

**CAREY CHILDCARE CENTRE**  
**REPORT OF THE TRUSTEES**  
**FOR THE YEAR ENDED 30TH SEPTEMBER 2021**

The trustees who are also directors of the charity for the purposes of the Companies Act 2006, present their report with the financial statements of the charity for the year ended 30th September 2021. The trustees have adopted the provisions of Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2015).

**OBJECTIVES AND ACTIVITIES**

**Objectives and aims.** As a Registered Day Nursery, we work in accordance with the Statutory Framework for the Early Years Foundation Stage, published by the government in 2012.

During the reporting period the Nursery provided a full time service (07:45 to 17:45, five days a week) to children and parents, from our premises at Carey Baptist Church, Pole Street Preston, except where interrupted by COVID Lockdown restrictions, or staff absence due to sickness. This facility comprised 4 play rooms, a dining/recreation hall, outdoor playground, offices, kitchen and toilets. We accommodated some 30 children (aged between 6 months and 4years) each week, with generally 20 in the Nursery at any one time. The children were tutored by 6 qualified full-time staff, assisted by a cook, and cleaners. We retain a five star rating for our kitchen.

**Significant activities.** We tracked the progress of each child against the EYFS learning objectives, and adjusted our activities to develop areas where children excelled, or needed further help. We provided parents with support in the education and behaviour of their children as well as providing information on health issues. The progress of each child was monitored by means of a 'Learning Journey' file, which was reviewed with parents. We continuously updated our play equipment and facilities.

We have opportunities for the children to participate in basic woodwork skills and simple Christian Education.

We continuously monitor the effectiveness of our educational programme, our staff performance, and the health and safety and fire safety of our premises.

Some staff turnover has occurred, and we have recruited replacements during the year. In May our Manager resigned for personal reasons, and we recruited a replacement.

Our last OFSTED inspection was held on 18<sup>th</sup> June 2018, and we were rated a 'Good' Nursery.

**Public benefit.** The Trustees have considered the Charity Commission guidance regarding public benefit and are content that the Charity has met the requirements by the means described above.

**FINANCIAL REVIEW**

**Investment policy and objectives.** The Trustees regularly review the level of cash funds held. Any amounts held in excess of that required for day-to-day use are deposited in order to earn additional interest where possible.

**Reserves policy.** The Trustees have reviewed the financial requirements of the charity and consider that the charity should normally hold free reserves equivalent to approximately three months' total expenditure. Such a reserve is required to enable the charity to run smoothly should there be any decrease or delay in income and cash-flow timing. Based on the average total costs of the charity this is equivalent to approximately £55,000.

Our financial reserves have been used up over the year, due to the disruption caused by COVID, requiring the employment of Agency staff to compensate for illness. Margins have further reduced because of increases in National Living Wage and Minimum Wage rates without any significant increase in government fees (see attached accounts).

We will seek to restore our reserves as conditions stabilise post COVID.

**STRUCTURE, GOVERNANCE AND MANAGEMENT**

**Governing document**

The charity is controlled by its governing document, the Memorandum and Articles of Association, and constitutes a limited company, limited by guarantee, as defined by the Companies Act 2006.

**Recruitment and appointment of new trustees**

The Trustees of the charity are elected from among the Deacons of Carey Baptist Church. The Trustees form the Management Committee. The Nursery Manager, and her Deputy, are ex officio members of the Committee, which meets regularly, usually monthly. This process has been disrupted by COVID, but is being re-activated.

**Charity registration number 1157278**

**Company registration number 08207587 (England and Wales)**

**CAREY CHILDCARE CENTRE**  
**ANNUAL REPORT AND UNAUDITED FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 SEPTEMBER 2021**

# CAREY CHILDCARE CENTRE

## LEGAL AND ADMINISTRATIVE INFORMATION

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### Trustees

Rev J S Watterson

Mr R J Spalding

(Appointed 28 October 2021)

Mr I W Argile

(Appointed 27 October 2021)

Mr G R Lewis

(Appointed 27 October 2021)

Miss J Pickles

(Appointed 27 October 2021)

### Charity number

1157278

### Company number

08207587

### Registered office

Carey Baptist Church

Pole Street

Preston

Lancashire

PR1 1DX

### Independent examiner

Champion TLL Limited

7-9 Station Road

Hesketh Bank

Preston

Lancashire

PR4 6SN

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# CAREY CHILDCARE CENTRE

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# **CAREY CHILDCARE CENTRE**

## **TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT)**

### **FOR THE YEAR ENDED 30 SEPTEMBER 2021**

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The trustees present their annual report and financial statements for the year ended 30 September 2021.

