

YORK CHILDCARE LIMITED

**A company limited by guarantee
and
a registered charity no. 1008566**

ANNUAL REPORT AND FINANCIAL STATEMENTS

for the year ended

31 March 2022

**HPH
Chartered Accountants
54 Bootham
YORK
YO30 7XZ**

YORK CHILDCARE LIMITED
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022

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YORK CHILDCARE LIMITED
REPORT OF THE MANAGEMENT BOARD
FOR THE YEAR ENDED 31 MARCH 2022

The Directors, known as the Management Board (who are also the Trustees of the Charity and whose details are shown in the reference and administrative information section of this report) are pleased to present their Annual Report together with the Financial Statements of the Charity for the year ended 31 March 2022.

The Financial Statements comply with the Charities Act 2011, the Companies Act 2006, the Memorandum and Articles of Association, and Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2015).

The Charity is a Public Benefit Entity.

OBJECTIVES AND ACTIVITIES

Charitable status was awarded on 21 February 1992 because of our company policy to use income generated from our activities for the promotion of financially assisted places in nurseries.

Our activities include supporting Out of School Clubs including those caring for children within deprived postcode areas of York.

Our charitable objectives as an organisation are to provide quality and affordable childcare for children from 6 weeks to 16 years and in particular to support lone parents and those on low income. We achieve this both with the provision of nursery care and the work of supporting Out of School Clubs. We offer Assisted Places to parents who are in receipt of certain state benefits or who apply for a reduction in fees due to personal circumstances to ensure that as wide a group as possible can be considered for financial assistance.

Our Out of School Support Service only works with out of school clubs that are 'not for profit'. The aim is to ensure the clubs are sustainable in the longer term and improve quality standards. A charge is made for the services we provide.

We believe that our activities further our charitable purposes which we provide for the wider public benefit, broadly described as the advancement of education and support for the relief of poverty.

The criteria we use to assess success in the reporting period are:

- That children have benefitted from accessing a wide range of learning opportunities supporting their well-being and general development.
- That children are making good developmental progress towards attaining the goals as defined in the Early Years Foundation Stage, including children who have additional needs.
- That requests for financial assistance to support families where there is an identified need are met with a positive response.

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- That a forecasted surplus is achieved or exceeded through setting and monitoring occupancy targets across the nurseries.
- That the satisfaction of parent/guardians is reflected in the nursery provision for their child(ren).
- That budgetary controls and processes are implemented regarding charitable expenditure to maintain our budgetary expectations.

ACHIEVEMENTS AND PERFORMANCE

As Trustees and Directors of York Childcare Limited, we believe that we have complied with the duty in section 17(5) of the Charities Act 2011 to have due regard to public benefit guidance published by the Charity Commission.

The financial assistance we have provided over the last year is detailed on the following pages but can be summarized as follows:

	2022	2021
	£	£
Assisted places including additional support for Funded 2-year-olds and other Children attending under Early Years places	6,990	6,483
Out of School Support Service fees and other costs waived	526	1,765
	<hr/> £7,516	<hr/> £8,248

Nurseries

The 2021-22 financial year saw us emerge from the Covid-19 pandemic however it still had a major impact on the way we operate. We experienced occasional ad hoc closures and staff absences, due to self-isolation requirements, and are adapting to changes in working practices (both within nurseries and society in general). All nurseries are still open, our finances stable, primarily due (as they were last year) to the tremendous support of parents, guardians and our committed staff.

We have continued to operate our nurseries in Clifton, West Bank Park and Scarcroft Green, all of which offer high quality childcare. Our nurseries are inspected by Ofsted in accordance with their schedule of inspections - the results of the latest Ofsted inspections are available on their website at www.ofsted.gov.uk. Ofsted affirm through their reports that York Childcare nurseries “promote continuity of care and learning between the nursery and home” in an environment where the children feel safe.

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REPORT OF THE MANAGEMENT BOARD

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We believe that one reason our nurseries are of such high quality is the investment in our staff. We value them highly and ensure that they receive full support and training opportunities at our expense to be certain that they keep up to date with good childcare practice. We have access through accredited training providers to help support those staff who wish to improve their qualifications. This investment is also acknowledged in the most recent Ofsted inspection reports.

Working with parents is an important principle of the nurseries. Nursery Forums and nursery information evenings for parents, staff and trustees to meet, are two ways that nursery managers involve parents and keep them informed of general issues.

These forums meet regularly according to the demands of each setting and are often chaired by a parent. Parents have regular contact with the Key Person allocated for their child and keep up to date through attending informal events at the nurseries, such as 'Stay-and-Play' afternoons, although these have been suspended during the pandemic.

Our website remains under constant review and is now a source of information both for new and existing parents and staff. We include news updates on Facebook for each setting which parents can access at any time and our open Facebook page is used for sharing news, marketing and recruitment.

The nursery fees we charge are in line with market prices for quality childcare provision in York. We do not expect our other parents to subsidise or underwrite the costs of offering Assisted Places. The funding of Assisted Places is made possible by the fact that senior management services are provided by our Management Board on an honorary basis at no charge. During the past year our Trustees have provided line management, personnel, accountancy, legal, financial and property advice free of charge.

We continue to be approached by parents with requests for Assisted Places for their children to have continuity of care whilst they resolve employment issues, often connected with short time working or redundancy, delays in families receiving benefits claimed and with issues surrounding family break-up or health. The expansion of the funding scheme for 2-year-old children has led to a reduction in the number of referrals from professionals (e.g., social workers, health visitors) to our Assisted Places scheme. Requests over recent months have primarily been from the managers of our three nurseries for funding, to enable children to attend nursery all year round when other funding streams only provide for them for the 38 weeks of the year which are 'term time'. We are reacting positively to such requests. Our senior staff are also actively directing parents to this source of funding where they feel that the child would benefit from the nursery care we offer and to pay for nursery meals.

