

Charity registration number: 1193089

Cylch Meithrin Maes Y Morfa

Annual Report and Financial Statements

for the Year Ended 31 March 2023

DRP & Co Accountants Limited
Upper Floor
6, St Johns Court
Llansamlet
Swansea
Wales
SA6 8QQ

Cylch Meithrin Maes Y Morfa

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Cylch Meithrin Maes Y Morfa

Reference and Administrative Details

Trustees

Mrs L Bracey
Mrs K Farleigh
Mr G Farleigh

Charity Registration Number

1193089

Principal Office

76, Stacey Road
Cardiff
Wales
CF24 1DW

Independent Examiner

DRP & Co Accountants Limited
Upper Floor
6, St Johns Court
Llansamlet
Swansea
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SA6 8QQ

Cylch Meithrin Maes Y Morfa

Trustees' Report

The trustees present the annual report together with the financial statements of the charity for the year ended 31 March 2023.

Objectives and activities

Objects and aims

At Cylch Meithrin Maes y Morfa, we aim to educate the children through the medium of Welsh.

The children are given every opportunity to explore, experiment and develop their abilities whilst they are introduced through enhanced and structured play, the seven area of learning, both in and outdoors whilst adapting and enhancing our resources daily. We offer the children support to become independent, confident, bilingual beings.

Objectives, strategies and activities

Our committee and managers ensure that all staff are qualified or working towards a suitable qualification, in order to provide a secure and happy environment, rich in variety of rewarding and carefully planned experiences, ensuring that children are cared for in a safe, healthy positive environment where children can learn, play, achieve and have fun in line with Flying Start. The Foundation Phase and standards set out by the Welsh Assembly Government, CIW, Mudiad Meithrin and our policies and procedures.

Public benefit

All children regardless of their race, gender, faith, religion or background are welcome to join the nursery. We pride ourselves on enhancing the children's skills such as language and literacy, social, creative, physical and emotional development.

Once a week we carry out a cooking activity with the children to encourage healthy eating and we encourage the parents to join in so we are able to build a good rapport with them and encourage the parents to mirror the healthy eating approach at home.

The trustees confirm that they have complied with the requirements of section 17 of the Charities Act 2011 to have due regard to the public benefit guidance published by the Charity Commission for England and Wales.

Financial review

Policy on reserves

As a charity registered nursery, we are a non profit making nursery therefore our financial budget is based around our operational costs, staffing, resources and expenses. In an area of high unemployment, single parents and densely populated, we have no reserves, if there is any excess income it's spent on resources needed.

Principal funding sources

Principal sources of income are from the local council and Flying Start re nursery fees, Parents also pay directly for the nursery places.

Structure, governance and management

Nature of governing document

Constitution adopted

Cylch Meithrin Maes Y Morfa

Trustees' Report (continued)

Recruitment and appointment of trustees

Membership of the Charity shall be open to:

1. to parents or guardians of every child who attends the Cylch Meithrin,
2. parents or guardians who have been elected members or officers of the Committee although their children have left the Cylch Meithrin
3. any other person or body elected at a General meeting.

The annual report was approved by the trustees of the charity on 17 April 2024 and signed on its behalf by:



.....
Mrs L Bracey
Trustee

Cylch Meithrin Maes Y Morfa

Statement of Trustees' Responsibilities

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

The law applicable to charities requires the trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charity and of the incoming resources and application of resources of the charity for that period. In preparing these financial statements, the trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make 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; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in business.

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

The trustees are responsible for the maintenance and integrity of the corporate and financial information included on the charitable company's website. Legislation governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Approved by the trustees of the charity on 17 April 2024 and signed on its behalf by:



.....
Mrs L Bracey
Trustee

Cylch Meithrin Maes Y Morfa

Independent Examiner's Report to the trustees of Cylch Meithrin Maes Y Morfa

I report to the trustees on my examination of the accounts of Cylch Meithrin Maes Y Morfa for the year ended 31 March 2023.

Responsibilities and basis of report

As the charity trustees of Cylch Meithrin Maes Y Morfa you are responsible for the preparation of the accounts in accordance with the requirements of the Charities Act 2011 ('the Act').

