

Note 3

Other activities

<u>Description</u>	<u>Mount Charles</u>	<u>Scol Kensa</u>	<u>Total</u>
Party in the Park income	1,109	1,109	2,218
Kidzworld fundraising stalls	15	15	30
Sale of surplus tuckshop	4	4	8
Kidzworld ticket sales	47	170	217
Halloween mugs and party	-	253	253
Commission on clothing sales	160	160	320
Reindeer food sales	70	70	140
Sale of leavers pebbles	14	29	43
Easyfundraising	34	34	68
Graduation cake sales	-	65	65
Recycle for charity	5	5	10
Breakfast with Santa	16	73	89
Christmas raffle	106	106	212
Profit on Sale of Children's Uniform	11	11	22
Total 2024	<u><u>1,591</u></u>	<u><u>2,104</u></u>	<u><u>3,695</u></u>
Total 2023	<u><u>1,335</u></u>	<u><u>1,428</u></u>	<u><u>2,763</u></u>

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

Stepping Stones Childcare (Cornwall)

Notes to the Financial Statements for the Year Ended 31st August 2024

Note 4 Investment Income

	<u>2024</u>	<u>2023</u>
Bank Interest receivable	290	346
Total	<u><u>290</u></u>	<u><u>346</u></u>

Note 5 Incoming Resources from Charitable Activities

	<u>Unrestricted Funds</u>	<u>Restricted Funds</u>	<u>Total</u>	<u>2023</u>
Childcare fees charged	92,188	-	92,188	64,523
3 & 4 YO Grant funding	219,258	-	219,258	194,807
2 YO Grant funding	98,473	-	98,473	80,597
Additional Grant funding	-	2,960	2,960	7,055
Milk Reimbursement	2,896	-	2,896	3,279
Total	<u><u>412,815</u></u>	<u><u>2,960</u></u>	<u><u>415,775</u></u>	<u><u>350,261</u></u>

Total income from charitable activities was £415,775 (2023: £350,261) of which £2,960 was restricted (2023: £7,055). The government grants receivable have been analysed by reference to the year group that the funding related. Total government grants received was £320,691 (2023: £282,459).

Note 6 Other Income

	<u>2024</u>	<u>2023</u>
SMP compensation	632	9
Total	<u><u>632</u></u>	<u><u>9</u></u>

Note 7 Net income/(Expenditure) for the year

	<u>2024</u>	<u>2023</u>
This is stated after charging:		
Depreciation	4,256	4,357
Operating lease payments	7,026	6,556
Bank Interest payable	122	12
Other interest payable	255	200

Note 8 Cost of raising funds

<u>Description</u>	<u>Mount Charles</u>	<u>Scol Kensa</u>	<u>Total</u>
Small lottery licence	10	10	20
Halloween party expenses	-	75	75
Breakfast with Santa food	5	15	20
Party in the Park expenses	183	183	366
Total 2024	<u><u>198</u></u>	<u><u>283</u></u>	<u><u>481</u></u>
Total 2023	<u><u>140</u></u>	<u><u>200</u></u>	<u><u>340</u></u>

Stepping Stones Childcare (Cornwall)

Notes to the Financial Statements for the Year Ended 31st August 2024

Note 9 Analysis of Expenditure on Charitable Activities

	Delivery Costs	Support Costs	Governance Costs	Total	2023
Establishment Costs	21,793	-	-	21,793	22,004
Labour Costs	247,045	99,786	22,167	368,998	347,460
General Costs	17,037	1,845	-	18,882	21,316
Administration Costs	-	8,586	-	8,586	7,569
Other Costs	-	8,016	2,670	10,686	10,947
Total	285,875	118,233	24,837	428,945	409,296
Total 2023	269,762	112,103	27,431	409,296	

Total expenditure on charitable activities was £428,943 (2023: £409,296) of which £3,841 (2023: £7,848) 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:

	2024	2023
Proportion of managers' salaries	22,167	25,291
Independent examiners fees	2,670	2,140
	24,837	27,431

Note 10 Staff Costs

	Unrestricted Funds	Restricted Funds	Total	2023
Wages and Salaries	343,898	2,960	346,858	329,447
Social security costs	16,074	-	16,074	12,625
Employers Pension Costs	6,065	-	6,065	5,388
	366,037	2,960	368,997	347,460

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

	2024	2023
Charitable Activities	26	28
Administrators	4	5
	30	33

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 £73,549 (2023: £77,273)