YORK CHILDCARE LIMITED

REPORT OF THE MANAGEMENT BOARD

FOR THE YEAR ENDED 31 MARCH 2022 - CONTINUED

Government funding has continued to provide either 2-year-old Funding (subject to certain criteria: <https://www.gov.uk/help-with-childcare-costs/free-childcare-2-year-olds>) or Early Years Funding for children aged 3 and 4 years and this is of benefit to many families. Early Years Funding currently provides 15 hours per week of nursery education, term time only for all children from the term after their 3rd birthday, and our staff work with parents to ensure that this provision is as flexible as it can be. With effect from September 2017, the Government rolled its scheme nationally to double the number of funded hours per week to 30 for working parents of 3- and 4-year-old children. As the level of funding provided is set below the cost of delivering the service, it was necessary to introduce an additional charge for meals to mitigate losses.

- 14 children attending nursery for their 'free of charge' (FOC) sessions have been provided with a hot meal FOC, funded by our Assisted Places scheme.
- The average number of 2-Year-Old funded families we have helped each month was 14 (2021: 14).
- The average number families benefitting from the Assisted Places scheme each month was 6 (2021: 5).

All our nurseries have strong links with local schools where the schools cannot provide pre-school nursery care on site and they work in partnership with the foundation classes at the school to ensure that the children have continuity of childcare. Heather's Nursery acts as the provider of this service to Acomb School and Scarcroft Green Nursery acts as the provider of this service to Scarcroft School. Joseph's Nursery has a wider catchment in the Clifton area of York. We provided this service to total of 130 (2021: 137) children receiving Early Years funding and to an average of 14 (2021: 14) 2-year-olds a term receiving Early Years funding.

Occupancy at Joseph's, Heather's and Scarcroft Green Nurseries has remained steady.

Although we received no further specific donations to support families at IDAS (the Independent Domestic Abuse Service, formerly known as York Women's Refuge) the nurseries continue to provide childcare for families at IDAS as and when the need arises.

All our nurseries work closely with social services and health visitors to provide the necessary support to families with an identified social or welfare need. Nursery staff attend planning and support meetings in addition to the ongoing support given through daily interaction with the parents of vulnerable children, some of whom are on the child protection register.

Joseph's Nursery has provided additional support for 2 children with SEND, with a successful application for 15 hours per week of Inclusion Funding to provide one-to-one support for the children on a part-time basis.

Scarcroft Green Nursery additionally has provided one-to-one support for 2 children with SEND, with a successful application for 4 hours per week of Inclusion Funding to provide one-to-one support for the children on a part-time funded basis.

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Managers at all three nurseries have received funding known as Early Years Pupil Premium (EYPP) which is allocated by the Local Authority to improve the educational opportunities for disadvantaged 3 and 4-year-olds. Heathers Nursery received funding for 5 children, Scarcroft Green Nursery received funding for 6 children and Joseph's nursery received funding for 2 children. Managers are restricted as to how they can spend this money and they must be able to demonstrate how the service or item purchased benefits the recipient. Expenditure has included the purchase of items of equipment to enhance the learning opportunities for the children.

Out of School Support Service

In 2006 the Management Board was approached by an out of school club to provide support for its day-to-day management. In response to this request, the Management Board decided to support out of school provision by using the skills and knowledge gained from the support services previously funded by various grants including support from City of York Council.

We have support agreements with Acomb Out of School Club (trading as Playden), Dunnington Children (trading as Over the Rainbow), Kool Kids Club at Clifton Club, Poppleton Rd OOSC and Dringhouses Out of School Club. These clubs retain their own separate legal identity and have neither been merged nor 'taken over' by York Childcare. With the agreement of each of the out of school club trustees, from September 2018 clubs have been charged 10% of their turnover.-Where clubs experience difficulties paying this charge, they may approach York Childcare Ltd and apply for financial support.

In all there are approximately 2,000 families registered with these settings to which before and after school childcare is provided. Due to the demand for childcare in the school holidays, the settings provide childcare during most school holidays. Occupancy levels are high at all the settings signed up to the Support Service. These settings would not continue without the active support and expertise provided by our Support Service.

The Assisted Places scheme model is now available in all the settings we support and with the agreement of club trustees is independently financed by each setting.

FINANCIAL REVIEW

Reserves Policy

The Trustees have carried out a review of the level of reserves needed to sustain the charitable activities. It is our policy that we should have enough cash reserves in the bank to cover three months of payroll, rent and utilities, plus any significant investments on the horizon. Based on 2022 figures, this would be approximately £258,600.

Investment Powers, Policy and Performance

The powers of investment are set out in the governing document. The Trustees have the power to instruct Investment advisers to assist with the investment strategy. No Investment advisers are currently appointed.

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REPORT OF THE MANAGEMENT BOARD
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Financial Highlights

As reported above and in previous years, the level of government funding provided for 2-, 3- and 4-year-olds is set below the cost of delivering the service and the childcare sector continues to operate in challenging conditions, with some of our competitors in York going out of business during the year.

In response we continued to apply tight financial controls during the last year and were pleased to end with a surplus of £112,852 (2021: £72,216). The additional budgetary controls put in place in the year have been successful and have been continued throughout the current financial period. We have also benefitted from a successful insurance claim cushioning the financial blow of reduced trading due to Covid.

The Trustees agreed a fee increase with effect from April 2021, to bring fees in line with local competitors, and a limit on staff appointments within regulatory requirements to ensure we remain in a secure financial position. The restructure of the office function and staffing continues to be monitored. Budget forecasting of 12-15 months will continue to enable us to respond immediately to any variances whilst building up reserves.

Details of our Unrestricted Reserves

The Charity Commission definition of free reserves is “Unrestricted undesignated funds less the book value of Fixed Assets”. At any time, an organisation of this size has reserves tied up in the fixed assets it needs to operate. At 31 March 2022 we had £58,593 (2021: £68,132) tied up in fixed assets. This leaves reserves of £211,320 (2021: £132,286) left as free reserves to support working capital requirements. We are therefore under the level of reserves needed, by £47,280.

Our contracts with parents require them to settle their nursery fees at the start of each month so that we have sufficient funds to pay staff at the end of the month. Many parents comply with the contract, but our cash flow is affected by the means of payment arranged by Government.

Early Years Funding is available for 2-, 3- and 4-year-olds and provides funded nursery care for 38 weeks of the normal school year. Our claims are made at the start of each academic term to the City of York Council. The Council makes payments of 85% of estimated funding entitlement within 4 weeks of the start of term, with settlement of the remaining balance by the next half term.

We have a payroll supporting more than 50 staff and we have the confidence to ensure that we can make salary payments in full at the month end even if there are cash flow problems.

