

**Report of the Trustees and**  
**Financial Statements**  
**For The Year Ended 31 March 2025**  
**for**  
**Willow Childcare**

TC Group  
Statutory Auditors  
Harscombe House  
1 Darklake View  
Plymouth  
Devon  
PL6 7TL

**Willow Childcare**

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**For The Year Ended 31 March 2025**

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**Willow Childcare**  
**Report of the Trustees**  
**For The Year Ended 31 March 2025**

The trustees present their annual report and financial statements for the year ended 31 March 2025.

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 Charitable Incorporated Organisation's constitution, 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 (FRS102)". (effective 1 January 2019).

**OBJECTIVES AND ACTIVITIES**

**Objectives and aims**

The Charitable Incorporated Organisation's objectives are the advancement of the education of children below compulsory school age, in particular by providing or assisting in the provision of nursery facilities by providing safe and satisfying group play and nursery education of a high standard; and the provision of care, recreational and educational facilities for all children outside of normal school hours. This is embodied in the Vision Statement and aims of the CIO.

The Vision Statement and Aims of the Charitable Incorporated Organisation are:

**Vision Statement**

At Willow Childcare CIO children, parents and carers, staff and trustees work together to create an environment which is challenging, stimulating, creative and enjoyable, where all are encouraged and supported to become independent and lifelong learners and where everyone feels safe, valued and respected.

**Aims**

The CIO furthers its charitable purposes for the public benefit with its aims:

To develop and maintain a staff team committed to training and development to enable them to provide a high quality service for children and their families that makes a positive difference to their lives.

To promote a partnership approach with families, working with them to meet each child's individual needs.

To help children to develop an understanding of themselves and others and so build trusting and sensitive relationships, enabling them to play and work as part of a community, recognising and valuing difference and demonstrating care and concern for others.

To safeguard children, protect them from abuse and harm, and ensure that they begin to learn how to keep themselves safe.

To provide learning opportunities designed, implemented and reviewed so that they foster an appetite for learning and encourage enjoyment.

To help children to understand that a healthy lifestyle includes eating healthily, taking exercise and keeping mentally and emotionally healthy.

To nurture self-confidence and self-esteem, encourage independence, and involve children in decision making.

To provide clear boundaries for acceptable behaviour using encouragement and praise as rewards to develop children's moral understanding.

To use all opportunities to extend children's learning, indoors, in the local community, and in the natural environment.

To strive for continual improvement in the quality of care and education we provide.

**Willow Childcare**  
**Report of the Trustees**  
**For The Year Ended 31 March 2025**

**OBJECTIVES AND ACTIVITIES**

**Performance of the CIO**

Willow Childcare endeavours to serve the Woodford community, specifically to provide affordable and local child-care and early education facilities for the community.

The facilities are available daily from 7.30 am - 6 pm for 51 weeks of the year.

The CIO works in partnership with Plymouth Early Years' Service to provide up to 30 hours of childcare and early education for children from the term after they reach nine months of age if parents meet the eligibility criteria for working parents.

The CIO works in partnership with Plymouth Early Years' Service to provide 15 hours of early education for three and four year olds for 38 weeks each year and up to an additional 15 hours for the children of parents who fulfil government criteria and so are eligible for 30 hours in total.

The Trust works in partnership with Plymouth Early Years' Service to provide 15 flexible hours of early learning for vulnerable two year olds for 38 weeks each year; as well as to provide support for vulnerable families.

The CIO provides an Out of School Club and Holiday Club and in conjunction with the support services; can assist families in need. During the school holidays the CIO works in partnership with Plymouth City Council to provide the government funded Fit and Fed scheme which supports families of children eligible for free school meals, and children with Special Educational needs and Disabilities.

The objects for the year were:

**Key Objectives for 2024 - 2025**

1. To secure the lease for the former Woodford Children's Centre which we extended and refurbished in 2022, to provide additional childcare places and improved facilities.
2. To refurbish toilets and washrooms in the Bluebell Room and Foxglove Room.
3. To work in collaboration with Plymouth University and Stiltskin Theatre Company on the Tiny Voices Giant Ideas project.
4. To manage the government childcare initiative to increase funded childcare and education for children from two years and prepare for the impact of the new childcare initiatives planned by government for 2024.

**Public Benefit**

The trustees have paid due regard to guidance issued by the Charity Commission in deciding what activities the Charitable Organisation should undertake.

**Willow Childcare**  
**Report of the Trustees**  
**For The Year Ended 31 March 2025**

**ACHIEVEMENTS AND PERFORMANCE**

**Charitable activities**

The main areas of charitable activity are affordable and wrap-around childcare and early education for children aged 3 months to 4 years and holiday and out of school provision for 5 to 12 year olds.

**Key achievements and performance for 2024-2025:**

Key objectives are supported from our two sources of income; government funded childcare and education; and fees charged for childcare and education.

The implementation of additional government funded hours for two year olds from April 2024 and children over nine months from September 2024 has been a significant achievement, we supported 187 children from working families by providing childcare and education, and 81 children of working families in our Out of School Club.

