

Charity registration number: 702691

The Learning Tree

Annual Report and Unaudited Financial Statements

for the Year Ended 31 December 2021

The Learning Tree

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The Learning Tree

Reference and Administrative Details

Chairman	Mr R Bennington
Trustees	Mrs S Baker Mr S Mosley
Committee Members for the Nursery and Kids Club in 2021	Mrs C Wise Treasurer Mrs K Russell Secretary Mrs E Raisbeck Member Mrs H Kershaw Member Mr G Chapman Member Mrs S Wheelan Member
Principal Office	Rear of Carlton Miniott Primary School Carlton Miniott Thirsk North Yorkshire YO7 4NJ
Charity Registration Number	702691
Independent Examiner	Ian Smithson Public Finance Accountant 3 Orchard Court Northallerton North Yorkshire DL7 8DQ
Accountants	Colin Hutson Accounting Limited Chartered Accountants 74 High Street Northallerton North Yorkshire DL7 8EG

The Learning Tree

Trustees' Report

The trustees present the annual report together with the financial statements of the charity for the year ended 31 December 2021.

Trustees

Mrs S Baker

Mr S Mosley

Objectives and activities

Objects and aims

The Learning Tree's objectives are to provide flexible and accessible child care on an "at cost" and "not for profit" basis. This is maintained by reviewing the hourly rate annually. This allows the Nursery to operate efficiently and effectively, being mindful of cost savings and necessary expenditure only.

Projects that require additional funding are met in the main by fundraising carried out by voluntary assistance.

Objectives, strategies and activities

The Learning Tree Nursery and Kids Club provide a choice of care for children aged between 2 years and 11 years on weekdays between 7:30am and 6:00pm throughout the year. The facilities are registered with local social services and the pre-school activities are subject to Ofsted inspections. The Learning Tree's last inspection by Ofsted was in March 2020, achieving a "Good" rating.

Public benefit

The trustees confirm that they have referred to the guidance contained in the Charity Commissions general guidance on public benefit when reviewing the nursery's aims and objectives and in planning future activities.

The Learning Tree Nursery and Kids Club exists to provide pre-school childcare from ages 2-4 and after school club ages 4-11. This provision meets the needs of the local community and allows families to have both partners working where necessary. The hours of the nursery are from 7:30am till 6:00pm, Monday through to Friday. The Nursery also operates throughout the year encompassing school holidays with closure only over the Christmas period.

The staffing of the nursery is met from the local community with all members being encouraged to follow Personal Development Programmes that meet the training and development plans governed by Ofsted and the local county council.

A close working relationship with the local community school is maintained and the nursery is the major feeder of primary age children starting at age 5.

Throughout the year the children receive a structured development plan of play and educational learning and enter the school at 5 with confidence in themselves and the ability to mix comfortably with children of their own age.

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

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Trustees' Report

Achievements and performance

The hourly fee for attendance was reviewed in November 2020, and the Committee resolved not to increase fees to from 1st April 2021 in order to maintain and ensure available funds for recruitment of additional and replacement staff of sufficient calibre, to fund repairs and maintenance, and enable a continued contribution through fees from members towards the foundation fund for the replacement buildings.

This fee rate is considered by the Committee to remain sufficiently low as to meet The Learning Tree's objectives of providing flexible and accessible child care on an "at cost" and not-for-profit basis, taking into account that surplus funds are for the express purpose of providing replacement buildings (and a redundancy contingency reserve) so as to ensure the long-term provision of such services.

Since the end of the period, long standing members of the Committee have resigned and new members of Committee, including key officers, have been appointed and the existing Committee are continuing to hold the reserves for the resolved purposes stated above.

Financial review

As at December 2021 the financial position of The Learning Tree was £106,274.28. This comprises of £94,170.32 in the working account and £12,103.96 in reserves.

The Learning Tree has £12,103.96 in reserve to serve the purpose of potential future redundancies and to fund future activities.

All the committee and Trustees are in agreement that these reserves are necessary.