The financial statements have been prepared in accordance with the accounting policies set out in note 1 to the financial statements and comply with the charity's governing document, the Companies Act 2006 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)" (effective 1 January 2019).

#### **Objectives and activities**

As a Registered Day Nursery, we work in accordance with the Statutory Framework for the Early Years Foundation Stage, published by the government in 2012.

During the reporting period the Nursery provided a full time service (07:45 to 17:45, five days a week) to children and parents, from our premises at Carey Baptist Church, Pole Street Preston, except where interrupted by COVID Lockdown restrictions, or staff absence due to sickness.

This facility comprised 4 play rooms, a dining/recreation hall, outdoor playground, offices, kitchen and toilets. We accommodated some 30 children (aged between 6 months and 4years) each week, with generally 20 in the Nursery at any one time.

The children were tutored by 6 qualified full-time staff, assisted by a cook, and cleaners.

We retain a five star rating for our kitchen.

#### **Public benefit.**

The Trustees have considered the Charity Commission guidance regarding public benefit and are content that the Charity has met the requirements by the means described above.

#### **Significant activities**

We tracked the progress of each child against the EYFS learning objectives, and adjusted our activities to develop areas where children excelled, or needed further help. We provided parents with support in the education and behaviour of their children as well as providing information on health issues. The progress of each child was monitored by means of a 'Learning Journey' file, which was reviewed with parents. We continuously updated our play equipment and facilities.

We have opportunities for the children to participate in basic woodwork skills and simple Christian Education.

We continuously monitor the effectiveness of our educational programme, our staff performance, and the health and safety and fire safety of our premises.

Some staff turnover has occurred, and we have recruited replacements during the year. In May our Manager resigned for personal reasons, and we recruited a replacement.

Our last OFSTED inspection was held on 18th June 2018, and we were rated a 'Good' Nursery.

#### **Achievements and performance**

##### **Financial review**

It is the policy of the charity that unrestricted funds which have not been designated for a specific use should be maintained at a level equivalent to between three and six month's expenditure. The trustees consider that reserves at this level will ensure that, in the event of a significant drop in funding, they will be able to continue the charity's current activities while consideration is given to ways in which additional funds may be raised. This level of reserves has been maintained throughout the year.

# CAREY CHILDCARE CENTRE

## TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED) FOR THE YEAR ENDED 30 SEPTEMBER 2021

The Trustees have reviewed the financial requirements of the charity and consider that the charity should normally hold free reserves equivalent to approximately three months' total expenditure. Such a reserve is required to enable the charity to run smoothly should there be any decrease or delay in income and cash-flow timing. Based on the average total costs of the charity this is equivalent to approximately £44,000.

Our financial reserves have been used up over the year, due to the disruption caused by COVID, requiring the employment of Agency staff to compensate for illness. Margins have further reduced because of increases in National Living Wage and Minimum Wage rates without any significant increase in government fees (see attached accounts).

At the year end free reserves amounted to £36,326 (2020: £61,404)

We will seek to restore our reserves as conditions stabilise post COVID.

The Trustees regularly review the level of cash funds held. Any amounts held in excess of that required for day-to-day use are deposited in order to earn additional interest where possible.

The trustees regularly consider the risks faced by the charity and take action where appropriate.

### Structure, governance and management

The charity is a company limited by guarantee.

The trustees, who are also the directors for the purpose of company law, and who served during the year and up to the date of signature of the financial statements were:

Mr M K Nutekepor (Resigned 27 October 2021)

Rev J S Watterson

Mr R J Spalding (Appointed 28 October 2021)

Mr I W Argile (Appointed 27 October 2021)

Mr G R Lewis (Appointed 27 October 2021)

Miss J Pickles (Appointed 27 October 2021)

The Trustees of the charity are elected from among the Deacons of Carey Baptist Church. The Trustees form the Management Committee. The Nursery manager, and her Deputy, are ex officio members of the Committee, which meets regularly, usually monthly. Minutes are kept of each meeting.

The trustees' report was approved by the Board of Trustees.

