

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 2018
FOR
CLEETHORPES CHILDCARE

CLEETHORPES CHILDCARE

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FOR THE YEAR ENDED 31 AUGUST 2018

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REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 AUGUST 2018

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 2018. 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).

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's Commission's 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.

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 decorating competitions
- Family involvement weeks
- Concerts - Christmas / end of year
- Red Day
- Name cards
- 50:50 raffles
- Annual General Meeting
- Parties - 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.

**REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 AUGUST 2018**

OBJECTIVES AND ACTIVITIES

Public relations and marketing (cont.)

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. We have continuing contacts with many local businesses who are keen to provide items for raffles and name cards throughout the year to allow us to maximise fundraising efforts however this is becoming more of a challenge for time allocation for our volunteers and staff, resulting in fewer donations this year than in previous years.

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.

In July this year, Claire and Lorna joined MP's in London to lobby the All Party Parliamentary Group for Childcare to support the Fair Future Funding campaign. This was very effective with both local MP's Martin Vickers and Melanie Onn pledging their support and offering local visits and contact for the future. We publicised this on Facebook and received good local support for this action.

ACHIEVEMENT AND PERFORMANCE

General

We have continued to provide crèche services for Reynolds Children's Centre for two days per week during this year. In addition, we have continued to work with North East Lincolnshire Women's Aid to support their crèches alongside training sessions. These crèches also ensure we build good relationships with other professionals and remain in touch with the communities we serve.

A steady turnover in admissions at Highgate Pre-school throughout this year reiterates the need for childcare 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 and therefore do not rely solely on this. Many families supporting Highgate receive two year funding for their places. We have supported parents wishing to share their 30 hours extended entitlement with Thrunscoc Academy Nursery, strengthening the good relationships we have with the school.

We anticipated an increase in demand for places from September 2017 due to the introduction of the extended funding entitlement (30 hours scheme). We found that this increase was not as high as anticipated as many parents chose to use less than their full entitlements, often choosing 3 to 4 full days of care of around 19.5 to 28 hours per week. Some parents have chosen to stretch their childcare to allow them to access provision all year round with some of these hours being taken at Hardys Den following the lowering of admission age in September. The difficulties for parents accessing the scheme became more apparent when we were unable to fully increase sessions for children who became eligible for extended entitlement after the first and second terms as, even with increased capacity, we did not have sufficient places available to offer. We also saw some parents have difficulty in accessing the scheme despite their eligibility. Others were not successful in renewing their application in due time resulting in funding being inaccessible rather than places being charged for to enable the child to continue the planned sessions at pre-school. This created some issues which we were able to work through with parents to ensure children were accessing consistent provision with us.

New premises are still being sought with many sites or buildings being unsuitable due to lack of outdoor space. We approached a local school who were relocating to offer provision for younger children however this was not within their plans and we were not successful. We will continue to think creatively when seeking premises but have secured reassurance this year from Signhills Academy that they are very happy with the provision we offer and would continue to offer the premises we occupy for a minimum period of the lease terms.

Inclusion

We have had another challenging year supporting individual needs of children and families with regard to special educational needs, safeguarding and agency support. This year staff have supported four children with one-to-one care and education, accessing Inclusion Funding to support this. Offering care at this level also incurs additional meetings, support for family, training and paperwork, all of which have been undertaken by knowledgeable, caring and professional staff teams.

We have also successfully transitioned all children into their new schools over local and national areas, transferring profiles and documentation to enable the school to support the individual needs of each child.

Cleethorpes Childcare Special Educational Needs Co-Ordinators (SENCo's) attend regular network and training meetings and disseminate information and knowledge to the rest of their staff team to enhance best practice in meeting the 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.

REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 AUGUST 2018

ACHIEVEMENT AND PERFORMANCE

Inclusion (cont.)

Early Years Pupil Premium (EYPP) is received but is an unpredictable amount of funding which is not usually known until almost a term after a child becomes eligible. 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 again purchased educational resources, duck hatchlings at both pre-schools, developed staff training and provided additional staff within higher than required ratios to enhance children's learning experiences and opportunities with the aim of children gaining the best start in their education.