We applied to deliver the Fit and Fed programme during the Easter and summer holidays in 2024. This government funded programme supports the families of children eligible for free school meals and children with Special educational Needs and Disabilities.

The criteria to be accepted to deliver the programme are that children are provided with a healthy meal at lunchtime and receive education about healthy food choices; that they have 60 minutes of exercise during the day; and that they have enriching experiences. Twenty six families were supported through children accessing the Fit and Fed programme.

The continuing professional development of staff has been a priority and a key achievement. We continue to employ Early Years Teachers who mentor and coach practitioners undertaking further qualifications. Two Early Years Educators achieved a Level 5 qualification, one with a distinction. Two Early Years Educators achieved a Level 3 qualification, one with a distinction.

The Head of Centre continued to be part of a strategy group overseeing the project 'Tiny Voices Giant Ideas' designed to promote creativity through a shared pedagogy between artists and Early Years Educators.

As one of the three Plymouth settings involved in this project, an artist from Stiltskin Theatre Company has visited weekly to work in collaboration with Early Years Educators to promote creativity and develop pedagogy; using storytelling, puppetry, stop-motion animation, and the visual and tactile arts. Stiltskin Theatre performed for 55 children in the summer and 90 children at Christmas, and 32 of our older children visited the Soapbox Theatre in March to experience the art installation 'Paper Dragons'.

Objective 1. While the Heads of Terms for the lease of the adjoining former Children's Centre premises has been agreed in principle, and the legal services of Foot Anstey have been engaged, the lease has yet to be signed. This objective will be carried forward to 2025-2026.

Objective 2. The refurbishment work planned for the toilets and washrooms has been delayed due to the need to prioritise extensive repairs to the roof. This objective will be carried forward to 2025-2026.

**Willow Childcare**  
**Report of the Trustees**  
**For The Year Ended 31 March 2025**

**FINANCIAL REVIEW**

**Financial position**

The net surplus (unrestricted) for the year amounted to £46,425 (2024; deficit £14,547 as restated). The net surplus has been added to unrestricted reserves brought forward.

The accounts are independently audited and these accounts are presented to the trustees at a trustees' meeting. The CIO retains a reserve and any surplus is put back into the CIO.

Fees are reviewed annually to ensure financial sustainability.

Fees were increased in April 2024.

**Reserves Policy**

It is the policy of the Charitable Incorporated Organisation that unrestricted funds which have not been designated for a specific use should be maintained at a level equivalent to between twelve and eighteen months 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 Charitable Incorporated Organisation'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. Reserves at 31 March 2025 are unrestricted of £1,252,495 (2024; £1,206,070).

A sum of £50,000 has been earmarked for the refurbishment of toilets and washrooms.

A sum of £50,000 has been earmarked for the development of the outdoor area.

**Investment Policy**

Unrestricted funds are invested. The trust has a Fixed Term Deposit account and a Thirty Day Account.

**Risk Management**

**Risk factors include Safeguarding, Health and Safety, Finance and Staffing**

**Safeguarding** is a key consideration for Willow Childcare and is a standing item on the agenda for all scheduled trustee meetings. Enhanced Disclosure and Barring Service checks are carried out on trustees, employees, and volunteers. The Designated Safeguarding Lead is required to update training annually and all employees must have updated training at least every two years. Employees receive safeguarding updates at whole staff meetings three times per year, in January, April and September. A trustee attends these meetings. There is a trustee with responsibility for safeguarding, and at least one trustee has undergone safer recruitment training.

**Health and Safety** is a key element for all employees and is included annually at a full staff meeting, which is also attended by a trustee.

**Risk factors for Finance**

- An OFSTED grading indicating that safeguarding responsibilities are 'not met', or a grading of 'requires urgent improvement' could result in the withdrawal of government funding
- Decreasing value of government funding
- Increasing costs of utilities services and food
- Competition from other providers
- The government policy of increasing the number of nurseries in schools
- The government policy of providing free before school childcare
- Uncertainty regarding the factors involved in negotiating the lease of the building from 2026

**Risk factors for Staffing**

- Recruitment of staff, a national issue across the Early Years sector
- Staff deployment as a result of absence through ill-health
- While there is a leadership team to support the Head of Centre, there is currently no obvious person to step up

**Willow Childcare**  
**Report of the Trustees**  
**For The Year Ended 31 March 2025**

**FUTURE PLANS**

**Key Objectives for 2025 - 2026**

1. To secure the lease for the former Woodford Children's Centre which we extended and refurbished in 2022, to provide additional childcare places and improved facilities. This objective has been carried forward due to the negotiations with Plymouth City Council becoming protracted, our solicitors at Foot Anstey are acting on our behalf in the negotiations with PCC.
2. To complete the refurbishment of toilets and washrooms in the Bluebell Room and Foxglove Room. This objective has been carried forward as urgent work was needed to repair the leaking roof.
3. To continue to work in collaboration with Plymouth University and Stiltskin Theatre Company on the Tiny Voices Giant Ideas project which is a two year project, funded until September 2026.
4. To manage the government childcare initiative to increase funded childcare and early education to up to thirty hours from September 2025 for children over the age of nine months whose parents meet the eligibility criteria.
5. To develop the outdoor provision by repairing the climbing equipment and sand enclosure and replacing the walkway with a new and extended walkway and seating area, and by installing a water pump, riverbed and soakaways.