  
Rev J S Watterson

Trustee

Date: 18/7/22

# CAREY CHILDCARE CENTRE

## INDEPENDENT EXAMINER'S REPORT

### TO THE TRUSTEES OF CAREY CHILDCARE CENTRE

I report to the trustees on my examination of the financial statements of Carey Childcare Centre (the charity) for the year ended 30 September 2021.

#### Responsibilities and basis of report

As the trustees of the charity (and also its directors for the purposes of company law) you are responsible for the preparation of the financial statements in accordance with the requirements of the Companies Act 2006 (the 2006 Act).

Having satisfied myself that the financial statements of the charity are not required to be audited under Part 16 of the 2006 Act and are eligible for independent examination, I report in respect of my examination of the charity's financial statements carried out under section 145 of the Charities Act 2011 (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

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 386 of the 2006 Act; or
- 2 the financial statements do not accord with those records; or
- 3 the financial statements do not comply with the accounting requirements of section 396 of the 2006 Act 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; or
- 4 the financial statements have not been prepared in accordance with the methods and principles of the Statement of Recommended Practice for accounting and reporting by charities applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102).

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.



Champion TLL Limited

P Buck FCA, DChA  
7-9 Station Road  
Hesketh Bank  
Preston  
Lancashire  
PR4 6SN

Dated: 15/7/22



# CAREY CHILDCARE CENTRE

## STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT FOR THE YEAR ENDED 30 SEPTEMBER 2021

	Notes	Unrestricted funds 2021 £	Unrestricted funds 2020 £
<b><u>Income from:</u></b>			
Donations and legacies	3	-	16,255
Charitable activities	4	149,677	151,908
Investments	5	224	-
<b>Total income</b>		<b>149,901</b>	<b>168,163</b>
<b><u>Expenditure on:</u></b>			
Charitable activities	6	175,459	157,261
<b>Net (expenditure)/income for the year/ Net movement in funds</b>		<b>(25,558)</b>	<b>10,902</b>
<b>Fund balances at 1 October 2020</b>		<b>61,404</b>	<b>50,502</b>
<b>Fund balances at 30 September 2021</b>		<b>35,846</b>	<b>61,404</b>

The statement of financial activities includes all gains and losses recognised in the year.

All income and expenditure derive from continuing activities.

The statement of financial activities also complies with the requirements for an income and expenditure account under the Companies Act 2006.

# CAREY CHILDCARE CENTRE

## BALANCE SHEET

AS AT 30 SEPTEMBER 2021

	Notes	2021 £	£	2020 £	£
<b>Fixed assets</b>					
Tangible assets	10		9,193		11,491
<b>Current assets</b>					
Cash at bank and in hand		29,135		54,044	
<b>Creditors: amounts falling due within one year</b>	11	(2,482)		(4,131)	
Net current assets			26,653		49,913
<b>Total assets less current liabilities</b>			35,846		61,404
<b>Income funds</b>					
Unrestricted funds			35,846		61,404
			35,846		61,404

The company is entitled to the exemption from the audit requirement contained in section 477 of the Companies Act 2006, for the year ended 30 September 2021.

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

The members have not required the company to obtain an audit of its financial statements for the year in question in accordance with section 476.

These financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime.

The financial statements were approved by the Trustees on 13/7/22

  
Rev J S Waterson  
Trustee

Company registration number 08207587

# CAREY CHILDCARE CENTRE

## NOTES TO THE FINANCIAL STATEMENTS

**FOR THE YEAR ENDED 30 SEPTEMBER 2021**

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### **1 Accounting policies**

#### **Charity information**

Carey Childcare Centre is a private company limited by guarantee incorporated in England and Wales. The registered office is Carey Baptist Church, Pole Street, Preston, Lancashire, PR1 1DX.

#### **1.1 Accounting convention**

The financial statements have been prepared in accordance with the charity's governing document, the Companies Act 2006, FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the Charities SORP "Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102)" (effective 1 January 2019). The charity is a Public Benefit Entity as defined by FRS 102.

The charity has taken advantage of the provisions in the SORP for charities not to prepare a Statement of Cash Flows.

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 been prepared under the historical cost convention, modified to include the revaluation of freehold properties and to include investment properties and certain financial instruments at fair value. The principal accounting policies adopted are set out below.