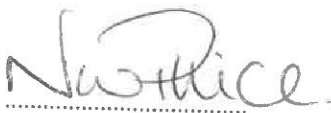
I report in respect of my examination of the Cylch Meithrin Maes Y Morfa's accounts carried out under section 145 of the 2011 Act and in carrying out my examination I have followed all the applicable Directions given by the Charity Commission under section 145(5)(b) of the Act.

Independent examiner's statement

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 Cylch Meithrin Maes Y Morfa as required by section 130 of the Act; or
2. the accounts do not accord with those records; or
3. the accounts do not comply with the accounting 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.



Nia Price
ICAEW

Upper Floor
6, St Johns Court
Llansamlet
Swansea
Wales
SA6 8QQ

17 April 2024

Cylch Meithrin Maes Y Morfa

Statement of Financial Activities for the Year Ended 31 March 2023

	Note	Unrestricted funds £	Total 2023 £
Income and Endowments from:			
Other trading activities		21,369	21,369
Total income		<u>21,369</u>	<u>21,369</u>
Expenditure on:			
Raising funds		(11,244)	(11,244)
Charitable activities		(573)	(573)
Total expenditure		<u>(11,817)</u>	<u>(11,817)</u>
Net income		<u>9,552</u>	<u>9,552</u>
Net movement in funds		9,552	9,552
Reconciliation of funds			
Total funds brought forward		<u>22,668</u>	<u>22,668</u>
Total funds carried forward	11	<u>32,220</u>	<u>32,220</u>
	Note	Unrestricted funds £	Total 2022 £
Income and Endowments from:			
Other trading activities		35,611	35,611
Total income		<u>35,611</u>	<u>35,611</u>
Expenditure on:			
Raising funds		(25,099)	(25,099)
Charitable activities		(3,201)	(3,201)
Total expenditure		<u>(28,300)</u>	<u>(28,300)</u>
Net income		<u>7,311</u>	<u>7,311</u>
Net movement in funds		7,311	7,311
Reconciliation of funds			
Total funds brought forward		<u>15,357</u>	<u>15,357</u>
Total funds carried forward	11	<u>22,668</u>	<u>22,668</u>

All of the charity's activities derive from continuing operations during the above two periods.
The funds breakdown for 2022 is shown in note 11.

Cylch Meithrin Maes Y Morfa

(Registration number: 1193089)
Balance Sheet as at 31 March 2023

	Note	2023 £	2022 £
Current assets			
Debtors	8	4,057	-
Cash at bank and in hand	9	28,762	22,731
		32,819	22,731
Creditors: Amounts falling due within one year	10	(599)	(63)
Net assets		32,220	22,668
Funds of the charity:			
Unrestricted income funds			
Unrestricted funds		32,220	22,668
Total funds	11	32,220	22,668

The financial statements on pages 6 to 15 were approved by the trustees, and authorised for issue on 17 April 2024 and signed on their behalf by:



.....
Mrs L Bracey
Trustee

Cylch Meithrin Maes Y Morfa

Notes to the Financial Statements for the Year Ended 31 March 2023

1 Accounting policies

Statement of compliance

The financial statements have been prepared in accordance with the second edition of the Charities Statement of Recommended Practice issued in October 2019, the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102) and the Charities Act 2011.

Basis of preparation

Cylch Meithrin Maes Y Morfa meets the definition of a public benefit entity under FRS 102. The accounts (financial statements) have been prepared under the historical cost convention with items recognised at cost or transaction value unless otherwise stated in the relevant note(s) to these accounts.

Going concern

The trustees consider that there are no material uncertainties about the charity's ability to continue as a going concern.

Income and endowments

Expenditure

All expenditure is recognised once there is a legal or constructive obligation to that expenditure, it is probable settlement is required and the amount can be measured reliably. All costs are allocated to the applicable expenditure heading that aggregate similar costs to that category. Where costs cannot be directly attributed to particular headings they have been allocated on a basis consistent with the use of resources, with central staff costs allocated on the basis of time spent, and depreciation charges allocated on the portion of the asset's use. Other support costs are allocated based on the spread of staff costs.