Structure, governance and management

Recruitment and appointment of trustees

Trustees and committee members are appointed or re-elected annually in November at the Annual General Meeting.

All staff members and parents using the childcare facility are invited to attend and are given one month's notice.

There is a child protection policy in place. DBS checks are carried out prior to commencement of employment, trusteeship or committee activity. The trustees and committee are formed from parents with children attending the facility.

All trustees and committee members give their time voluntarily and do not receive any remuneration or benefits of any kind.

The annual report was approved by the trustees of the charity on 28 October 2022 and signed on its behalf by:

.....
Mrs S Baker
Trustee

.....
Mr S Mosley
Trustee

The Learning Tree

Statement of Trustees' Responsibilities

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

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

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in business.

The trustees are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the charity and enable them to ensure that the financial statements comply with the Charities Act 2011, the applicable Charities (Accounts and Reports) Regulations, and the provisions of the constitution. The trustees are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Approved by the trustees of the charity on 28 October 2022 and signed on its behalf by:

The Learning Tree

Independent Examiner's Report to the trustees of The Learning Tree

I report to the trustees on my examination of the accounts of The Learning Tree for the year ended 31 December 2021.

Responsibilities and basis of report

As the charity trustees of The Learning Tree you are responsible for the preparation of the accounts in accordance with the requirements of the Charities Act 2011 ('the Act').

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

Independent examiner's statement

I have completed my examination. I confirm that no material matters have come to my attention in connection with the examination giving me cause to believe that in any material respect:

1. accounting records were not kept in respect of The Learning Tree as required by section 130 of the Act; or
2. the accounts do not accord with those records; or
3. the accounts do not comply with the accounting requirements concerning the form and content of accounts set out in the Charities (Accounts and Reports) Regulations 2008 other than any requirement that the accounts give a 'true and fair view' which is not a matter considered as part of an independent examination.

I have no concerns and have come across no other matters in connection with the examination to which attention should be drawn in this report in order to enable a proper understanding of the accounts to be reached.

.....
Ian Smithson CPFA
Public Finance Accountant
Chartered Institute of Public Finance and Accountancy

3 Orchard Court
Northallerton
North Yorkshire
DL7 8DQ

28 October 2022

The Learning Tree

Statement of Financial Activities for the Year Ended 31 December 2021

	Note	Unrestricted £	Total 2021 £	Total 2020 £
Income and Endowments from:				
Charitable activities	2	207,066	207,066	216,639
Investment income	3	4	4	12
Other income	4	504	504	70
Total income		<u>207,574</u>	<u>207,574</u>	<u>216,721</u>
Expenditure on:				
Charitable activities	5	(177,445)	(177,445)	(162,759)
Other expenditure	6	(49,634)	(49,634)	(42,475)
Total expenditure		<u>(227,079)</u>	<u>(227,079)</u>	<u>(205,234)</u>
Net movement in funds		(19,505)	(19,505)	11,487
Reconciliation of funds				
Total funds brought forward		<u>154,164</u>	<u>154,164</u>	<u>142,679</u>
Total funds carried forward	17	<u><u>134,659</u></u>	<u><u>134,659</u></u>	<u><u>154,166</u></u>

All of the charity's activities derive from continuing operations during the above two periods.
The funds breakdown for 2020 and 2021 is shown in note 17.

The Learning Tree
(Registration number: 702691)
Balance Sheet as at 31 December 2021

	Note	2021 £	2020 £
Fixed assets			
Tangible assets	13	25,657	31,487
Current assets			
Debtors	14	13,350	12,229
Cash at bank and in hand	15	<u>106,274</u>	<u>118,275</u>
		119,624	130,504
Creditors: Amounts falling due within one year	16	<u>(10,622)</u>	<u>(7,825)</u>
Net current assets		<u>109,002</u>	<u>122,679</u>
Net assets		<u><u>134,659</u></u>	<u><u>154,166</u></u>
Funds of the charity:			
Unrestricted income funds			
Unrestricted funds		<u>134,659</u>	<u>154,166</u>
Total funds	17	<u><u>134,659</u></u>	<u><u>154,166</u></u>

The financial statements on pages 6 to 15 were approved by the trustees, and authorised for issue on 28 October 2022 and signed on their behalf by:

The Learning Tree

Notes to the Financial Statements for the Year Ended 31 December 2021

1 Accounting policies

Statement of compliance

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019 - (Charities SORP (FRS 102)), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Charities Act 2011.

