

Hythe Bay Children's Centre
Unaudited Financial Statements
31 March 2023

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

Hythe Bay Children's Centre

Financial Statements

Year ended 31 March 2023

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Hythe Bay Children's Centre

Trustees' Annual Report

Year ended 31 March 2023

The trustees present their report and the unaudited financial statements of the charity for the year ended 31 March 2023.

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

Miss A Whatford	(Appointed 3 May 2022)
Mrs C Chivers	
Mrs R Prout	
Mrs S Brown	
Mr V Casambros	
Prof B Hill	

Independent examiner	Mr Philip Gambrell 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 incorporates 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 2023

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 for 5-11 year olds

Holiday play scheme for 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 2023 reached £619,726, and the expenditure in the same year was £561,836, creating a surplus of income over expenditure of £57,890.

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.

Additional policies and training: LA training in October 2020.

The trustees' annual report was approved on 11 August 2023 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 2023

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 2023.

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

19 October 2023

Hythe Bay Children's Centre

Statement of Financial Activities

Year ended 31 March 2023

		2023		2022
		Unrestricted funds	Total funds	Total funds
	Note	£	£	£
Income and endowments				
Grants and other funding	4	267,578	267,578	254,230
Income from charitable activities	5	350,429	350,429	370,825
Investment income	6	431	431	8
Other income	7	1,288	1,288	—
Total income		<u>619,726</u>	<u>619,726</u>	<u>625,063</u>
Expenditure				
Expenditure on charitable activities	8,9	404,007	404,007	388,276
Other expenditure	10	162	162	175
Total expenditure		<u>404,169</u>	<u>404,169</u>	<u>388,451</u>
Other administration costs	11	157,667	157,667	171,651
Net income and net movement in funds		<u>57,890</u>	<u>57,890</u>	<u>64,961</u>
Reconciliation of funds				
Total funds brought forward		167,741	167,741	102,780
Total funds carried forward		<u>225,631</u>	<u>225,631</u>	<u>167,741</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 12 form part of these financial statements.

Hythe Bay Children's Centre

Statement of Financial Position

31 March 2023

	Note	2023 £	2022 £
Fixed assets			
Tangible fixed assets	16	6,949	2,627
Current assets			
Debtors	17	21,901	11,148
Cash at bank and in hand		207,862	161,189
		<u>229,763</u>	<u>172,337</u>
Creditors: amounts falling due within one year	18	<u>11,081</u>	<u>7,223</u>
Net current assets		<u>218,682</u>	<u>165,114</u>
Total assets less current liabilities		<u>225,631</u>	<u>167,741</u>
Net assets		<u>225,631</u>	<u>167,741</u>
Funds of the charity			
Unrestricted funds		<u>225,631</u>	<u>167,741</u>
Total charity funds	20	<u>225,631</u>	<u>167,741</u>

These financial statements were approved by the board of trustees and authorised for issue on 11 August 2023, and are signed on behalf of the board by:

Mrs Carolyn Chivers

The notes on pages 6 to 12 form part of these financial statements.

Hythe Bay Children's Centre

Notes to the Financial Statements

Year ended 31 March 2023

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 2023

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 2023

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 2023

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 2023 £	Unrestricted Funds £	Total Funds 2022 £
Grants				
Other grants	37,885	37,885	52,336	52,336
KCC headcount funding	229,693	229,693	201,894	201,894
	<u>267,578</u>	<u>267,578</u>	<u>254,230</u>	<u>254,230</u>

5. Income from charitable activities

	Unrestricted Funds £	Total Funds 2023 £	Unrestricted Funds £	Total Funds 2022 £
Nursery income	305,049	305,049	321,416	321,416
Early years pupil premium	3,476	3,476	2,417	2,417
Out of school club	41,904	41,904	46,992	46,992
	<u>350,429</u>	<u>350,429</u>	<u>370,825</u>	<u>370,825</u>

6. Investment income

	Unrestricted Funds £	Total Funds 2023 £	Unrestricted Funds £	Total Funds 2022 £
Bank interest	431	431	8	8

7. Other income

	Unrestricted Funds £	Total Funds 2023 £	Unrestricted Funds £	Total Funds 2022 £
Other income	1,288	1,288	—	—

