

REGISTERED COMPANY NUMBER: 04899075 (England and Wales)
REGISTERED CHARITY NUMBER: 1102007

REPORT OF THE TRUSTEES AND
UNAUDITED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2017
FOR
CLEETHORPES CHILDCARE

CLEETHORPES CHILDCARE
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FOR THE YEAR ENDED 31 AUGUST 2017

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REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 AUGUST 2017

The trustees who are also directors of the charity for the purposes of the Companies Act 2006, present their report with the financial statements of the charity for the year ended 31 August 2017. The trustees have adopted the provisions of 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 2015).

REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 AUGUST 2017

OBJECTIVES AND ACTIVITIES

The Charitable Objectives of Cleethorpes Childcare are:

In accordance with the Aims of the adopted Memorandum and Articles of Association of the Pre-school Learning Alliance:

To enhance the development and education of children primarily under statutory school age by encouraging parents to understand and provide for the needs of their children through community groups and by:

- Offering appropriate play, education and care facilities and training courses, together with the right of parents to take responsibility for and to become involved in the activities of such groups, ensuring that such groups offer opportunities for all children whatever their race, culture, religion, means or ability
- Encouraging the study of the needs of such children and their families and promoting public interest in and recognition of such needs
- Instigating and adhering to and furthering the aims of the Pre-school Learning Alliance

Activities: The work of the Executive Committee:

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

Professional memberships

We are currently registered members of the Pre-school Learning Alliance, an umbrella membership organisation who offer online training and regular updates of information and advice relating to the Early Years Sector which supports the development of services within Cleethorpes Childcare. The General Manager continues to represent Cleethorpes Childcare as a trustee for the national Charity.

Peninsula have provided a HR advice service for the last five years however, we have evaluated the service and costs against the potential risks to the organisation and decided to conclude the contract as it comes to an end in December 2016. Future HR service advice and support has been identified through Beetenson & Gibbon Solicitors on an as-and-when basis which we anticipate will suffice our requirements alongside the Lawcall advice service we access through our Pre-school Learning Alliance membership.

Fundraising and Events

The Executive Committee, through the Fundraising and Events sub-committee, work with staff and volunteers to plan and organise events and activities throughout the year.

Other fundraising activities and special events held this year include:

- Tempest Photographs: groups and individual
- Clothing / uniform sales
- Halloween / Autumn dressing up day
- Easter hat / Christmas tree competitions
- Family involvement weeks
- Parties - Christmas / end of year
- Red Day
- Name cards
- 50:50 raffles
- Annual General Meeting
- Extraordinary General Meeting
- Concerts - Christmas / end of year

Public relations and marketing

Our website and Facebook sites are continuously updated to reflect the information parents are seeking for new enquiries and for those whose children already attend. Facebook has been particularly well viewed and has increased our ability to reach a wider community with our publicity.

The text messaging service for parents also remains popular offering quick updates on activities and reminders regarding fee payments. We use a free emailing service to distribute newsletters and fees invoices to all parents, continuing with printed options for those parents who do not wish to receive emails.

Word of mouth has, as always, proved to be our widest source of publicity by parents showing appreciation of the quality of care and education we have provided for their children. With many parents accessing our settings for siblings, we are confident that our service continues to meet the needs of our community.

We have made some very supportive relationships with local businesses through support and donations for our events. We carefully select and contact organisations to ensure we do not pressure or mail unnecessarily when seeking donations. Many businesses are keen to provide items for raffles and name cards throughout the year to allow us to maximise fundraising efforts.

REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 AUGUST 2017

OBJECTIVES AND ACTIVITIES

We continue to value the close relationships we share with our local Academies and Children's Centres and are grateful for their promotion of our services through distribution of our contact and event details. We are also listed with Family Information Service provided free by North East Lincolnshire Authority to publicise all of our settings as this provides public information through the Internet and through a free phone number.

REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 AUGUST 2017

ACHIEVEMENT AND PERFORMANCE

General

A change in service contracts has meant we have been able to provide our crèche services for Reynolds Children's Centre for two days per week during this year. In addition, we have secured a short term contract with North East Lincolnshire Women's Aid to support their crèches alongside training sessions. We have also been able to continue to provide some crèches for concerts held within Thrunscoe Academy. These crèches also ensure we build good relationships with other professionals and remain in touch with the communities we serve.

A steady increase in admissions at Highgate Pre-school throughout this year demonstrates the need for the provision within the community it serves. We anticipate that word of mouth marketing is effective as parents share their experience of our provisions with each other, though we recognise this is not guaranteed or a speedy method of publicity. Many families supporting Highgate receive two year funding for their places. We also have an increasing number of three year olds staying with us until they transfer to school and we anticipate this will also increase when the 30 hours extended funding starts in September 2017. We have had several enquiries from parents wishing to share their entitlement with Thrunscoe Academy Nursery from September as we have liaised well with the Academy to encourage this option for parents.

