



## **Professional Association for Childcare and Early Years**

### **Annual Report and Financial Statements**

31 March 2021

Company Limited by Guarantee  
Registration Number  
02060964 (England and Wales)

Charity Registration Number  
295981

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## Reference and administrative details

<b>Registered Name of Charity</b>	Professional Association for Childcare and Early Years		
<b>Other working name</b>	PACEY		
<b>Company registration number</b>	02060964 (England and Wales)		
<b>Charity registration number</b>	295981		
<b>Registered office</b>	Northside House (3rd Floor) 69 Tweedy Road Bromley Kent BR1 3WA <a href="http://www.pacey.org.uk">www.pacey.org.uk</a>		
<b>Chief Executive</b>	L Bayram		
<b>Senior Management Team</b>	C Barrett S McVay		
<b>Trustees</b>		<b>Appointed</b>	<b>Retired</b>
	J Comeau (Chair until Oct 2020)	Jul 2011	Oct 2020
	C Glennie	Jul 2014	Oct 2020
	H Adebiyi	Jul 2014	Oct 2020
	J Cullen	Jul 2014	Oct 2020
	N Williams	Jul 2015	
	D Burch (Hon Treasurer)	Jul 2016	
	H Cazaly	Jul 2016	
	S Meekings (Vice Chair)	Jul 2016	Sep 2020
	V Finn	Feb 2018	
	A Page (Chair from Oct 2020)	Feb 2018	
	C Webster	Oct 2019	
	T Broome	Nov 2019	
	E Martine	Nov 2019	
	A Maxwell	Nov 2019	
	S McLean	Nov 2019	
	A Egan	July 2021	
	H Bratter	July 2021	
	L Doe	July 2021	
	S Flynn	July 2021	
	S Douglas	July 2021	
<b>Auditor</b>	Buzzacott LLP 130 Wood Street London EC2V 6DL		
<b>Bankers</b>	The Cooperative Bank PO Box 101 1 Balloon Street Manchester, M60 4EP  Bank of Scotland 1 <sup>st</sup> Floor 39 Threadneedle Street London, EC2R 8AU		

**Trustees' report for the year ended 31 March 2021**

<b>Solicitors</b>	Wrigleys 19 Cookridge Street Leeds, LS2 3AG
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## **Introduction**

The Professional Association for Childcare and Early Years (PACEY) is registered with the Charity Commission (registration number 02060964) and is also a company limited by guarantee (company registration number 295981).

Formed in 1977, PACEY is dedicated to supporting everyone working in childcare and early years to provide high quality care and early learning to children and families. We provide training, practical help and expert advice to practitioners working throughout England and Wales. We also provide peer support and encouragement through our network of PACEY Champion volunteers. We represent the views and experiences of practitioners and champion their vital role in helping prepare children for a bright future.

The report has been prepared in accordance with Part 8 of the Charities Act 2011, and constitutes a directors' report for the purpose of company legislation. The financial statements have been prepared in accordance with the accounting policies set out on pages 26 to 29 of the attached financial statements and comply with the charitable company's memorandum and articles of association, applicable laws 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 United Kingdom and Republic of Ireland (FRS 102).

## **Objectives and activities**

### **Vision and mission**

PACEY wants all children to experience high quality childcare and early education, helping them to have a bright future. We support everyone involved in childcare and early education to provide high quality services, information and advice for children, their families and carers.

Our charitable purpose, as set out in our governing documents, is:

- ◆ To promote the provision of facilities for the daily care, recreation and education of children, particularly of children under the age of 8 years, and to promote the observance of good standards of childminding by the parents of such children and all persons and organisations providing such facilities; and
- ◆ To advance the education and training of childminders and other persons and organisations providing day care facilities for children and particularly children under the age of 8 years and to conduct research into all aspects of the care, recreation and education of such children and publish the useful results of such research.

PACEY Trustees believe children of all ages benefit from high-quality care and early education. PACEY plays a critical role in supporting our members and other practitioners to gain the skills, experience and knowledge they need to help prepare children for a bright future. Following a detailed review of its strategy in 2019, PACEY's Trustees decided they wished to do more to support families, carers and other professionals to better understand early education and childcare and to benefit from it. The Board agreed a revised mission to reflect this and set out how its main activities should change to support its revised mission in a new three year business plan. These main activities are now as follows and in delivering them, the charity furthers its purposes for the public benefit:

- Our support is high quality and accessible
- More practitioners, families, carers and other professionals use our support
- Our work is informed by the experiences of practitioners, children, families and carers
- We're a strong advocate for everyone involved in childcare and early years
- We're effective, efficient and collaborative in our work.

Trustees have referred to the Charity Commission's general guidance on public benefit when reviewing PACEY's aims and objectives and in planning future activities.

## **Achievements and performance**

### **Strategic Overview**

Like so many people and organisations, PACEY had little idea how much its original plan for the year would need to change as the world was plunged into the uncertainty and challenge of the coronavirus pandemic. Our last annual report set out what PACEY did to support its members, the wider sector as well as children and families through the early days of the pandemic. Over a year later, coronavirus is still with us and the changes PACEY made to adapt to the pandemic at the start have now become our main strategy for the whole year. Throughout, PACEY has delivered a critical leadership and support role for all early years and childcare providers.

PACEY worked relentlessly to influence government thinking on how best to support childminders, nannies, nurseries and pre-schools to remain open (where permitted), so children and families could access the childcare and early education they needed. We campaigned for support to aid the sector's post pandemic recovery and for practical support such as Personal Protective Equipment, home-testing and vaccination priority. Success was mixed.

PACEY was often faced with differing policies across England and Wales, with little logic as to why this was the case. This was muddled further by individual local authorities in some areas providing far more support to their providers than neighbouring authorities. As the months went by, it became clear there was no long-term plan for supporting childcare and early years providers to survive the pandemic. In both nations piecemeal decisions often replaced strategic thinking. In England especially, policy decisions were usually made in the context of schools and then adapted to meet the very different circumstances of early years provision. This led to frequently conflicting advice and guidance from government, or sometimes no guidance at all, as the machinery of government took time to analyse and decide on its policy.

Time and time again PACEY would fill the gap with its best advice or by sharing the ideas and responses of members from all over England and Wales. Alongside this, we pushed regulators, local authorities and insurers to support providers to remain open for critical workers and vulnerable children if they could, and challenged local authorities if they moved away from national guidance and placed additional pressure on already overstretched local providers. Through all this we learned three important facts –

- PACEY members are amazing, resilient, and can adapt rapidly when they need to;
- PACEY isn't viewed as just a source of advice and guidance but also as a place to feel reassured, protected and connected to a community of like-minded individuals; and
- Policy makers still don't truly understand how to support early years and childcare to deliver the support children and families deserve.

In the last year, PACEY has taken this learning and more and reflected on how to better support its members and the many other childminders, nannies, nurseries and pre-schools who looked to us for support. As a result, we have improved our benefits to members and enhanced our technology systems. We have also decided how we extend our support to managers/owners of nurseries and pre-schools and their staff. All within the context of more providers embracing our online services and support.

## **Trustees' report for the year ended 31 March 2021**

So – for PACEY - the pandemic has been both challenging and transforming. Many of our members – significant numbers of whom are the sole earner in their family - had to endure temporary closure and many months of reduced demand for their services. This has left many in severe financial constraints. Despite this, government has so far refused to recognise that the current level of funding for early education entitlements needs to increase. There is also growing evidence that the way in which families use childcare is changing, as more embrace the flexibility of home-working or face the prospect of redundancy or reduced working hours. It is possible that government funded hours of early education may become the main source of support for families, with few paying providers privately for extra hours. That scenario is not sustainable for the sector if government doesn't increase entitlement funding.

None of us will know for certain what the long-term impact of the pandemic will be on children, their families and so on the way in which early education and childcare is used in the future. Given this uncertainty, PACEY's strategy has been to double down on its core purpose - to provide information, advice and guidance to providers, families and others and to advocate for our members and the wider sector.

And this is where PACEY has seen transformation in how it provides information, advice and guidance. Throughout the pandemic, members told PACEY they relied on their membership, not only for information and guidance, but also for reassurance, inspiration and simply a sense of being part of a community of like-minded individuals. PACEY has reflected on this in recent months and made some significant improvements to the benefits it provides to members. We also changed how we deliver these benefits, as our members rapidly embraced online services and support during the pandemic. PACEY further improved the technology systems that underpin how we deliver our support so we could better meet the needs of our members and other practitioners. All of which means PACEY can continue to be the supportive friend and trusted advisor so many relied on during these exceptional times.

Once more, we want to recognise the resilience, determination and kindness of so many of our members and other providers during this pandemic. They were placed under immense emotional and financial stress but, despite this, remained focussed on how best to support the children and families they cared for. They remain our "unsung heroes" and looking ahead our commitment is to continue to provide them with strong representation in England and Wales and with the advice, reassurance and sense of community that we know they value so much.