**STRUCTURE, GOVERNANCE AND MANAGEMENT**

**Governing document**

The charity is a charitable incorporated organisation, constituted under a trust deed dated 1 July 2021.

In accordance with the Constitution the members of the CIO are the charity trustees, of which there are five. Any member of the trustees may call a meeting; this is usually the Chair. Invites to the meetings are the Head of Centre, the Business Manager and a representative of the staff. The Head of Centre presents a report, and the Business Manager presents the financial reports.

A minimum of three meetings are held each year: additional meetings are called in response to specific issues, such as addressing building defects.

Trustees are nominated for appointment by the remaining Trustees as and when vacancies occur. Every trustee must be appointed by a resolution passed at a properly convened meeting of the charity trustees. The charity trustees will make available to each new charity trustee, on or before his or her first appointment; a copy of the current version of the constitution; and a copy of the CIO's latest Trustees' Annual Report and statement of accounts. New trustees will receive induction and training from the chair of trustees.

There must be at least four charity trustees. If the number falls below this minimum, the remaining trustee or trustees may act only to call a meeting of the charity trustees or appoint a new charity trustee.

There is no maximum number of charity trustees that may be appointed to the CIO.

**Willow Childcare**  
**Report of the Trustees**  
**For The Year Ended 31 March 2025**

**STRUCTURE, GOVERNANCE AND MANAGEMENT**

**Taking of decisions by charity trustees**

Any decision may be taken either: at a meeting of the charity trustees; or by resolution in writing or electronic form agreed by a majority of all of the charity trustees, which may comprise either a single document or several documents containing the text of the resolution in like form to which the majority of all of the charity trustees has signified their agreement. Such a resolution shall be effective provided that a copy of the proposed resolution has been sent at, or as near as reasonably practicable to, the same time to all of the charity trustees; and the majority of all of the charity trustees has signified agreement to the resolution in a document or documents which has or have been authenticated by their signature, by a statement of their identity accompanying the document or documents, or in such other manner as the charity trustees have previously resolved, and delivered to the CIO at its principal office or such other place as the trustees may resolve within 28 days of the circulation date.

**The Trustees' Terms of Reference**

1. To plan for the strategic development of the Charity.
2. To implement the vision of the Charity.
3. To overview the management and organisation of the Charity.
4. To monitor the financial performance, set the annual budget and maintain sustainability of the Charity.
5. To ensure that all statutory legislation is complied with.
6. To ensure the well-being and work/life balance of staff.
7. To adhere to all charity status requirements.

Trustees make decisions regarding pay and remuneration for all staff including key member of staff, the Head of Centre, usually annually after an increase in the National Minimum Wage. Any pay increase is usually made to match the percentage increase in minimum wage and is applied to staff members on all pay scales equally.

**Organisational Structure:**

The Trustees delegate the operational management of the centre to the Head of Centre; Mary Andrew, who is supported by a Senior Leadership Team. There are five teams within the centre, each team has a Team Leader and a Deputy Team Leader.

Team Leaders form a Senior Management Team who report to the Head of Centre.

The CIO's policy is to consult and discuss with employees; matters like to affect employee's interests.

Information of matters of concern to employees is given through information bulletins and reports which seek to achieve a common awareness on the part of all employees of the financial and economic factors affecting the Charity's performance.

Application for the employment by disabled persons are always fully considered, bearing in mind the aptitudes of the applicant concerned. In the event of members of staff becoming disabled, every effort is made to ensure that their employment with the Charity continues and that the appropriate training is arranged. It is the policy of the Charity that the training, career development and promotion of disabled persons should, as far as possible, be identical to that of other employees.

**Funds held as custodian trustee**

Willow Childcare and its Trustees do not act as the Custodian Trustees of any other charity.

**Legal position of the premises: land and buildings**

The main building and outdoor areas are leased from Plymouth City Council; with the lease coming up for renewal in 2026. The leasehold interest (as listed in Schedule 4 of the Transfer Agreement) of the Charity was transferred to the CIO by a Property Transfer Deed, dated 1st July 2021.

We are in the process of concluding the lease for the additional adjoining premises (the former Children's Centre), this being in the hands of our solicitors, Foot Anstey.

It is anticipated that the whole premises will be combined into a single lease that will be negotiated in 2026.



