

CHARITY REGISTRATION NUMBER: 1175752

Hythe Bay Children's Centre
Unaudited Financial Statements
31 March 2022

PG LEMON LLP
Chartered Certified Accountants
134 High Street
Hythe
Kent
CT21 5LB

Hythe Bay Children's Centre

Financial Statements

Year ended 31 March 2022

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Hythe Bay Children's Centre

Trustees' Annual Report

Year ended 31 March 2022

The trustees present their report and the unaudited financial statements of the charity for the year ended 31 March 2022.

Reference and administrative details

Registered charity name	Hythe Bay Children's Centre
Charity registration number	1175752
Principal office	Cinque Ports Avenue Hythe CT21 6HS Kent

The trustees

Mrs C Chivers
Mrs R Prout
Mr V Casambros
Prof B Hill

Independent examiner	Mr Philip Gambrill MAAT FCCA
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Structure, governance and management

The charity underwent a transfer of a charity into a charitable incorporated organisation on 31 January 2018. All assets and liabilities were transferred to the new CIO. The new Hythe Bay Children's Centre continues under the same structure with the same objectives.

Description of the charity:

Hythe Bay Children's Centre incorporating Hythe Bay Nursery and Out of School Club.

Type of governing document: trust

A constitution was adopted on 18 May 2017 in order for charity to transfer to CIO on 31 January 2018. A new constitution was signed on 15 October 2019.

Trustee selection methods:

Membership is open to individuals over eighteen or organisations who are approved by the trustees. The trustees may only refuse an application for membership if, acting reasonably and properly, they consider it to be in the best interests of the charity to refuse the application.

The trustees have had regard to the guidance issued by the Charity Commission on public benefit.

Hythe Bay Children's Centre

Trustees' Annual Report *(continued)*

Year ended 31 March 2022

Objectives and activities

Summary of the purposes of the charity as set out in its governing document: The education and care of children under eleven.

Summary of main activities:

Full day care for under 5s.

Out of school care 5-11 year olds

Holiday play scheme 5-11 year olds.

Achievements and performance

Summary of the main achievements of the charity:

Pre-school day care provision for children.

Out of school care during term time for children.

Holiday play scheme for children.

Family support.

All children are local to the area of Hythe.

Ofsted judged the provision as 'good' in March 2022.

Financial review

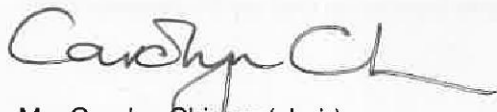
The income in the year to 31 March 2022 reached £625,063, and the expenditure in the same year was £560,102, creating a surplus of income over expenditure of £64,961.

Reserve policy:

The charity keeps an operating reserve as cash at bank in order to sustain the organisation. The usual amount held is equivalent to costs of three months' salaries.

The charity's principal sources of income are: KCC headcount funding, government grants and fees from parents.

The trustees' annual report was approved on 11.10.22 and signed on behalf of the board of trustees by:



Mrs Carolyn Chivers (chair)

Hythe Bay Children's Centre

Independent Examiner's Report to the Trustees of Hythe Bay Children's Centre

Year ended 31 March 2022

I report to the trustees on my examination of the financial statements of Hythe Bay Children's Centre ('the charity') for the year ended 31 March 2022.

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 Act').

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


Independent examiner's statement

Since the charity's gross income exceeded £250,000 your examiner must be a member of a body listed in section 145 of the 2011 Act. I confirm that I am qualified to undertake the examination because I am a member of the Association of Chartered Certified Accountants, which is one of the listed bodies.

I have completed my examination. I confirm that no material 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 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 accounts to be reached.



Mr Philip Gambrill MAAT FCCA
Independent Examiner

PG Lemon LLP
134 High Street
Hythe
Kent
CT21 5LB

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Hythe Bay Children's Centre

Statement of Financial Activities

Year ended 31 March 2022

		2022		2021
	Note	Unrestricted funds £	Total funds £	Total funds £
Income and endowments				
Grants and other funding	4	254,230	254,230	309,082
Income from charitable activities	5	370,825	370,825	194,626
Investment income	6	8	8	41
Other income	7	—	—	6,013
Total income		<u>625,063</u>	<u>625,063</u>	<u>509,762</u>
Expenditure				
Expenditure on charitable activities	8,9	388,276	388,276	345,838
Other expenditure	10	175	175	74
Total expenditure		<u>388,451</u>	<u>388,451</u>	<u>345,912</u>
Other administration costs	11	171,651	171,651	144,114
Net income and net movement in funds		<u>64,961</u>	<u>64,961</u>	<u>19,736</u>
Reconciliation of funds				
Total funds brought forward		102,780	102,780	83,044
Total funds carried forward		<u>167,741</u>	<u>167,741</u>	<u>102,780</u>

The statement of financial activities includes all gains and losses recognised in the year.
All income and expenditure derive from continuing activities.