At the start of this year, PACEY's Board significantly revised PACEY's new business plan, to ensure it had the capacity to support members through the pandemic whilst still delivering on its planned investment in its technology platform, and improved benefits. Some priorities were delayed, others changed to recognise the impact of the pandemic. This approach took place right through the pandemic with staff and volunteers working together to regularly review priorities and to deliver complex projects. All whilst also adapting to remote working from home and coping with the impact of the pandemic on their own families too.

So, PACEY must also recognise how much staff and key volunteers rose to the challenge of working together through these challenging times; how tirelessly everyone worked to deliver the support and advice our members needed; voiced their worries and concerns to government, regulators and others. PACEY was only able to do so because of the dedication of its Trustees, PACEY Champions, PACEY Insight Panel members and staff working together.

## Trustees' report for the year ended 31 March 2021

Finally, the Board had decided that PACEY would end this financial year with a sizeable deficit, as it continued investment in the technology that underpins how we deliver membership to over 20,000 providers. This decision was considered sustainable, given the healthy position of the charity's reserves. Despite the pandemic, Trustees remained committed to this investment throughout the year, as they recognised it was integral to our long term strategy to improve support to members. In reality, whilst PACEY did take advantage of government furlough support and a business interruption loan, financial performance in 2020/21 was not as challenging as we predicted. This meant PACEY ended the year with a smaller than projected deficit of just £65k. That said, the coming months may bring more unexpected challenges as the pandemic continues, The government loan will provide PACEY with the security it needs to manage what we expect will be sizeable change for the sector in the coming months.

Looking to the future, PACEY will enter the last stage of its planned investment in its new strategy during 2021-22, utilising the charity's continued strong reserve position.

### **Our support is high quality and accessible**

Unsurprisingly, the focus of our support across England and Wales was the pandemic, with sometimes daily translation of constant changes to updated guidance, as government in England and Wales steered us all through the unknown. From forced closures, navigation of complex rules around furlough claims and funded entitlements, to advice on how to open safely, manage parental anxiety and more, PACEY worked constantly to be a trusted and relied upon source of advice and reassurance. This was made doubly challenging when guidance frequently differed across England and Wales.

At the worst of times, it was entirely absent or not relevant to the context that early years and childcare practitioners worked in. We heard time and time again from members how isolated and alone they felt and that – without PACEY – they would have been at a loss for what to do. And members also supported each other, sharing experiences, ideas and their best practice via our social media channels – everything from how they were reassuring parents to return to their setting, to the new ways in which they were managing drop off and pick up when parents were not allowed into their setting.

PACEY's advice and guidance also extended beyond government and regulation. Members were supported to navigate the legal challenges they faced as parents with current contracts for childcare were told it was illegal to use that childcare and to stay at home unless they were a critical worker. We issued advice on contracting issues, the use of retainers. We also worked with the Competition and Markets Authority to ensure it issued supportive guidance that balanced the needs of families (rightly concerned they may have to continue to pay for a service they could not use) with those of providers (carrying the cost of non-attendance whilst remaining sustainable as a service). All so parents could return to work and children to early education when the "stay at home" order was lifted.

One PACEY member, Naomi, summed it up. *"It was a daunting time to be a lone worker and your website really helped me get my Covid risk assessments and policies in place. Plus keep up to date when it kept changing."*

Alongside our support around the pandemic, we continued development of our new bite-sized digital learning platform, CEY Smart. The service was always due to launch in March 2020. The fact it coincided with the start of the pandemic had an unintended positive impact. The number of practitioners using the service grew rapidly because so many were forced to close their setting, or were furloughed, and so had time to refresh their practice. Throughout the pandemic we added new courses and content for practitioners in England. From June 2020, PACEY Cymru launched courses for members in Wales. The response from practitioners was very positive. By March 2021, almost 22,000 had signed up to CEY Smart, with over 12,750 active users accessing courses. Many were new to PACEY and the support it provides. We are grateful to all the partners we have worked with to develop this innovative service including the Open University and our funder UFI Trust. We are now at the end of our grant funding for this service and exploring how we can sustain it as part of our membership whilst still providing some free courses for all practitioners.



## Trustees' report for the year ended 31 March 2021

Throughout this year, PACEY has also invested resources in developing how it can further improve its membership support. We redesigned and updated our member portal, MyPACEY, so benefits were easier to access. We developed our new PACEY Advisors service, experienced practitioners at the end of the phone for a chat if members need reassurance, inspiration or just want to chat through an issue in their setting. We also developed new member-exclusive virtual events, so members can share ideas, gain inspiration and be part of a like-minded community all from the comfort of their own home. PACEY will launch all of this early in 2021-22 alongside new membership categories, subscription rates and new flexible payment options. This will enable us to unify the support we offer to childminders, nannies and practitioners working in nurseries and pre-school whilst still recognising their unique experiences and needs.

### **More practitioners, families, carers and other professionals use our support**

Whilst the pandemic dominated much of PACEY's efforts, we continued to prioritise our work with disadvantaged families in England. Funded by the Department for Education's voluntary sector grant programme, our *Together for Two's* project has now run for over two years, helping targeted local authorities to increase the number of disadvantaged families taking up their two-year-old, as well as other early education entitlements, and also working with Job Centre Plus to support their advisors to better support parents with childcare advice, as they look to return to work or study. Through the pandemic it became evident that many more families needed this support from Job Centre Plus and that many parents, in the local authorities PACEY worked with, had not taken up their two-year-old's funded place. The *Together for Two's* team adapted quickly to virtual working where possible and, whilst some engagement work at a local level had to stop, they continued to support Job Centre Plus and local authorities' efforts.

In line with additional funding received in Wales, PACEY Cymru was able to support promotion of childminding as a career, working through a continued partnership with Job Centre Plus, local authorities and Careers Wales. Work with Social Care Wales' on the *We Care Wales* campaign promoting roles in childcare and early years also continued.

Alongside this work, PACEY secured additional funding to support sector recovery during the pandemic. Working with a range of expert partners, the charity created training and other resources that supported childminders, nurseries and pre-schools to deal with the myriad of issues they faced as they re-opened and welcomed back children who had been out of any form of early education for many months. Resources ranged from bite-sized training on CEY Smart to support children's physical development after many months spent indoors, to specialist training that supported providers to identify and support families dealing with conflict at home. PACEY also created and disseminated a range of resources and training that supported providers to address their sustainability concerns. The charity is very grateful to all the partners involved in this work, namely National Day Nurseries Association, Loughborough University, Relate and I-CAN. We are looking forward to continuing to collaborate with them in the future to build this support into our member benefits.

PACEY Cymru also continued to deliver high quality accredited training in Wales, even during the pandemic, with training swiftly moved to online delivery only. Exceptionally positive EQA feedback was received from the awarding body, City and Guilds, in relation to both delivery and assessment. Through this, PACEY ensured that training was not a barrier to achieving registration or voluntary approval with Care Inspectorate Wales during 2020-21.

Finally, PACEY Cymru launched their storybook *Pirate Puw's Quest* in the autumn and members received their free copy with others being shared with local authorities and other key partners. Welsh Government funding supported the production of the book which was written by registered childminders in Wales with support from PACEY Cymru staff. This was a project with Petra publishing, a small social enterprise that writes children's storybooks with local community groups. The book showcased quality, registered childcare and promoted the role of a childminder within the sector. All helping to break down perceptions and promote the positive role that a childminder has to play when working with families.

**Our work is informed by the experiences of practitioners, children, families and carers** Again, much of PACEY's work to understand the needs and experiences of practitioners was focussed on the pandemic – both how to deal with the challenges and uncertainty it presented and how to best support recovery. A range of engagement activities were used to support a myriad of conversations with members as well as utilising surveys, desk research reviews and case studies. All of this informed the advice PACEY gave government and regulators in England and Wales. From the positive feedback we received from members, other providers and local authorities, this was seen as a key area of support as they coped with the pandemic. Ensuring their concerns were understood by government was a dominant theme throughout the year.

PACEY Cymru also undertook recovery calls with over 700 members in Wales. These findings were used to ensure support met need as members moved out of the pandemic. PACEY also undertook research into the impact of the pandemic, *One year on* to help understand the challenges members were facing in England and Wales; to guide the development of PACEY advice and support and inform our campaigning work. This research placed a spotlight on not only how many providers faced real hardship during the pandemic – some relying on food banks; many using up family savings to sustain their business and many sole earners having to borrow to help their business survive. It also highlighted the agility and determination of members as they changed and adapted how they delivered their services to meet the changing need of the children and families they cared for. This research will be used to inform our work in England and Wales over the next 12 months.

Our PACEY Insight Panel of practitioners, who volunteer their time to support the charity's work, also came into its own during the pandemic. Established originally to input into the development of CEY Smart, and to test out the bite-sized format and approach to this CPD, the Panel has now taken on a more general support and advice role. The approximately 100 strong panel of nursery and pre-school owners, managers and practitioners as well as childminders, nannies and local authority workers provided input into specific resources PACEY developed. They responded rapidly to frequent requests from government, keen to assess the impact of its guidance and support during the pandemic. They also helped ensure PACEY understood the support they felt the sector needed – be that training, guidance or resources. The charity remain as always grateful to all Panel members for the time they gave us, especially when so many were also trying to deliver childcare and early education services in such challenging times.