Note 11 Payments to Trustees

One Trustee (Joanne Crompton) was paid remuneration of £15,439 (2023: £14,120) for the services provided in her employment with the Charity (play assistant) She left her role as a trustee on 28th February 2024, but continues to be employed as a play assistant. Another Trustee (Leah Orme-Thompson) began employment at the charity in the year. She was paid remuneration of £1,671 for her services provided in her employment with the Charity, first as a play assistant and now as a business administrator. 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 2024

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	15,685	310	15,995
Equipment Scol Kensa	14,528	829	15,357
	<u>133,898</u>	<u>1,139</u>	<u>135,037</u>
<u>Depreciation</u>	<u>b/f</u>	<u>Charge for the year</u>	<u>c/f</u>
Property Improvements Scol Kensa	11,670	1,402	13,072
Equipment Mount Charles	13,373	874	14,247
Equipment Scol Kensa	10,931	1,980	12,911
	<u>35,974</u>	<u>4,256</u>	<u>40,230</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	22,441		21,039
Equipment Mount Charles	2,312		1,748
Equipment Scol Kensa	3,597		2,446
	<u>97,924</u>		<u>94,807</u>

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

Note 13 Debtors: Amounts falling due within one year

	<u>2024</u>	<u>2023</u>
Outstanding Fees		
Mount Charles	1,853	2,110
Scol Kensa Caterpillars	755	1,023
Scol Kensa Butterflies	1,042	879
Scol Kensa Holiday Club	391	1,713
Scol Kensa Under 2	<u>260</u>	
	4,301	5,725
Overpayments to suppliers	785	1,716
Prepayments	4,602	4,210
Other debtors	119	91
Total	<u><u>9,807</u></u>	<u><u>11,742</u></u>

Stepping Stones Childcare (Cornwall)

Notes to the Financial Statements for the Year Ended 31st August 2024

Note 14 Creditors: Amounts falling due within one year

	<u>2024</u>	<u>2023</u>
Owing to suppliers	8,910	4,346
Accruals	9,542	14,357
Wages Owed	5,924	5,642
Week 22	568	3,271
PAYE Owed to HMRC	232	332
Pension Contributions	2,792	346
Fees received in advance	53,919	-
Deferred Income		
	<u>81,887</u>	<u>28,294</u>
Total		

Note 15

Note 15 Deferred Income

	<u>2024</u>	<u>2023</u>
Funding received in advance	53,919	-
	<u>53,919</u>	<u>-</u>

Stepping Stones Childcare (Cornwall)

Notes to the Financial Statements for the Year Ended 31st August 2024

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	-	2,960	2,960	-	-
The Big Lottery	6,955	-	435	-	6,520
CCF Manor Farm	108	-	36	-	72
Tesco	449	-	149	-	300
St Austell Town Council	166	-	56	-	110
Asda Foundation	-	400	206	-	194
	7,678	3,360	3,841	-	7,197
<u>Unrestricted funds</u>	110,125	417,441	425,585	-	101,981
	117,803	420,801	429,426	-	109,178
	Balance b/f	Incoming resources	Outgoing resources	Transfers	Balance c/f
<u>Prior year</u>					
<u>Restricted funds</u>					
Cornwall Council SENIF/DAF	-	7,055	7,055	-	-
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

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 2024.

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 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 in 2022. The depreciation charged for the year is treated as outgoing restricted funds.

Asda Foundation provided a grant of £290 towards the cost of a mud kitchen and £110 towards small expenses at the Forest School. The depreciation charged on the mud kitchen for the year is treated as outgoing restricted funds.

Stepping Stones Childcare (Cornwall)

Notes to the Financial Statements for the Year Ended 31st August 2024

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

	Unrestricted Funds	Restricted Funds	Total Funds 2024
Tangible Fixed Assets	87,610	7,197	94,807
Current Assets	96,258	-	96,258
Creditors	(81,887)	-	(81,887)
	<u>101,981</u>	<u>7,197</u>	<u>109,178</u>
	Unrestricted Funds	Restricted Funds	Total Funds 2023
Prior year			
Tangible Fixed Assets	90,246	7,678	97,924
Current Assets	48,173	-	48,173
Creditors	(28,294)	-	(28,294)
	<u>110,125</u>	<u>7,678</u>	<u>117,803</u>

Note 18 **Related Party Transactions**

During the year no Trustees used childcare services.