Raising funds

These are costs incurred in attracting voluntary income, the management of investments and those incurred in trading activities that raise funds.

Support costs

Support costs include central functions and have been allocated to activity cost categories on a basis consistent with the use of resources, for example, allocating property costs by floor areas, or per capita, staff costs by the time spent and other costs by their usage.

Governance costs

These include the costs attributable to the charity's compliance with constitutional and statutory requirements, including audit, strategic management and trustees meetings and reimbursed expenses.

Taxation

The charity is considered to pass the tests set out in Paragraph 1 Schedule 6 of the Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes. Accordingly, the charity is potentially exempt from taxation in respect of income or capital gains received within categories covered by Chapter 3 Part 11 of the Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

Cylch Meithrin Maes Y Morfa

Notes to the Financial Statements for the Year Ended 31 March 2023 (continued)

Trade debtors

Trade debtors are amounts due from customers for merchandise sold or services performed in the ordinary course of business.

Trade debtors are recognised initially at the transaction price. They are subsequently measured at amortised cost using the effective interest method, less provision for impairment. A provision for the impairment of trade debtors is established when there is objective evidence that the charity will not be able to collect all amounts due according to the original terms of the receivables.

Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and call deposits, and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of change in value.

Borrowings

Interest-bearing borrowings are initially recorded at fair value, net of transaction costs. Interest-bearing borrowings are subsequently carried at amortised cost, with the difference between the proceeds, net of transaction costs, and the amount due on redemption being recognised as a charge to the Statement of Financial Activities over the period of the relevant borrowing.

Interest expense is recognised on the basis of the effective interest method and is included in interest payable and similar charges.

Borrowings are classified as current liabilities unless the charity has an unconditional right to defer settlement of the liability for at least twelve months after the reporting date.

Fund structure

Unrestricted income funds are general funds that are available for use at the trustees discretion in furtherance of the objectives of the charity.

Financial instruments

Classification

Financial assets and financial liabilities are recognised when the charity becomes a party to the contractual provisions of the instrument.

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the charity after deducting all of its liabilities.

Cylch Meithrin Maes Y Morfa

Notes to the Financial Statements for the Year Ended 31 March 2023 (continued)

Recognition and measurement

All financial assets and liabilities are initially measured at transaction price (including transaction costs), except for those financial assets classified as at fair value through profit or loss, which are initially measured at fair value (which is normally the transaction price excluding transaction costs), unless the arrangement constitutes a financing transaction. If an arrangement constitutes a financing transaction, the financial asset or financial liability is measured at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

Financial assets and liabilities are only offset in the statement of financial position when, and only when there exists a legally enforceable right to set off the recognised amounts and the charity intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Financial assets are derecognised when and only when a) the contractual rights to the cash flows from the financial asset expire or are settled, b) the charity transfers to another party substantially all of the risks and rewards of ownership of the financial asset, or c) the charity, despite having retained some, but not all, significant risks and rewards of ownership, has transferred control of the asset to another party.

Financial liabilities are derecognised only when the obligation specified in the contract is discharged, cancelled or expires.

Cylch Meithrin Maes Y Morfa

Notes to the Financial Statements for the Year Ended 31 March 2023 (continued)

Debt instruments

Debt instruments which meet the following conditions are subsequently measured at amortised cost using the effective interest method:

(a) The contractual return to the holder is (i) a fixed amount; (ii) a positive fixed rate or a positive variable rate; or (iii) a combination of a positive or a negative fixed rate and a positive variable rate.

(b) The contract may provide for repayments of the principal or the return to the holder (but not both) to be linked to a single relevant observable index of general price inflation of the currency in which the debt instrument is denominated, provided such links are not leveraged.

(c) The contract may provide for a determinable variation of the return to the holder during the life of the instrument, provided that (i) the new rate satisfies condition (a) and the variation is not contingent on future events other than (1) a change of a contractual variable rate; (2) to protect the holder against credit deterioration of the issuer; (3) changes in levies applied by a central bank or arising from changes in relevant taxation or law; or (ii) the new rate is a market rate of interest and satisfies condition (a).