Hardys Den breakfast club has seen bookings/attendance gradually reduce over this year. This is primarily due to Signhills Academy offering a similar facility at a lower cost. Although the Academy have been clear to parents about what they offer - working with much reduced ratios of adults to children, being very different to our own care and without an educational element - parents appear keen to send their children into the Academy's breakfast club due to cost implications. We have evaluated the costs of continuing this provision, and have asked parents about their choices resulting in taking the decision to close this facility from September 2017.

On a similar note, Mini-Den, the after school club for foundation stage children which operates from Signhills Pre-school as part of the Hardys Den after school club has also not proved as popular as we anticipated. We inform parents of this club during their admission to pre-school and advertise within Signhills Academy and through newsletters. Unfortunately, the number of children booked into Mini-Den has again proved not to be cost effective and therefore this facility will merge with Hardys Den from September 2017.

We foresee an increase in demand for places from September 2017 due to the introduction of the extended funding entitlement (30 hours scheme). We predict that families will increase the number of pre-school sessions they choose to take each week as many will be eligible to claim beyond 15 hours universal funding entitlement. We already have evidence of this from current take-up of places and we have therefore applied to Ofsted to increase the capacity for each pre-school by 4 places per session. In addition, to support working parents with flexibility in start and end times for each day, we have applied to lower the admission age range at Hardys Den to encourage families accessing extended funding to extend the day for children from the term after their third birthday as well as taking hours through the school holidays.

Middlethorpe Pre-school continued to pick up slowly with their admission numbers following last year's uncertainty regarding notice being served from the Enquire Trust. We had no further communication from the Enquire Trust during the year until June when we were served notice to terminate our lease with effect from the end of August 2017. We challenged this decision by Enquire Trust as we had been led to believe that the Trust would also start up their own pre-school and transfer the service however we were told this was no longer their intention and there would be no facility on Middlethorpe Academy site for September 2017. Parents and staff were informed and some parents then began an unsuccessful campaign to save the pre-school from closure. Where possible, staff were re-deployed within our other settings. In spite of our efforts, three redundancies were agreed with effect from September 2017. Children currently attending Middlethorpe Pre-school were offered provision at Signhills or Highgate Pre-schools and many were accommodated ready for the new academic year though some families chose to move their child elsewhere. Alternative premises were also sought during the notice period however as we were unsuccessful within the timescales, this is an ongoing plan to seek a suitable and affordable facility for the future. All equipment and furniture from Middlethorpe was redistributed within our organisation with unwanted items being sold as a job lot to another local provider following advertisements for a one-off sale.

Inclusion

We have had another challenging year supporting individual needs of children and families with regard to special educational needs, safeguarding and agency support. Staff have attended an increasing number of meetings and worked closely with families to ensure children maintain access to the best opportunities to enable them to fully develop and socialise with their peers and utilising additional resources according to individual needs.

Inclusion Funding has been accessed for three children attending Highgate Pre-school to enhance support for children with high needs. This has enabled staff to work on a 1-1 basis with individual children each term, complete reports, support parents and attend multi-agency meetings.

REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 AUGUST 2017

ACHIEVEMENT AND PERFORMANCE

Cleethorpes Childcare has very experienced Special Educational Needs Co-Ordinators (SENCo's) in each of our settings. The SENCo's attend regular network meetings and disseminate information and training to the rest of their staff team to encourage shared knowledge and understanding of individual needs of all children attending our settings. The local authority Inclusion Support Team offer additional in-setting knowledge, support and advice to ensure we maintain procedures in line with the SEN Code of Practice. We have also gained professional support from local Children's Centres, Child Development Centre and Speech and Language therapists, which further enhance the services we provide for all families.

Early Years Pupil Premium (EYPP) has proved to be unpredictable though acknowledged as an addition to our funding streams. This fund is accessed for 3 & 4 year old children, whose parents meet set criteria and is used to provide financial or developmental support for children in need. This year we have purchased some small educational resources, developed staff training and provided additional staff to enhance children's learning experiences and opportunities.

In addition, Signhills Pre-school chose to enhance children's experiences as they identified development areas which children receiving EYPP needed support with. The pre-school children benefitted from a duck hatching scheme where incubators and cages were provided along with 6 duck eggs for the children to watch hatch and grow. This experience proved worthwhile for all children with some family members also visiting the ducklings regularly to watch their progress!

Quality Assurance

North East Lincolnshire Local Authority continued to provide support for our settings through Early Years Teacher/ Advisor/ Area SENCO input. Managers work alongside the advisor to enhance quality within the settings. We continue to attend moderation meetings as well as holding regular staff meetings to disseminate information and address areas for improvements. Individual staff members are supported in development through 1-1 meetings and role supervisions.

The General Manager works alongside each setting manager to monitor and evaluate practice within each childcare provision, in turn informing staff development and progression. Questionnaires are given to parents & children when their child leaves and results are discussed and evaluated with committee and staff to ensure they inform action planning to maintain a high quality service which continues to meet the needs of the community which we serve.