**Willow Childcare**

**Report of the Trustees**  
**For The Year Ended 31 March 2025**

**REFERENCE AND ADMINISTRATIVE DETAILS**

**Registered Charity number**  
1183332

**Principal address**

Greenway Avenue  
Plympton  
Plymouth  
Devon  
PL7 4RR

**Trustees**

C Hedges (resigned 13.11.24)  
H Holdgate  
M Nally  
K Hussey  
M Bradwell  
K E Hefford (appointed 20.3.25)

**Auditors**

TC Group  
Statutory Auditors  
Harscombe House  
1 Darklake View  
Plymouth  
Devon  
PL6 7TL

**Bankers**

Lloyds Bank plc  
PO Box 1000  
Andover  
BX1 1LT

**Accountants**

TC Bromhead Limited  
Harscombe House  
1 Darklake View  
Plymouth  
Devon  
PL6 7TL

**Charity Head of Centre**

Mary Andrew

**STATEMENT OF TRUSTEES' RESPONSIBILITIES**

The trustees are responsible for preparing the Report of the Trustees and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Charity law requires the trustees to prepare financial statements for each financial year. Under that law, the trustees have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law).

Under charity law the trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the charity and of the incoming resources and application of resources, including the income and expenditure, of the charity for that period. In preparing those 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 judgements and estimates that are reasonable and prudent;
- state whether applicable 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 business.

**Willow Childcare**

**Report of the Trustees**  
**For The Year Ended 31 March 2025**

**STATEMENT OF TRUSTEES' RESPONSIBILITIES - continued**

The trustees are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the charity and to enable them to ensure that the financial statements comply with the Charities Act 2011 and The Charity (Accounts and Reports) Regulations 2008. 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.

Approved by order of the board of trustees on 7 January 2026 and signed on its behalf by:

H Holdgate - Trustee

**Report of the Independent Auditors to the Trustees of**  
**Willow Childcare**

**Opinion**

We have audited the financial statements of Willow Childcare (the 'charity') for the year ended 31 March 2025 which comprise the Statement of Financial Activities, the Balance Sheet, the Cash Flow Statement and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the charity's affairs as at 31 March 2025 and of its incoming resources and application of resources, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Charities Act 2011.

**Basis for opinion**

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the charity in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

**Conclusions relating to going concern**

In auditing the financial statements, we have concluded that the trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the charity's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the trustees with respect to going concern are described in the relevant sections of this report.

**Other information**

The trustees are responsible for the other information. The other information comprises the information included in the Annual Report, other than the financial statements and our Report of the Independent Auditors thereon.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

**Matters on which we are required to report by exception**

We have nothing to report in respect of the following matters where the Charities (Accounts and Reports) Regulations 2008 requires us to report to you if, in our opinion:

- the information given in the Report of the Trustees is inconsistent in any material respect with the financial statements; or
- sufficient accounting records have not been kept; or
- the financial statements are not in agreement with the accounting records and returns; or
- we have not received all the information and explanations we require for our audit.

**Responsibilities of trustees**

As explained more fully in the Statement of Trustees' Responsibilities, the trustees are responsible for the preparation of the financial statements which give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the charity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the charity or to cease operations, or have no realistic alternative but to do so.

**Report of the Independent Auditors to the Trustees of**  
**Willow Childcare**

**Our responsibilities for the audit of the financial statements**

We have been appointed as auditors under Section 144 of the Charities Act 2011 and report in accordance with the Act and relevant regulations made or having effect thereunder.

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue a Report of the Independent Auditors that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

The objectives of our audit, in respect to fraud, are: to identify and assess the risks of material misstatement of the financial statements due to fraud; to obtain sufficient appropriate audit evidence regarding the assessed risks of material misstatement due to fraud, through designing and implementing appropriate responses; and to respond appropriately to fraud or suspected fraud identified during the audit. However, the primary responsibility for the prevention and detection of fraud rests with both those charged with governance of the entity and its management.

Our approach was as follows:

-We identified areas of laws and regulations that could reasonably be expected to have a material effect on the financial statements from our general commercial and sector experience, and through discussion with the trustees and other management (as required by auditing standards), and discussed with the trustees and other management the policies and procedures regarding compliance with laws and regulations;

-We identified the following areas as those most likely to have such an effect: health and safety; General Data Protection Regulation (GDPR); fraud; bribery and corruption and employment law. Auditing standards limit the required audit procedures to identify non-compliance with these laws and regulations to enquiry of the trustees and other management and inspection of regulatory and legal correspondence, if any.

-We considered the legal and regulatory frameworks directly applicable to the financial statements reporting framework (FRS 102 and the Charities Act 2011) and the relevant tax compliance regulations in the UK; -We considered the nature of the charity's operations, the control environment and business performance, including the key drivers for management's remuneration;

-We communicated identified laws and regulations throughout our team and remained alert to any indications of non-compliance throughout the audit;

-We considered the procedures and controls that the charity has established to address risks identified, or that otherwise prevent, deter and detect fraud; and how senior management monitors those programmes and controls.

Based on this understanding we designed our audit procedures to identify non-compliance with such laws and regulations. Where the risk was considered to be higher, we performed audit procedures to address each identified fraud risk. These procedures included: testing manual journals; reviewing the financial statement disclosures and testing to supporting documentation; performing analytical procedures; and enquiring of management, and were designed to provide reasonable assurance that the financial statements were free from fraud or error.