Basis of preparation

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

Exemption from preparing a cash flow statement

The charity opted to early adopt Bulletin 1 published on 2 February 2016 and have therefore not included a cash flow statement in these financial statements.

Going concern

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

Income and endowments

Income including fees, government funding and other fundraising activities is recognised when the charity has entitlement to the income, it is probable that the income will be received and the amount can be measured with sufficient reliability.

Investment income

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

Expenditure

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

Charitable activities

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

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Notes to the Financial Statements for the Year Ended 31 December 2021

Governance costs

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

Taxation

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

Tangible fixed assets

Individual fixed assets costing £100 or more are initially recorded at cost, less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

Depreciation and amortisation

Depreciation is provided on tangible fixed assets so as to write off the cost or valuation, less any estimated residual value, over their expected useful economic life as follows:

Asset class	Depreciation method and rate
Copier and computer equipment	25% straight line
Portakabin	10% straight line
Fixtures and fittings	25% straight line

Trade debtors

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

Cash and cash equivalents

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

Trade creditors

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if the charity does not have an unconditional right, at the end of the reporting period, to defer settlement of the creditor for at least twelve months after the reporting date. If there is an unconditional right to defer settlement for at least twelve months after the reporting date, they are presented as non-current liabilities.

Fund structure

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

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Notes to the Financial Statements for the Year Ended 31 December 2021

Pensions and other post retirement obligations

The charity operates a defined contribution pension scheme which is a pension plan under which fixed contributions are paid into a pension fund and the charity has no legal or constructive obligation to pay further contributions even if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods.

Contributions to defined contribution plans are recognised in the Statement of Financial Activities when they are due. If contribution payments exceed the contribution due for service, the excess is recognised as a prepayment.

2 Income from charitable activities

	Unrestricted funds	Total	Total
	General	2021	2020
	£	£	£
Fees and funding	207,066	207,066	216,639
		Unrestricted funds	Total
		General	funds
		£	£
		207,066	207,066
Total for 2021		207,066	207,066
Total for 2020		216,639	216,639

3 Investment income

	Unrestricted funds	Total	Total
	General	2021	2020
	£	£	£
Interest receivable and similar income;			
Interest receivable on bank deposits	4	4	12

4 Other income

	Unrestricted funds	Total	Total
	General	2021	2020
	£	£	£
Fundraising events	504	504	70

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Notes to the Financial Statements for the Year Ended 31 December 2021

5 Expenditure on charitable activities

	Unrestricted funds General £	Total 2021 £	Total 2020 £
Direct costs	13,500	13,500	8,456
Staff costs	161,185	161,185	151,683
Governance costs	2,760	2,760	2,620
	<u>177,445</u>	<u>177,445</u>	<u>162,759</u>

6 Other expenditure

Note	Unrestricted funds General £	Total 2021 £	Total 2020 £
Depreciation, amortisation and other similar costs	5,830	5,830	6,866
Other resources expended	43,804	43,804	35,609
	<u>49,634</u>	<u>49,634</u>	<u>42,475</u>

7 Analysis of governance and support costs

Governance costs

	Unrestricted funds General £	Total 2021 £	Total 2020 £
Independent examiner fees			
Examination of the financial statements	300	300	280
Other governance costs	2,460	2,460	2,340
	<u>2,760</u>	<u>2,760</u>	<u>2,620</u>

8 Net incoming/outgoing resources

Net (outgoing)/incoming resources for the year include:

	2021 £	2020 £
Depreciation of fixed assets	<u>5,830</u>	<u>6,866</u>

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Notes to the Financial Statements for the Year Ended 31 December 2021

9 Trustees remuneration and expenses

No trustees, nor any persons connected with them, have received any remuneration from the charity during the year.