Staff Training and Development

Staff members have received support to undertake training courses, and workshops over the year including:

Foundation Degree in Early Childhood Education Level 4/5 (1 member)
Foundation Degree- children & Young People with SEN Level 4/5 (1 member)
Cache Children & Young Peoples Workforce Level 3 (2 members)
Safeguarding Level 2 (4 members)

Some Signhills Pre-school staff attended a short training course (6 hours) in conjunction with Signhills Infant Academy Foundation Stage teachers to support learning and development of children. In addition, all staff members are encouraged and supported to attend a core element of training to support their professional development which includes Safeguarding, Paediatric First Aid, Promoting Positive Behaviour, PREVENT duty and Food Hygiene & Safety in the form of a short course, workshop or online training refresher through Educare.

All staff have also participated in in-house Asthma training provided by the NHS Asthma Nurse. Managers have attended a short introduction to promote Safeguarding through NSPCC relating to Harmful Sexualised Behaviour. The General Manager and Middlethorpe Manager also attended the Pre-school Learning Alliance National AGM and Conference in London in June 2017. The General Manager has continued her representation to the Pre-school Learning Alliance throughout this year as a Trustee for the national organisation. Committee members recognise and support these roles for the General Manager's continuing development as information and skills are shared and developed for the benefit of both organisations.

Two committee members undertook workshops to support their development and understanding of their roles and responsibilities. This was in addition to the Induction for new committee members which is held after elections at each AGM.

Students & Volunteer Placements

Our Pre-schools continue to support work placements for students to offer experience of the workings of our childcare provisions. This year we have placed one student from Grimsby Institute at Highgate Pre-school for two terms. This student will return to us in September as she progresses onto the next level of her course and has valued her experience within our settings. Students often comment on how much more is involved in Early Years childcare than they first expected!

A continuing relationship with JobcentrePlus in Grimsby led to a work experience placement for one volunteer working alongside admin staff in our office for a part-time working block.

REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 AUGUST 2017

ACHIEVEMENT AND PERFORMANCE

We have also had younger volunteers from the Duke of Edinburgh Award scheme participate in Hardys Den after their school day. These placements are offered on a weekly basis and help participants to gain an insight into working within a local community as well as offering a younger focus to children attending our after school clubs.

An estimated total of 354 volunteer hours and approximately 360 student volunteer hours have been undertaken during this year.

Apprenticeships

Our apprenticeship support has been minimal this year with two of our employed students completing their level 3 Childcare courses with us.

Visitors and liaisons

We continue to work with other professionals and this year have had visits from Serco/ NE Lincs advisors, Early Years Inclusion Support Officer, Tempest Photographers, Grimsby Institute tutors & assessors, Abbey Vets, Learn Direct, The Hub Children's Centres (Highgate & Reynolds), Child Development Centre, Rhubarb Theatre, Community Police, Cambridge Park Academy; NELC Capital & Assets, Speech and Language therapist, Community Learning Service, Duke of Edinburgh award students, teachers from Humberston C of E Primary; Signhills Infant & Junior Academies; Middlethorpe Academy and Thrunscoe Primary Academy & Nursery.

The General Manager continues to represent our organisation and the private, voluntary and independent sector (PVI) at Schools Forum where decisions affecting the allocation of government finance for educational sectors takes place.

Cleethorpes Childcare continues to operate as a preferred provider for The Hub Children's Centres and in particular Highgate. Meetings have taken place to ensure the Children's Centre remit of family support, health, safeguarding and partnership working is met through partnership engagement.

Professional Advisors

We have sought advice throughout the year from Professional Advisors, which are:

TSB Bank, 9 Old Market Place, Grimsby, DN31 1BN

Smethurst & Co LLP, Chartered Accountants, 12 Abbey Road, Grimsby, DN32 0HL

Lawcall, Pre-school Learning Alliance, The Fitzpatrick Building, York Way, London N7 9AD

Peninsula UK, The Peninsula, 2 Cheetham Hill Road, Manchester M4 4FB

Dataplan Payroll services, 1 Prince Albert Gardens, Grimsby DN31 3AG

Beetenson & Gibbon Solicitors, Lauriston House, Town Hall Square, Grimsby DN31 1JB

Control Account, Compass House, Waterside, Hanbury Rd, Bromsgrove, B60 4FD

REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 AUGUST 2017

FINANCIAL REVIEW

This relates to the enclosed financial statement as agreed by the Executive Committee and in accordance with the accounting procedures determined by Companies House and the Charity Commission.

The main source of income for the pre-school groups continues to be from Free Flexible Entitlement (FFE) for 2, 3 and 4 year old children attending our settings.