The notes on pages 6 to 13 form part of these financial statements.

Hythe Bay Children's Centre

Statement of Financial Position

31 March 2022

	Note	2022 £	2021 £
Fixed assets			
Tangible fixed assets	16	2,627	-
Current assets			
Debtors	17	11,105	11,329
Cash at bank and in hand		161,232	94,063
		172,337	105,392
Creditors: amounts falling due within one year	18	7,223	2,612
Net current assets		165,114	102,780
Total assets less current liabilities		167,741	102,780
Net assets		167,741	102,780
Funds of the charity			
Unrestricted funds		167,741	102,780
Total charity funds	20	167,741	102,780

These financial statements were approved by the board of trustees and authorised for issue on 11.10.2022, and are signed on behalf of the board by:



Mrs Carolyn Chivers

The notes on pages 6 to 13 form part of these financial statements.

Hythe Bay Children's Centre

Notes to the Financial Statements

Year ended 31 March 2022

1. General information

The charity is a public benefit entity and a registered charity in England and Wales. It takes form of a charitable incorporated organisation. The address of the principal office is Cinque Ports Avenue, Hythe, Kent, CT21 6HS.

2. Statement of compliance

These financial statements have been prepared in compliance with FRS 102, 'The Financial Reporting Standard applicable in the UK and the Republic of Ireland', the 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) (Charities SORP (FRS 102)) and the Charities Act 2011.

3. Accounting policies

Basis of preparation

The financial statements have been prepared on the historical cost basis, as modified by the revaluation of certain financial assets and liabilities and investment properties measured at fair value through income or expenditure. The financial statements are prepared in sterling, which is the functional currency of the entity.

Going concern

There are no material uncertainties about the charity's ability to continue.

Judgements and key sources of estimation uncertainty

The key assumptions and other sources of estimation uncertainty that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are as follows: none

Fund accounting

Unrestricted funds are available for use at the discretion of the trustees to further any of the charity's purposes.

Designated funds are unrestricted funds earmarked by the trustees for particular future project or commitment.

Restricted funds are subjected to restrictions on their expenditure declared by the donor or through the terms of an appeal, and fall into one of two sub-classes: restricted income funds or endowment funds.

Hythe Bay Children's Centre

Notes to the Financial Statements *(continued)*

Year ended 31 March 2022

3. Accounting policies *(continued)*

Incoming resources

All incoming resources are included in the statement of financial activities when entitlement has passed to the charity; it is probable that the economic benefits associated with the transaction will flow to the charity and the amount can be reliably measured. The following specific policies are applied to particular categories of income:

- income from donations or grants is recognised when there is evidence of entitlement to the gift, receipt is probable and its amount can be measured reliably.
- legacy income is recognised when receipt is probable and entitlement is established.
- income from donated goods is measured at the fair value of the goods unless this is impractical to measure reliably, in which case the value is derived from the cost to the donor or the estimated resale value. Donated facilities and services are recognised in the accounts when received if the value can be reliably measured. No amounts are included for the contribution of general volunteers.
- income from contracts for the supply of services is recognised with the delivery of the contracted service. This is classified as unrestricted funds unless there is a contractual requirement for it to be spent on a particular purpose and returned if unspent, in which case it may be regarded as restricted.

Resources expended

Expenditure is recognised on an accruals basis as a liability is incurred. Expenditure includes any VAT which cannot be fully recovered, and is classified under headings of the statement of financial activities to which it relates:

- expenditure on raising funds includes the costs of all fundraising activities, events, non-charitable trading activities, and the sale of donated goods.
- expenditure on charitable activities includes all costs incurred by a charity in undertaking activities that further its charitable aims for the benefit of its beneficiaries, including those support costs and costs relating to the governance of the charity apportioned to charitable activities.
- other expenditure includes all expenditure that is neither related to raising funds for the charity nor part of its expenditure on charitable activities.

All costs are allocated to expenditure categories reflecting the use of the resource. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs are apportioned between the activities they contribute to on a reasonable, justifiable and consistent basis.