No trustees have received any reimbursed expenses or any other benefits from the charity during the year.

10 Staff costs

The aggregate payroll costs were as follows:

	2021 £	2020 £
Staff costs during the year were:		
Wages and salaries	150,951	144,849
Social security costs	5,581	3,509
Pension costs	2,521	2,255
Other staff costs	2,132	1,070
	<u>161,185</u>	<u>151,683</u>

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

11 Independent examiner's remuneration

	2021 £	2020 £
Examination of the financial statements	<u>300</u>	<u>280</u>

12 Taxation

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

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Notes to the Financial Statements for the Year Ended 31 December 2021

13 Tangible fixed assets

	Furniture and equipment £	Total £
Cost		
At 1 January 2021	<u>58,083</u>	<u>58,083</u>
At 31 December 2021	<u>58,083</u>	<u>58,083</u>
Depreciation		
At 1 January 2021	26,596	26,596
Charge for the year	<u>5,830</u>	<u>5,830</u>
At 31 December 2021	<u>32,426</u>	<u>32,426</u>
Net book value		
At 31 December 2021	<u>25,657</u>	<u>25,657</u>
At 31 December 2020	<u>31,487</u>	<u>31,487</u>

14 Debtors

	2021 £	2020 £
Trade debtors	8,207	7,841
Prepayments	4,556	4,076
Other debtors	<u>587</u>	<u>312</u>
	<u>13,350</u>	<u>12,229</u>

15 Cash and cash equivalents

	2021 £	2020 £
Cash on hand	-	4
Cash at bank	<u>106,274</u>	<u>118,271</u>
	106,274	118,275
Bank credit card	<u>(1,538)</u>	<u>(645)</u>
Cash and cash equivalents in statement of cash flows	<u>104,736</u>	<u>117,630</u>

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Notes to the Financial Statements for the Year Ended 31 December 2021

16 Creditors: amounts falling due within one year

	2021 £	2020 £
Bank credit card	1,538	645
Trade creditors	1,393	2,706
Other taxation and social security	522	547
Other creditors	1,733	101
Accruals	5,436	3,826
	<u>10,622</u>	<u>7,825</u>

17 Funds

	Balance at 1 January 2021 £	Incoming resources £	Resources expended £	Balance at 31 December 2021 £
Unrestricted				
General	<u>154,164</u>	<u>207,574</u>	<u>(227,079)</u>	<u>134,659</u>
	Balance at 1 January 2020 £	Incoming resources £	Resources expended £	Balance at 31 December 2020 £
Unrestricted				
General	<u>142,679</u>	<u>216,721</u>	<u>(205,234)</u>	<u>154,166</u>

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Notes to the Financial Statements for the Year Ended 31 December 2021

18 Analysis of net assets between funds

	Unrestricted General £	Total funds £
2021		
Tangible fixed assets	25,657	25,657
Current assets	119,624	119,624
Current liabilities	(10,622)	(10,622)
Total net assets	<u>134,659</u>	<u>134,659</u>
	Unrestricted General £	Total funds £
2020		
Tangible fixed assets	31,487	31,487
Current assets	130,504	130,504
Current liabilities	(7,825)	(7,825)
Total net assets	<u>154,166</u>	<u>154,166</u>

19 Analysis of net funds

	At 1 January 2021 £	Financing cash flows £	At 31 December 2021 £
Cash at bank and in hand	118,275	-	118,275
Bank overdraft	(645)	645	-
	<u>117,630</u>	<u>645</u>	<u>118,275</u>
Net debt	<u>117,630</u>	<u>645</u>	<u>118,275</u>
	At 1 January 2020 £	Financing cash flows £	At 31 December 2020 £
Cash at bank and in hand	97,177	21,094	118,271
Bank overdraft	(1,093)	-	(1,093)
	<u>96,084</u>	<u>21,094</u>	<u>117,178</u>
Net debt	<u>96,084</u>	<u>21,094</u>	<u>117,178</u>