From these items alone, during the last year we needed working capital of at least £85,000.

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Fundraising

Under the terms of its Memorandum (clause 3 (iii) A), York Childcare is open to receiving and raising funds for the benefit of the children attending the nurseries and their families.

Trustees are committed to benefitting children and families directly by providing financial support in response to need through the Assisted Places scheme. Trustees are grateful to one local charity for an annual donation of £1,000 towards the scheme, which is supplemented by discretionary funds allocated by trustees. These funds have been identified as representing the benefit in kind provided by Trustees for their (pro-bono) contributions to York Childcare. In the current circumstances, Trustees will also seek funds from additional sources for the scheme.

Fundraising events are also held by the individual nurseries, though these have been constrained by Covid. Typically proceeds are raised to benefit the individual nursery and another chosen charitable cause.

Remuneration of Key Management Personnel

The Trustees consider the Board of Trustees, the CEO, the Specialist Services Manager and the three Nursery Managers as comprising the key management personnel of the charity, in charge of directing and controlling the charity and running and operating the charity on a day-to-day basis.

All Trustees give of their time freely and no Trustee remuneration was paid in the year and no Trustee expenses were claimed.

The pay of the Charity's senior managers is reviewed annually and normally increased in accordance with average earnings. There is no formal bench-marking policy, but the remuneration set is fair and in line with that paid for similar roles within the private, voluntary and independent nursery sector in York.

PLANS FOR FUTURE PERIODS

Nurseries

We continue to believe that the key to quality childcare is in employing the best staff and in ensuring that their training and support continues during their employment with us.

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We are continuing to ensure that our staff attend in-house training at least twice a year to help them apply the latest initiatives in early years care and education. In addition, the group of staff with a higher level of qualifications fulfil additional responsibilities to improve the quality and variety of care and education at all three settings. An enhancement to salary has been introduced for staff who are the appointed 'graduate leaders' at each setting in conjunction with the additional associated responsibilities. This also fulfils part of our retention strategy to enable us to keep the staff we have supported through years of training. In March 2019, Trustees introduced a programme of Froebel training across each of the nurseries and subsequently developed Froebel child-centred pedagogy to all settings, aiming to provide the highest quality of childcare.

There is still a need for Assisted Places for families who fall outside the Government funding nets and for short term assistance to enable employment opportunities to be taken. There are also short-term requests (e.g., where family income has fallen due to unforeseen circumstances) and we are supportive of these requests for Assisted Places so that the impact of the situation does not fall on the children of the family.

We shall continue to seek further funds to support the Assisted Places for families at IDAS (formerly the York Women's Refuge). However, if we cannot find additional funding, we shall continue to support the places using our own reserves.

Covid 19

The nurseries still felt the impact of the Covid-19 during the last financial year. Instances of Covid sickness amongst staff, as well as holidays deferred from prior periods, put pressure on ratios and in a few instances led to ad-hoc closures of settings.

Outlined in the previous year's report was evidence that working arrangements had changed and parents/carers were continuing to work from home. This is still the case however we still see significant requirements for childcare from families. In accordance with government guidelines, and with our charitable objectives, we have prioritised offering childcare places to vulnerable children in addition to key worker children when places are limited.

Out of School Support Service

During the year it has become apparent that the popularity and high regard of the support service will see our income rise to a level at which we feel is now appropriate to separate off into a new subsidiary company. On 30th March 2022 York Childcare Out Of School Club Support Service Limited was formed.

We shall continue the work with out of school clubs, putting in place support agreements and strengthening settings' existing voluntary committees.

YORK CHILDCARE LIMITED

REPORT OF THE MANAGEMENT BOARD

FOR THE YEAR ENDED 31 MARCH 2022 - CONTINUED

Future work with settings that may request support must be closely monitored and evaluated to ensure that resources are not overstretched. Financial sustainability must continue to be of prime consideration when offering the support service to new settings.

Management Board

In December 2019, the Chair of the Board of Trustees Jo Armistead retired from this position. The decision was taken to share the responsibility of being Chair on a rotational basis, with each of the appointed Trustees accepting responsibility for Chairing scheduled meetings. There have been no other changes to the Board of Trustees, with each Trustee continuing to bring specific valuable expertise to the Management Board. We continue to look for new members of the Management Board with appropriate specialist skills.

REFERENCE AND ADMINISTRATIVE INFORMATION

York Childcare operates three day nurseries known by the users of those settings as Joseph's, Heather's and Scarcroft Green Nurseries. We also operate an Out of School Support Service to support and facilitate out of school care in the York area.

The Company registration number is 02476480 and the Charity registration number is 1008566. The registered office is the principal office sited at The Pavilion, Rawcliffe Lane, York, YO30 6NP.

All members of the Management Board are Directors and Trustees, and they are also members of the Company. They are listed below with the last year of reappointment.

C H Jenkins	Company Secretary	2014
M D Richardson		resigned 14 July 2022
R Welch		2018 appointed 19 December 2018
J M Plummer		2019 appointed 17 April 2019
S Weatherall		2021 appointed 16 June 2021
D L Turner		resigned 16 March 2022

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At the date of this report the senior members of the organisation were as follows:

K Mawson	CEO	
L McKeown	Nursery Manager	Heathers Nursery
D Whatling	Nursery Manager	Josephs Nursery
J Brandt	Nursery Manager	Scarcroft Green Nursery
D Adair	Specialist Services Manager	

The company's agents and advisors were as follows:

Auditor	HPH, Chartered Accountants, 54 Bootham, York
Bankers	HSBC Bank plc, Parliament Street York
Payroll	HPH, Chartered Accountants, 54 Bootham, York
Accountant	Anna Frost from July 2017

YORK CHILDCARE LIMITED
REPORT OF THE MANAGEMENT BOARD
FOR THE YEAR ENDED 31 MARCH 2022 - CONTINUED

STRUCTURE GOVERNANCE AND MANAGEMENT

York Childcare Limited is a company limited by guarantee and has no share capital. The Memorandum and Articles of Association dated 2 March 1990 govern the company and its officers. All members of the Management Board are Directors and Trustees, and they are also members of the company.