The pandemic wasn't the only focus. With planned changes to the Early Years Foundation Stage (EYFS) in England from September 2021, PACEY sought member and other practitioners' views on proposed changes to the curriculum framework and to the help they needed to prepare for these changes. Working with partners, PACEY tried to ensure the Department for Education (DfE) built in changes were based on practitioner experiences as well as the latest evidence, with mixed success. With the new framework and new *Development Matters* non-statutory guidance published towards the end of this year, PACEY's focus in the last few months has been on ensuring that our member benefits include all the support members in England will need to prepare. This support will be made available early next financial year, as part of our wider set of benefit improvements.

One strategic goal that had to change because of the pandemic was our commitment to deliver a range of work to address the on-going decline in registered childminding. The original focus was on supporting more people to consider registering as a childminder; more business support for established childminders and more information and advice to parents to counter common misconceptions about childminding. Whilst PACEY progressed business support for childminders (as part of its HM Treasury grant funding), it had to delay its focus on recruiting more people into the profession and countering parental misconceptions. The pandemic made it difficult to persuade people to start a career in childminding, and the ability to engage parents was made doubly hard. The Board has now reviewed its plan to address childminding decline in the context of wider sector recovery and this will be delivered during 2021.

### **We're a strong advocate for everyone involved in childcare and early years**

PACEY's advocacy work became central to how we supported members and others in the sector through the pandemic. At its height, as a strategic partner of government in England and Wales, PACEY was on a daily basis working to ensure officials and ministers understood the reality for early years and childcare providers and the support children and families needed. Working with partners on shared issues of concern, PACEY had some success – for example the DfE's commitment to fund settings delivering entitlement places at pre-pandemic levels. Also, after a great deal of dither and delay, securing home-testing for all providers including registered childminders.

However, there were many setbacks. On frequent occasions, there was a stark contrast between how government in Wales recognised early on the need to support the sector, and the less supportive approach in England. England often gave support with one hand and took it away with another. For example, requiring settings utilising furlough payments to adjust this in relation to any payment they received for funded entitlements. There was also a growing sense that early years was viewed as the poor relation to schools in many of the policy and funding decisions made. For example, despite consistent evidence of the impact the pandemic was having on providers in England, the Government resisted any sector specific support. Instead it relied on its general support in the form of furlough and grants for self-employed people. This contrasted with schools receiving extra funding for Personal Protective Equipment and enhanced cleaning as well as being a central focus for post-pandemic recovery plans. Combined with the DfE's persistent habit of focussing on schools first and then adapting its policy to an early years context (often with much lost in translation across to a very different sector) it made influencing policy and guidance decisions in England challenging,

As part of the Cwlwm Partnership, PACEY Cymru submitted joint formal letters to ministers ensuring the Welsh Government consider the appropriate action to support the sector, aid with its recovery and ensure that the sector became more resilient in the future. The impact of this was seen in relation to enhanced financial support for the sector in Wales and a commitment to priority access to testing for those working in childcare and early years weeks earlier than in England. PACEY Cymru also supported the Welsh Government and Care Inspectorate Wales (CIW) in the review and implementation of the new Approval of Home Childcare Providers (Wales) Scheme 2021 (nanny scheme) to ensure this was fit for purpose for the sector. Consultation sessions were facilitated by PACEY Cymru to support engagement.

Ultimately, the reality was that most settings in England and Wales that temporarily closed or stayed opened for just the children of critical workers or vulnerable children, continued to operate throughout the pandemic and re-open as soon as they were allowed. Whilst immediate permanent closure is not likely for most, they do face operating with far fewer children than pre-pandemic for many months to come. There is growing evidence that families are reducing their privately funded childcare hours and relying just on funded entitlements.

Looking to the future, there is a commitment in England to an inclusive and well-resourced Educational Recovery Plan from government that, at time of writing, is in the early stages of development. The same is true in Wales with early years embedded into both. But there is so much to do to address the challenges of long-term underfunding exposed by the pandemic, as well as changing parental needs for childcare, that these plans will require significant investment. Whether in reality that is ever given is to be seen. The complex care some children will need to support their social, emotional and educational development to "catch up" after a year of interrupted early education and much time spent at home is immense. Abroad, countries like the USA and Canada have already recognised this, with trillion dollar commitments to invest in large-scale programmes to support early education. We will have to see if in England and Wales the promise of investment is matched with the action and funding needed to make a difference rather than piecemeal adaptations to current programme and funding streams.

We are now finalising our latest research, *One year on*. It will be used to influence the next Comprehensive Spending Review in England and further push government for long term investment in the sector.

## **Trustees' report for the year ended 31 March 2021**

### **We're effective, efficient and collaborative in our work**

PACEY re-prioritised its business plan early on, so it could ensure resources were focussed on supporting members through the uncertainty and change they faced but the Board retained its commitment to invest in PACEY's technology systems and the benefits it provides to members. All moving forward its strategy to further digitise our offer and improve our information, guidance and support to members.

This manifested itself in a year-long programme of system review and development, as we worked with suppliers to develop a new Customer Relationship Management System and Member-only portal. Both would make how we support members, in particular personalising that support, more effective. These were complex projects to deliver in normal circumstances, so more so as PACEY staff moved rapidly to home-working and had to deliver everything remotely. It is testament to the dedication of the team at PACEY, as well as the support of suppliers, that these two significant projects were delivered on time and within budget. Alongside the technical build, staff updated all the content for members in the new portal and developed a number of new information, advice and guidance benefits to enhance the support we offer. As already stated these were a new PACEY advisors service; a range of new bite-sized training and a range of exclusive member-only virtual events. These will all be launched early in 2021-22.

Alongside this, PACEY rapidly extended its flexible payment options for member subscriptions, so members could spread the cost of their membership, and developed a new set of member categories that help us streamline how we manage memberships.

Finally, work commenced on scoping the final stage of PACEY's technology investment programme – redevelopment of our PACEY and SearchChildcare websites as well as our learning platform – to inform plans for next year and the development of our data strategy, so we can better use data to inform future thinking and plans.

### **Volunteers**

PACEY volunteers make significant contributions to the charity's work in many different ways and this year was like no other. Our demands on volunteers' time and support increased, as the charity grappled with the multitude of challenges the pandemic brought for all of us. PACEY volunteers – most of whom were practitioners trying to keep their own services open and viable in the pandemic – still found time to share their experiences, offer advice and support to PACEY. Alongside our Board of Trustees, these volunteers include the PACEY Insight Panel and PACEY Champions. As already stated, members of the PACEY Insight Panel – a virtual community of practitioners and others involved in early years and childcare – were contacted frequently throughout the year to offer their views and experiences; to feedback on new services PACEY was developing and to user test the training developed on CEY Smart. Their input helped ensure our work was relevant to practitioners and met need. Our PACEY Champions, as always, supported the charity by promoting PACEY and its work in their local community and online. Many also offered peer support and advice to other providers in their local community. In total this year, PACEY benefited from the volunteer support of over 150 people. We are grateful to them all.

### **How will we know we have made progress?**

Aside from regular formal evaluation of key projects and services, PACEY continues to monitor its progress through its key performance indicators as well as a range of systems and processes that gather feedback from people who access PACEY support e.g. targeted surveys; benefit take-up data; analysis of online comments and customer service feedback. This continues to demonstrate that PACEY support is accessed not only by members but a growing community of other providers. This markedly increased during the pandemic, as many providers recognised that PACEY's information, advice and support was not only timely but reliable and tailored to their specific needs. Member recruitment and retention remained strong despite the financial challenges the pandemic presented to many members. This was helped by our early action to introduce flexible monthly payments for subscriptions as well as payment holidays for those members in especially difficult circumstances.

## **Financial Review**

Despite the turmoil of the pandemic, PACEY has ended the year with a far smaller than expected deficit whilst continuing to invest reserves in its technology systems and member benefits. The original projection was a deficit of -£331k but, thanks to strong member retention, robust cost control and greater than expected growth in grant income, the charity in fact ended the year with a deficit of just £65k. Our total income for the year was £3.4m whilst expenditure was £3.5m. Performance across membership held up well despite the turmoil of forced closures for members, and low take-up of places by families once they were able to return to their childcare provider. Merchandise sales were unsurprisingly much reduced, as members who were closed didn't need the same level of resources. However, careful cost management, along with PACEY successfully securing additional grant income, meant that the charity was able to increase support to members and the wider sector despite a downturn in some income streams. The shift to home working for all PACEY staff also helped reduce expenditure on core costs like travel and subsistence. The pandemic could have had a far more damaging impact on the charity's finances. However, the early implementation of mitigations to support member renewals meant PACEY, so far, has avoided many of the challenges that others faced. Of course, the situation continues to be uncertain. The charity's successful securing of a government-backed Coronavirus Loan will provide additional financial security to navigate, not only the on-going pandemic, but the likely long-term changes in how families use childcare and early education. Through all this the charity continues to expect to return to at least break even by 2022/23 so it can begin to rebuild its reserves after a period of sustained investment in systems and member benefits.