Additional income is from fees in Hardys Den and for pre-school children not eligible for FFE, those taking sessions in addition to their FFE capacity or from children who attend the lunch club at Middlethorpe Pre-school. Fees are reviewed annually to ensure they remain affordable to parents, maintain sustainability of the provisions, reflect local pay scales and are competitive within the marketplace. Further income is raised from fundraising activities throughout the year to enable us to enhance children's resources and experiences. Pre-school children are asked to pay a resource contribution of 50p per child per session, with the majority of families paying this within the allocated timescales. The initial registration fee was reviewed with a minimal increase due to our own supplier costs. Pre-school registration includes a sweatshirt or cardigan for each child as well as a polo t-shirt and supports the costs of printing booklets, providing badges and book-bags along with administration time for this preparation and is reviewed as a minimal one-off cost to parents whilst Hardys Den administration fee is charged and reviewed annually.

Fee payments continue to be monitored to ensure we have a sustainable cash-flow. We have seen a much improved system of chasing and recovering monies owed to us this year with fewer parents contracting into payment plans but many paying weekly by arrangements to spread the cost of their childcare. We have also continued to see a significant increase in fee payments directly through online banking as this alleviates time for childcare managers and supports direct accountability and recording of payments. Good communication between families and the administration team ensure that we offer all opportunities for parents to pay under mutually agreed terms. Outstanding fees are a regular agenda item at committee meetings and the Finance Administrator provides updates to each setting manager to allow them to monitor payments within their own setting allowing us to make initial approaches to accounts informally and prior to escalation.

This year we enlisted the outside financial support of a debt collection agency with the aim to recover some longer standing debts of higher value. Initially this worked well as we supplied all information we held to date, showing all efforts we had previously made to recover outstanding debts ourselves or through HMRC court orders. The longer term efforts of this agency have proved to be unsuccessful in recovering as much as we had hoped. This identified to us that, as an organisation, our systems and recovery processes were already as good as they could be however we will still aim to maintain a closer eye on potential debtors before debts accrue.

The ongoing increases to the National Minimum Wage and National Living Wage continue to challenge our financial viability. Trustees again reviewed the staff payroll structure to account for future potential increases which impact on the differentials between rates paid for each level of job responsibility, whilst recognising qualifications and potential progression opportunities through the organisation, which in turn may provide job security.

The rent for Highgate Pre-school, through North East Lincolnshire Council, has proved to be an ongoing process to clarify actual costs. According to the lease agreement signed in October 2015, our rental agreement is £6500 per annum with 25% of other costs (fuel, communication, maintenance etc) being re-charged to us. We have had discrepancies on the figures produced by the Local Authority which we have continuously queried and unfortunately still not resolved to our satisfaction. The disputes also highlighted poor communication from the Landlord as building works were not consulted with us, the tenant, prior to taking place and therefore creating a position of unknown cost allocations.

Guarantors

Members of the Charitable Company guarantee to contribute an amount not exceeding £1 to the assets of the Charitable Company in the event of winding up. The total number of such Guarantors at 31st August 2017 was 218.

Reserves

Reserves are currently held to support Cleethorpes Childcare in meeting future potential expenditure:

- Recruitment and training costs
Three months working reserves to cover staff redundancies and the winding up of the business, should this become necessary
- Increases to National Minimum & Living Wage due to no planned increase in Free Flexible Entitlement
- Development of additional childcare provision to enhance security in lease of premises

REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 AUGUST 2017

FINANCIAL REVIEW

Risk Review

Through a Business Plan, Risk Analysis and regular Executive Member meetings, the trustees review the risks to the organisation. Although they are not aware of any major risks to which the charity has been exposed, concerns have been noted regarding the recent closure of Middlethorpe Pre-school as the potential a School/Academy have to cease a lease agreement continues to be of concern for sustainability. This risk has been monitored and reported at committee meetings and strategies to secure continuing viability have been implemented to confirm we remain a going concern. The Trustees ensure the agenda for each meeting enables full monitoring and evaluation of government / local challenge to mitigate risk.

FUTURE PLANS

Future Sustainability

Over the coming months, Early Years provision is a key focus for funding reviews and increase to nursery funding entitlement of hours. Trustees recognise the challenges in continuing to meet the needs of the community and will be undertaking a full review and plan of opening times and potential expansion within the current provisions. We are confident that, with the knowledge and experience within the organisation, partnerships and community involvement, representations to local and national networks and the long established record of quality provision, we are well placed to remain flexible and review our services accordingly.

Data Protection

The trustees are aware of forthcoming changes to Data Protection Legislation from May 2018 and plan to ensure systems are reviewed in good time to ensure full compliance.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Governing document

The charity is controlled by its governing document, a deed of trust, and constitutes a limited company, limited by guarantee, as defined by the Companies Act 2006.

Risk management

The trustees have a duty to identify and review the risks to which the charity is exposed and to ensure appropriate controls are in place to provide reasonable assurance against fraud and error.

REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 AUGUST 2017

STRUCTURE, GOVERNANCE AND MANAGEMENT

Cleethorpes Childcare consists of:

- Signhills Pre-school
- Middlethorpe Pre-school
- Highgate Pre-school
- Hardys Den out-of-school club
- Cleethorpes Childcare Crèche Services

Appointment of Members

An Annual General Meeting was held in November 2016. Two new members were appointed to add strength to the work of continuing trustees and to ensure current families were fully represented. All member families are invited to attend the AGM; a member is an adult representative for a child who attends any of the settings of Cleethorpes Childcare. The meeting date was set, and publicised at each of Cleethorpes Childcare provisions to allow parents and member representatives to attend if they should wish to. An induction meeting was held to ensure all elected members fully understood their responsibilities and duties prior to the first committee meeting following the AGM, where officers were voted into post. Training, both formal and informal, is offered for committee members should they wish to further develop their skills and knowledge. This year committee members have undertaken online training on the PREVENT duty and Safer Recruitment and other packages are readily available online such as Effective Safeguarding Practice. In this voluntary role, committee members offer their time and expertise in the decision making of Cleethorpes Childcare. Many members offer additional time to carry out further duties throughout the year within the childcare provisions or through fundraising, community events and activities.

Trustees called an Extraordinary General Meeting in May 2017 to propose adoption of an updated version of the Pre-school Learning Alliance Model Memorandums and Articles of Association due to changes in regulations by Ofsted. The Memo's & Arts were circulated to members and a discussion took place at the meeting to explain the changes: enabling a staff member to become a trustee and thus meeting requirements for Ofsted Nominated Person; and reducing the quorum required to be present at each General Meeting. Members voted on this change with 79% majority in favour. The new Memorandums & Articles have been submitted to Companies House and to the Charity Commission and we await confirmation of acceptance by the Charity Commission. At this meeting, three further committee members were elected and are currently working through the registration processes.

Staffing

The executive committee have a responsibility to ensure that staff are employed within the company to meet the company objectives. A General Manager is employed to oversee the day-to-day running of the work of Cleethorpes Childcare within each provision and in addition to this, an average of 32 members of staff have worked to provide high quality care and education for the children who have attended, offering support and information to parents and family members. The number of staff has reduced this year due to lower numbers of children in settings, and staff progressing into other fields of work. As appropriate, staff are supported to develop their skills within the organisation and internal progression is encouraged.

The General Manager reports to the executive committee on a regular basis at formal meetings and communicates with executive members as required to deal with matters that may arise during the periods between meetings. A setting manager also attends these meetings on a rotational basis to ensure reporting and communication remains paramount.

Policies

Policies and procedures were reviewed and added to in October and November 2016 with the introduction of some new policies to reflect updates and changes in, legislation or good practice. Once completed, the updated policies were made available within each setting and through our website which members, staff and trustees access using a secure password.

REFERENCE AND ADMINISTRATIVE DETAILS

Registered Company number
04899075 (England and Wales)

Registered Charity number
1102007

Registered office
Signhills School
Hardys Road
Cleethorpes
N E Lincs
DN35 0DN

REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 AUGUST 2017

REFERENCE AND ADMINISTRATIVE DETAILS

Trustees

| | |
|-----------------|--------------------|
| A Tiplady | - resigned 1.5.17 |
| C Parfremment | |
| K Speight | - resigned 1.1.17 |
| B Rodgers-Gibbs | |
| T Whitehead | |
| K Robbins | |
| C Bradbury | - resigned 1.1.17 |
| S Huxford | - appointed 1.2.17 |
| I Barker | - appointed 1.2.17 |

Independent examiner

Mrs H Spauls ACA
ICAEW
Smethurst & Co LLP
12 Abbey Road
GRIMSBY
DN32 0HL

Bankers

TSB
43 Victoria Street
GRIMSBY
DN31 1UU

Solicitors

BG Solicitors LLP
27 Osborne Street
Grimsby
N E Lincs
DN31 1JB

Cleethorpes Childcare is a charitable company limited by guarantee, incorporated on 15 September 2003 and registered as a charity on 10 February 2004.

This report has been prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small companies.

Approved by order of the board of trustees on 7 November 2017 and signed on its behalf by:



C Parfremment - Trustee

**INDEPENDENT EXAMINER'S REPORT TO THE TRUSTEES OF
CLEETHORPES CHILDCARE (REGISTERED NUMBER: 04899075)**

I report on the accounts for the year ended 31 August 2017 set out on pages twelve to eighteen.

Respective responsibilities of trustees and examiner

The charity's trustees (who are also the directors for the purposes of company law) are responsible for the preparation of the accounts. The charity's trustees consider that an audit is not required for this year (under Section 144(2) of the Charities Act 2011 (the 2011 Act)) and that an independent examination is required. The charity's gross income exceeded £250,000 and I am qualified to undertake the examination by being a qualified member of ICAEW.

Having satisfied myself that the charity is not subject to audit under company law and is eligible for independent examination, it is my responsibility to:

- examine the accounts under Section 145 of the 2011 Act
- to follow the procedures laid down in the General Directions given by the Charity Commission (under Section 145(5)(b) of the 2011 Act); and
- to state whether particular matters have come to my attention.