Tangible assets

Tangible assets are initially recorded at cost, and subsequently stated at cost less any accumulated depreciation and impairment losses. Any tangible assets carried at revalued amounts are recorded at the fair value at the date of revaluation less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

Hythe Bay Children's Centre

Notes to the Financial Statements *(continued)*

Year ended 31 March 2022

3. Accounting policies *(continued)*

Tangible assets *(continued)*

An increase in the carrying amount of an asset as a result of a revaluation, is recognised in other recognised gains and losses, unless it reverses a charge for impairment that has previously been recognised as expenditure within the statement of financial activities. A decrease in the carrying amount of an asset as a result of revaluation, is recognised in other recognised gains and losses, except to which it offsets any previous revaluation gain, in which case the loss is shown within other recognised gains and losses on the statement of financial activities.

Depreciation

Depreciation is calculated so as to write off the cost or valuation of an asset, less its residual value, over the useful economic life of that asset as follows:

Equipment	- 15% straight line
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Impairment of fixed assets

A review for indicators of impairment is carried out at each reporting date, with the recoverable amount being estimated where such indicators exist. Where the carrying value exceeds the recoverable amount, the asset is impaired accordingly. Prior impairments are also reviewed for possible reversal at each reporting date.

For the purposes of impairment testing, when it is not possible to estimate the recoverable amount of an individual asset, an estimate is made of the recoverable amount of the cash-generating unit to which the asset belongs. The cash-generating unit is the smallest identifiable group of assets that includes the asset and generates cash inflows that largely independent of the cash inflows from other assets or groups of assets.

For impairment testing of goodwill, the goodwill acquired in a business combination is, from the acquisition date, allocated to each of the cash-generating units that are expected to benefit from the synergies of the combination, irrespective of whether other assets or liabilities of the charity are assigned to those units.

Provisions

Provisions are recognised when the entity has an obligation at the reporting date as a result of a past event, it is probable that the entity will be required to transfer economic benefits in settlement and the amount of the obligation can be estimated reliably. Provisions are recognised as a liability in the statement of financial position and the amount of the provision as an expense.

Provisions are initially measured at the best estimate of the amount required to settle the obligation at the reporting date and subsequently reviewed at each reporting date and adjusted to reflect the current best estimate of the amount that would be required to settle the obligation. Any adjustments to the amounts previously recognised are recognised in income or expenditure unless the provision was originally recognised as part of the cost of an asset. When a provision is measured at the present value of the amount expected to be required to settle the obligation, the unwinding of the discount is recognised as a finance cost in the statement of financial activities in the period it arises, and is allocated to the appropriate expenditure heading.

Hythe Bay Children's Centre

Notes to the Financial Statements (continued)

Year ended 31 March 2022

3. Accounting policies (continued)

Financial instruments

The charity had only basic financial instruments in the period under review.

4. Grants and other funding

	Unrestricted Funds £	Total Funds 2022 £	Unrestricted Funds £	Total Funds 2021 £
Grants				
Other grants	52,336	52,336	53,220	53,220
KCC headcount funding	201,894	201,894	255,862	255,862
	<u>254,230</u>	<u>254,230</u>	<u>309,082</u>	<u>309,082</u>

5. Income from charitable activities

	Unrestricted Funds £	Total Funds 2022 £	Unrestricted Funds £	Total Funds 2021 £
Nursery income	321,416	321,416	171,203	171,203
Early years pupil premium	2,417	2,417	2,129	2,129
Out of school club	46,992	46,992	21,294	21,294
	<u>370,825</u>	<u>370,825</u>	<u>194,626</u>	<u>194,626</u>

6. Investment income

	Unrestricted Funds £	Total Funds 2022 £	Unrestricted Funds £	Total Funds 2021 £
Bank interest	8	8	41	41

7. Other income

	Unrestricted Funds £	Total Funds 2022 £	Unrestricted Funds £	Total Funds 2021 £
Other income	—	—	6,013	6,013

Hythe Bay Children's Centre

Notes to the Financial Statements (continued)

Year ended 31 March 2022

8. Expenditure on charitable activities by fund type

	Unrestricted Funds	Total Funds 2022	Unrestricted Funds	Total Funds 2021
	£	£	£	£
Catering nursery	13,271	13,271	10,691	10,691
Catering OSC	4,470	4,470	4,294	4,294
Nursery BSA & E	—	—	726	726
OSC BSA & E	—	—	564	564
Trips OSC	463	463	—	—
Trips nursery	3,685	3,685	19	19
Outside play	3,219	3,219	225	225
Wages and salaries	363,168	363,168	329,319	329,319
	<u>388,276</u>	<u>388,276</u>	<u>345,838</u>	<u>345,838</u>

