

Company Number: 02476480
Charity Number: 1008566

YORK CHILDCARE LIMITED
A company limited by guarantee
TRUSTEES' ANNUAL REPORT
AND
CONSOLIDATED FINANCIAL STATEMENTS
for the year ended
31 March 2023

HPH
Chartered Accountants
54 Bootham
YORK
YO30 7XZ

YORK CHILDCARE LIMITED
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023

CONTENTS	<i>page</i>
Report of the Management Board	<i>1 to 10</i>
Auditor's Report	<i>11 to 14</i>
Consolidated Statement of Financial Activities	<i>15</i>
Consolidated and Charity Balance Sheets	<i>16</i>
Consolidated and Charity Cash Flow Statement	<i>17</i>
Notes to the Consolidated Financial Statements	<i>18 to 29</i>

YORK CHILDCARE LIMITED
REPORT OF THE MANAGEMENT BOARD
FOR THE YEAR ENDED 31 MARCH 2023

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 2023.

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 post-code 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.
- 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.

YORK CHILDCARE LIMITED
REPORT OF THE MANAGEMENT BOARD
FOR THE YEAR ENDED 31 MARCH 2023 - CONTINUED

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:

	2023	2022
	£	£
Assisted places including additional support for Funded 2-year-olds and other Children attending under Early Years places	9,457	6,990
Out of School Support Service fees and other costs waived	-	526
	<hr/> £9,457 <hr/>	<hr/> £7,516 <hr/>

The start of 2023 marked the retirement of Karen Mawson, CEO of York Childcare Ltd. Karen dedicated over 20 years of service to the organization and will be very much missed by staff, colleagues, children and their families. With the retirement of Karen, we redeveloped the job description of CEO, and have recruited a full-time Director of Operations. Victoria Smith joined us in May and comes from a strong background in early education and business, having co-owned a private day nursery and teaching at both college and university levels. We look forward to working with Victoria moving forward.

Nurseries

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.

A number of external factors have had a significant impact on our operations throughout 2022-23. Increases in fuel costs, inflation and rises in the National Minimum Wage have presented constant challenges to deal with, and it is well documented in the media that recruitment in the Early Years sector reached an all-time low during this period. We have really felt the impact of this, and due to staffing shortages offered reduced operating hours across all nursery settings at points in the year.

Despite the above factors 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.

YORK CHILDCARE LIMITED

REPORT OF THE MANAGEMENT BOARD

FOR THE YEAR ENDED 31 MARCH 2023 - CONTINUED

After months of planning, we are pleased to have completed major works that were required at Heather's Nursery early in the financial year, undertaking a full re-roofing of the premises followed by extensive redecoration and general updating of the setting. This has been financed by designated funds set aside over three years. Staff have been commended for how well they managed the disruption that this caused, with minimal impact on operating hours or families relating to this. The new roof and associated refresh of the building has provided a boost to staff morale during a period of difficulty surrounding recruitment at the setting.

We continue to 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. In reviewing staff salaries this year, we have begun to review the benefits that we offer to staff; this will be a piece of ongoing work into the next financial year.

We understand that the relationship between parents, carers and the nurseries is key to ensure we provide a well-rounded and nurturing experience in all aspects of nursery life, encompassing the needs of the children, local community and beyond. To maintain this partnership, parents and carers have regular contact with their nursery, primarily through the Key Person allocated for their child but also keep up to date through attending informal events at the nurseries, such as 'Stay-and-Play' afternoons, and regular newsletters to keep everyone up to date with day-to-day nursery life and events.

Our website was updated this year, and provides a fresh and revitalised 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 support 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. 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.

- 12 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 11 (2022: 14).
- The average number families benefitting from the Assisted Places scheme each month was 6 (2022: 6).

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 30 hours for working parents. Our staff work with parents to ensure that this provision is as flexible as it can be. As the level of funding provided continues to be set below the cost of delivering the service, additional charges are made for meals, activities and equipment to mitigate losses, as mirrored across the sector.

YORK CHILDCARE LIMITED

REPORT OF THE MANAGEMENT BOARD

FOR THE YEAR ENDED 31 MARCH 2023 - CONTINUED

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 123 (2022: 130) children receiving Early Years funding and to an average of 11 (2022: 14) 2-year-olds a term receiving Early Years funding.

Occupancy at Joseph's, Heather's and Scarcroft Green Nurseries has remained steady despite the temporary closures that were made due to staffing issues across each setting.

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. The nurseries continue to provide childcare for families at IDAS (the Independent Domestic Abuse Service, formerly known as York Women's Refuge) as and when the need arises.

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.