## **Trustees' report for the year ended 31 March 2021**

### **Designated funds**

Management consider it appropriate to designate the fixed assets of the group, as they are expected to be used in the long term to assist in meeting the Group's charitable objects and are not considered to be liquid, free reserves, and to provide more clarity of the operating results of the group. The balance on this fund amounted to £436k at 31 March 2021.

### **Reserves**

PACEY's reserves policy is to maintain a sufficient level of free reserves to fund working capital requirements, unexpected expenditure when unplanned events occur and to cover delays in anticipated income. Every year Trustees review their reserves position as part of the annual planning process. The Board has set a range for its reserves position in 2021-22. This states PACEY reserves should be between 1 and 2 months of core operating costs through the life of its new three-year strategy. This will support the charity to continue to invest reserves in planned technology and membership improvements in the coming year, including a large scale website redevelopment, before it begins to build-up its reserves again from 2022-23.

At 31 March 2021 free reserves, as described by the Charity Commission as unrestricted funds less those tied up in fixed assets, amounted to £315k. This was the equivalent of 1.3 months of running costs based on 2020-21 expenditure so the Trustees' reserves target has been met.

### **Going Concern**

Whilst the pandemic continues to impact on PACEY in many ways, the charity has ended this financial year in a far better position than it had predicted. A number of early mitigations were actioned to reduce the impact the pandemic had on the charity's membership income as well as sales of products and services. PACEY also took advantage of government support including the Coronavirus Job Retention Scheme and a government-backed Coronavirus Loan. These mitigations have ensured a stable financial position and capacity to deal with future and, as yet, unknown impacts from the pandemic.

Having reviewed the detailed financial projections in PACEY's updated three year rolling business plan, and recognised the continued uncertainty of the on-going pandemic, the Board considers that there is a reasonable expectation that PACEY has adequate resources to continue for the foreseeable future. For this reason, the Trustees continue to adopt the "going concern" basis in preparing these Financial Statements.

## **Structure, governance and management**

### **Governing document**

The charity is established under the Companies Act and is governed by its Articles of Association.

### **Board of Trustees**

PACEY is governed by a Board of Trustees which comprises of up to 12 Trustees, including the Chair. The Board aims for half of its Trustees to have childcare expertise and for remaining Trustees to have a range of expertise relevant to running a charity like PACEY. All Trustees must be supportive of quality childcare and early years. This year, to support a smooth transition for the Board (as a number of longer serving members reach the end of their term of office), the Board has over-recruited Trustees and will in 2021-22 comprise of 15 Trustees in total. The Board meets a minimum of four times a year, with provision for additional meetings if necessary as well as a full Strategy Review meeting every year. All of these meetings were held virtually during this year.

### **Trustee recruitment**

## **Trustees' report for the year ended 31 March 2021**

Through regular evaluation, the Board identifies any gaps in Trustee skills and experience. This evaluation informs the open recruitment process used to fill vacancies. Recruitment is delegated to the Board's Recruitment & Selection Committee which oversees advertisement and promotion of vacancies, shortlists and then interviews candidates prior to selecting new Trustees.

### **Induction and Training of Trustees**

All PACEY Trustees attend an induction meeting and receive information and training on their responsibilities. The Board uses its regular evaluation to assess individual and collective performance and identify training needs they would like addressed in the year. Trustees also have access to governance advice and support from the Company Secretary.

### **Appointed roles**

The Board delegates aspects of its work to a number of dedicated Trustee roles, working groups, panels and committees. The Board retains responsibility for its risk, audit and financial strategy but its appointed Honorary Treasurer advises Trustees on these matters and works with the senior management team to implement agreed strategies. The Vice Chair sits on a number of Board working groups and committees, to support the Chair's work. In doing so, they are given the experience necessary to deliver the Chair's responsibilities in their absence. The role also supports succession planning for the next PACEY Chair.

### **Decision making**

The Board has set out the areas of decision making and strategy it wishes to control and the areas it has delegated to individual committees, the Chair or Chief Executive through its Power of Delegation. This is reviewed annually.

PACEY's Practitioner Insight Panel provides a source of wider expertise and support on sector issues that help the Board remain informed. The Panel, which is a virtual forum, sharing ideas and providing feedback online as and when needed, is chaired by the PACEY Chair. Panel members also help PACEY in developing its plans and support for the sector, in particular members.

PACEY's Senior Management Team (SMT) – which meets once a month – is responsible for the development and delivery of PACEY's organisational policy and strategy, under the direction of the Trustees. SMT is managed by the Chief Executive and includes the Director of Membership and Services and the Director of Finance, Support and ICT. Together they review performance, progress and risk. SMT is supported by a wider group of team and project managers, who meet once a month.

### **Organisational structure**

By the end of 2020-21, PACEY employed 53 staff and benefited from the support of approximately 150 volunteers. We also used the services of freelance associates and consultants who support delivery of our training and other services. PACEY wholly owns a trading subsidiary, PACEY Commercial Services Limited (company number 02875417). The subsidiary has no employees of its own. It offers resources that support childcare settings and individual practitioners to deliver their childcare service. Its performance for the year is considered satisfactory and the subsidiary provided a contribution of £35,545 which it gift-aided to PACEY.

## **Trustees' report for the year ended 31 March 2021**

### **Remuneration of Key Management Personnel**

PACEY's key management personnel include the Board of Trustees, the Chief Executive and members of the Senior Management Team. All Trustees give their time freely and no Trustee received remuneration during the year. The Chief Executive's remuneration is determined by the Board's Remuneration Panel which meets annually. The Panel consists of three Trustees appointed by the Board, one of whom is always the Chair (who is also the Chief Executive's line manager). Remuneration is determined by a number of factors including organisational performance; management proposals on pay and reward for all staff; the Chair's annual appraisal of the Chief Executive; and any available market data. Every three years the Panel undertakes a formal market benchmark of voluntary sector Chief Executives' remuneration, to inform their decision. This benchmark last took place in January 2019.

Senior management remuneration is delegated to the Chief Executive who is guided by PACEY's senior management remuneration policy. This operates on a spot salary basis, taking into consideration the same factors guiding the Remuneration Panel as well as the breadth and complexity of individual SMT roles. In addition, every three years a formal market benchmark of equivalent voluntary sector roles is undertaken. This benchmark again was conducted in January 2019.

### **Relationships with Related Parties**

PACEY permits its trading subsidiary, PACEY Commercial Services Limited, to use its logo and various resources under a formal resource sharing agreement. PACEY and its trading subsidiary have written contracts or Memorandums of Understanding with third parties to help it to fulfil its charitable objectives and/or raise funds.

### **Risk management and internal control**

The Trustees have overall responsibility for ensuring PACEY operates an appropriate system of controls, financial or otherwise, to provide reasonable assurance the charity is operating efficiently and effectively. These controls include:

- A strategic plan that is reviewed every three years or so;
- A three-year rolling business plan, annual budget and workplan (including cash flow forecast);
- Regular consideration of actual financial results compared with budget;
- Regular organisational performance reporting;
- Identification and management of risks;
- Periodic reviews of financial and other policies.

### **Key Risks**

The Board identified the following as the principal risks and uncertainties PACEY and its trading subsidiary faced in 2020-21:

- Insufficient income to deliver its service offer, including any impact of COVID-19
- Competition from similar organisations reduce PACEY's offer and profile
- Inability to reduce dependency on core income streams, including any impact of COVID-19
- Ineffective ICT systems or data management make PACEY unable to deliver its offer



## **Trustees' report for the year ended 31 March 2021**

Trustees took the following actions, among others, to mitigate those risks:

- Strong financial management and monitoring, including quarterly reforecast of 2020/21 budget
- Revised workplan to ensure resources focused on key priorities and pandemic response
- Mitigations to reduce member cancellations
- Secured government support to support financial stability
- Maintained reasonable level of reserves
- Grew awareness and profile of PACEY
- Ensured PACEY offer remained up to date and competitive
- Three year business plan agreed that mitigates risk of decline in core income through development of new income generation activities
- Strategy to help reduce declining numbers of registered childminders agreed (implementation in 2021/22)
- Continued investment in PACEY's technical infrastructure

### **Fundraising**

PACEY does not carry out any direct fundraising with the public and does not use the services of any third party organisation to help in its fundraising activities.

## **Statement of Trustees' responsibilities**

The Trustees (who are also directors of Professional Association for Childcare and Early Years for the purposes of company law) are responsible for preparing the Trustees' report and financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law 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 charitable company and the group and of its income and expenditure 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 Accounting and Reporting by Charities: Statement of Recommended Practice, applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable to the United Kingdom and Republic of Ireland (FRS102);
- make judgements and estimates that are reasonable and prudent;
- state whether applicable United Kingdom 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 charitable company will continue in operation.

The Trustees are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable company and the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

## **Trustees' report for the year ended 31 March 2021**

Each of the Trustees confirms that:

- so far as the Trustee is aware, there is no relevant audit information of which the charitable company's auditor is unaware; and
- the Trustee has taken all the steps that they ought to have taken as a Trustee in order to make themselves aware of any relevant audit information and to establish that the charitable company's auditor is aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of s418 of the Companies Act 2006.