Basis of the independent examiner's report

My examination was carried out in accordance with the General Directions given by the Charity Commission. An examination includes a review of the accounting records kept by the charity and a comparison of the accounts presented with those records. It also includes consideration of any unusual items or disclosures in the accounts, and seeking explanations from you as trustees concerning any such matters. The procedures undertaken do not provide all the evidence that would be required in an audit, and consequently no opinion is given as to whether the accounts present a 'true and fair view' and the report is limited to those matters set out in the statements below.

Independent examiner's statement

In connection with my examination, no matter has come to my attention:

(1) which gives me reasonable cause to believe that, in any material respect, the requirements

- to keep accounting records in accordance with Section 386 and 387 of the Companies Act 2006; and
- to prepare accounts which accord with the accounting records, comply with the accounting requirements of Sections 394 and 395 of the Companies Act 2006 and with the methods and principles of the 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 2015)

have not been met; or

(2) to which, in my opinion, attention should be drawn in order to enable a proper understanding of the accounts to be reached.



Mrs H Spauls ACA
ICAEW
Smethurst & Co LLP
12 Abbey Road
GRIMSBY
DN32 0HL

7 November 2017

CLEETHORPES CHILDCARE

**STATEMENT OF FINANCIAL ACTIVITIES
FOR THE YEAR ENDED 31 AUGUST 2017**

| | Notes | Unrestricted fund £ | Designated fund £ | Restricted fund £ | 31.8.17 Total funds £ | 31.8.16 Total funds £ |
|---|-------|------------------------|----------------------|----------------------|-----------------------------|-----------------------------|
| INCOME AND ENDOWMENTS FROM | | | | | | |
| Incoming resources from charitable activities | | 400,201 | - | 6,676 | 406,877 | 343,226 |
| Activities for generating funds | 2 | 2,677 | - | - | 2,677 | 4,318 |
| Investment income | 3 | - | - | - | - | 182 |
| Other income | | 1,200 | - | - | 1,200 | - |
| Total | | <u>404,078</u> | <u>-</u> | <u>6,676</u> | <u>410,754</u> | <u>347,726</u> |
| EXPENDITURE ON | | | | | | |
| Costs of generating funds | 4 | 20,394 | - | - | 20,394 | 21,477 |
| Charitable activities | | | | | | |
| Childcare | | 345,769 | - | 6,676 | 352,445 | 321,115 |
| Premises costs | | 29,952 | 6,666 | 4,158 | 40,776 | 41,125 |
| Total | | <u>396,115</u> | <u>6,666</u> | <u>10,834</u> | <u>413,615</u> | <u>383,717</u> |
| NET INCOME/(EXPENDITURE) | | <u>7,963</u> | <u>(6,666)</u> | <u>(4,158)</u> | <u>(2,861)</u> | <u>(35,991)</u> |
| RECONCILIATION OF FUNDS | | | | | | |
| Total funds brought forward | | <u>21,523</u> | <u>33,333</u> | <u>16,480</u> | <u>71,336</u> | <u>107,327</u> |
| TOTAL FUNDS CARRIED FORWARD | | <u><u>29,486</u></u> | <u><u>26,667</u></u> | <u><u>12,322</u></u> | <u><u>68,475</u></u> | <u><u>71,336</u></u> |

CONTINUING OPERATIONS

All income and expenditure has arisen from continuing activities.

**BALANCE SHEET
AT 31 AUGUST 2017**

| | Notes | 31.8.17 £ | 31.8.16 £ |
|--|-------|----------------|---------------|
| FIXED ASSETS | | | |
| Tangible assets | 8 | 40,521 | 53,057 |
| CURRENT ASSETS | | | |
| Stocks | 9 | 433 | 1,315 |
| Debtors | 10 | 5,414 | 6,804 |
| Cash at bank and in hand | | 111,677 | 81,645 |
| | | <u>117,524</u> | <u>89,764</u> |
| CREDITORS | | | |
| Amounts falling due within one year | 11 | (89,570) | (71,485) |
| | | <u>27,954</u> | <u>18,279</u> |
| NET CURRENT ASSETS | | | |
| | | <u>27,954</u> | <u>18,279</u> |
| TOTAL ASSETS LESS CURRENT LIABILITIES | | 68,475 | 71,336 |
| | | <u>68,475</u> | <u>71,336</u> |
| NET ASSETS | | <u>68,475</u> | <u>71,336</u> |
| FUNDS | 13 | | |
| Unrestricted funds | | 56,153 | 54,856 |
| Restricted funds | | 12,322 | 16,480 |
| | | <u>68,475</u> | <u>71,336</u> |
| TOTAL FUNDS | | <u>68,475</u> | <u>71,336</u> |

The charitable company is entitled to exemption from audit under Section 477 of the Companies Act 2006 for the year ended 31 August 2017.

The members have not required the charitable company to obtain an audit of its financial statements for the year ended 31 August 2017 in accordance with Section 476 of the Companies Act 2006.