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. Heather's 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 specific resources and play equipment to enhance the learning opportunities for the children and ensure an inclusive experience is had by all.

Out of School Support Service

Since its birth in 2006 the Out of School Club Support Service has gone from strength to strength. Having previously worked within the childcare sector at City of York Council, our Support Services Manager has built on her skills and extensive knowledge and currently supports five individual clubs and more than 20 trustees. These clubs remain individual charitable entities who have a contractual relationship with our Support Service and receive a range of high-quality advice and assistance, including trustee support, quality improvement, training, safeguarding support and updates, payroll and bookkeeping from a dedicated small team based at York Childcare Ltd head office. We make a charge of 10% of monthly turnover which covers all the services we provide, including telephone access to our support service staff team five days a week. As the clubs are charities, we understand that, even with the financial expertise provided, times can sometimes be hard. Where clubs experience difficulties paying our fee, they can approach York Childcare Ltd for a short-term reduction in fees as set out in the agreement between the club and the Service. Where users of the clubs face hardship, the Assisted Places scheme is available in all the settings we support and with the agreement of club trustees is independently financed by each setting.

YORK CHILDCARE LIMITED
REPORT OF THE MANAGEMENT BOARD
FOR THE YEAR ENDED 31 MARCH 2023 - CONTINUED

In all there are approximately 1,500 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, and the availability of one-to-one support with each club manager ensures not only better outcomes in terms of childcare and Ofsted ratings but helps to build relationships within the community, local schools, the local authority, and York as a whole.

Due to its continuing success, we have moved the Service into a separate trading company, known as York Childcare Out of School Club Support Service Ltd. Future plans for the company are to continue to provide the outstanding service to its current Clubs, whilst looking to expand further afield and offer a range of bespoke services to more charitable organisations to support the sector to go from strength to strength in York and the surrounding area.

Following its successful inception in 2018, we will be hosting another Out of School Club sector conference in 2023 providing National Keynote Speakers from across the sector, workshops and information pertaining to the sector. This is a free event for our Services users and is designed to support an increase in quality, knowledge and understanding of varying topics in the York Out of School Club community. We hope to make this an annual event.

FINANCIAL REVIEW

Reserves Policy

The Trustees carried out their annual review of the level of reserves needed to be held in order to cover costs in the event of sudden and unforeseen closure. It is our policy that we should have enough cash reserves in the bank to cover payroll, rent and utilities for a month, plus redundancy costs. It is also our policy to retain in designated reserves any significant investments and expenditure we will be required to cover outside of normal activities in the next 12 months or beyond, depending on the level of foreseeable expenditure. Based on the 2023 figures, and with no capital or other significant expenditure on the horizon, this is approximately £100,000. This is held within unrestricted reserves and is on top of funds held for day-to-day working capital purposes as described below.

Only in exceptional circumstances can these reserves be spent and must be formally agreed and ratified by the board.

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.

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.

The charity has also spent over £96k this year on roof repairs most of this money had been designated in the prior year with only £18k being spent from free reserves. Overall this has led to the deficit of £165,822 made in the year (Surplus 2022: £112,852). The additional budgetary controls put in place last year continue to be successful and have been backed up by monthly cash flow forecasts.

YORK CHILDCARE LIMITED
REPORT OF THE MANAGEMENT BOARD
FOR THE YEAR ENDED 31 MARCH 2023 - CONTINUED

The Trustees agreed a fee increase with effect from April 2023, taking into consideration the rate of inflation, increased utility costs, increases to the National Minimum Wage and a review of staff salaries. 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 2023 we had £49,122 (2022: £58,593) tied up in fixed assets. This leaves reserves of £131,981 (2022: £211,320) left as free reserves to support working capital requirements.

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, or free reserves, of at least £100,000.

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 £2,000 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 the frequency of these has been constrained this year due to staff shortages. Typically proceeds are raised to benefit the individual nursery and another chosen charitable cause. Scarcroft Green nursery will be celebrating its 20th anniversary in September 2023; a fundraising event and party is planned for this.

Remuneration of Key Management Personnel

The Trustees consider the Board of Trustees, the Director of Operations, 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 Trustee expenses amounting to £13 were claimed for ID checking at the bank.

YORK CHILDCARE LIMITED

REPORT OF THE MANAGEMENT BOARD

FOR THE YEAR ENDED 31 MARCH 2023 - CONTINUED

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.

We 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. We continue to offer an enhancement to salaries for staff who are the appointed 'graduate leaders' at each setting in conjunction with the additional associated responsibilities.

Reviewing staff benefits will be a priority for the next financial year, as will a focus on prioritizing staff retention and recruitment; plans include the introduction of recruitment open days at settings, and developing relationships with our local Jobcentre to ensure that they are up to date with our current vacancies and can support suitable jobseekers to consider York Childcare Ltd as a future employer.