At the AGM 2017 the Management Board adopted Model Articles for private companies limited by guarantee. In accordance with the Articles of Association, members of the Management Board (the Trustees of the Charity) retire by rotation every three years. New members of the Management Board are appointed by advertising vacancies and interested parties are invited to attend meetings with the existing Board who take into account the balance of skills needed to provide effective management. The Board follows the procedures recommended by the Charity Commission for the induction of new Trustees.

The maximum number of members of the Company is 25 and liability of each member is limited to such amounts as may be required but not exceeding £1. There are 7 members at the date of this report.

The Management Board is the name given to the Trustees of the charity and the Board of Directors who manage York Childcare Limited. There are at present 4 serving members each with a specific skill that adds value to the organisation. At present, they meet monthly at a formal Board meeting to make such decisions as are required.

The wide range of our Trustees' skill base is used on a regular basis so that matters concerning personnel, accounting, legal, property, early education and childcare issues, IT, banking, marketing and general management are all dealt with. None of the Board receives nor asks for any reward for the services they provide as Trustees. On occasions services are obtained from organisations with whom the Board are connected. Those services are provided at open market under contract tender conditions. In some instances, where the services are clearly provided at a discounted value, then a decision whether or not to accept is made by Trustees not connected with the organisation.

The day-to-day management of the organisation is under the responsibility of the CEO to whom the Nursery Managers report and who deals with all administration of the organisation. The CEO reports directly to the Board.

The Specialist Services Manager deals with all work involving Out of School Clubs and provides specialist support to nurseries when needed and reports to the CEO.

The York Childcare Business Management Team (comprising the HR Coordinator, the Business Manager and the Specialist Services Manager) support the work of the CEO in providing day to day operational support which the nursery managers require.

The Board of Trustees provide line management to the CEO.

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REPORT OF THE MANAGEMENT BOARD
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RISK MANAGEMENT

The Trustees have examined the principal areas of the Charity's operations and considered the major risks, which may arise in each of these areas. In the opinion of the Trustees the Charity has established resources and review systems, which, under normal conditions, should allow the risks, identified by them to be mitigated to an acceptable level in its day-to-day operations.

The principal risks identified in the 2020 - 2021 financial year remain around staff-retention and covid closure risks and the effect on income. With inflation rising and unemployment being particularly low it has become harder and harder to recruit into childcare as many leave the industry or look elsewhere for higher pay.

RESPONSIBILITIES OF THE MANAGEMENT BOARD

Statement of Trustees' Responsibilities for the Financial Statements

Law applicable to charities in England and Wales requires us as the Trustees of York Childcare Ltd to prepare financial statements for each financial year which give a true and fair view of the charity's financial activities during the year and of its financial position at the end of the year. In preparing financial statements giving a true and fair view, our responsibility as Trustees requires us to follow best practice and:

- a) select suitable accounting policies and apply them consistently
- b) make judgements and estimates that are reasonable and prudent
- c) state whether applicable accounting standards have been followed, subject to any departures disclosed and explained in the financial statements, and
- d) prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in operation.

As the Trustees, we are responsible for keeping accounting records which disclose with reasonable accuracy the financial position of the charity at any time and which enable us as Trustees to ensure that the financial statements comply with applicable law. As the Trustees, we are also responsible for safeguarding the assets of the charity and for their proper application, and hence for taking reasonable steps for the prevention and detection of fraud.

RESPONSIBILITIES OF THE MANAGEMENT BOARD

Members of the Management Board

Members of the Management Board, who are Directors for the purpose of company law and Trustees for the purpose of charity law, who served during the year and up to the date of this report are set out in the reference and administration section.

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In accordance with company law, as the company's Directors, we certify that:

so far as we are aware there is no relevant audit information of which the Company's Auditor is unaware, and as the Directors of the company we have taken all the steps that we ought to have taken in order to make ourselves aware of any relevant audit information and to establish that the Charity's Auditor is aware of that information.

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

Auditor

HPH, Chartered Accountants will be nominated at the Annual General Meeting for reappointment and have expressed their willingness to continue in that capacity.

Approved by the Management Board on 7 December 2022 and signed on its behalf by:

R Welch
Director and Trustee

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF YORK CHILDCARE LIMITED

Opinion

We have audited the financial statements of York Childcare Limited for the year ended 31 March 2022 which comprise Statement of Financial Activities, the Balance Sheet, the Cash Flow Statement and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 March 2022 and of its incoming resources and application of resources, including its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the charitable company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the trustees with respect to going concern are described in the relevant sections of this report.

Other information

The trustees are responsible for the other information contained within the annual report. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

HPH

Chartered Accountants

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF YORK CHILDCARE LIMITED

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

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

Matters on which we are required to report by exception

In light of the knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the directors' report included within the Report of the Management Board.

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

- adequate accounting records have not been kept; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the trustees were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies exemption in preparing the Report of the Management Board.

Responsibilities of trustees

As explained more fully in the Management Board's responsibilities statement set out on pages 1 to 13, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF YORK CHILDCARE LIMITED

In preparing the financial statements, the trustees are responsible for assessing the charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

- We obtained an understanding of the legal and regulatory frameworks within which the company operates, focusing on those laws and regulations that have a direct effect on the determination of material amounts and disclosures in the financial statements. The laws and regulations we considered in this context were the Companies Act 2006 together with the Charities Statement of Recommended Practice (FRS102). We assessed the required compliance with these laws and regulations as part of our audit procedures on the related financial statement items.
- In addition, we considered provisions of other laws and regulations that do not have a direct effect on the financial statements but compliance with which might be fundamental to the charitable company's ability to operate or to avoid a material penalty. The laws and regulations we considered in this context were Childcare Act 2006, Health and Safety legislation, Employment legislation, Charity Commission regulations and General Data Protection Regulation (GDPR).
- Auditing standards limit the required audit procedures to identify non-compliance with these laws and regulations to enquiry of the Trustees and other management and inspection of regulatory and legal correspondence, if any.
- We also considered the opportunities and incentives that may exist within the charitable company for fraud.
- We identified the greatest risk of material impact on the financial statements from irregularities, including fraud, to be the override of controls by management and income recognition.

HPH

Chartered Accountants

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF YORK CHILDCARE LIMITED

In response to the risk of irregularities and non-compliance with laws and regulations and risk of fraud, we designed procedures which included but were not limited to: sample testing on the posting of journals, timing of recognition of income, review of trustee's minutes and any correspondence with regulators, and review of accounting estimates.