Three children at Highgate became eligible for Disability Access Funding this year which was used to support Yoga sessions, additional staffing and educational resources such as a bubble tube and to update technology.

Quality Assurance

Hardys Den carried out an online survey of its provision in the Autumn Term with positive feedback from approximately 30% of parents. Parents generally felt that their children enjoyed attending the Den, there were a good range of activities provided for children and they found staff to be caring and supportive. Some comments were made regarding high costs which we have taken on board however, due to limitations of funding and regulation requirements for ratios we have little scope to change this and are confident we remain competitive within the childcare marketplace.

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 induction, 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:

BA (Hons) Degree in Early Childhood Studies	Level 6 (1 member)
Foundation Degree in Early Childhood Education	Level 4/5 (1 member)
Foundation Degree in Health & Social Care	Level 4/5 (1 member)
Safeguarding (inc refresher)	Levels 1 & 2 (8 members)
Paediatric First Aid	Level 3 (11 members)
Counter Terrorism	(3 members)
Sensory Integration Therapy	(1 member)

Staff undertaking training are supported financially / with workplace release and at degree level with additional mentor support meetings.

GDPR training has been a focus this year with new legislation coming into force from 1st May 2018. Staff members and trustees in leadership/ administration roles have all been encouraged to undertake online training through Educare. The General Manager has also attended several workshops to prepare for the changes and Committee members have discussed the effects of implementation over several meetings to ensure compliance. The privacy notice has been updated and named people have been put in place to monitor effectiveness and ensure legislation is incorporated into future policy development within Cleethorpes Childcare.

Staff members undertake and update core elements 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.

The General Manager has attended Safeguarding Network meetings held by the Local Authority which have ensured we remain informed about current trends in safeguarding issues and reflect this in practice.

The General Manager and both Childcare Managers attended the Pre-school Learning Alliance National AGM and Conference in London in June 2018 relating to Mental Health in the childcare sector. The Ceeda survey report, Minds Matter, released at the PLA conference was shared with committee and staff members who recognised the strains being placed on the workforce and the importance of the report outcomes to support future decisions affecting practitioners. One of the main changes agreed to implement is the introduction of new software which will essentially aim to reduce duplication of records and improve communication between staff and families.

REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 AUGUST 2018

ACHIEVEMENT AND PERFORMANCE

Staff Training and Development (cont.)

The General Manager has continued her representation to the Pre-school Learning Alliance throughout this year as a Trustee for the national organisation and a member of the Audit Committee. 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.

Induction for new committee members took place in December 2017, following the Annual General Meeting elections. Members commented that they found this a very useful overview of the organisation and that it helps them to better understand their roles and responsibilities.

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 undergraduate student from Grimsby Institute at Highgate Pre-school and a level 3 student at Signhills Pre-school. Students value the experience they gain from their placements and often comment on how much more is involved in Early Years childcare than they first expected!

An estimated total of 476 volunteer hours and 532 student volunteer hours have been undertaken during this year.

Visitors and liaisons

We continue to work with other professionals and this year have had visits from The Yoga Studio (Yoga Bugs), NE Lincs advisors, Early Years Inclusion Support Officer, Tempest Photographers, University Centre Grimsby & Grimsby Institute tutors & assessors, Child Development Centre, Community Police, RNLI Lifeboat, Fire Brigade, Postman, Speech and Language therapist, Health visitors, 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. Informal 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, 12 Abbey Road, Grimsby, DN32 0HL

Lawcall, Pre-school Learning Alliance, 50 Featherstone Street, London EC1Y 8RT

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

BG Solicitors LLP, 27 Osborne Street, Grimsby DN31 1JB

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

FINANCIAL REVIEW

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 pre-school lunch clubs. 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 which was reviewed and increased to 75p per child per session from September 2018, with the majority of families paying this within the allocated timescales, in accordance with our fees policy. The initial registration fee was again raised minimally 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. This is reviewed as a minimal one-off cost to parents whilst Hardys Den administration fee is charged and reviewed annually.

REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 AUGUST 2018

FINANCIAL REVIEW

Financial review (cont.)

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.

Last 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 and the majority of these debts have now been written off. 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 greater scrutiny of 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.