The trustees acknowledge their responsibilities for

- (a) ensuring that the charitable company keeps accounting records that comply with Sections 386 and 387 of the Companies Act 2006 and
- (b) preparing financial statements which give a true and fair view of the state of affairs of the charitable company as at the end of each financial year and of its surplus or deficit for each financial year in accordance with the requirements of Sections 394 and 395 and which otherwise comply with the requirements of the Companies Act 2006 relating to financial statements, so far as applicable to the charitable company.

These financial statements have been prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small charitable companies.

The financial statements were approved by the Board of Trustees on 7 November 2017 and were signed on its behalf by:

X 

C Parfremont -Trustee

CLEETHORPES CHILDCARE

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2017

1. ACCOUNTING POLICIES

Basis of preparing the financial statements

The financial statements of the charitable company, which is a public benefit entity under FRS 102, have been prepared in accordance with the Charities SORP (FRS 102 updated by bulletin 1) '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 2015)', Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and the Companies Act 2006. The financial statements have been prepared under the historical cost convention.

Income

Grants are recognised in full in the Statement of Financial Activities in the year in which they are receivable.

Donations and gifts are recognised in the Statement of Financial Activities when received.

Incoming resources for the provision of pre-school places and from investments are recognised in full in the Statement of Financial Activities when receivable.

Resources expended

Resources expended are recognised in the period in which they are incurred.

Tangible fixed assets

Tangible fixed assets are stated at cost (or deemed cost) or valuation less accumulated depreciation and accumulated impairment losses.

Depreciation is provided on all tangible fixed assets at rates calculated to write off their cost, less estimated residual value, of each asset on a systematic basis over their expected useful lives as follows -

| | | |
|----------------------------------|---|--|
| Land and buildings | - | 20% on reducing balance or over lease term |
| Fixtures, fittings and equipment | - | 20% on cost |

Stocks

Stocks are valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving items.

Taxation

The charity is exempt from corporation tax on its charitable activities.

Fund accounting

Unrestricted funds are donations and other incoming resources receivable or generated for the objects of the charity without further specified purpose and are available as general funds.

Designated funds are unrestricted funds earmarked by the management committee for particular purposes.

Restricted funds are to be used for specific purposes as laid down by the donor. Expenditure which meets these criteria is charged to the fund, together with a fair allocation of management and support costs.

Pension costs and other post-retirement benefits

The charitable company operates a defined contribution pension scheme. Contributions payable to the charitable company's pension scheme are charged to the Statement of Financial Activities in the period to which they relate.

2. ACTIVITIES FOR GENERATING FUNDS

| | | |
|--------------------|--------------|--------------|
| | 31.8.17 | 31.8.16 |
| | £ | £ |
| Fundraising events | 1,691 | 3,375 |
| Uniform sales | 986 | 943 |
| | <u>2,677</u> | <u>4,318</u> |

CLEETHORPES CHILDCARE

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 31 AUGUST 2017

3. INVESTMENT INCOME

| | | |
|----------|-------------------|-------------------|
| | 31.8.17 | 31.8.16 |
| | £ | £ |
| Interest | - | 182 |
| | <u> </u> | <u> </u> |

4. COSTS OF GENERATING FUNDS

Administrative expenses

| | | |
|-----------------------------|---------------|---------------|
| | 31.8.17 | 31.8.16 |
| | £ | £ |
| Stationery | 4,670 | 4,768 |
| Telephone | 3,971 | 3,547 |
| Insurance | 1,641 | 1,674 |
| Subscriptions | 409 | 441 |
| Accountancy | 1,860 | 1,920 |
| Payroll | 1,570 | 1,747 |
| Legal and professional fees | 1,351 | 4,358 |
| Sundry expenses | 2,163 | 1,475 |
| | <u>17,635</u> | <u>19,930</u> |

5. NET INCOME/(EXPENDITURE)

Net income/(expenditure) is stated after charging/(crediting):

| | | |
|------------------------------------|-------------------|-------------------|
| | 31.8.17 | 31.8.16 |
| | £ | £ |
| Depreciation - owned assets | 11,652 | 14,576 |
| Deficit on disposal of fixed asset | 283 | 92 |
| | <u> </u> | <u> </u> |

6. TRUSTEES' REMUNERATION AND BENEFITS

There were no trustees' remuneration or other benefits for the year ended 31 August 2017 nor for the year ended 31 August 2016.

Trustees' expenses

There were no trustees' expenses paid for the year ended 31 August 2017 nor for the year ended 31 August 2016.