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

### **Thanks and Acknowledgements**

PACEY would like to thank everyone who has supported our work, from our members, key volunteers and staff, to government departments, local authorities, funding bodies and partner organisations. All of you have helped PACEY achieve its aims during 2020-21.

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**Chair, PACEY Board**

**Date of approval:** 11 August 2021

## **Independent auditor's report for the year ended 31 March 2021**

# **Independent auditor's report to the members of Professional Association for Childcare and Early Years (PACEY)**

### **Opinion**

We have audited the financial statements of Professional Association for Childcare and Early Years (PACEY) (the 'charitable parent company') and its subsidiary (the 'group') for the year ended 31 March 2021 which comprise the consolidated statement of financial activities, the consolidated and charitable parent company balance sheets, consolidated statement of cash flows, the principal accounting policies and the notes to the financial statements. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the group's and of the charitable parent company's affairs as at 31 March 2021 and of the group's income and expenditure 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 Companies Act 2006

### **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 auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the group 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 group and charitable parent company'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 auditor's report 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.

## **Independent auditor's report for the year ended 31 March 2021**

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 there is a material misstatement in the financial statements or a material misstatement of the other information. 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.

## **Opinions on other matters prescribed by the Companies Act 2006**

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Trustees' report, which is also the directors' report for the purposes of company law, for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Trustees' report, which is also the directors' report for the purposes of company law, has been prepared in accordance with applicable legal requirements.

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

In the light of the knowledge and understanding of the group and the charitable parent company and its environment obtained in the course of the audit, we have not identified material misstatements in the Trustees' report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept by the charitable parent company, or returns adequate for our audit have not been received from branches not visited by us; or
- the charitable parent company financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of Trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the Trustees were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemptions in preparing the Trustees' report and from the requirement to prepare a strategic report.

## **Responsibilities of Trustees**

As explained more fully in the Trustees' responsibilities statement, the Trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they 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.

## **Independent auditor's report for the year ended 31 March 2021**

In preparing the financial statements, the Trustees are responsible for assessing the group's and the charitable parent company'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 group or the charitable parent company or to cease operations, or have no realistic alternative but to do so.

### **Auditor's responsibilities for the audit of the financial statements**

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 an auditor's report 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.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

Our approach to identifying and assessing the risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, was as follows:

- the engagement partner ensured that the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with applicable laws and regulations;
- we identified the laws and regulations applicable to the group through discussions with Trustees and other management, and from our commercial knowledge and experience of the sector;
- we focused on specific laws and regulations in the UK which we considered may have a direct material effect on the financial statements or the operations of the company, including the Companies Act 2006, data protection legislation, employment, and health and safety legislation;
- we assessed the extent of compliance with laws and regulations identified above through making enquiries of management and inspecting legal correspondence; and
- identified laws and regulations were communicated within the audit team and the team remained alert to instances of non-compliance throughout the audit.

We assessed the susceptibility of the group's financial statements to material misstatement, including obtaining an understanding of how fraud might occur, by:

- making enquiries of management as to where they considered there was susceptibility to fraud, their knowledge of actual, suspected and alleged fraud; and
- considering the internal controls in place to mitigate risks of fraud and non-compliance with laws and regulations.

To address the risk of fraud through management bias and override of controls, we:

- performed analytical procedures to identify any unusual or unexpected relationships;
- tested journal entries to identify unusual transactions;

## **Independent auditor's report for the year ended 31 March 2021**

- assessed whether judgements and assumptions made in determining the accounting estimates set out in the accounting policies were indicative of potential bias; and
- used data analytics to investigate the rationale behind any significant or unusual transactions.

In response to the risk of irregularities and non-compliance with laws and regulations, we designed procedures which included, but were not limited to:

- agreeing financial statement disclosures to underlying supporting documentation;
- reading the minutes of meetings of those charged with governance;
- enquiring of management as to actual and potential litigation and claims; and
- reviewing any available correspondence with HMRC and the company's legal advisors.

There are inherent limitations in our audit procedures described above. The more removed that laws and regulations are from financial transactions, the less likely it is that we would become aware of non-compliance. Auditing standards also limit the audit procedures required to identify non-compliance with laws and regulations to enquiry of the Trustees and other management and the inspection of regulatory and legal correspondence, if any.

Material misstatements that arise due to fraud can be harder to detect than those that arise from error as they may involve deliberate concealment or collusion.

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 auditor's report.

### **Use of our report**

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an auditor's 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 charitable company and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Catherine Biscoe

Catherine Biscoe, Senior Statutory Auditor

For and on behalf of Buzzacott LLP, Statutory Auditor

130 Wood Street

London

EC2V 6DL

Date: 24 September 2021

**Consolidated statement of financial activities** Year ended 31 March 2021  
(including the income and expenditure account)

	Notes	Unrestricted funds £	Restricted funds £	Total 2021 £	Unrestricted funds £	Restricted funds £	Total 2020 £
<b>Income from:</b>							
<b>Charitable activities</b>							
. Membership		1,406,076	—	1,406,076	1,499,850	—	1,499,850
. Welsh Assembly Government grant		423,682	—	423,682	455,857	—	455,857
. Projects		618,943	522,156	1,141,099	701,749	274,622	976,371
. Training grants and fees		97,657	—	97,657	137,015	—	137,015
<b>Other trading activities</b>							
. Advertising		—	—	—	—	—	—
. Trading income							
.. Sales		224,459	—	224,459	319,384	—	319,384
.. Commissions		23,468	—	23,468	23,214	—	23,214
<b>Investments</b>	1	249	—	249	2,184	—	2,184
<b>Other income</b>	1	79,926	—	79,926	7,085	—	7,085
<b>Total income</b>		<b>2,874,460</b>	<b>522,156</b>	<b>3,396,616</b>	<b>3,146,338</b>	<b>274,622</b>	<b>3,420,960</b>
<b>Expenditure on:</b>							
<b>Raising funds</b>							
. Merchandising and other trading costs		115,324	—	115,324	191,504	—	191,504
<b>Charitable activities</b>							
. Supporting our members		1,292,904	—	1,292,904	1,329,172	—	1,329,172
. Delivering through partnership		1,171,086	522,156	1,693,242	1,366,444	274,622	1,641,066
. Raising quality		289,777	—	289,777	295,830	—	295,830
. New service development		70,724	—	70,724	86,415	—	86,415
<b>Total expenditure</b>	2	<b>2,939,815</b>	<b>522,156</b>	<b>3,461,971</b>	<b>3,269,365</b>	<b>274,622</b>	<b>3,543,987</b>
<b>Net (expenditure) income and movement in funds</b>		<b>(65,355)</b>	<b>—</b>	<b>(65,355)</b>	<b>(123,027)</b>	<b>—</b>	<b>(123,027)</b>
<b>Total funds brought forward at 1 April 2020</b>		<b>894,515</b>	<b>—</b>	<b>894,515</b>	<b>1,017,542</b>	<b>—</b>	<b>1,017,542</b>
<b>Total funds carried forward at 31 March 2021</b>	15	<b>829,160</b>	<b>—</b>	<b>829,160</b>	<b>894,515</b>	<b>—</b>	<b>894,515</b>

All of the charity's activities during the above two financial periods derived from continuing operations.

All recognised gains and losses are included in the above statement of financial activities.

**Consolidated balance sheet** as at 31 March 2021

	Notes	2021 £	2021 £	2020 £	2020 £
<b>Fixed assets</b>					
Intangible assets	6		436,460		81,093
Tangible assets	7		77,230		66,772
Investments	8		—		—
			<b>513,690</b>		<b>147,865</b>
<b>Current assets</b>					
Stocks	9	56,056		58,545	
Debtors	10	355,787		397,281	
Cash at bank and in hand		<b>989,128</b>		<b>850,680</b>	
		<b>1,400,971</b>		<b>1,306,506</b>	
<b>Creditors:</b> amounts falling due within one year	11	<b>(744,370)</b>		<b>(559,856)</b>	
<b>Net current assets</b>			<b>656,601</b>		<b>746,650</b>
<b>Total Assets less Current Liabilities</b>			<b>1,170,291</b>		<b>894,515</b>
<b>Creditors:</b> amounts due in more than one year	12		<b>(341,131)</b>		<b>—</b>
<b>Total net assets</b>			<b>829,160</b>		<b>894,515</b>
<b>The funds of the group</b>					
Income funds					
Designated funds	16	513,690		147,865	
.. Unrestricted funds					
.. General funds	16	304,850		736,030	
.. Trading	16	<b>10,620</b>		<b>10,620</b>	
<b>Total funds</b>			<b>829,160</b>		<b>894,515</b>

Signed on behalf of the Board of Trustees by:

A Page

D Burch

A Page  
Chair, PACEY Board

D Burch  
Hon. Treasurer, PACEY Board

Date: 11 August 2021

Professional Association for Childcare and Early Years  
Registration Number 02060964 (England and Wales)