#### **1.2 Going concern**

At the time of approving the financial statements, the trustees have a reasonable expectation that the charity has adequate resources to continue in operational existence for the foreseeable future. Thus the trustees continue to adopt the going concern basis of accounting in preparing the financial statements.

#### **1.3 Charitable funds**

Unrestricted funds are available for use at the discretion of the trustees in furtherance of their charitable objectives.

Restricted funds are subject to specific conditions by donors as to how they may be used. The purposes and uses of the restricted funds are set out in the notes to the financial statements.

Endowment funds are subject to specific conditions by donors that the capital must be maintained by the charity.

#### **1.4 Income**

Income is recognised when the charity is legally entitled to it after any performance conditions have been met, the amounts can be measured reliably, and it is probable that income will be received.

Cash donations are recognised on receipt. Other donations are recognised once the charity has been notified of the donation, unless performance conditions require deferral of the amount. Income tax recoverable in relation to donations received under Gift Aid or deeds of covenant is recognised at the time of the donation.

Legacies are recognised on receipt or otherwise if the charity has been notified of an impending distribution, the amount is known, and receipt is expected. If the amount is not known, the legacy is treated as a contingent asset.

# CAREY CHILDCARE CENTRE

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 SEPTEMBER 2021

### 1 Accounting policies

(Continued)

#### 1.5 Expenditure

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, it is probable that a transfer of economic benefits will be required in settlement, and the amount of the obligation can be measured reliably.

Expenditure is classified by activity. The costs of each activity are made up of the total of direct costs and shared costs, including support costs involved in undertaking each activity. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs which contribute to more than one activity and support costs which are not attributable to a single activity are apportioned between those activities on a basis consistent with the use of resources. Central staff costs are allocated on the basis of time spent, and depreciation charges are allocated on the portion of the asset's use.

#### 1.6 Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Plant and equipment	20% reducing balance
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The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is recognised in the statement of financial activities.

#### 1.7 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).

#### 1.8 Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

#### *Basic financial assets*

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

# CAREY CHILDCARE CENTRE

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 SEPTEMBER 2021

### 1 Accounting policies

(Continued)

#### **Basic financial liabilities**

Basic financial liabilities, including creditors and bank loans are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of operations from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

#### **Derecognition of financial liabilities**

Financial liabilities are derecognised when the charity's contractual obligations expire or are discharged or cancelled.

### 1.9 Employee benefits

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the charity is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

### 2 Critical accounting estimates and judgements

In the application of the charity's accounting policies, the trustees are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

### 3 Donations and legacies

	Total Unrestricted funds	
	2021	2020
	£	£
Donations and gifts	-	16,255

# CAREY CHILDCARE CENTRE

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 SEPTEMBER 2021

### 4 Charitable activities

	Education 2021 £	Education 2020 £
Income within charitable activities	149,677	151,908

### 5 Investments

	Unrestricted funds 2021 £	Total 2020 £
Interest receivable	224	-

### 6 Charitable activities

	Education 2021 £	Education 2020 £
Staff costs	106,720	111,986
Depreciation and impairment	2,298	2,873
Education	65,241	41,178
	174,259	156,037
Share of governance costs (see note 7)	1,200	1,224
	175,459	157,261

# CAREY CHILDCARE CENTRE

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 SEPTEMBER 2021

### 7 Support costs

	Governance costs £	2021 £	Governance costs £	2020 £
Independent examination fees	1,200	1,200	1,224	1,224
	<u>1,200</u>	<u>1,200</u>	<u>1,224</u>	<u>1,224</u>
Analysed between Charitable activities	1,200	1,200	1,224	1,224
	<u>1,200</u>	<u>1,200</u>	<u>1,224</u>	<u>1,224</u>

### 8 Trustees

None of the trustees (or any persons connected with them) received any remuneration or benefits from the charity during the year.

### 9 Employees

The average monthly number of employees during the year was:

	2021 Number	2020 Number
	7	8
	<u>7</u>	<u>8</u>
Employment costs	2021 £	2020 £
Wages and salaries	106,720	111,986
	<u>106,720</u>	<u>111,986</u>

There were no employees whose annual remuneration was more than £60,000.