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. We are not responsible for preventing non-compliance and cannot be expected to detect non-compliance with all laws and regulations. These inherent limitations are particularly significant in the case of misstatement resulting from fraud as this may involve sophisticated schemes designed to avoid detection, including deliberate failure to record transactions, collusion, or the provision of intentional misrepresentations. We are not responsible for preventing fraud and cannot be expected to detect all fraud.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Use of our report

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Sarah Wearing (Senior Statutory Auditor)

For and on behalf of HPH, Statutory Auditor

54 Bootham

York

YO30 7ZX

7 December 2022

YORK CHILDCARE LIMITED
STATEMENT OF FINANCIAL ACTIVITIES
AND INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 MARCH 2022

	Note	Unrestricted Funds £	Restricted Funds £	Endowment Funds £	Total 31 March 2022 £	Total 31 March 2021 £
Income and endowments from:						
Donations and legacies	2	2,391	-	-	2,391	13,852
Charitable activities	3	1,406,830	1,500	-	1,408,330	1,203,607
Investments	4	-	-	40	40	127
Total income		1,409,221	1,500	40	1,410,761	1,217,586
Expenditure on:						
Charitable activities	6	1,296,511	1,398	-	1,297,909	1,145,370
Total expenditure		1,296,511	1,398	-	1,297,909	1,145,370
Net income/(expenditure)		112,710	102	40	112,852	72,216
Transfers between funds		40	-	(40)	-	-
Net movement in funds		112,750	102	-	112,852	72,216
Reconciliation of funds:						
Total funds brought forward	12	233,436	1,982	23,596	259,014	186,798
Total funds carried forward		£ 346,186	£ 2,084	£ 23,596	£ 371,866	£ 259,014

The notes on pages 21 to 30 form part of these financial statements

YORK CHILDCARE LIMITED
BALANCE SHEET AT 31 MARCH 2022
Company Registration Number: 02476480

		Unrestricted Funds	Restricted Funds	Endowment Funds	Year ended 31 March 2022	Year ended 31 March 2021
		£	£	£	£	£
	Note					
Fixed assets						
Tangible fixed assets	8	56,884	1,708	-	58,592	68,132
Investment in subsidiary	9	1	-	-	1	-
		<u>56,885</u>	<u>1,708</u>	<u>-</u>	<u>58,593</u>	<u>68,132</u>
Current assets						
Debtors	10	33,650	-	-	33,650	28,471
Bank balances and cash	19	344,985	376	23,596	368,957	296,366
		<u>378,635</u>	<u>376</u>	<u>23,596</u>	<u>402,607</u>	<u>324,837</u>
Creditors: amounts falling due within one year						
Creditors	11	89,334	-	-	89,334	133,955
		<u>289,301</u>	<u>376</u>	<u>23,596</u>	<u>313,273</u>	<u>190,882</u>
Net current assets						
		<u>346,186</u>	<u>2,084</u>	<u>23,596</u>	<u>371,866</u>	<u>259,014</u>
Total assets less current liabilities						
		<u>£ 346,186</u>	<u>£ 2,084</u>	<u>£ 23,596</u>	<u>£ 371,866</u>	<u>£ 259,014</u>
Funds						
Unrestricted						
Undesignated		268,205	-	-	268,205	198,436
Designated		77,981	-	-	77,981	35,000
Restricted						
Restricted		-	2,084	-	2,084	1,982
Endowment		-	-	23,596	23,596	23,596
Total Funds	12	<u>£ 346,186</u>	<u>£ 2,084</u>	<u>£ 23,596</u>	<u>£ 371,866</u>	<u>£ 259,014</u>

The accounts have been prepared in accordance with the provisions applicable to small companies subject to the small companies regime under the Companies Act 2006 and are for circulation to members of the company.

The notes on pages 21 to 30 form part of these financial statements.

Approved by the Board on 7 December 2022 and signed on its behalf by:

R Welch
Director and Trustee

YORK CHILDCARE LIMITED
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 MARCH 2022

		2022 £	2021 £
Net cash provided by operating activities	Note 17	72,592	111,196
Cash flow from investing activities:			
Purchase of tangible fixed assets		(1)	(2,091)
Net cash provided used in investing activities		<u>(1)</u>	<u>(2,091)</u>
Change in cash and cash equivalents in the reporting period		72,591	109,105
Cash and cash equivalents at beginning of the reporting period		296,366	187,261
Cash and cash equivalents at end of the reporting period	19	<u>£368,957</u>	<u>£296,366</u>

The notes on pages 21 to 30 form part of these financial statements.

YORK CHILDCARE LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022

1. ACCOUNTING POLICIES

The principal accounting policies adopted, judgements and key sources of estimation uncertainty in the preparation of the financial statements are as follows:

a) Legal entity

York Childcare Limited is regulated by the Charity Commission (1008566), limited by guarantee and is registered in England and Wales. The address of the registered office and principle place of business is The Pavilion, Rawcliffe Lane, York, YO30 6NP.

b) Basis of preparation

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019) - (Charities SORP (FRS 102)), and the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

York Childcare Limited meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy note(s).

c) Preparation of the accounts on a going concern basis

The financial statements have been prepared on a going concern basis. This assertion is supported by budgets and forecasts, together with the on-going monitoring of the impact of the pandemic by the board detailed in the Report of the Management Board. The directors and trustees, having considered the foregoing and having made due enquiries, continue to adopt the going concern basis in preparing the financial statements which assumes that the charitable company will continue in operation for the foreseeable future.

d) Income recognition

Income is recognised when the charity has entitlement to the funds, any performance conditions attached to the item(s) of income have been met, it is probable that the income will be received and the amount can be measured reliably.

e) Donated services and facilities

Donated professional and other services, and donated facilities, are recognised as income when the charity has control over the item, any conditions associated with the donated item have been met, the receipt of economic benefit from the use by the charity of the item is probable and that economic benefit can be measured reliably. In accordance with the Charities SORP (FRS 102).

On receipt, donated professional and other services, and donated facilities, are recognised on the basis of the value of the gift to the charity which is the amount the charity would have been willing to pay to obtain services or facilities of equivalent economic benefit on the open market; a corresponding amount is then recognised in expenditure in the period of receipt.