**Charity balance sheet** as at 31 March 2021

	Notes	2021 £	2021 £	2020 £	2020
<b>Fixed assets</b>					
Intangible assets	6		<b>436,460</b>		81,093
Tangible assets	7		<b>77,230</b>		66,772
Investments	8		<b>3</b>		3
			<b>513,693</b>		147,868
<b>Current assets</b>					
Debtors	10	<b>426,565</b>		422,785	
Cash at bank and in hand		<b>940,997</b>		838,650	
		<b>1,367,562</b>		1,261,435	
<b>Creditors:</b> amounts falling due within one year	11	<b>(721,584)</b>		(525,411)	
<b>Net current assets</b>			<b>645,978</b>		736,026
<b>Total Assets less Current Liabilities</b>			<b>1,159,671</b>		883,894
<b>Creditors:</b> amounts due in more than one year	12		<b>(341,131)</b>		—
<b>Total net assets</b>			<b>818,540</b>		883,894
<b>The funds of the charity</b>					
Income funds					
. Designated funds		<b>513,690</b>		147,865	
. Unrestricted funds					
.. General funds	15	<b>304,850</b>		736,029	
<b>Total charity funds</b>			<b>818,540</b>		883,894

Signed on behalf of the Board of Trustees by:

A Page

D Burch

A Page  
Chair, PACEY Board

D Burch  
Hon. Treasurer, PACEY Board

Date: 11 August 2021

Professional Association for Childcare and Early Years  
Registration Number 02060964 (England and Wales)

## Consolidated statement of cash flows 31 March 2021

	Notes	2021 £	2020 £
<b>Cash flows from operating activities:</b>			
Net cash provided by operating activities	A	261,699	(10,188)
<b>Cash flows from investing activities:</b>			
Dividends and interest from investments		249	2,184
Purchase of fixed assets		(464,631)	(112,962)
<b>Net cash used in investing activities</b>		<b>(464,382)</b>	<b>(110,778)</b>
<b>Cash flows from financing activities:</b>			
Repayment of borrowing		—	—
Cash inflows from new borrowing		341,131	—
<b>Net cash used in financing activities</b>		<b>341,131</b>	<b>—</b>
<b>Change in cash and cash equivalents in the year</b>		<b>138,448</b>	<b>(120,966)</b>
<b>Cash and cash equivalents at 1 April 2020</b>	B	<b>850,680</b>	<b>971,646</b>
<b>Cash and cash equivalents at 31 March 2021</b>	B	<b>989,128</b>	<b>850,680</b>

### Notes to the consolidated statement of cash flows

#### A Reconciliation of net movement in funds to net cash flow from operating activities

	2021 £	2020 £
<b>Net income for the reporting period (as per SOFA)</b>	<b>(65,355)</b>	<b>(123,027)</b>
<b>Adjustments for:</b>		
Depreciation and amortisation charges	98,806	57,673
Dividends and interest from investments	(249)	(2,184)
Decrease in stocks	2,488	43,763
Increase in debtors	41,494	264,935
Decrease in creditors	184,515	(251,348)
<b>Net cash provided by operating activities</b>	<b>261,699</b>	<b>(10,188)</b>

#### B Analysis of net debt

	1 April 2020 £	Cash flows £	31 March 2021 £
<b>Cash and cash equivalents</b>			
Cash	850,680	138,448	989,128
	850,680	138,448	989,128

## **Principal accounting policies 31 March 2021**

The principal accounting policies adopted, judgements and key sources of estimation uncertainty in the preparation of the financial statements are laid out below.

### **Basis of preparation**

These financial statements have been prepared for the year ended 31 March 2021 under the historical cost convention in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their financial statements in accordance with the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102) (Charities SORP FRS 102) issued on 16 July 2014, the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Charities Act 2011.

The charity constitutes a public benefit entity as defined by FRS 102. The financial statements are presented in sterling and are rounded to the nearest pound.

### **Basis of consolidation**

The consolidated statement of activities (SOFA) and consolidated balance sheet comprise the results and assets of the charity and its active subsidiary undertaking, PACEY Commercial Services Limited, on a line-by-line basis.

Under section 408 of the Companies Act 2006, PACEY is exempt from the requirement to present its own Statement of Financial Activities.

### **Critical accounting estimates and areas of judgement**

Preparation of the financial statements requires the Trustees to make significant judgements and estimates. The most significant area of adjustment and key assumptions that affect items in the financial statements are in respect to the useful economic lives of tangible fixed assets, the book value of stock and the accrual for training fees.

### **Assessment of going concern**

The Trustees have assessed whether the use of the going concern assumption is appropriate in preparing these financial statements. The Trustees have made this assessment in respect to a period of one year from the date of approval of these financial statements.

The Trustees of the charity have concluded that there are no material uncertainties related to events or conditions that may cast significant doubt on the ability of the charity to continue as a going concern. The Trustees are of the opinion that the charity will have sufficient resources to meet its liabilities as they fall due.

PACEY, like many companies in the charitable sector is highly dependent on unsecured income streams to meet its future commitments. PACEY's ability to generate income going forward is significantly dependent on the charity's strategy and planned income generation from: strong retention and recruitment of members; sales of training products, publications and other merchandise; and partnership and commercial relationships with other organisations.

## **Principal accounting policies 31 March 2021**

As evidenced this financial year, PACEY has to date managed to sustained it income levels and its work, despite the significant impact the pandemic has had on members and other providers. The charity recognises it will have to live with ongoing uncertainty for some time to come but, early mitigations that supported member renewal, access to government support as well as going ahead with planned investment to improve technology systems and benefits for members, will all play a part in supporting PACEY to remain sustainable. It is assumed that membership income will, following changes to membership categories and subscriptions implemented in 2021-22, be sustained; that growth in membership numbers will in turn support increased merchandise sales, following a challenging past year. Alongside this, it is assumed that similar levels of grant funding and local authority service level agreements will be secured in the coming year.

The Trustees have considered the charity's new strategic plan and current income forecasts to 31 July 2022 and beyond. They, having reviewed the latest cash flow forecasts and the assumptions contained therein, are confident that the organisation will be able to meet its future liabilities as they fall due for the foreseeable future. The Trustees are confident that the charity's strategy for future income generation will be successful. They have therefore prepared the financial statements on the going concern basis.

### **Income**

Income is recognised in the period in which the charity has entitlement to the income and the amount can be measured reliably and it is probable that income will be received. Income is deferred only when the charity has to fulfil conditions before becoming entitled to it or where the donor or finder has specified that the income is to be expended in a future accounting period.

Income comprises donations, membership fees, grants and project income, training fees, investment income and the income from the trading subsidiary.

Donations are recognised when the charity has confirmation of both the amount and settlement date. In the event of donations pledged but not received, the amount is accrued for where the receipt is considered probable. In the event that a donation is subject to conditions that require a level of performance before the charity is entitled to the funds, the income is deferred and not recognised until either those conditions are fully met, or the fulfilment of those conditions is wholly within the control of the charity and it is probable that those conditions will be fulfilled in the reporting period.

Membership income is recognised upon an individual signing up to the charity as this is the point where the risks and rewards of the membership are transferred from the charity to the individual.

Grant, project and training fee income is accounted for on an accrued basis and therefore includes income paid in arrears but excludes income received in advance.

Dividends are recognised once the dividend has been declared and notification has been received of the dividend due.

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the charity; this is normally upon notification of the interest paid or payable by the bank.

## **Principal accounting policies 31 March 2021**

Income from the trading subsidiary comprises of sales and insurance commissions. Sales are recognised net of VAT when goods have been delivered to the customer representing the transfer of all risks and responsibilities from the charity to the individual. Insurance commissions are recognised on an accruals basis for the period that the services relate to.

No amounts are included in the financial statements for services donated by volunteers.

### **Expenditure**

Liabilities are recognised as expenditure as soon as there is a legal or constructive obligation committing the charity to make a payment to a third party, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably.

All expenditure is accounted for on an accruals basis inclusive of any VAT that cannot be recovered. Expenditure comprises direct costs in respect of the relevant activity and support costs, which are allocated using staff headcount across the projects and activities they undertake. Where costs cannot be directly attributed to particular activities they have been allocated on a basis consistent with use of resources. The classification between activities is as follows:

- Expenditure on raising funds includes the direct costs and support costs associated with generating fundraising income, together with costs of trading activities such as the purchase of goods for resale and distribution.
- Expenditure on charitable activities includes all costs associated with furthering the charitable purposes of the charity through the provision of its charitable activities. Such costs include direct and support costs

### **Allocation of support and governance costs**

Support costs represent indirect charitable expenditure. In order to carry out the primary purposes of the charity it is necessary to provide support in the form of personnel development, financial procedures, provision of office services and equipment and a suitable working environment.

Governance costs comprise the costs involving the public accountability of the charity (including audit costs) and costs in respect to its compliance with regulation and good practice.

Support costs and governance costs are apportioned using percentages based on the time spent on the activities by the employees of the charity.

### **Intangible fixed assets**

All intangible fixed assets are included in the balance sheet at cost, less related accumulated amortisation. Amortisation is provided on the following bases in order to write off each asset over its estimated useful life.

- Software – 33 per cent on cost

Items costing less than £500 are not treated as fixed assets, but are fully written off in the year of purchase.