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. For example, the further removed non-compliance with laws and regulations (irregularities) is from the events and transactions reflected in the financial statements, the less likely the inherently limited procedures required by auditing standards would identify it. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation. We are not responsible for preventing non-compliance and cannot be expected to detect non-compliance with all laws and regulations.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our Report of the Independent Auditors.

**Other matters which we are required to address**

The prior year financial statements were not subject to audit. The accounts for the year ended 31 March 2025 were prepared in accordance with Charities SORP (FRS 102) and were subject to audit.

**Report of the Independent Auditors to the Trustees of**  
**Willow Childcare**

**Use of our report**

This report is made solely to the charity's trustees, as a body, in accordance with Part 4 of the Charities (Accounts and Reports) Regulations 2008. Our audit work has been undertaken so that we might state to the charity's trustees those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charity and the charity's trustees as a body, for our audit work, for this report, or for the opinions we have formed.



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Statutory Auditors  
Harscombe House  
1 Darklake View  
Plymouth  
Devon  
PL6 7TL

Date: 08-01-26

**Willow Childcare**

**Statement of Financial Activities**  
**For The Year Ended 31 March 2025**

		<b>31.3.25</b>	<b>31.3.24</b>
		<b>Unrestricted</b>	<b>Total</b>
		<b>fund</b>	<b>funds</b>
		<b>£</b>	<b>as restated</b>
	<b>Notes</b>		<b>£</b>
<b>INCOME AND ENDOWMENTS FROM</b>			
<b>Charitable activities</b>			
Childcare services	3	<b>1,254,079</b>	957,910
Investment income	2	<b>19,961</b>	157
Other income	4	<b>3,148</b>	1,683
<b>Total</b>		<b>1,277,188</b>	959,750
<b>EXPENDITURE ON</b>			
<b>Charitable activities</b>			
Childcare services	5	<b>1,230,763</b>	974,297
<b>NET INCOME/(EXPENDITURE)</b>		<b>46,425</b>	(14,547)
<b>RECONCILIATION OF FUNDS</b>			
<b>Total funds brought forward</b>			
As previously reported		<b>1,430,599</b>	1,445,146
Prior year adjustment	10	<b>(224,529)</b>	(224,529)
<b>As restated</b>		<b>1,206,070</b>	1,220,617
<b>TOTAL FUNDS CARRIED FORWARD</b>		<b>1,252,495</b>	1,206,070

The notes form part of these financial statements

**Willow Childcare**

**Balance Sheet**  
**31 March 2025**

		<b>31.3.25</b>	<b>31.3.24</b>
		<b>Unrestricted</b>	<b>Total</b>
		<b>fund</b>	<b>funds</b>
		<b>£</b>	<b>as restated</b>
	<b>Notes</b>		<b>£</b>
<b>FIXED ASSETS</b>			
Tangible assets	11	<b>232,763</b>	339,161
<b>CURRENT ASSETS</b>			
Debtors	12	<b>8,934</b>	7,320
Investments	13	<b>400,000</b>	400,000
Cash at bank and in hand		<b>652,928</b>	496,849
		<b>1,061,862</b>	904,169
<b>CREDITORS</b>			
Amounts falling due within one year	14	<b>(42,130)</b>	(37,260)
<b>NET CURRENT ASSETS</b>		<b>1,019,732</b>	866,909
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<b>1,252,495</b>	1,206,070
<b>NET ASSETS</b>		<b>1,252,495</b>	1,206,070
<b>FUNDS</b>	16		
Unrestricted funds		<b>1,252,495</b>	1,206,070
<b>TOTAL FUNDS</b>		<b>1,252,495</b>	1,206,070

The financial statements were approved by the Board of Trustees and authorised for issue on 7 January 2026 and were signed on its behalf by:

H Holdgate - Trustee

K Hussey - Trustee

The notes form part of these financial statements

**Willow Childcare**  
**Cash Flow Statement**  
**For The Year Ended 31 March 2025**

		31.3.25	31.3.24 as restated
	Notes	£	£
<b>Cash flows from operating activities</b>			
Cash generated from operations	1	<b>136,118</b>	(6,262)
Net cash provided by/(used in) operating activities		<b>136,118</b>	(6,262)
<b>Cash flows from investing activities</b>			
Purchase of tangible fixed assets		-	(5,253)
Current asset investments		-	(400,000)
Interest received		<b>19,961</b>	157
Net cash provided by/(used in) investing activities		<b>19,961</b>	(405,096)
<b>Change in cash and cash equivalents in the reporting period</b>		<b>156,079</b>	(411,358)
<b>Cash and cash equivalents at the beginning of the reporting period</b>		<b>496,849</b>	908,207
<b>Cash and cash equivalents at the end of the reporting period</b>		<b>652,928</b>	496,849