Note 19 **Operating Lease Commitments**

At 31st August 2024, the Charity had total commitments for future minimum lease payments under non-cancellable operating leases, which fall due as follows:

	<u>2024</u>	<u>2023</u>
Within one year	8,438	6,556
Between two and five years	33,752	26,224
After five years	92,818	78,672
	<u>135,008</u>	<u>111,452</u>

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 2024

Stepping Stones Childcare (Cornwall)

Year Ended 31st August 2024

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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 2024

	<u>2024</u>		<u>2023</u>
<u>INCOME</u>			
Fees charged	92,188		64,523
3 & 4 YO Nursery Education Grant funding	219,258		194,807
2 YO Funding	98,474		80,597
Additional funding	<u>2,960</u>		<u>7,055</u>
	412,880		346,982
Milk Reimbursement	2,896		3,279
Other Income	1,332		496
Fundraising Income	<u>3,693</u>		<u>2,763</u>
	420,801		353,520
<u>COST OF SALES</u>			
Fundraising Purchases	481		340
<u>EXPENSES</u>			
Business Rates	410		443
Water Rates	472		681
Light and Heat	7,943		6,506
Buildings Insurance	1,718		1,373
Property Repairs	2,140		4,275
Rent	7,026		6,556
Security Costs	1,004		1,270
Storage Costs	<u>1,080</u>		<u>900</u>
	21,793		22,004
<u>Labour Costs</u>			
Gross Wages	346,859		329,447
Employer's National Insurance	16,074		12,625
Employer's Pension costs	<u>6,065</u>		<u>5,388</u>
	368,998		347,460
<u>General Costs</u>			
Catering	4,811		5,315
Consumables	4,008		4,342
Craft	264		957
Holiday Club expenses	353		751
Repairs and Renewals	1,635		2,874
Training	2,284		1,349
Staff Uniform	460		383
Insurance	3,549		3,342
Subscriptions and Publications	1,385		1,549
Sundries	61		372
Mileage	<u>72</u>		<u>82</u>
	18,882		21,316
<u>Administration Costs</u>			
Postage and Stationery	1,823		2,020
Telephone	2,534		2,224
Computer Expenses	4,149		3,325
Advertising	<u>80</u>		<u>-</u>
	8,586		7,569
<u>Other Costs</u>			
Bank Charges	1,606		1,680
Bank Interest	122		12
Other interest paid	255		200
Bad debts	1,777		2,558
Independent examination	2,670		2,140
Depreciation	<u>4,256</u>		<u>4,357</u>
	10,686		10,947
	429,426		409,636
Surplus/(Deficit) for the year	<u><u>(8,625)</u></u>		<u><u>(56,116)</u></u>

Stepping Stones Childcare (Cornwall)

Profit and Loss Account Year Ended 31st August 2024

MOUNT CHARLES

	<u>2024</u>		<u>2023</u>
<u>INCOME</u>			
Pre-School fees	16,685		16,514
3 & 4 YO Nursery Education Grant funding	77,999		82,381
2 YO Funding	28,030		54,596
Additional funding	<u>2,067</u>		<u>3,452</u>
	124,781		156,943
Milk Reimbursement	985		1,315
Other Income	296		240
Fundraising Income	<u>1,590</u>		<u>1,335</u>
	127,652		159,833
<u>COST OF SALES</u>			
Fundraising Purchases	198		140
<u>Establishment Costs</u>			
Business Rates	132		181
Water Rates	472		681
Light and Heat	2,717		2,655
Buildings Insurance	1,466		1,121
Property Repairs	768		1,663
Security Costs	517		374
Storage Costs	<u>540</u>		<u>450</u>
	6,612		7,125
<u>Labour Costs</u>			
Gross wages:			
Pre-School	115,748		116,267
Employer's National Insurance	5,466		4,367
Employer's Pension costs	<u>2,065</u>		<u>1,924</u>
	7,531		6,291
<u>General Costs</u>			
Catering	1,819		2,147
Consumables	2,008		2,351
Craft	88		213
Repairs and Renewals	474		1,344
Training	1,123		497
Staff Uniform	131		139
Insurance	1,993		1,894
Subscriptions and Publications	670		696
Sundries	45		152
Mileage	<u>25</u>		<u>54</u>
	8,376		9,487
<u>Administration Costs</u>			
Postage and Stationery	884		896
Telephone	1,277		1,121
Computer Expenses	2,125		1,664
Advertising	<u>15</u>		<u></u>
	4,301		3,681
<u>Other Costs</u>			
Bank Charges	803		840
Bank Interest	61		6
Other interest paid	128		100
Bad Debts	533		1,102
Independent Examination	1,375		1,070
Depreciation	<u>874</u>		<u>1,156</u>
	3,774		4,274
	146,540		147,265
Surplus/(Deficit) for the year	<u><u>(18,888)</u></u>		<u><u>12,568</u></u>