# CAREY CHILDCARE CENTRE

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 SEPTEMBER 2021

### 10 Tangible fixed assets

	Plant and equipment £
<b>Cost</b>	
At 1 October 2020	29,746
At 30 September 2021	29,746
<b>Depreciation and impairment</b>	
At 1 October 2020	18,255
Depreciation charged in the year	2,298
At 30 September 2021	20,553
<b>Carrying amount</b>	
At 30 September 2021	9,193
At 30 September 2020	11,491

### 11 Creditors: amounts falling due within one year

	2021 £	2020 £
Other creditors	1,102	2,103
Accruals and deferred income	1,380	2,028
	<u>2,482</u>	<u>4,131</u>

### 12 Analysis of net assets between funds

	Unrestricted funds 2021 £	Unrestricted funds 2020 £
Fund balances at 30 September 2021 are represented by:		
Tangible assets	9,193	11,491
Current assets/(liabilities)	26,653	49,913
	<u>35,846</u>	<u>61,404</u>

The movement in funds, for this year and last, wholly related to free reserves.

### 13 Related party transactions

There were no disclosable related party transactions during the year (2020 - none).



**Charity registration number 1157278**

**Company registration number 08207587 (England and Wales)**

**CAREY CHILDCARE CENTRE**  
**ANNUAL REPORT AND UNAUDITED FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 SEPTEMBER 2021**

# CAREY CHILDCARE CENTRE

## LEGAL AND ADMINISTRATIVE INFORMATION

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### Trustees

Rev J S Watterson  
Mr R J Spalding

(Appointed 28 October  
2021)

Mr I W Argile

(Appointed 27 October  
2021)

Mr G R Lewis

(Appointed 27 October  
2021)

Miss J Pickles

(Appointed 27 October  
2021)

### Charity number

1157278

### Company number

08207587

### Registered office

Carey Baptist Church  
Pole Street  
Preston  
Lancashire  
PR1 1DX

### Independent examiner

Champion TLL Limited  
7-9 Station Road  
Hesketh Bank  
Preston  
Lancashire  
PR4 6SN

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# CAREY CHILDCARE CENTRE

## TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT)

### FOR THE YEAR ENDED 30 SEPTEMBER 2021

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We retain a five star rating for our kitchen.

#### Public benefit.

The Trustees have considered the Charity Commission guidance regarding public benefit and are content that the Charity has met the requirements by the means described above.

#### Significant activities

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Some staff turnover has occurred, and we have recruited replacements during the year. In May our Manager resigned for personal reasons, and we recruited a replacement.

Our last OFSTED inspection was held on 18th June 2018, and we were rated a 'Good' Nursery.

#### Achievements and performance

##### Financial review

It is the policy of the charity that unrestricted funds which have not been designated for a specific use should be maintained at a level equivalent to between three and six month's expenditure. The trustees consider that reserves at this level will ensure that, in the event of a significant drop in funding, they will be able to continue the charity's current activities while consideration is given to ways in which additional funds may be raised. This level of reserves has been maintained throughout the year.

# CAREY CHILDCARE CENTRE

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At the year end free reserves amounted to £36,326 (2020: £61,404)

We will seek to restore our reserves as conditions stabilise post COVID.

The Trustees regularly review the level of cash funds held. Any amounts held in excess of that required for day-to-day use are deposited in order to earn additional interest where possible.

The trustees regularly consider the risks faced by the charity and take action where appropriate.

### Structure, governance and management

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Rev J S Watterson

Mr R J Spalding (Appointed 28 October 2021)

Mr I W Argile (Appointed 27 October 2021)

Mr G R Lewis (Appointed 27 October 2021)

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The trustees' report was approved by the Board of Trustees.

  
Rev J S Watterson

Trustee

Date: 18/7/22

# CAREY CHILDCARE CENTRE

## INDEPENDENT EXAMINER'S REPORT

### TO THE TRUSTEES OF CAREY CHILDCARE CENTRE

I report to the trustees on my examination of the financial statements of Carey Childcare Centre (the charity) for the year ended 30 September 2021.

#### Responsibilities and basis of report

As the trustees of the charity (and also its directors for the purposes of company law) you are responsible for the preparation of the financial statements in accordance with the requirements of the Companies Act 2006 (the 2006 Act).

Having satisfied myself that the financial statements of the charity are not required to be audited under Part 16 of the 2006 Act and are eligible for independent examination, I report in respect of my examination of the charity's financial statements carried out under section 145 of the Charities Act 2011 (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

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 386 of the 2006 Act; or
- 2 the financial statements do not accord with those records; or
- 3 the financial statements do not comply with the accounting requirements of section 396 of the 2006 Act 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; or
- 4 the financial statements have not been prepared in accordance with the methods and principles of the Statement of Recommended Practice for accounting and reporting by charities applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102).