There have been no donated professional or other services received during the year.

YORK CHILDCARE LIMITED
NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 31 MARCH 2022

1. ACCOUNTING POLICIES (continued)

f) Expenditure and irrecoverable VAT

Expenditure is recognised once there is a legal or constructive obligation to make a payment to a third party, it is probable that settlement will be required and the amount of the obligation can be measured reliably.

Costs of charitable activities include those costs incurred by the charity in the delivery of its activities and services for its beneficiaries. Costs relating to a particular activity are allocated directly as set out in note 6.

Irrecoverable VAT is charged as a cost against the activity for which the expenditure was incurred.

Support costs are those functions that assist the work of the charity but do not directly undertake charitable activities. Support costs include back office costs, finance, personnel, payroll and governance costs which support the charity's activities. These costs have been allocated to expenditure on charitable activities.

g) Fund accounting

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

Designated funds are funds set aside by trustees out of unrestricted general funds for specific future purposes or projects.

Restricted and Endowment funds are funds which are used in accordance with specific restrictions imposed by donors.

h) Tangible fixed assets and depreciation

Tangible fixed assets are included in the financial statements at their historical cost (in the case of donated assets, at their fair value at the date of acquisition). Tangible fixed assets are capitalised when the cost exceeds £1,000.

Depreciation of tangible fixed assets is provided at the following annual rates in order to write off each asset over its estimated useful life:

Leasehold alterations	over the term of the lease
Fixtures, fittings and equipment	over 10 years
Nursery equipment	over 5 years
Computer equipment	over 3 years

i) Pension scheme

The cost of providing pension benefits is charged to the SOFA on the basis of employer contributions accruing in the period.

j) Operating leases

Rentals payable under operating leases are charged on a straight line basis over the lease term.

k) Debtors

Trade and other debtors are recognised at the settlement amount due after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due.

YORK CHILDCARE LIMITED
NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 31 MARCH 2022

1. ACCOUNTING POLICIES (continued)

l) Cash at bank and in hand

Cash at bank and cash in hand includes cash and short term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

m) Creditors and provisions

Creditors and provisions are recognised where the charity has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors and provisions are normally recognised at their settlement amount after allowing for any trade discounts due.

n) Financial instruments

The trust only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value with the exception of bank loans which are subsequently measured at amortised cost using the effective interest method.

o) Government Grants

The government has made the following grants available to the charitable company which have been recognised as income using the accrual model.

Coronavirus Job Retention Scheme

Grant income is recognised when the conditions for receipt have been met and there is reasonable assurance that the grant will be received. It is then recognised in income on a systematic basis over the periods in which the entity recognises the related costs for which the grant is intended to compensate, except where the grant is compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the entity with no future related costs in which case it is recognised as income in the period in which it becomes receivable.

YORK CHILDCARE LIMITED
NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 31 MARCH 2022

	Unrestricted Funds £	Restricted Funds £	Endowment Funds £	Total 2022 £	Total 2021 £
2. DONATIONS AND LEGACIES					
Donations and covenants	£ 2,391	£ -	£ -	£ 2,391	£ 13,852

Donations received during the year were from S and C Shepherd Charity (£2,000) and various smaller donations.

In 2021 no donations and legacies related to Restricted Funds.

	Unrestricted Funds £	Restricted Funds £	Endowment Funds £	Total 2022 £	Total 2021 £
3. CHARITABLE ACTIVITIES					
Nursery fees	1,266,421	-	-	1,266,421	987,029
Out of school management services	78,846	-	-	78,846	54,927
Government grants - CJRS scheme	-	-	-	-	90,968
Grants receivable	12,220	1,500	-	13,720	-
Other income	49,343	-	-	49,343	70,683
	<u>£ 1,406,830</u>	<u>£ 1,500</u>	<u>£ -</u>	<u>£ 1,408,330</u>	<u>£ 1,203,607</u>

In 2021 no income from charitable activities related to Restricted Funds.

	Unrestricted Funds £	Restricted Funds £	Endowment Funds £	Total 2022 £	Total 2021 £
4. INVESTMENT INCOME					
Bank interest receivable	£ -	£ -	£ 40	£ 40	£ 127

In 2021 £127 related to Endowment Funds.

5. NET INCOME FOR THE YEAR

Net income for the year is stated after charging:

	2022 £	2021 £
Depreciation	9,540	9,325
Rent on short leaseholds	63,037	63,037
Auditor's remuneration	4,662	3,960
audit other services	4,309	4,313

YORK CHILDCARE LIMITED
NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 31 MARCH 2022

6. TOTAL EXPENDITURE

	Staff costs £	Direct costs £	Allocated costs £	Total 2022 £	Total 2021 £
Nurseries					
Grants paid as Assisted Places	-	-	6,990	6,990	6,483
Other costs	876,154	250,315	-	1,126,469	980,871
Out of school management services					
Other costs	53,870	12,313	-	66,183	61,234
Out of school services					
Grants paid to clubs	-	-	526	526	1,765
Office and governance costs					
	88,843	4,236	4,662	97,741	95,017
	<u>£ 1,018,867</u>	<u>£ 266,864</u>	<u>£ 12,178</u>	<u>£ 1,297,909</u>	<u>£ 1,145,370</u>

In 2021 £137 of expenditure related to Restricted Funds.

7. EMPLOYEE INFORMATION

The aggregate payroll costs of the Charitable Company for the period are as follows:	2022 £	2021 £
Salaries	951,734	847,463
Social security costs	53,072	47,640
Pension costs	14,061	13,676
	<u>£ 1,018,867</u>	<u>£ 908,779</u>

Average number of employees for the period

	No.	No.
Nursery staff	60	59
Office staff	4	4
Out of school service staff	2	2
	<u>66</u>	<u>65</u>

During the year no employees were paid emoluments amounting to £60,000 or more (2021 - none) .

Included in the above figures are 29 (2021 - 29) part-time employees, working less than 37.5 hours per week. It is not possible to calculate the number of full-time equivalent staff because of the variable hours worked during the year by the part-time employees.

The charity administers contributions to a stakeholder pension scheme open to all staff and contributes 2% of gross pay for employees who have joined the scheme. In addition the charity has in place a Workplace pension scheme with NEST and employer contributions are currently made at the rate of 3% of gross pay for eligible employees who have joined the scheme.