## **Principal accounting policies 31 March 2021**

### **Tangible fixed assets**

All tangible fixed assets are included in the balance sheet at cost, less related accumulated depreciation. Depreciation is provided on the following bases in order to write off each asset over its estimated useful life.

- Leasehold improvements – over 15 year term of the lease (6.67% on cost)
- Furniture and equipment – 20 per cent on cost
- Computer equipment – 33 per cent on cost

Items of equipment costing less than £500 are not treated as fixed assets, but are fully written off in the year of purchase.

### **Stocks**

Stock is stated at the lower of average cost or net realisable value. Stock consists of new goods held by PACEY Commercial Services Limited.

### **Debtors**

Debtors are recognised at their settlement amount, less any provision for non-recoverability. Prepayments are valued at the amount prepaid. Debtors have been discounted to the present value of the future cash receipt where such discounting is material.

### **Cash at bank and in hand**

Cash at bank and in hand represents such financial statements and instruments that are available on demand.

### **Creditors and provisions**

Creditors and provisions are recognised when there is an obligation at the balance sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably. Creditors and provisions are recognised at the amount the charity anticipates it will pay to settle the debt. They have been discounted to the present value of the future cash payment where such discounting is material.

### **Operating leases**

Rentals applicable to operating leases are charged to the Consolidated Statement of Financial Activities in the period to which the cost relates.

### **Pensions**

The company operates a defined contribution pension scheme. Contributions payable for the year are included in staff costs in the financial statements.

### **Subsidiary undertaking**

The charity owns the whole of the issued share capital of PACEY Commercial Services Limited. The principal activity of the subsidiary undertaking is for trading on behalf of the parent undertaking.

## **Principal accounting policies 31 March 2021**

### **Fund structure**

General funds are unrestricted funds which are available for use at the discretion of the Trustees in furtherance of the general objectives of the charity and which have not been designated for other purposes.

Restricted funds comprise monies raised for, or their use restricted to, a specific purpose, or contributions subject to donor imposed conditions.

## Notes to the financial statements 31 March 2021

### 1 Investment and other income

	Unrestricted funds £	Restricted funds £	Total 2021 £	Unrestricted funds £	Restricted funds £	Total 2020 £
<b>Investment income</b>						
. Bank interest	249	—	249	2,184	—	2,184
Total investment income	249	—	249	2,184	—	2,184
<b>Other income</b>						
. Royalties and Franchise income	2,214	—	2,214	6,135	—	6,135
. Other	77,712	—	77,712	950	—	950
<b>Total other income</b>	<b>79,926</b>	<b>—</b>	<b>79,926</b>	<b>7,085</b>	<b>—</b>	<b>7,085</b>

### 2 Analysis of total expenditure

	Staff costs £	Direct costs £	Allocated support costs £	2021 Total £
<b>Cost of raising funds</b>				
Merchandising and other trading costs	—	115,324	—	115,324
	—	115,324	—	115,324
<b>Charitable expenditure</b>				
Supporting our members	677,255	268,926	346,723	1,292,904
Delivering through partnership	957,524	443,740	291,978	1,693,242
Raising quality	175,072	114,705	—	289,777
New Service Development	50,397	20,327	—	70,724
	1,860,248	847,698	638,701	3,346,647
<b>Total expenditure</b>	<b>1,860,248</b>	<b>963,022</b>	<b>638,701</b>	<b>3,461,971</b>
	Staff costs £	Direct costs £	Allocated support costs £	2020 Total £
<b>Cost of raising funds</b>				
Merchandising and other trading costs	—	191,504	—	191,504
	—	191,504	—	191,504
<b>Charitable expenditure</b>				
Supporting our members	722,670	272,678	333,823	1,329,171
Delivering through partnership	996,232	369,067	275,768	1,641,067
Raising quality	186,353	109,477	—	295,830
New Service Development	56,591	29,824	—	86,415
	1,961,846	781,046	609,591	3,352,483
<b>Total expenditure</b>	<b>1,961,846</b>	<b>972,550</b>	<b>609,591</b>	<b>3,543,987</b>



## 2 Analysis of total expenditure (continued)

Staff costs include both direct staff costs and allocated support staff costs. Support costs are allocated based on staff headcount as follows;

	Fundraising £	Supporting our members £	Delivering through partnership £	Raising quality £	Total 2021 £
Head Office	—	130,011	109,483	—	239,494
Human Resources	—	5,790	4,876	—	10,666
Finance	—	69,016	58,119	—	127,135
IT	—	137,069	115,426	—	252,495
Chief Executive	—	4,837	4,074	—	8,911
	—	346,723	291,978	—	638,701

  

	Fundraising £	Supporting our members £	Delivering through partnership £	Raising quality £	Total 2020 £
Head Office	—	131,907	108,967	—	240,874
Human Resources	—	6,923	5,719	—	12,642
Finance	—	61,607	50,893	—	112,500
IT	—	115,109	95,090	—	210,199
Chief Executive	—	18,277	15,099	—	33,376
	—	333,823	275,768	—	609,591

Governance costs included in allocated support costs above included auditor's remuneration of £21,641 (2020 – £21,205) and governance meeting, Professional Association for Childcare and Early Years AGM, and training costs of £273 (2020 – £3,804).

## 3 Staff costs and remuneration of key management personnel

	Total 2021 £	Total 2020 £
Salaries and wages	1,624,482	1,709,304
Social Security costs	148,337	155,089
Pension costs	87,430	97,456
Total staff costs	1,860,249	1,961,849
Total redundancy and termination payments included in total staff costs	—	18,238

There were no redundancy costs in the year 2021 (there were three posts made redundant in 2020).

The average number of employees during the year was: 49.

### 3 Staff costs and remuneration of key management personnel (continued)

	Total 2021 No.	Total 2020 No.
Fundraising and publicity	—	—
Supporting our members	19	23
Delivering through partnership	16	19
Raising quality	—	—
Support	14	15
Total	49	57

The number of employees whose emoluments exceeded £60,000 were:

	Total 2021 No.	Total 2020 No.
£60,000 - £69,999	—	—
£70,000 - £79,999	2	2
£80,000 - £89,999	—	—
£90,000 - £99,999	1	1
	3	3

All the higher paid employees shown belong to a defined contribution scheme that PACEY operates for all employees. The assets of the scheme are held separately from those of the charity, being invested with Aegon. The pension cost shown above represents contributions payable by PACEY of which £14,316 (2020 – £14,105) related to the higher paid employees.

The key management personnel of the charity in charge of directing and controlling, running and operating the charity on a day to day basis comprise the Trustees and the Senior Management Team. The total remuneration (including employer's NIC and pension contributions) of the key management personnel for the year was £280,668 (2020 – £276,465).

During the year under review no Trustees received reimbursements for attending meetings amounting to £NIL (2020 – £2,209 to five Trustees). In addition, PACEY incurred £273 (2020 – £1,595) worth of expenses on behalf of the Trustees relating to travel, subsistence, accommodation and meeting expenses. No Trustee received any remuneration from the charity (2020 – £nil).

### 4 Net income

Net income is stated after charging:

	Total 2021 £	Total 2020 £
Depreciation and amortisation	98,806	57,673
Operating leases rentals - land and buildings	146,101	150,657
Auditors' remuneration		
. Audit of PACEY	16,218	15,902
. Audit of PACEY Commercial Services Limited	4,045	3,950
. Tax	1,378	1,353

## Notes to the financial statements 31 March 2021

### 5 Taxation

No liability to UK corporation tax arose on ordinary activities for the year ended 31 March 2021 (2020 – none). As a registered charity, the association is entitled to tax relief under s505, ICTA1988.

### 6 Intangible fixed assets

<b>Group and charity</b>	Software £	<b>Total £</b>
<b>Cost</b>		
At 1 April 2020	112,962	<b>112,962</b>
Additions	442,429	<b>442,429</b>
At 31 March 2021	555,391	<b>555,391</b>
<b>Depreciation</b>		
At 1 April 2020	31,869	<b>31,869</b>
Charge for the year	87,062	<b>87,062</b>
At 31 March 2021	118,931	<b>118,931</b>
<b>Net book value</b>		
<b>At 31 March 2021</b>	<b>436,460</b>	<b>436,460</b>
At 31 March 2020	81,093	81,093

### 7 Tangible fixed assets

<b>Group and charity</b>	Leasehold improvement £	Furniture and equipment £	Computer equipment £	<b>Total £</b>
<b>Cost</b>				
At 1 April 2020	60,745	2,006	316,944	<b>379,695</b>
Additions	—	—	22,202	<b>22,202</b>
At 31 March 2021	60,745	2,006	339,146	<b>401,897</b>
<b>Depreciation</b>				
At 1 April 2020	16,688	2,006	294,229	<b>312,923</b>
Charge for the year	4,030	—	7,714	<b>11,744</b>
At 31 March 2021	20,718	2,006	301,943	<b>324,667</b>
<b>Net book value</b>				
<b>At 31 March 2021</b>	<b>40,027</b>	—	<b>37,203</b>	<b>77,230</b>
At 31 March 2020	44,057	—	22,715	66,772