CLEETHORPES CHILDCARE

**NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 31 AUGUST 2017**

7. STAFF COSTS

| | | |
|-----------------------|----------------|----------------|
| | 31.8.17 | 31.8.16 |
| | £ | £ |
| Wages and salaries | 314,372 | 289,260 |
| Social security costs | 8,642 | 6,424 |
| Other pension costs | 4,612 | 3,181 |
| | <u>327,626</u> | <u>298,865</u> |

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

| | | |
|--|-----------|-----------|
| | 31.8.17 | 31.8.16 |
| Furtherance of the entity's activities | 29 | 37 |
| Management and administration | 3 | 3 |
| | <u>32</u> | <u>40</u> |

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

8. TANGIBLE FIXED ASSETS

| | Land and buildings £ | Fixtures, fittings and equipment £ | Totals £ |
|------------------------|----------------------------|---|---------------|
| COST | | | |
| At 1 September 2016 | 54,562 | 43,490 | 98,052 |
| Additions | - | 299 | 299 |
| Disposals | (12,271) | (4,264) | (16,535) |
| At 31 August 2017 | <u>42,291</u> | <u>39,525</u> | <u>81,816</u> |
| DEPRECIATION | | | |
| At 1 September 2016 | 19,738 | 25,257 | 44,995 |
| Charge for year | 6,785 | 4,867 | 11,652 |
| Eliminated on disposal | (11,371) | (3,981) | (15,352) |
| At 31 August 2017 | <u>15,152</u> | <u>26,143</u> | <u>41,295</u> |
| NET BOOK VALUE | | | |
| At 31 August 2017 | <u>27,139</u> | <u>13,382</u> | <u>40,521</u> |
| At 31 August 2016 | <u>34,824</u> | <u>18,233</u> | <u>53,057</u> |

9. STOCKS

| | | |
|--------|------------|--------------|
| | 31.8.17 | 31.8.16 |
| | £ | £ |
| Stocks | 433 | 1,315 |
| | <u>433</u> | <u>1,315</u> |

10. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

| | | |
|---------------|--------------|--------------|
| | 31.8.17 | 31.8.16 |
| | £ | £ |
| Trade debtors | 5,099 | 5,905 |
| Other debtors | 315 | 899 |
| | <u>5,414</u> | <u>6,804</u> |

CLEETHORPES CHILDCARE

**NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 31 AUGUST 2017**

11. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

| | | |
|---------------------------------|---------------|---------------|
| | 31.8.17 | 31.8.16 |
| | £ | £ |
| Trade creditors | 23,418 | 21,848 |
| Social security and other taxes | 1,490 | 1,185 |
| Other creditors | 8,221 | 4,692 |
| Accruals and deferred income | 56,441 | 43,760 |
| | <u>89,570</u> | <u>71,485</u> |

12. ANALYSIS OF NET ASSETS BETWEEN FUNDS

| | | | | | |
|---------------------|---------------|---------------|---------------|---------------|---------------|
| | | | | 31.8.17 | 31.8.16 |
| | Unrestricted | Designated | Restricted | Total | Total |
| | fund | fund | fund | funds | funds |
| | £ | £ | £ | £ | £ |
| Fixed assets | 1,532 | 26,667 | 12,322 | 40,521 | 53,057 |
| Current assets | 117,524 | - | - | 117,524 | 89,764 |
| Current liabilities | (89,570) | - | - | (89,570) | (71,485) |
| | <u>29,486</u> | <u>26,667</u> | <u>12,322</u> | <u>68,475</u> | <u>71,336</u> |

13. MOVEMENT IN FUNDS

| | | | | |
|---------------------------|--|---------------|----------------|---------------|
| | | At 1.9.16 | Net movement | At 31.8.17 |
| | | £ | in funds | £ |
| | | | £ | |
| Unrestricted funds | | | | |
| General fund | | 21,523 | 7,963 | 29,486 |
| Designated fund | | 33,333 | (6,666) | 26,667 |
| | | <u>54,856</u> | 1,297 | 56,153 |
| Restricted funds | | | | |
| Restricted fund | | 16,480 | (4,158) | 12,322 |
| | | <u>71,336</u> | <u>(2,861)</u> | <u>68,475</u> |

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

| | | | |
|---------------------------|----------------|------------------|----------------|
| | Incoming | Resources | Movement in |
| | resources | expended | funds |
| | £ | £ | £ |
| Unrestricted funds | | | |
| General fund | 404,078 | (396,115) | 7,963 |
| Designated fund | - | (6,666) | (6,666) |
| | <u>404,078</u> | <u>(402,781)</u> | 1,297 |
| Restricted funds | | | |
| Restricted fund | 6,676 | (10,834) | (4,158) |
| | <u>410,754</u> | <u>(413,615)</u> | <u>(2,861)</u> |

CLEETHORPES CHILDCARE

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 31 AUGUST 2017

13. MOVEMENT IN FUNDS - continued

Purposes of designated and restricted funds

Restricted funds at 31 August 2017 represents the carrying value of fixed assets acquired from restricted funds of £12,322 (2016: £16,480).

Designated funds at 31 August 2017 represents the carrying value of the new building at Signhills of £26,667 (2016: £33,000).

The balances relating to capital expenditure are adjusted each year in line with the depreciation of the assets acquired.

14. RELATED PARTY DISCLOSURES

There were no related party transactions for the year ended 31 August 2017.

15. FIRST YEAR ADOPTION

In preparing the accounts, the trustees have considered whether in applying the accounting policies required by FRS 102 and the Charities SORP FRS 102 the restatement of comparative items was required.

There was no effect on the funds of the charity on transition to FRS 102.

Transitional relief

No exemptions have been taken advantage of.