The key management personnel of the charity, comprise the Management Board, the CEO, the Out of School Service Manager and the three Nursery Managers. The total employee benefits of the key management personnel of the charity were £176,692 (2021 - £159,365).

YORK CHILDCARE LIMITED
NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 31 MARCH 2022

8. TANGIBLE FIXED ASSETS	Leasehold alterations	Nursery equipment	OOSMS equipment	Total
	£	£	£	£
<u>Cost</u>				
At 1 April 2021	270,331	187,904	899	459,134
Additions	-	-	-	-
At 31 March 2022	270,331	187,904	899	459,134
<u>Depreciation</u>				
At 1 April 2021	207,018	183,085	899	391,002
Charge for year	8,463	1,077	-	9,540
At 31 March 2022	215,481	184,162	899	400,542
<u>Net Book Value</u>				
At 31 March 2022	£ 54,850	£ 3,742	£ -	£ 58,592
At 31 March 2021	£ 63,313	£ 4,819	£ -	£ 68,132

All fixed assets held are for charitable use. £1,708 (2021 - £1,982) related to Restricted Funds.

Note 14 Operating lease commitments sets out the terms of the leases.

9. INVESTMENTS

The charity's investment is in its wholly owned trading subsidiary York Childcare Out of School Club Support Service Ltd, whose share capital was acquired for £1 on 30 March 2022.

10. DEBTORS	2022	2021
	£	£
Income debtors	20,181	15,520
Other debtors	164	1,473
Prepayments and accrued income	13,305	11,478
	£ 33,650	£ 28,471

In 2021 no debtors related to Restricted Funds.

11. CREDITORS - amounts falling due within one year

Trade creditors	10,534	9,650
Fees and bonds paid in advance	45,565	79,416
Taxation and social security	13,593	12,583
Accruals	11,316	26,432
Other creditors	8,326	5,874
	£ 89,334	£ 133,955

Fees and bonds paid in advance

Brought forward balance	79,416	91,556
Deferred in the year	6,565	7,430
Released in the year	(40,416)	(19,570)
Carried forward balance	£ 45,565	£ 79,416

In 2021 no creditors related to Restricted Funds.

YORK CHILDCARE LIMITED
NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 31 MARCH 2022

12. FUNDS

	As at 01/04/2021 £	Income £	Expenditure £	Transfers £	As at 31/03/2022 £
Unrestricted:					
Undesignated	198,436	1,409,221	(1,293,986)	(45,466)	268,205
Designated - Roof Repairs	35,000	-	(2,525)	45,506	77,981
Restricted:					
Capital Access Grant - SGN	1,982	-	(274)	-	1,708
Green Spaces - SGN	-	1,500	(1,124)	-	376
Endowment	23,596	40	-	(40)	23,596
Total funds	£ 259,014	£ 1,410,761	£(1,297,909)	£ -	£ 371,866
	As at 01/04/2020 £	Income £	Expenditure £	Transfers £	As at 31/03/2021 £
Unrestricted:					
Undesignated	161,083	1,217,459	(1,145,233)	(34,873)	198,436
Designated - Roof Repairs	-	-	-	35,000	35,000
Restricted:					
Capital Access Grant - SGN	2,119	-	(137)	-	1,982
Endowment	23,596	127	-	(127)	23,596
Total funds	£ 186,798	£ 1,217,586	£(1,145,370)	£ -	£ 259,014

Purposes of the funds and transfers between funds

Unrestricted designated funds

The Roof Repairs Fund is for repair of Heather's Nursery roof. This was repaired in the year ended 31 March 2023.

YORK CHILDCARE LIMITED
NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 31 MARCH 2022

12. FUNDS (continued)

Restricted funds

The Capital Access Grants are grants funded under the Early Years Foundation Scheme initiative. These grants are for equipment purchases approved by City of York Council. The expenditure reflects the amount written off on the same basis as the depreciation rate of the fixed asset or the actual expenditure if the item is not capitalised.

The Green Spaces funds were received by Scarcroft Green Nursery to spend on the allotment area.

The balances of the Restricted funds are held in either liquid assets or are held as fixed assets where that was the purpose of the fund.

Endowment fund

The terms of the endowment are that investment income be used towards the cost of Assisted Places at the nurseries. The Trustees have the power to invest and are permitted to make use of the investment funds as security for borrowings for development purposes. The endowment is currently invested in a cash deposit account in order to provide security for borrowings in connection with Scarcroft Green Nursery.

The Endowment income £40 (2021 - £127) was transferred to the Unrestricted Fund in accordance with the terms of the endowment to fund Assisted Nursery Places.

13. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Unrestricted Undesignated Funds £	Designated Funds £	Restricted Funds £	Endowment Funds £	Total Funds £
Tangible fixed assets	56,885	-	1,708	-	58,593
Current assets	300,654	77,981	376	23,596	402,607
Current liabilities	(89,334)	-	-	-	(89,334)
At 31 March 2022	£ 268,205	£ 77,981	£ 2,084	£ 23,596	£ 371,866
	Unrestricted Undesignated Funds £	Designated Funds £	Restricted Funds £	Endowment Funds £	Total Funds £
Tangible fixed assets	66,150	-	1,982	-	68,132
Current assets	266,241	35,000	-	23,596	324,837
Current liabilities	(133,955)	-	-	-	(133,955)
At 31 March 2021	£ 198,436	£ 35,000	£ 1,982	£ 23,596	£ 259,014

YORK CHILDCARE LIMITED
NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 31 MARCH 2022

14. OPERATING LEASE COMMITMENTS

The total future value of minimum lease payments is as	2022	2021
	£	£
Within one year	71,625	45,363
Within two to five years	222,873	89,896
After more than five years	65,024	48,694
	<hr/>	<hr/>
	£ 359,522	£ 183,953
	<hr/> <hr/>	<hr/> <hr/>

The amount of non-cancellable operating lease payments recognised as an expense during the period was £63,037 (2021 - £46,674).

15. TRANSACTIONS WITH DIRECTORS, TRUSTEES AND RELATED PARTIES

No remuneration, benefits or expenses were received by any directors or trustees during the year in respect of their services to the Charitable Company. There are no other related party transactions (2021 - none).