The notes form part of these financial statements



Willow Childcare

Notes to the Cash Flow Statement  
For The Year Ended 31 March 2025

**1. RECONCILIATION OF NET INCOME/(EXPENDITURE) TO NET CASH FLOW FROM OPERATING ACTIVITIES**

	31.3.25	31.3.24 as restated
	£	£
<b>Net income/(expenditure) for the reporting period (as per the Statement of Financial Activities)</b>	<b>46,425</b>	<b>(14,547)</b>
<b>Adjustments for:</b>		
Depreciation charges	106,398	30,308
Interest received	(19,961)	(157)
(Increase)/decrease in debtors	(1,614)	2,062
Increase/(decrease) in creditors	4,870	(23,928)
<b>Net cash provided by/(used in) operations</b>	<b>136,118</b>	<b>(6,262)</b>

**2. ANALYSIS OF CHANGES IN NET FUNDS**

	At 1.4.24 £	Cash flow £	At 31.3.25 £
<b>Net cash</b>			
Cash at bank and in hand	496,849	156,079	652,928
	496,849	156,079	652,928
<b>Liquid resources</b>			
Deposits included in cash	-	-	-
Current asset investments	400,000	-	400,000
	400,000	-	400,000
<b>Total</b>	<b>896,849</b>	<b>156,079</b>	<b>1,052,928</b>

The notes form part of these financial statements

## Willow Childcare

### Notes to the Financial Statements For The Year Ended 31 March 2025

#### **1. ACCOUNTING POLICIES**

##### **Basis of preparing the financial statements**

The financial statements of the charity, which is a public benefit entity under FRS 102, have been prepared in accordance with the Charities SORP (FRS 102) '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)', Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and the Charities Act 2011. The financial statements have been prepared under the historical cost convention.

The financial statements are prepared in sterling, which is the functional currency of the Charitable Incorporated Organisation. Monetary amounts in these financial statements are rounded to the nearest £.

At the time of approving the financial statements, the trustees have a reasonable expectation that the Charitable Incorporated Organisation 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.

##### **Income**

All income is recognised in the Statement of Financial Activities once the Charitable Incorporated Organisation charity has entitlement to the funds, it is probable that the income will be received and the amount can be measured reliably.

Cash donations are recognised on receipt. Other donations are recognised once the Charitable Incorporated Organisation 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 donation.

All incoming resources are included in the statement of financial activities when the charity is entitled to the income and the amount can be quantified with reasonable accuracy. The following specific policies are applied to particular categories of income as set out below.

Income is measured at the fair value of the consideration received or receivable and represents amounts receivable for goods and services provided in normal course of business.

##### **Government Grants**

Grant funding is received in advance and is recognised over the period of delivery of the service. This policy is in line with the required performance method.

##### **Expenditure**

Liabilities are recognised as expenditure as soon as there is a legal or constructive obligation committing the charity to that expenditure, 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 accounted for on an accruals basis and has been classified under headings that aggregate all cost related to the category. Where costs cannot be directly attributed to particular headings they have been allocated to activities on a basis consistent with the use of resources.

Charitable expenditure comprises those costs incurred by the charity in delivery of its activities and services for its beneficiaries. It includes both costs that can be allocated directly to such activities and those of an indirect nature necessary to support them.

##### **Allocation and apportionment of costs**

All costs relate to the charitable activity of the charity and are allocated against charitable activities on a basis designed to reflect the use of the resource. Apportionment of direct charitable costs is based upon time spent on each activity.

Support costs are allocated to each activity based upon time spent on each activity.

##### **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 value over their useful lives on the following bases:

## Willow Childcare

### Notes to the Financial Statements - continued For The Year Ended 31 March 2025

#### 1. ACCOUNTING POLICIES - continued

##### **Tangible fixed assets**

	<b>depreciated on a straight line basis over the remaining life of the</b>
Leasehold land and building	<b>lease</b>
Fixtures and fittings	<b>15% reducing balance</b>

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.

The depreciation rates for the leasehold premises and improvements are based on an expected lease term to be extended from 2026 for a further 20 years.

##### **Taxation**

The charity is exempt from tax on its charitable activities.

##### **Fund accounting**

Unrestricted funds can be used in accordance with the charitable objectives at the discretion of the trustees.

Designated funds comprise funds which have been set aside at the discretion of the trustees for specific purposes. The purposes and uses of the designated funds are set out in the notes to the financial statements.

Restricted funds can only be used for particular restricted purposes within the objects of the charity. Restrictions arise when specified by the donor or when funds are raised for particular restricted purposes.

Further explanation of the nature and purpose of each fund is included in the notes to the financial statements.

##### **Pension costs and other post-retirement benefits**

The charity operates a defined contribution pension scheme. The pension costs charge represents contributions payable by the charity to the fund in the year in which they are payable and recognised in the Statement of Financial Activities. Differences between contribution payable and the contributions actually paid in the year are shown as either accruals or prepayments at the year end.