Previous discrepancies regarding Highgate Pre-school lease agreement are now much more resolved and clarified and communication in recent months has also improved though some issues still remain with costs incurred for works across the whole site.

We have recently sourced software which will support recording of children's progress as well as administration of fees, contact information and individual child booking plans. We aim to implement the software from September 2018 within Signhills Pre-school, Hardys Den and Highgate Pre-school with a roll out to parents being launched at our Annual General Meeting. We have also purchased portable tablets and Bluetooth speakers to enable us to become more up to date with recording processes and to widen experiences for children. Family is an app based product which parents can use for real time information about their child's attendance, progress and will also aim to further enhance good communication with families.

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 2018 was 212.

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

Risk Review

Through a Business Plan, Risk Analysis and regular Executive Committee 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 potential a School/Academy have to cease a lease agreement in relation to sustainability. This risk continues to be 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 promotes full monitoring and evaluation of government / local challenge to mitigate risk.

FUTURE PLANS

Future Sustainability

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.

REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 AUGUST 2018

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.

Structure

Cleethorpes Childcare consists of:

- Signhills 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 2017. New members were appointed over a period of four months according to suitable checks and registrations. 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. As in previous years, a meeting date is agreed 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 at the beginning of December to ensure all elected members fully understood their responsibilities and duties prior to the first committee meeting which followed the AGM. At the first meeting, officers were voted into post by fellow trustees. 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 PREVENT duty, Safer Recruitment, Effective Safeguarding Practice and GDPR with other packages available through Educare online training, offered as part of our Pre-school Learning Alliance membership. 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. Following submission of the revised Memorandum & Articles of Association, this was approved by both Charities Commission and accepted by Companies House.

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 29 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 the closure of Middlethorpe Pre-school and lower birth rates of children affecting requirements in settings, as well as 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 fully reviewed over this year with the introduction of GDPR from May 2018 impacting on many of the policies we had in place. Once fully compliant and updates complete, all 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 2018

REFERENCE AND ADMINISTRATIVE DETAILS

Trustees

C Parfremment
B Rodgers-Gibbs
T Whitehead
K Robbins - resigned 9.11.17
S Huxford - resigned 9.11.17
I Baker
C Moore - appointed 9.11.17
J Jackson - appointed 28.9.17
L Pendred - appointed 15.1.18

Independent examiner

Mrs H Spauls FCA
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 1 November 2018 and signed on its behalf by:

C Parfremment - Trustee

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

Independent examiner's report to the trustees of Cleethorpes Childcare ('the Company')

I report to the charity trustees on my examination of the accounts of the Company for the year ended 31 August 2018.

Responsibilities and basis of report

As the charity's trustees of the Company (and also its directors for the purposes of company law) you are responsible for the preparation of the accounts in accordance with the requirements of the Companies Act 2006 ('the 2006 Act').

Having satisfied myself that the accounts of the Company are not required to be audited under Part 16 of the 2006 Act and are eligible for independent examination, I report in respect of my examination of your charity's accounts as carried out under section 145 of the Charities Act 2011 ('the 2011 Act'). In carrying out my examination I have followed the Directions given by the Charity Commission under section 145(5) (b) of the 2011 Act.

Independent examiner's statement

Since your charity's gross income exceeded £250,000 your examiner must be a member of a listed body. I can confirm that I am qualified to undertake the examination because I am a registered member of ICAEW which is one of the listed bodies

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

1. accounting records were not kept in respect of the Company as required by section 386 of the 2006 Act; or
2. the accounts do not accord with those records; or
3. the accounts do not comply with the accounting requirements of section 396 of the 2006 Act 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; or
4. the accounts have not been prepared in accordance with the methods and principles of the Statement of Recommended Practice for accounting and reporting by charities [applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102)].