16. CONSTITUTION

York Childcare Limited is a company limited by guarantee, number 02476480. In the event of the Charitable Company being wound up, the liability of the members is limited to one pound.

17. TAXATION

As a registered charity, York Childcare Limited is exempt from the tax on income falling within sections 466 to 493 of the Corporation Tax Act 2010 to the extent that this is applied to its charitable objects. No tax charges have arisen in the Company.

18. RECONCILIATION OF NET INCOME TO NET CASH FLOW FROM OPERATING ACTIVITIES

	2022	2021
	£	£
Net income for the reporting period	112,852	72,216
Depreciation of tangible fixed assets	9,540	9,325
Decrease/(increase) in debtors	(5,179)	15,264
Increase /(decrease) in creditors	(44,621)	14,391
	<hr/>	<hr/>
Net cash provided by operating activities	£ 72,592	£ 111,196
	<hr/> <hr/>	<hr/> <hr/>

YORK CHILDCARE LIMITED
NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 31 MARCH 2022

19. ANALYSIS OF CASH AND CASH EQUIVALENTS	2022	2021
	£	£
Cash at bank and in hand	368,957	296,366
Total cash and cash equivalents	£ 368,957	£ 296,366

20. ANALYSIS OF CHANGES IN NET DEBT	At 01/04/2021	Cash-flows	At 31/03/2022
	£	£	£
Cash at bank and in hand	296,366	72,591	368,957
	£ 296,366	£ 72,591	£ 368,957

21. COMPARATIVE STATEMENT OF FINANCIAL ACTIVITIES

	Unrestricted Funds £	Restricted Funds £	Endowment Funds £	31 March 2021 £
Income and endowments from:				
Donations and legacies	13,852	-	-	13,852
Charitable activities	1,203,607	-	-	1,203,607
Investments	-	-	127	127
Total income	1,217,459	-	127	1,217,586
Expenditure on:				
Charitable activities	1,145,233	137	-	1,145,370
Total expenditure	1,145,233	137	-	1,145,370
Net income / (expenditure)	72,226	(137)	127	72,216
Transfers between funds	127	-	(127)	-
Net movement in funds	72,353	(137)	-	72,216
Reconciliation of funds:				
Total funds brought forward	161,083	2,119	23,596	186,798
Total funds carried forward	£ 233,436	£ 1,982	£ 23,596	£ 259,014

*The following pages do not form part of the statutory financial statements
and contain unaudited information*

YORK CHILDCARE LIMITED
DETAILED INCOME AND EXPENDITURE ACCOUNT
FOR THE YEAR ENDED 31 MARCH 2022

	2022	2021
	£	£
INCOME		
Nursery fees	1,266,421	987,029
Out of school management services	78,846	54,927
Grants receivable	13,720	-
Government grants - CJRS scheme	-	90,968
Donations	2,391	13,852
Other income	49,343	70,683
	1,410,721	1,217,459
Bank interest receivable	40	127
	£ 1,410,761	£ 1,217,586
TOTAL INCOME	£ 1,410,761	£ 1,217,586

YORK CHILDCARE LIMITED
DETAILED INCOME AND EXPENDITURE ACCOUNT - continued
FOR THE YEAR ENDED 31 MARCH 2022

	2022		2021	
	£	£	£	£
TOTAL INCOME - brought forward		1,410,761		1,217,586
Direct charitable expenditure				
Nurseries				
Payroll and staff costs	876,154		770,782	
Advertising and marketing	10,835		6,436	
Bad debts	212		1,305	
Bank charges	2,239		3,260	
Books and publications	228		21	
Cleaning contracts	19,518		15,599	
Computer costs	5,189		3,070	
Consumables	28,625		19,967	
CRB/DBS checks	1,101		973	
Depreciation	8,773		8,945	
Discounts	14,800		8,544	
Franking machine lease	8,756		7,578	
Insurances	12,237		8,756	
Medical costs	3,182		3,424	
Membership fees	637		364	
Miscellaneous expenses	333		1,390	
Ofsted annual inspection fees	675		660	
Paid grants - assisted places	6,990		6,483	
Photocopying	4,908		4,049	
Postage	8		(54)	
Professional fees - accountancy	6,363		6,219	
Professional fees - audit	-		-	
Professional fees - legal	-		13	
Professional fees - payroll bureau	4,309		4,313	
Profit and loss on disposal of fixed assets	-		-	
Rates	1,913		-	
Rent	61,130		61,130	
Repairs and maintenance	15,611		15,152	
Staff uniforms	2,207		1,875	
Stationery	1,152		624	
Subscriptions	2,096		2,008	
Telephone and internet	5,504		4,699	
Toys and play items	4,597		2,497	
Training	3,997		2,277	
Travel	7		24	
Utilities	19,173		14,971	
	19,173		14,971	
		(1,133,459)		(987,354)
NET INCOME - carried forward		£ 277,302		£ 230,232

YORK CHILDCARE LIMITED
DETAILED INCOME AND EXPENDITURE ACCOUNT - continued
FOR THE YEAR ENDED 31 MARCH 2022

	2022		2021	
	£	£	£	£
NET INCOME - brought forward		277,302		230,232
Direct charitable expenditure				
Out of school management services				
Payroll and staff costs	53,870		50,435	
Advertising and marketing	264		288	
Bank charges	1,028		32	
Books and publications	41		-	
Cleaning contracts	430		259	
Computer costs	1,616		1,430	
CRB/DBS checks	26		26	
Franking machine lease	-		48	
Insurances	2,614		2,228	
Medical costs	121		110	
Photocopying	165		182	
Postage & stationery	10		70	
Professional fees - accounts	2,079		2,420	
Rent	1,907		1,907	
Subscriptions	532		302	
Telephone and internet	997		1,078	
Training	63		-	
Travel	11		56	
Utilities	409		363	
	66,183		61,234	
Paid grants to clubs	526		1,765	
	66,709		62,999	
Office & governance costs				
Payroll and staff costs	88,843		87,562	
Consumables	112		158	
Insurances	2,614		2,228	
Depreciation	767		380	
Photocopying	692		633	
Postage	51		96	
Professional fees - audit	4,662		3,960	
	97,741		95,017	
		(164,450)		(158,016)
NET INCOME		£ 112,852		£ 72,216