##### **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 with borrowings in current liabilities.

##### **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 Charitable Incorporated Organisation is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

##### **Current asset investments**

Current asset investments are investments the charity holds for resale or pending their sale and cash or cash equivalents with a maturity date of less than one year. This heading includes cash on deposit and cash equivalents with a maturity of less than one year held for investment purposes rather than to meet short-term cash commitments as they fall due.

Investments are held at fair value in the balance sheet with any gain or loss recognised in the statement of financial position in the period in which they arise.

**Willow Childcare**

**Notes to the Financial Statements - continued**  
**For The Year Ended 31 March 2025**

<b>2. INVESTMENT INCOME</b>		<b>31.3.25</b>	<b>31.3.24</b> as restated
		£	£
Interest receivable		<u>19,961</u>	<u>157</u>
<b>3. INCOME FROM CHARITABLE ACTIVITIES</b>		<b>31.3.25</b>	<b>31.3.24</b> as restated
		£	£
Attendance fees	Activity		
	Childcare services	461,486	558,004
Grants	Childcare services	787,950	394,406
Registration fees	Childcare services	4,643	5,500
		<u>1,254,079</u>	<u>957,910</u>
Grants received, included in the above, are as follows:		<b>31.3.25</b>	<b>31.3.24</b> as restated
		£	£
PICS funding		6,515	11,523
Support funding		4,933	1,981
Nursery education funding		776,502	380,902
		<u>787,950</u>	<u>394,406</u>
<b>4. OTHER INCOME</b>		<b>31.3.25</b>	<b>31.3.24</b> as restated
		£	£
Milk vouchers refund		1,880	1,683
Other income		1,268	-
		<u>3,148</u>	<u>1,683</u>
<b>5. CHARITABLE ACTIVITIES COSTS</b>			
	Direct Costs	Support costs (see note 6)	Totals
	£	£	£
Childcare services	<u>974,412</u>	<u>256,351</u>	<u>1,230,763</u>

**Willow Childcare**

**Notes to the Financial Statements - continued**  
**For The Year Ended 31 March 2025**

**6. SUPPORT COSTS**

	Management £	Governance costs £	Totals £
Childcare services	<u>247,441</u>	<u>8,910</u>	<u>256,351</u>

Support costs, included in the above, are as follows:

	31.3.25 £	31.3.24 as restated Total activities £
Wages	122,090	110,653
Social security	13,053	11,551
Rates and water	9,196	11,608
Insurance	2,035	4,227
Light and heat	14,359	21,694
Telephone	4,827	4,685
Postage and stationery	2,969	8,344
Cleaning	38,232	35,568
Repairs and maintenance	26,823	21,525
Legal and professional fees	2,274	5,310
Staff incentives	3,249	3,972
Subscriptions	7,663	1,843
Bank charges	671	557
Auditors' remuneration	5,750	-
Auditors' remuneration for non audit work	3,160	-
Independent examiners fees	-	3,900
	<u>256,351</u>	<u>245,437</u>

**7. TRUSTEES' REMUNERATION AND BENEFITS**

There were no trustees' remuneration or other benefits for the year ended 31 March 2025 nor for the year ended 31 March 2024.

**Trustees' expenses**

There were no trustees' expenses paid for the year ended 31 March 2025 nor for the year ended 31 March 2024.

**8. STAFF COSTS**

	31.3.25 £	31.3.24 as restated £
Wages and salaries	867,632	693,690
Social security costs	57,036	50,158
Other pension costs	31,077	25,151
	<u>955,745</u>	<u>768,999</u>

The average monthly number of employees during the year was as follows:

	31.3.25	31.3.24 as restated
Childcare employees	36	26
Admin & office staff	3	3
Support staff	2	1
	<u>41</u>	<u>30</u>

**Willow Childcare**

**Notes to the Financial Statements - continued**  
**For The Year Ended 31 March 2025**

**8. STAFF COSTS - continued**

No employees received emoluments in excess of £60,000.

**9. COMPARATIVES FOR THE STATEMENT OF FINANCIAL ACTIVITIES**

	Unrestricted fund as restated £
<b>INCOME AND ENDOWMENTS FROM</b>	
<b>Charitable activities</b>	
Childcare services	957,910
Investment income	157
Other income	1,683
<b>Total</b>	<b>959,750</b>
<b>EXPENDITURE ON</b>	
<b>Charitable activities</b>	
Childcare services	974,297
<b>NET INCOME/(EXPENDITURE)</b>	<b>(14,547)</b>
<b>RECONCILIATION OF FUNDS</b>	
<b>Total funds brought forward</b>	
As previously reported	1,445,146
Prior year adjustment	(224,529)
<b>As restated</b>	<b>1,220,617</b>
<b>TOTAL FUNDS CARRIED FORWARD</b>	<b>1,206,070</b>

**10. PRIOR YEAR ADJUSTMENT**

A prior year adjustment has been recognised in the financial statements in respect of misstated depreciation on the leasehold improvements. This treatment is not in accordance with Charities SORP (FRS 102) which states the accounting policy should be based on the length of the lease.