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

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

5 November 2018

CLEETHORPES CHILDCARE

STATEMENT OF FINANCIAL ACTIVITIES
FOR THE YEAR ENDED 31 AUGUST 2018

	Notes	Unrestricted fund £	Designated fund £	Restricted fund £	31.8.18 Total funds £	31.8.17 Total funds £
INCOME AND ENDOWMENTS FROM						
Incoming resources from charitable activities		394,824	-	22,876	417,700	406,877
Activities for generating funds	2	3,843	-	-	3,843	2,677
Other income		-	-	-	-	1,200
Total		<u>398,667</u>	<u>-</u>	<u>22,876</u>	<u>421,543</u>	<u>410,754</u>
EXPENDITURE ON						
Costs of generating funds	3	18,406	-	-	18,406	20,394
Charitable activities						
Childcare		312,603	-	22,876	335,479	352,445
Premises costs		29,685	6,400	4,158	40,243	40,776
Total		<u>360,694</u>	<u>6,400</u>	<u>27,034</u>	<u>394,128</u>	<u>413,615</u>
NET INCOME/(EXPENDITURE)		<u>37,973</u>	<u>(6,400)</u>	<u>(4,158)</u>	<u>27,415</u>	<u>(2,861)</u>
RECONCILIATION OF FUNDS						
Total funds brought forward		<u>29,486</u>	<u>26,667</u>	<u>12,322</u>	<u>68,475</u>	<u>71,336</u>
TOTAL FUNDS CARRIED FORWARD		<u><u>67,459</u></u>	<u><u>20,267</u></u>	<u><u>8,164</u></u>	<u><u>95,890</u></u>	<u><u>68,475</u></u>

The notes form part of these financial statements

BALANCE SHEET
AT 31 AUGUST 2018

	Notes	31.8.18 £	31.8.17 £
FIXED ASSETS			
Tangible assets	7	30,524	40,521
CURRENT ASSETS			
Stocks	8	1,296	433
Debtors	9	7,928	5,414
Cash at bank and in hand		105,314	111,677
		<u>114,538</u>	<u>117,524</u>
CREDITORS			
Amounts falling due within one year	10	(49,172)	(89,570)
		<u>65,366</u>	<u>27,954</u>
NET CURRENT ASSETS			
		<u>95,890</u>	<u>68,475</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			
		<u>95,890</u>	<u>68,475</u>
NET ASSETS			
		<u>95,890</u>	<u>68,475</u>
FUNDS	12		
Unrestricted funds		87,726	56,153
Restricted funds		8,164	12,322
		<u>95,890</u>	<u>68,475</u>
TOTAL FUNDS			
		<u>95,890</u>	<u>68,475</u>

The charitable company is entitled to exemption from audit under Section 477 of the Companies Act 2006 for the year ended 31 August 2018.

The members have not required the company to obtain an audit of its financial statements for the year ended 31 August 2018 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 charitable small companies.

The financial statements were approved by the Board of Trustees on 1 November 2018 and were signed on its behalf by:

C Parfremment -Trustee

The notes form part of these financial statements

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018

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

Fixed assets are not capitalised if they cost less than £100.

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.

Leasing commitments

Rents payable under leases are charged to the Statement of Financial Activities on a straight line basis over the period of the lease.

CLEETHORPES CHILDCARE

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 31 AUGUST 2018

2. ACTIVITIES FOR GENERATING FUNDS

	31.8.18	31.8.17
	£	£
Fundraising events	3,013	1,691
Uniform sales	830	986
	<u>3,843</u>	<u>2,677</u>

3. COSTS OF GENERATING FUNDS

Administrative expenses

	31.8.18	31.8.17
	£	£
Stationery	4,292	4,670
Telephone	3,435	3,971
Insurance	1,594	1,641
Subscriptions	374	409
Accountancy	1,980	1,860
Payroll	1,506	1,570
Legal and professional fees	488	1,351
Sundry expenses	2,139	2,163
	<u>15,808</u>	<u>17,635</u>

4. NET INCOME/(EXPENDITURE)

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

	31.8.18	31.8.17
	£	£
Depreciation - owned assets	11,197	11,652
Deficit on disposal of fixed asset	-	283
	<u>11,197</u>	<u>11,935</u>

5. TRUSTEES' REMUNERATION AND BENEFITS

	31.8.18	31.8.17
	£	£
Trustees' salaries	17,208	-
Trustees' social security	1,609	-
Trustees' pension contributions to money purchase schemes	516	-
	<u>19,333</u>	<u>-</u>

The memorandum of association updated in May 2017 allows trustees of the charity to be a paid employee of the charity, but no trustee can be paid for their duties as a trustee.