(d) There is no contractual provision that could, by its terms, result in the holder losing the principal amount or any interest attributable to the current period or prior periods.

(e) Contractual provisions that permit the issuer to prepay a debt instrument or permit the holder to put it back to the issuer before maturity are not contingent on future events, other than to protect the holder against the credit deterioration of the issuer or a change in control of the issuer, or to protect the holder or issuer against changes in levies applied by a central bank or arising from changes in relevant taxation or law.

(f) Contractual provisions may permit the extension of the term of the debt instrument, provided that the return to the holder and any other contractual provisions applicable during the extended term satisfy the conditions of paragraphs (a) to (c).

Debt instruments that are classified as payable or receivable within one year on initial recognition and which meet the above conditions are measured at the undiscounted amount of the cash or other consideration expected to be paid or received, net of impairment.

With the exception of some hedging instruments, other debt instruments not meeting these conditions are measured at fair value through profit or loss.

Commitments to make and receive loans which meet the conditions mentioned above are measured at cost (which may be nil) less impairment.

Investments

Investments in non-convertible preference shares and non-puttable ordinary or preference shares (where shares are publicly traded or their fair value is reliably measurable) are measured at fair value through profit or loss. Where fair value cannot be measured reliably, investments are measured at cost less impairment.

Investments in subsidiaries and associates are measured at cost less impairment. For investments in subsidiaries acquired for consideration including the issue of shares qualifying for merger relief, cost is measured by reference to the nominal value of the shares issued plus fair value of other consideration. Any premium is ignored.

Cylch Meithrin Maes Y Morfa

Notes to the Financial Statements for the Year Ended 31 March 2023 (continued)

Derivative financial instruments

The charity uses derivative financial instruments to reduce exposure to foreign exchange risk and interest rate movements. The charity does not hold or issue derivative financial instruments for speculative purposes.

Derivatives are initially recognised at fair value at the date a derivative contract is entered into and are subsequently remeasured to their fair value at each reporting date. The resulting gain or loss is recognised in statement of financial activities immediately unless the derivative is designated and effective as a hedging instrument, in which event the timing of the recognition in statement of financial activities depends on the nature of the hedge relationship.

Fair value measurement

The best evidence of fair value is a quoted price for an identical asset in an active market. When quoted prices are unavailable, the price of a recent transaction for an identical asset provides evidence of fair value as long as there has not been a significant change in economic circumstances or a significant lapse of time since the transaction took place. If the market is not active and recent transactions of an identical asset on their own are not a good estimate of fair value, the fair value is estimated by using a valuation technique.

2 Income from other trading activities

	Unrestricted funds General £	Total funds £
Other income from other trading activities	15,521	15,521
Total for 2023	15,521	15,521
Total for 2022	35,611	35,611

3 Expenditure on raising funds

a) Costs of trading activities

	Note	Unrestricted funds General £	Total funds £
Allocated support costs		600	600
Total for 2023		600	600
Total for 2022		477	477

Cylch Meithrin Maes Y Morfa

Notes to the Financial Statements for the Year Ended 31 March 2023 (continued)

		Total costs £
4 Expenditure on charitable activities		
	Unrestricted funds General £	Total funds £
Governance costs	573	573
Total for 2022	<u>3,201</u>	<u>3,201</u>

	Total expenditure £
5 Analysis of governance and support costs	

Governance costs

	Unrestricted funds General £	Total funds £
Other governance costs	573	573
Total for 2023	<u>573</u>	<u>573</u>
Total for 2022	<u>3,201</u>	<u>3,201</u>

6 Staff costs

The aggregate payroll costs were as follows:

	2023 £	2022 £
Staff costs during the year were:		
Wages and salaries	10,039	24,204
Social security costs	355	-
Pension costs	250	203
Other staff costs	-	215
	<u>10,644</u>	<u>24,622</u>

No employee received emoluments of more than £60,000 during the year

Cylch Meithrin Maes Y Morfa

Notes to the Financial Statements for the Year Ended 31 March 2023 (continued)

7 Taxation

The charity is a registered charity and is therefore exempt from taxation.