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.



Champion TLL Limited

P Buck FCA, DChA  
7-9 Station Road  
Hesketh Bank  
Preston  
Lancashire  
PR4 6SN

Dated: 15/7/22

# CAREY CHILDCARE CENTRE

## STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT FOR THE YEAR ENDED 30 SEPTEMBER 2021

	Notes	Unrestricted funds 2021 £	Unrestricted funds 2020 £
<b><u>Income from:</u></b>			
Donations and legacies	3	-	16,255
Charitable activities	4	149,677	151,908
Investments	5	224	-
<b>Total income</b>		<u>149,901</u>	<u>168,163</u>
<b><u>Expenditure on:</u></b>			
Charitable activities	6	<u>175,459</u>	<u>157,261</u>
<b>Net (expenditure)/income for the year/ Net movement in funds</b>		(25,558)	10,902
<b>Fund balances at 1 October 2020</b>		<u>61,404</u>	<u>50,502</u>
<b>Fund balances at 30 September 2021</b>		<u><u>35,846</u></u>	<u><u>61,404</u></u>

The statement of financial activities includes all gains and losses recognised in the year.

All income and expenditure derive from continuing activities.

The statement of financial activities also complies with the requirements for an income and expenditure account under the Companies Act 2006.

# CAREY CHILDCARE CENTRE

## BALANCE SHEET

AS AT 30 SEPTEMBER 2021

	Notes	2021 £	£	2020 £	£
<b>Fixed assets</b>					
Tangible assets	10		9,193		11,491
<b>Current assets</b>					
Cash at bank and in hand		29,135		54,044	
<b>Creditors: amounts falling due within one year</b>	11	(2,482)		(4,131)	
Net current assets			26,653		49,913
<b>Total assets less current liabilities</b>			35,846		61,404
<b>Income funds</b>					
Unrestricted funds			35,846		61,404
			35,846		61,404

The company is entitled to the exemption from the audit requirement contained in section 477 of the Companies Act 2006, for the year ended 30 September 2021.

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

The members have not required the company to obtain an audit of its financial statements for the year in question in accordance with section 476.

These financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime.

The financial statements were approved by the Trustees on 13/7/22

  
Rev J S Waterson  
Trustee

Company registration number 08207587



# CAREY CHILDCARE CENTRE

## NOTES TO THE FINANCIAL STATEMENTS

**FOR THE YEAR ENDED 30 SEPTEMBER 2021**

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### **1 Accounting policies**

#### **Charity information**

Carey Childcare Centre is a private company limited by guarantee incorporated in England and Wales. The registered office is Carey Baptist Church, Pole Street, Preston, Lancashire, PR1 1DX.

#### **1.1 Accounting convention**

The financial statements have been prepared in accordance with the charity's governing document, the Companies Act 2006, FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the Charities SORP "Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102)" (effective 1 January 2019). The charity is a Public Benefit Entity as defined by FRS 102.

The charity has taken advantage of the provisions in the SORP for charities not to prepare a Statement of Cash Flows.

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 been prepared under the historical cost convention, modified to include the revaluation of freehold properties and to include investment properties and certain financial instruments at fair value. The principal accounting policies adopted are set out below.

#### **1.2 Going concern**

At the time of approving the financial statements, the trustees have a reasonable expectation that the charity has adequate resources to continue in operational existence for the foreseeable future. Thus the trustees continue to adopt the going concern basis of accounting in preparing the financial statements.

#### **1.3 Charitable funds**

Unrestricted funds are available for use at the discretion of the trustees in furtherance of their charitable objectives.

Restricted funds are subject to specific conditions by donors as to how they may be used. The purposes and uses of the restricted funds are set out in the notes to the financial statements.

Endowment funds are subject to specific conditions by donors that the capital must be maintained by the charity.

#### **1.4 Income**

Income is recognised when the charity is legally entitled to it after any performance conditions have been met, the amounts can be measured reliably, and it is probable that income will be received.

Cash donations are recognised on receipt. Other donations are recognised once the charity has been notified of the donation, unless performance conditions require deferral of the amount. Income tax recoverable in relation to donations received under Gift Aid or deeds of covenant is recognised at the time of the donation.