Stepping Stones Childcare (Cornwall)

Profit and Loss Account Year Ended 31st August 2024

Scol Kensa

	<u>2024</u>	<u>2023</u>
<u>INCOME</u>		
Caterpillar Under 2 fees	28,353	328
Caterpillar room fees	20,620	22,789
2 YR Funding	70,444	28,001
Butterfly room fees	9,200	8,223
3 & 4 YR Nursery Education Grant funding	141,259	112,426
Additional funding	893	3,603
Holiday Club fees	<u>17,330</u>	<u>16,689</u>
	288,099	190,039
Milk reimbursement	1,911	1,964
Other Income	1,036	256
Fundraising Income	<u>2,103</u>	<u>1,428</u>
	293,149	193,687
<u>COST OF SALES</u>		
Fundraising purchases	283	200
<u>EXPENSES</u>		
<u>Establishment Costs</u>		
Business rates	278	262
Light and Heat	5,226	3,851
Property Repairs	1,372	2,612
Buildings Insurance	252	252
Security Costs	487	896
Storage Costs	540	450
Rent	<u>7,026</u>	<u>6,556</u>
	15,181	14,879
<u>Labour Costs</u>		
Gross wages:		
Caterpillar room	111,690	90,514
Butterfly room	91,556	94,588
Holiday Club	<u>27,865</u>	<u>28,078</u>
	231,111	213,180
Employer's National Insurance	10,608	8,258
Employer's Pension costs	<u>4,000</u>	<u>3,464</u>
	14,608	11,722
<u>General Costs</u>		
Catering	2,992	3,168
Consumables	2,000	1,991
Craft	176	744
Holiday Club expenses	353	751
Repairs and Renewals	1,161	1,530
Training	1,161	852
Staff Uniform	329	244
Insurance	1,556	1,448
Subscriptions and Publications	715	853
Sundries	16	220
Mileage	<u>47</u>	<u>28</u>
	10,506	11,829
<u>Administration Costs</u>		
Postage and Stationery	939	1,124
Telephone	1,257	1,103
Computer Expenses	2,024	1,661
Advertising	<u>65</u>	<u>-</u>
	4,285	3,888
<u>Other Costs</u>		
Bank Charges	803	840
Bank Interest	61	6
Other interest paid	127	100
Bad Debts	1,244	1,456
Independent Examination	1,295	1,070
Depreciation	<u>3,382</u>	<u>3,201</u>
	6,912	6,673
	282,886	262,371
Surplus/(Deficit) for the year	<u><u>10,263</u></u>	<u><u>(68,684)</u></u>

Stepping Stones Childcare (Cornwall)

Governance and Support Costs Analysis

Year Ended 31st August 2024

Governance Costs

	<u>2024</u>	<u>2023</u>
Independent Examination	2,670	2,140
Wages: Business Manager (50% governance)	10,295	9,175
Deputy Manager (50% governance)	-	4,445
Manager (50% governance)	<u>11,872</u>	<u>11,671</u>
	22,167	25,291
Total	<u><u>24,837</u></u>	<u><u>27,431</u></u>

Support Costs

Wages: Finance Assistant	27,919	23,782
Administrative Assistants	20,486	18,031
Deputy Manager (50%)	-	4,445
Deputy Manager/SENCo	29,214	26,691
Business Manager (50%)	10,295	9,175
Manager (50%)	<u>11,872</u>	<u>11,671</u>
	<u><u>99,786</u></u>	<u><u>93,795</u></u>

Stepping Stones Childcare (Cornwall)

Analysis of Other Income

Year Ended 31st August 2024

<u>Mount Charles</u>	Voluntary Income	Investment Income	Grant income	Total
Donations	2			2
HMRC SMP compensation				0
Bank Interest		145		145
Funding for Reading at Home training attendance	100			100
Photocopying charges	49			49
	151	145	0	296
<u>Scol Kensa</u>				
Donations	7			7
Bank Interest		145		145
Asda Foundation Forest School Grant			400	400
HMRC SMP compensation	185			185
Funding for Reading at Home training attendance	100			100
Photocopying charges	49			49
I Can Charity reward	150			150
	491	145	400	1,036
Total	642	290	400	1,332