Lorna Pendred, who became a trustee of the charity in January 2018, has been paid for her employment as the general manager of the charity.

Trustees' expenses

There were no trustees' expenses paid for the year ended 31 August 2018 nor for the year ended 31 August 2017.

CLEETHORPES CHILDCARE

**NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 31 AUGUST 2018**

6. STAFF COSTS

	31.8.18	31.8.17
	£	£
Wages and salaries	296,026	314,372
Social security costs	9,459	8,642
Other pension costs	5,558	4,612
	<u>311,043</u>	<u>327,626</u>

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

	31.8.18	31.8.17
Furtherance of the entity's activities	26	29
Management and administration	3	3
	<u>29</u>	<u>32</u>

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

7. TANGIBLE FIXED ASSETS

	Land and buildings £	Fixtures, fittings and equipment £	Totals £
COST			
At 1 September 2017	42,291	39,525	81,816
Additions	-	1,200	1,200
Disposals	-	(2,200)	(2,200)
At 31 August 2018	<u>42,291</u>	<u>38,525</u>	<u>80,816</u>
DEPRECIATION			
At 1 September 2017	15,152	26,143	41,295
Charge for year	6,494	4,703	11,197
Eliminated on disposal	-	(2,200)	(2,200)
At 31 August 2018	<u>21,646</u>	<u>28,646</u>	<u>50,292</u>
NET BOOK VALUE			
At 31 August 2018	<u>20,645</u>	<u>9,879</u>	<u>30,524</u>
At 31 August 2017	<u>27,139</u>	<u>13,382</u>	<u>40,521</u>

8. STOCKS

	31.8.18	31.8.17
	£	£
Stocks	1,296	433
	<u>1,296</u>	<u>433</u>

9. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	31.8.18	31.8.17
	£	£
Trade debtors	7,365	5,099
Other debtors	563	315
	<u>7,928</u>	<u>5,414</u>

CLEETHORPES CHILDCARE

**NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 31 AUGUST 2018**

10. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	31.8.18	31.8.17
	£	£
Trade creditors	129	23,418
Social security and other taxes	1,701	1,490
Other creditors	2,354	8,221
Accruals and deferred income	44,988	56,441
	<u>49,172</u>	<u>89,570</u>

11. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Unrestricted fund	Designated fund	Restricted fund	31.8.18 Total funds	31.8.17 Total funds
	£	£	£	£	£
Fixed assets	2,093	20,267	8,164	30,524	40,521
Current assets	114,538	-	-	114,538	117,524
Current liabilities	(49,172)	-	-	(49,172)	(89,570)
	<u>67,459</u>	<u>20,267</u>	<u>8,164</u>	<u>95,890</u>	<u>68,475</u>

12. MOVEMENT IN FUNDS

	At 1.9.17	Net movement in funds	At 31.8.18
	£	£	£
Unrestricted funds			
General fund	29,486	37,973	67,459
Designated fund	26,667	(6,400)	20,267
	<u>56,153</u>	<u>31,573</u>	<u>87,726</u>
Restricted funds			
Restricted fund	12,322	(4,158)	8,164
	<u>68,475</u>	<u>27,415</u>	<u>95,890</u>

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

	Incoming resources	Resources expended	Movement in funds
	£	£	£
Unrestricted funds			
General fund	398,667	(360,694)	37,973
Designated fund	-	(6,400)	(6,400)
	<u>398,667</u>	<u>(367,094)</u>	<u>31,573</u>
Restricted funds			
Restricted fund	22,876	(27,034)	(4,158)
	<u>421,543</u>	<u>(394,128)</u>	<u>27,415</u>

CLEETHORPES CHILDCARE

**NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 31 AUGUST 2018**

12. MOVEMENT IN FUNDS - continued

Comparatives for movement in funds

	At 1.9.16 £	Net movement in funds £	At 31.8.17 £
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>

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

	Incoming resources £	Resources expended £	Movement in 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>