Legacies are recognised on receipt or otherwise if the charity has been notified of an impending distribution, the amount is known, and receipt is expected. If the amount is not known, the legacy is treated as a contingent asset.

# CAREY CHILDCARE CENTRE

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 SEPTEMBER 2021

### 1 Accounting policies

(Continued)

#### 1.5 Expenditure

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, it is probable that a transfer of economic benefits will be required in settlement, and the amount of the obligation can be measured reliably.

Expenditure is classified by activity. The costs of each activity are made up of the total of direct costs and shared costs, including support costs involved in undertaking each activity. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs which contribute to more than one activity and support costs which are not attributable to a single activity are apportioned between those activities on a basis consistent with the use of resources. Central staff costs are allocated on the basis of time spent, and depreciation charges are allocated on the portion of the asset's use.

#### 1.6 Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Plant and equipment	20% reducing balance
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The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is recognised in the statement of financial activities.

#### 1.7 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).

#### 1.8 Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

#### *Basic financial assets*

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

# CAREY CHILDCARE CENTRE

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 SEPTEMBER 2021

### 1 Accounting policies

(Continued)

#### **Basic financial liabilities**

Basic financial liabilities, including creditors and bank loans are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of operations from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

#### **Derecognition of financial liabilities**

Financial liabilities are derecognised when the charity's contractual obligations expire or are discharged or cancelled.

### 1.9 Employee benefits

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the charity is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

### 2 Critical accounting estimates and judgements

In the application of the charity's accounting policies, the trustees are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

### 3 Donations and legacies

	Total	Unrestricted funds
	2021	2020
	£	£
Donations and gifts	-	16,255

# CAREY CHILDCARE CENTRE

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 SEPTEMBER 2021

### 4 Charitable activities

	Education 2021 £	Education 2020 £
Income within charitable activities	149,677	151,908

### 5 Investments

	Unrestricted funds 2021 £	Total 2020 £
Interest receivable	224	-

### 6 Charitable activities

	Education 2021 £	Education 2020 £
Staff costs	106,720	111,986
Depreciation and impairment	2,298	2,873
Education	65,241	41,178
	174,259	156,037
Share of governance costs (see note 7)	1,200	1,224
	175,459	157,261

# CAREY CHILDCARE CENTRE

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 SEPTEMBER 2021

### 7 Support costs

	Governance costs £	2021 £	Governance costs £	2020 £
Independent examination fees	1,200	1,200	1,224	1,224
	<u>1,200</u>	<u>1,200</u>	<u>1,224</u>	<u>1,224</u>
Analysed between Charitable activities	<u>1,200</u>	<u>1,200</u>	<u>1,224</u>	<u>1,224</u>

### 8 Trustees

None of the trustees (or any persons connected with them) received any remuneration or benefits from the charity during the year.

### 9 Employees

The average monthly number of employees during the year was:

	2021 Number	2020 Number
	<u>7</u>	<u>8</u>
Employment costs	2021 £	2020 £
Wages and salaries	<u>106,720</u>	<u>111,986</u>

There were no employees whose annual remuneration was more than £60,000.

# CAREY CHILDCARE CENTRE

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 SEPTEMBER 2021

### 10 Tangible fixed assets

	Plant and equipment £
<b>Cost</b>	
At 1 October 2020	29,746
At 30 September 2021	29,746
<b>Depreciation and impairment</b>	
At 1 October 2020	18,255
Depreciation charged in the year	2,298
At 30 September 2021	20,553
<b>Carrying amount</b>	
At 30 September 2021	9,193
At 30 September 2020	11,491

### 11 Creditors: amounts falling due within one year

	2021 £	2020 £
Other creditors	1,102	2,103
Accruals and deferred income	1,380	2,028
	<u>2,482</u>	<u>4,131</u>

### 12 Analysis of net assets between funds

	Unrestricted funds 2021 £	Unrestricted funds 2020 £
Fund balances at 30 September 2021 are represented by:		
Tangible assets	9,193	11,491
Current assets/(liabilities)	26,653	49,913
	<u>35,846</u>	<u>61,404</u>

The movement in funds, for this year and last, wholly related to free reserves.

### 13 Related party transactions

There were no disclosable related party transactions during the year (2020 - none).