The effect on retained earnings brought forward is a reduction of £224,529 (profit overstated / expenses understated). The financial result for each of the impacted financial years are; financial year 2022 overstated by £71,279; financial year 2023 overstated by £76,199 and financial year 2024 overstated by £77,051.

**Willow Childcare**

**Notes to the Financial Statements - continued**  
**For The Year Ended 31 March 2025**

**11. TANGIBLE FIXED ASSETS**

	Long leasehold £	Fixtures and fittings £	Totals £
<b>COST</b>			
At 1 April 2024 and 31 March 2025	<u>597,540</u>	<u>58,203</u>	<u>655,743</u>
<b>DEPRECIATION</b>			
At 1 April 2024	294,681	21,901	316,582
Charge for year	<u>100,953</u>	<u>5,445</u>	<u>106,398</u>
At 31 March 2025	<u>395,634</u>	<u>27,346</u>	<u>422,980</u>
<b>NET BOOK VALUE</b>			
At 31 March 2025	<u>201,906</u>	<u>30,857</u>	<u>232,763</u>
At 31 March 2024	<u>302,859</u>	<u>36,302</u>	<u>339,161</u>

**12. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	31.3.25	31.3.24 as restated
	£	£
Trade debtors	5,753	7,165
Other debtors	323	155
Prepayments	<u>2,858</u>	<u>-</u>
	<u>8,934</u>	<u>7,320</u>

**13. CURRENT ASSET INVESTMENTS**

At the financial year ended 31 March 2025 the charity holds cash investments of £400,000 (2024; £400,000) with a maturity date in financial year 31 March 2026. .

**14. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	31.3.25	31.3.24 as restated
	£	£
Trade creditors	3,880	5,910
Taxation and social security	13,952	11,387
Other creditors	<u>24,298</u>	<u>19,963</u>
	<u>42,130</u>	<u>37,260</u>

**15. LEASING AGREEMENTS**

Minimum lease payments under non-cancellable operating leases fall due as follows:

	31.3.25	31.3.24 as restated
	£	£
Within one year	2	2
Between one and five years	<u>-</u>	<u>2</u>
	<u>2</u>	<u>4</u>

**Willow Childcare**

**Notes to the Financial Statements - continued**  
**For The Year Ended 31 March 2025**

**16. MOVEMENT IN FUNDS**

	At 1.4.24 £	Prior year adjustment £	Net movement in funds £	At 31.3.25 £
<b>Unrestricted funds</b>				
General fund	1,430,599	(224,529)	46,425	1,252,495
<b>TOTAL FUNDS</b>	<u>1,430,599</u>	<u>(224,529)</u>	<u>46,425</u>	<u>1,252,495</u>

Net movement in funds, included in the above are as follows:

	Incoming resources £	Resources expended £	Movement in funds £
<b>Unrestricted funds</b>			
General fund	1,277,188	(1,230,763)	46,425
<b>TOTAL FUNDS</b>	<u>1,277,188</u>	<u>(1,230,763)</u>	<u>46,425</u>

**Comparatives for movement in funds**

	At 1.4.23 £	Prior year adjustment £	Net movement in funds £	At 31.3.24 £
<b>Unrestricted funds</b>				
General fund	1,445,146	(224,529)	(14,547)	1,206,070
<b>TOTAL FUNDS</b>	<u>1,445,146</u>	<u>(224,529)</u>	<u>(14,547)</u>	<u>1,206,070</u>

Comparative net movement in funds, included in the above are as follows:

	Incoming resources £	Resources expended £	Movement in funds £
<b>Unrestricted funds</b>			
General fund	959,750	(974,297)	(14,547)
<b>TOTAL FUNDS</b>	<u>959,750</u>	<u>(974,297)</u>	<u>(14,547)</u>

A current year 12 months and prior year 12 months combined position is as follows:

	At 1.4.23 £	Prior year adjustment £	Net movement in funds £	At 31.3.25 £
<b>Unrestricted funds</b>				
General fund	1,445,146	(449,058)	31,878	1,027,966
<b>TOTAL FUNDS</b>	<u>1,445,146</u>	<u>(449,058)</u>	<u>31,878</u>	<u>1,027,966</u>



**Willow Childcare**

**Notes to the Financial Statements - continued**  
**For The Year Ended 31 March 2025**

**16. MOVEMENT IN FUNDS - continued**

A current year 12 months and prior year 12 months combined net movement in funds, included in the above are as follows:

	Incoming resources £	Resources expended £	Movement in funds £
<b>Unrestricted funds</b>			
General fund	2,236,938	(2,205,060)	31,878
<b>TOTAL FUNDS</b>	<u>2,236,938</u>	<u>(2,205,060)</u>	<u>31,878</u>

**17. RELATED PARTY DISCLOSURES**

There were no disclosable related party transactions during the year other than trustee expenses disclosed in note 8 of the financial statements. (2024 - none).

Key management personnel include M Andrew (Head of Centre) and received a remuneration of £57,174 (2024; 52,071) salary in the financial year.

The CIO was under the control of the charity trustees, as detailed on page 4, throughout the year.