## Notes to the financial statements 31 March 2021

### 8 Fixed asset investments

	2021		2020	
	Group £	Charity £	Group £	Charity £
Unlisted investments	—	3	—	3

The Charity's investment at the balance sheet date in the share capital of an unlisted company is as follows for 2020 and 2021:

Name	Country of incorporation	Nature of Business	Shares held
PACEY Commercial Services Limited (Company number: 2875417)	England	Sale of PACEY publications and promotional items	Ordinary 100%

### 9 Stocks

	2021		2020	
	Group £	Charity £	Group £	Charity £
Stock of publications, etc.	56,056	—	58,545	—

### 10 Debtors: Amounts falling due within one year

	2021		2020	
	Group £	Charity £	Group £	Charity £
Trade debtors	185,028	186,790	219,081	219,081
Amounts due from subsidiary	—	69,016	—	25,504
Prepayments and other debtors	170,759	170,759	178,200	178,200
	<b>355,787</b>	<b>426,565</b>	<b>397,281</b>	<b>422,785</b>

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

	2021		2020	
	Group £	Charity £	Group £	Charity £
Trade creditors	214,728	210,573	133,555	114,534
Other creditors	188,535	188,535	34,459	34,459
Social security and other taxes	58,363	49,133	57,728	47,951
Accruals	272,931	263,530	329,614	323,965
Deferred income	9,813	9,813	4,500	4,500
	<b>744,370</b>	<b>721,584</b>	<b>559,856</b>	<b>525,409</b>

### ***Movement on deferred income***

Deferred income relates to project income received during the year but which will be spent in the following financial year.

	2021		2020	
	Group £	Charity £	Group £	Charity £
Deferred income brought forward	4,500	4,500	301,455	301,455
Released in the year	(4,500)	(4,500)	(301,455)	(301,455)
Deferred in the year	9,813	9,813	4,500	4,500
<b>Deferred income carried forward</b>	<b>9,813</b>	<b>9,813</b>	<b>4,500</b>	<b>4,500</b>

### **12 Creditors: Amounts falling due greater than one year**

	2021		2020	
	Group £	Charity £	Group £	Charity £
Trade creditors	—	—	—	—
Other creditors	341,131	341,131	—	—
Social security and other taxes	—	—	—	—
Accruals	—	—	—	—
Deferred income	—	—	—	—
	<b>341,131</b>	<b>341,131</b>	<b>—</b>	<b>—</b>

### **13 Related party disclosures**

The company's only related party transactions are with its subsidiary company PACEY Commercial Services Limited. The financial statements do not include disclosure of all transactions between the charity and the company. This is because the company is a subsidiary whose shares are more than 90% controlled by the charity and hence is exempt from the requirement under Section 33 of Financial Reporting Standard 102 to disclose such transactions.

### **14 Guarantee status**

The Company is limited by guarantee, which means that each of its company members undertakes to contribute to the assets of the Company in the event of a winding up such amount as may be required, not exceeding one pound. The Company has a maximum of 12 members all of whom are Trustees, including PACEY's Chair. This year the Board has over-recruited Trustees to support continuity as a number of long serving Trustees reach the end of their terms of office.

Subsidiary company

	Total 2021 £	Total 2020 £
<b>Results</b>		
Turnover	224,459	319,384
Cost of sales	(96,438)	(152,025)
Distribution and administrative expenditure	(115,944)	(138,058)
Other operating income	23,468	23,214
Net profit before gift-aid	35,545	52,515
Gifted to PACEY	(35,545)	(52,515)

## Notes to the financial statements 31 March 2021

<b>Net profits retained in subsidiary</b>	—	—
Profit carried forward at 31 March	<b>10,620</b>	10,620
Called up share capital	<b>3</b>	3
<b>Total funds</b>	<b>10,623</b>	10,623
<b>The assets and liabilities of the subsidiary were:</b>		
Current assets	<b>104,189</b>	70,574
Creditors: amounts falling due within one year	<b>(93,566)</b>	(59,951)
<b>Total net assets</b>	<b>10,623</b>	10,623

The address of the registered office of PACEY Commercial Services Limited is Northside House, Third Floor, 69 Tweedy Road, Bromley, Kent, BR1 3WA

### 15 Analysis of movements in funds

<b>Consolidated</b>	<b>At 1 April 2020 £</b>	<b>Income £</b>	<b>Expenditure and net losses £</b>	<b>Transfers £</b>	<b>At 31 March 2021 £</b>
Restricted	—	522,156	(522,156)	—	—
Designated					
. Fixed assets fund	147,865	—	—	365,825	513,690
Unrestricted					
. General	736,030	2,626,535	(2,691,890)	(365,825)	304,850
. Trading	10,620	247,925	(247,925)	—	10,620
	<b>894,515</b>	<b>3,396,616</b>	<b>(3,461,971)</b>	<b>—</b>	<b>829,160</b>

<b>Consolidated</b>	<b>At 1 April 2019 £</b>	<b>Income £</b>	<b>Expenditure and net losses £</b>	<b>Transfers £</b>	<b>At 31 March 2020 £</b>
Restricted	—	274,622	(274,622)	—	—
Designated					
. Fixed assets fund	—	—	—	147,865	147,865
Unrestricted					
. General	1,006,922	2,803,740	(2,926,767)	(147,865)	736,030
. Trading	10,620	342,598	(342,598)	—	10,620
	<b>1,017,542</b>	<b>3,420,960</b>	<b>(3,543,987)</b>	<b>—</b>	<b>894,515</b>

**Notes to the financial statements 31 March 2021**

<b>Charity</b>	<b>At 1 April 2020 £</b>	<b>Income £</b>	<b>Expenditure and net losses £</b>	<b>Transfers £</b>	<b>At 31 March 2021 £</b>
Restricted	—	522,156	(522,156)	—	—
Designated					
. Fixed assets	147,865	—	—	365,825	513,690
Unrestricted					
. General	736,029	2,626,535	(2,691,889)	(365,825)	304,850
. Trading	—	—	—	—	—
	<u>883,894</u>	<u>3,148,691</u>	<u>(3,214,045)</u>	<u>—</u>	<u>818,540</u>

## Notes to the financial statements 31 March 2021

### 15 Analysis of movements in funds (continued)

Charity	At 1 April 2019 £	Income £	Expenditure and net losses £	Transfers £	At 31 March 2020 £
Restricted	—	274,622	(274,622)	—	—
Designated					
. Fixed assets	—	—	—	147,865	147,865
Unrestricted					
. General	1,006,922	2,803,740	(2,926,767)	(147,865)	736,029
. Trading	—	—	—	—	—
	<u>1,006,922</u>	<u>3,078,362</u>	<u>(3,201,389)</u>	<u>—</u>	<u>883,894</u>

### 16 Analysis of net assets between funds

Group	Unrestricted funds		Restricted Funds £	2021 Total Funds £
	General Fund £	Designated Funds £		
Intangible fixed assets	—	436,460	—	436,460
Tangible fixed assets	—	77,230	—	77,230
Stock	56,056	—	—	56,056
Debtors	357,549	—	—	357,549
Cash at bank and in hand	989,128	—	—	989,128
Creditors	(1,087,263)	—	—	(1,087,263)
	<u>315,470</u>	<u>513,690</u>	<u>—</u>	<u>829,160</u>

Charity	Unrestricted funds		Restricted Funds £	2021 Total Funds £
	General Fund £	Designated Funds £		
Intangible fixed assets	—	436,460	—	436,460
Tangible fixed assets	—	77,230	—	77,230
Investments	3	—	—	3
Debtors	426,565	—	—	426,565
Cash at bank and in hand	940,997	—	—	940,997
Creditors	(1,062,715)	—	—	(1,062,715)
	<u>304,850</u>	<u>513,690</u>	<u>—</u>	<u>818,540</u>

Group	Unrestricted funds		Restricted Funds £	2020 Total Funds £
	General Fund £	Designated Funds £		
Intangible fixed assets	—	81,093	—	81,093
Tangible fixed assets	—	66,772	—	66,772
Stock	58,545	—	—	58,545
Debtors	397,281	—	—	397,281
Cash at bank and in hand	850,680	—	—	850,680
Creditors	(559,856)	—	—	(559,856)
	<u>746,650</u>	<u>147,865</u>	<u>—</u>	<u>894,515</u>



# 16 Analysis of net assets between funds (continued)

	Unrestricted funds		Restricted Funds	2020 Total Funds
	General Fund	Designated Funds		
Charity	£	£	£	£
Intangible fixed assets	—	81,093	—	81,093
Tangible fixed assets	—	66,772	—	66,772
Investments	3	—	—	3
Debtors	422,785	—	—	422,785
Cash at bank and in hand	838,650	—	—	838,650
Creditors	(525,411)	—	—	(525,411)
	<b>736,029</b>	<b>147,865</b>	<b>—</b>	<b>883,894</b>

# 17 Operating lease commitments

At 31 March 2021, the group has the following total future minimum commitments in respect to non-cancellable operating leases.

Group	Buildings	
	2021 £	2020 £
Within one year	<b>140,275</b>	150,475
Between two and five years	<b>420,825</b>	561,100
Five or more years	<b>771,513</b>	771,513
	<b>1,332,613</b>	<b>1,483,088</b>