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Statement of Financial Activities by fund for the Year Ended 31 December 2021

	Total Unrestricted 2021 £	Total Unrestricted 2020 £
Income and Endowments from:		
Charitable activities	207,066	216,639
Investment income	4	12
Other income	504	70
	<hr/>	<hr/>
Total income	207,574	216,721
	<hr/>	<hr/>
Expenditure on:		
Charitable activities	(177,445)	(162,759)
Other expenditure	(49,634)	(42,475)
	<hr/>	<hr/>
Total expenditure	(227,079)	(205,234)
	<hr/>	<hr/>
Net (expenditure)/income	(19,505)	11,487
	<hr/>	<hr/>
Net movement in funds	(19,505)	11,487
	<hr/>	<hr/>
Reconciliation of funds		
Total funds brought forward	154,164	142,679
	<hr/>	<hr/>
Total funds carried forward	134,659	154,166
	<hr/>	<hr/>

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Detailed Statement of Financial Activities for the Year Ended 31 December 2021

	Total Unrestricted 2021 £	Total Unrestricted 2020 £
Income and Endowments from:		
Charitable activities (analysed below)	207,066	216,639
Investment income (analysed below)	4	12
Other income (analysed below)	504	70
	<u>207,574</u>	<u>216,721</u>
Total income	207,574	216,721
Expenditure on:		
Charitable activities (analysed below)	(177,445)	(162,759)
Other expenditure (analysed below)	(49,634)	(42,475)
	<u>(227,079)</u>	<u>(205,234)</u>
Total expenditure	(227,079)	(205,234)
Net (expenditure)/income	<u>(19,505)</u>	<u>11,487</u>
Net movement in funds	(19,505)	11,487
Reconciliation of funds		
Total funds brought forward	154,164	142,679
Total funds carried forward	<u>134,659</u>	<u>154,166</u>

The Learning Tree

Detailed Statement of Financial Activities for the Year Ended 31 December 2021

	Total 2021 £	Total 2020 £
Charitable activities		
North Yorkshire County Council	102,635	102,051
UK Government grants	7,477	7,966
Fees received	96,954	94,062
Other	-	12,560
	<u>207,066</u>	<u>216,639</u>
Investment income		
Interest on cash deposits	4	12
	<u>4</u>	<u>12</u>
Other income		
Fundraising events	504	70
	<u>504</u>	<u>70</u>
Charitable activities		
Materials	(6,308)	(4,072)
School meals/food	(7,192)	(4,384)
Wages and salaries	(150,322)	(144,104)
Staff NIC (Employers)	(5,581)	(3,509)
Staff pensions (Defined contribution)	(2,521)	(2,255)
Staff training	(2,132)	(1,070)
Staff welfare	(629)	(745)
Accountancy fees	(2,460)	(2,340)
Independent examiner's fee	(300)	(280)
	<u>(177,445)</u>	<u>(162,759)</u>
Other expenditure		
Advertising	(530)	(220)
Staff entertaining (allowable for tax)	(397)	-
Software costs	(144)	(144)
Legal and professional fees	(6,766)	(9,351)
Rent	(9,470)	(5,258)
Water rates	(1,309)	(527)
Rates, heat & light	(1,526)	(1,356)
Insurance	(3,703)	(3,149)
Repairs and renewals	(4,309)	(3,859)
Telephone	(1,064)	(2,101)
Computer software and maintenance costs	(40)	-
Printing, postage and stationery	(1,461)	(1,327)
Trade subscriptions	(2,791)	(2,617)

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Detailed Statement of Financial Activities for the Year Ended 31 December 2021

Charitable donations	-	(66)
Hire of photocopier	(190)	(255)
Hire of mini bus for trips	(727)	(90)
Miscellaneous small items	(237)	(273)
Cleaning	(9,140)	(5,016)
Depreciation of portakabin	(5,103)	(5,103)
Depreciation of photocopier	-	(220)
Depreciation of F&F	(305)	(305)
Depreciation of computer and software	(422)	(1,238)
	<u>(49,634)</u>	<u>(42,475)</u>