9. Expenditure on charitable activities by activity type

	Activities undertaken directly	Total funds 2022	Total fund 2021
	£	£	£
Catering nursery	13,271	13,271	10,691
Catering OSC	4,470	4,470	4,294
Nursery BSA & E	—	—	726
OSC BSA & E	—	—	564
Trips OSC	463	463	—
Trips nursery	3,685	3,685	19
Outside play	3,219	3,219	225
Wages and salaries	363,168	363,168	329,319
	<u>388,276</u>	<u>388,276</u>	<u>345,838</u>

10. Other expenditure

	Unrestricted Funds	Total Funds 2022	Unrestricted Funds	Total Funds 2021
	£	£	£	£
Bank charges	<u>175</u>	<u>175</u>	<u>74</u>	<u>74</u>

Hythe Bay Children's Centre

Notes to the Financial Statements (continued)

Year ended 31 March 2022

11. Other administration costs

	Unrestricted Funds	Total Funds 2022	Unrestricted Funds	Total Funds 2021
	£	£	£	£
Staff development costs	(3,469)	(3,469)	(661)	(661)
Support charitable activity 1 - depreciation	(464)	(464)	—	—
Insurance	(1,388)	(1,388)	(1,387)	(1,387)
Cleaning and hygiene	(3,960)	(3,960)	(1,418)	(1,418)
Security and refuse	—	—	(1,504)	(1,504)
Property maintenance	(15,262)	(15,262)	(3,119)	(3,119)
Admin supplies and admin costs	(147,108)	(147,108)	(136,025)	(136,025)
	<u>(171,651)</u>	<u>(171,651)</u>	<u>(144,114)</u>	<u>(144,114)</u>

12. Net income

Net income is stated after charging/(crediting):

	2022	2021
	£	£
Depreciation of tangible fixed assets	<u>464</u>	<u>—</u>

13. Independent examination fees

The independent examination fee was £1,500.

14. Staff costs

The total staff costs and employee benefits for the reporting period are analysed as follows:

	2022	2021
	£	£
Wages and salaries	346,051	329,319
Employer contributions to pension plans	<u>17,117</u>	<u>—</u>
	<u>363,168</u>	<u>329,319</u>

The average number of employees was 27 (2021: 28).

No employee received employee benefits of more than £60,000 during the year (2021: Nil).

15. Trustee remuneration and expenses

No remuneration or other benefits from employment with the charity were received by the trustees.

Hythe Bay Children's Centre

Notes to the Financial Statements *(continued)*

Year ended 31 March 2022

16. Tangible fixed assets

	Equipment £
Cost	
At 1 April 2021	—
Additions	3,091
At 31 March 2022	<u>3,091</u>
Depreciation	
At 1 April 2021	—
Charge for the year	464
At 31 March 2022	<u>464</u>
Carrying amount	
At 31 March 2022	<u>2,627</u>
At 31 March 2021	<u>—</u>

17. Debtors

	2022 £	2021 £
Trade debtors	<u>11,105</u>	<u>11,329</u>

18. Creditors: amounts falling due within one year

	2022 £	2021 £
Trade creditors	245	298
Accruals and deferred income	2,520	1,500
Social security and other taxes	4,458	814
	<u>7,223</u>	<u>2,612</u>

19. Pensions and other post retirement benefits

Defined contribution plans

The amount recognised in income or expenditure as an expense in relation to defined contribution plans was £17,117 (2021: £Nil).

Hythe Bay Children's Centre

Notes to the Financial Statements *(continued)*

Year ended 31 March 2022

20. Analysis of charitable funds

Unrestricted funds

At 1 April 2021	Income	Expenditure	Other admin costs	At 31 March 2022
£	£	£	£	£
<u>102,780</u>	<u>625,063</u>	<u>(388,451)</u>	<u>(171,651)</u>	<u>167,741</u>

At 1 April 2020	Income	Expenditure	Other admin costs	At 31 March 2021
£	£	£	£	£
<u>83,044</u>	<u>509,762</u>	<u>(345,912)</u>	<u>(144,114)</u>	<u>102,780</u>