8 Debtors

	2023 £
Other debtors	4,057

9 Cash and cash equivalents

	2023 £	2022 £
Cash at bank	28,728	9,788
Short-term deposits	-	12,909
Other cash and cash equivalents	34	34
	<u>28,762</u>	<u>22,731</u>

10 Creditors: amounts falling due within one year

	2023 £	2022 £
Other taxation and social security	-	91
Other creditors	(1)	(57)
Pension scheme creditor	-	29
Accruals	600	-
	<u>599</u>	<u>63</u>

11 Funds

	Balance at 1 April 2022 £	Incoming resources £	Resources expended £	Balance at 31 March 2023 £
Unrestricted funds				
General	<u>22,668</u>	<u>21,369</u>	<u>(11,817)</u>	<u>32,220</u>
	Balance at 1 April 2021 £	Incoming resources £	Resources expended £	Balance at 31 March 2022 £
Unrestricted funds				
General	<u>15,357</u>	<u>35,611</u>	<u>(28,300)</u>	<u>22,668</u>

Cylch Meithrin Maes Y Morfa

Notes to the Financial Statements for the Year Ended 31 March 2023 (continued)

12 Analysis of net funds

	At 1 April 2022 £	At 31 March 2023 £
Cash at bank and in hand	22,731	22,731
Net debt	22,731	22,731
	At 1 April 2021 £	At 31 March 2022 £
Net debt	-	-

Cylch Meithrin Maes Y Morfa

Statement of Financial Activities by fund for the Year Ended 31 March 2023

	Total Unrestricted Funds 2023 £	Total Unrestricted Funds 2022 £
Income and Endowments from:		
Other trading activities	21,369	35,611
Total income	<u>21,369</u>	<u>35,611</u>
Expenditure on:		
Raising funds	(11,244)	(25,099)
Charitable activities	(573)	(3,201)
Total expenditure	<u>(11,817)</u>	<u>(28,300)</u>
Net income	<u>9,552</u>	<u>7,311</u>
Net movement in funds	9,552	7,311
Reconciliation of funds		
Total funds brought forward	22,668	15,357
Total funds carried forward	<u>32,220</u>	<u>22,668</u>

Cylch Meithrin Maes Y Morfa

Detailed Statement of Financial Activities for the Year Ended 31 March 2023

	Total 2023 £	Total 2022 £
Income and Endowments from:		
Other trading activities (analysed below)	21,369	35,611
Total income	<u>21,369</u>	<u>35,611</u>
Expenditure on:		
Raising funds (analysed below)	(11,244)	(25,099)
Charitable activities (analysed below)	(573)	(3,201)
Total expenditure	<u>(11,817)</u>	<u>(28,300)</u>
Net income	<u>9,552</u>	<u>7,311</u>
Net movement in funds	9,552	7,311
Reconciliation of funds		
Total funds brought forward	22,668	15,357
Total funds carried forward	<u><u>32,220</u></u>	<u><u>22,668</u></u>

Cylch Meithrin Maes Y Morfa

Detailed Statement of Financial Activities for the Year Ended 31 March 2023 (continued)

	Total 2023 £	Total 2022 £
<i>Other trading activities</i>		
UK Government grants		
Fees and supplies	15,521	35,123
	5,848	488
	<u>21,369</u>	<u>35,611</u>
<i>Raising funds</i>		
Materials		
Direct costs	-	(19)
Wages and salaries	-	(458)
Staff NIC (Employers)	(10,039)	(24,171)
Staff pensions (Defined contribution) - pension scheme 1	(355)	-
Casual wages	(250)	(203)
Staff welfare	-	(33)
Accountancy fees	-	(215)
	(600)	-
	<u>(11,244)</u>	<u>(25,099)</u>
<i>Charitable activities</i>		
Light, heat and power		
Repairs and renewals	(559)	(892)
Telephone and fax	-	(884)
Computer software and maintenance costs	-	(135)
Printing, postage and stationery	-	(127)
Sundry expenses	-	(621)
Motor expenses	-	(52)
Accountancy fees	-	(130)
Bank charges	-	(360)
	(14)	-
	<u>(573)</u>	<u>(3,201)</u>