Hythe Bay Children's Centre

Notes to the Financial Statements *(continued)*

Year ended 31 March 2023

8. Expenditure on charitable activities by fund type

	Unrestricted Funds	Total Funds 2023	Unrestricted Funds	Total Funds 2022
	£	£	£	£
Catering nursery	10,269	10,269	13,271	13,271
Catering OSC	4,810	4,810	4,470	4,470
Trips OSC	118	118	463	463
Trips nursery	815	815	3,685	3,685
Outside play	1,305	1,305	3,219	3,219
Wages and salaries	386,690	386,690	363,168	363,168
	<u>404,007</u>	<u>404,007</u>	<u>388,276</u>	<u>388,276</u>

9. Expenditure on charitable activities by activity type

	Activities undertaken directly	Total funds 2023	Total fund 2022
	£	£	£
Catering nursery	10,269	10,269	13,271
Catering OSC	4,810	4,810	4,470
Trips OSC	118	118	463
Trips nursery	815	815	3,685
Outside play	1,305	1,305	3,219
Wages and salaries	386,690	386,690	363,168
	<u>404,007</u>	<u>404,007</u>	<u>388,276</u>

10. Other expenditure

	Unrestricted Funds	Total Funds 2023	Unrestricted Funds	Total Funds 2022
	£	£	£	£
Bank charges	162	162	175	175

11. Other administration costs

	Unrestricted Funds	Total Funds 2023	Unrestricted Funds	Total Funds 2022
	£	£	£	£
Staff development costs	(2,489)	(2,489)	(3,469)	(3,469)
Support charitable activity 1 - depreciation	(1,308)	(1,308)	(464)	(464)
Insurance	(1,183)	(1,183)	(1,388)	(1,388)
Cleaning and hygiene	(3,354)	(3,354)	(3,960)	(3,960)
Property maintenance	(262)	(262)	(15,262)	(15,262)
Admin supplies and admin costs	(149,071)	(149,071)	(147,108)	(147,108)
	<u>(157,667)</u>	<u>(157,667)</u>	<u>(171,651)</u>	<u>(171,651)</u>

Hythe Bay Children's Centre

Notes to the Financial Statements *(continued)*

Year ended 31 March 2023

12. Net income

Net income is stated after charging/(crediting):

	2023	2022
	£	£
Depreciation of tangible fixed assets	<u>1,308</u>	<u>464</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:

	2023	2022
	£	£
Wages and salaries	380,679	358,060
Employer contributions to pension plans	<u>6,011</u>	<u>5,108</u>
	<u>386,690</u>	<u>363,168</u>

The average head count of employees during the year was Nil (2022: Nil).

The average number of employees was 31 (2022: 27).

No employee received employee benefits of more than £60,000 during the year (2022: Nil).

15. Trustee remuneration and expenses

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

16. Tangible fixed assets

	Equipment
	£
Cost	
At 1 April 2022	3,091
Additions	<u>5,630</u>
At 31 March 2023	<u>8,721</u>
Depreciation	
At 1 April 2022	464
Charge for the year	<u>1,308</u>
At 31 March 2023	<u>1,772</u>
Carrying amount	
At 31 March 2023	<u>6,949</u>
At 31 March 2022	<u>2,627</u>

Hythe Bay Children's Centre

Notes to the Financial Statements *(continued)*

Year ended 31 March 2023

17. Debtors

	2023 £	2022 £
Trade debtors	10,649	11,105
Other debtors and prepayments	11,252	43
	<u>21,901</u>	<u>11,148</u>

18. Creditors: amounts falling due within one year

	2023 £	2022 £
Trade creditors	245	245
Accruals and deferred income	2,520	2,520
Social security and other taxes	8,316	4,458
	<u>11,081</u>	<u>7,223</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 £6,011 (2022: £5,108).

20. Analysis of charitable funds

Unrestricted funds

At 1 April 2022 £	Income £	Expenditure £	Gains and losses £	At 31 March 2023 £
167,741	619,726	(404,169)	(157,667)	225,631

At 1 April 2021 £	Income £	Expenditure £	Gains and losses £	At 31 March 2022 £
102,780	625,063	(388,451)	(171,651)	167,741

21. Analysis of net assets between funds

Total Funds 2023 £
Total Funds 2022 £