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

	At 1.9.16 £	Net movement in funds £	At 31.8.18 £
Unrestricted funds			
General fund	21,523	45,936	67,459
Designated fund	33,333	(13,066)	20,267
Restricted funds			
Restricted fund	16,480	(8,316)	8,164
TOTAL FUNDS	<u>71,336</u>	<u>24,554</u>	<u>95,890</u>

CLEETHORPES CHILDCARE

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 31 AUGUST 2018

12. MOVEMENT IN FUNDS - continued

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

	Incoming resources £	Resources expended £	Movement in funds £
Unrestricted funds			
General fund	802,745	(756,809)	45,936
Designated fund	-	(13,066)	(13,066)
	<hr/>	<hr/>	<hr/>
	802,745	(769,875)	32,870
Restricted funds			
Restricted fund	29,552	(37,868)	(8,316)
	<hr/>	<hr/>	<hr/>
TOTAL FUNDS	<u>832,297</u>	<u>(807,743)</u>	<u>24,554</u>

Purposes of designated and restricted funds

Restricted funds at 31 August 2018 represents the carrying value of fixed assets acquired from restricted funds of £8,164 (2017: £12,322).

Designated funds at 31 August 2018 represents the carrying value of the new building at Signhills of £20,267 (2017: £26,667).

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

Restricted funds also includes funding received to assist with the inclusion of children.

13. RELATED PARTY DISCLOSURES

There were no related party transactions for the year ended 31 August 2018.

14. LEASING COMMITMENTS

The following operating lease payments are committed to be paid:

	Land and Buildings 31.8.18 £	Buildings 31.8.17 £
Expiring:		
Within one year	5,224	5,056
Between one and five years	24,683	30,083

CLEETHORPES CHILDCARE

DETAILED STATEMENT OF FINANCIAL ACTIVITIES
FOR THE YEAR ENDED 31 AUGUST 2018

	31.8.18	31.8.17
	£	£
INCOME AND ENDOWMENTS		
Incoming resources from charitable activities		
Nursery Education Grant	297,173	267,713
Creche services	21,366	18,432
Fees from parents	99,161	120,280
Welfare Food Scheme - milk refund	-	452
	<u>417,700</u>	<u>406,877</u>
Activities for generating funds		
Fundraising events	3,013	1,691
Uniform sales	830	986
	<u>3,843</u>	<u>2,677</u>
Other income		
Sale of equipment	-	1,200
	<u>-</u>	<u>1,200</u>
Total incoming resources	421,543	410,754
EXPENDITURE		
Fundraising		
Purchases for resale	2,598	2,759
Administrative expenses		
Stationery	4,292	4,670
Telephone	3,435	3,971
Insurance	1,594	1,641
Subscriptions	374	409
Accountancy	1,980	1,860
Payroll	1,506	1,570
Legal and professional fees	488	1,351
Sundry expenses	2,139	2,163
	<u>15,808</u>	<u>17,635</u>
Charitable activities		
Trustees' salaries	17,208	-
Trustees' social security	1,609	-
Trustees' pension contributions	516	-
Wages	278,818	314,372
Social security	7,850	8,642
Pensions	5,042	4,612
Training	9,744	8,126
Consumables	6,095	6,258
Books, toys and games	3,214	4,916
Lunch costs and refreshments	4,106	5,146
Bad debts	1,277	373
	<u>335,479</u>	<u>352,445</u>
Premises costs		
Rent and rates	28,233	28,253
Repairs and renewals	813	589
Carried forward	29,046	28,842

This page does not form part of the statutory financial statements

CLEETHORPES CHILDCARE

DETAILED STATEMENT OF FINANCIAL ACTIVITIES
FOR THE YEAR ENDED 31 AUGUST 2018

	31.8.18	31.8.17
	£	£
Premises costs		
Brought forward	29,046	28,842
Depreciation of tangible fixed assets	11,197	11,651
Loss on disposal	-	283
	<hr/>	<hr/>
	40,243	40,776
	<hr/>	<hr/>
Total resources expended	394,128	413,615
	<hr/>	<hr/>
Net income/(expenditure)	27,415	(2,861)
	<hr/> <hr/>	<hr/> <hr/>