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.

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
R Welch		Resigned 30 April 2023
J M Plummer		2019
S Weatherall		2021
J M Jenkins		2023 appointed 15 August 2023
D Stafylas		2023 appointed 15 August 2023
J M Hickie		2023 appointed 15 August 2023

YORK CHILDCARE LIMITED
REPORT OF THE MANAGEMENT BOARD
FOR THE YEAR ENDED 31 MARCH 2023 - CONTINUED

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

V Smith	Director of Operations	Head Office
A Wheatland	Nursery Manager	Heather's Nursery
D Whatling	Nursery Manager	Joseph's Nursery
J Brandt	Nursery Manager	Scarcroft Green Nursery
D Adair	Specialist Services Manager	Head Office

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

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 6 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 6 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 occasion, 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.

YORK CHILDCARE LIMITED
REPORT OF THE MANAGEMENT BOARD
FOR THE YEAR ENDED 31 MARCH 2023 - CONTINUED

The day-to-day management of the organisation is under the responsibility of the Director of Operations to whom the Nursery Managers report and who deals with all administration of the organisation. The Director of Operations 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 Director of Operations.

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

The Board of Trustees provide line management to the Director of Operations.

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 remain around staff recruitment and retention and the effect on occupancy and income. With inflation rising and unemployment being particularly low it has become harder and harder to recruit staff 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.

YORK CHILDCARE LIMITED
REPORT OF THE MANAGEMENT BOARD
FOR THE YEAR ENDED 31 MARCH 2023 - CONTINUED

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.

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 6 December 2023 and signed on its behalf by:

Trustee

YORK CHILDCARE LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES OF YORK CHILDCARE LIMITED FOR THE YEAR ENDED 31 MARCH 2023

Opinion

We have audited the financial statements of York Childcare Limited (the "charitable company") for the year ended 31 March 2023 which comprise consolidated Statement of Financial Activities, consolidated and Charity Balance Sheets, consolidated and Charity Statement of Cash Flows, and notes to the consolidated financial statements, including significant accounting. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the group's and the charitable company's affairs as at 31 March 2023 and of the group's 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 and the Charities Act 2011.

Basis for opinion

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

Conclusions relating to going concern

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

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the 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.

YORK CHILDCARE LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES OF YORK CHILDCARE LIMITED FOR THE YEAR ENDED 31 MARCH 2023

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 trustees' report, 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 trustees' report have 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 group and the charitable company and their environment obtained in the course of the audit, we have not identified material misstatements in the directors' report included within the trustees' report.

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

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

Responsibilities of trustees

As explained more fully in the trustees' responsibilities statement set out on pages 9 to 10, 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.

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

YORK CHILDCARE LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES OF YORK CHILDCARE LIMITED FOR THE YEAR ENDED 31 MARCH 2023

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

We have been appointed as auditor under section 151 of the Charities Act 2011 and under the Companies Act 2006 and report in accordance with the Acts and relevant regulations made or having effect thereunder

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 charity 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 Charities Act 2011, the Statement of Recommended Practice, employment laws, health and safety legislation and Food Safety and Hygiene Regulations.
- We identified the greatest risk of material impact on the financial statements from irregularities, including fraud, to be the override of controls by management, related party transactions and income recognition. Our audit procedures to respond to these risks included enquiries of trustees and management about their own identification and assessment of the risks of irregularities, sample testing on the posting of journals, review of trustee minutes and reviewing accounting estimates for biases.
- 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.

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.

YORK CHILDCARE LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES OF YORK CHILDCARE LIMITED FOR THE YEAR ENDED 31 MARCH 2023

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, and to the charitable company's trustees, as a body, in accordance with Part 4 of the Charities (Accounts and Reports) Regulations 2008. Our audit work has been undertaken so that we might state to the charitable company's members and trustees 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, the charitable company's members as a body and the charitable company's trustees as a body, for our audit work, for this report, or for the opinions we have formed.

HPH, Chartered Accountants

Statutory Auditor

54 Bootham

YORK

YO30 7XZ

6 December 2023

HPH Accountants LLP is eligible for appointment as auditor of the charity by virtue of its eligibility for appointment as auditor of a company under section 1212 of the Companies Act 2006.

YORK CHILDCARE LIMITED
CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES
FOR THE YEAR ENDED 31 MARCH 2023

	Note	Unrestricted Funds £	Restricted Funds £	Endowment Funds £	Total 31 March 2023 £	Total 31 March 2022 £
Income and endowments from:						
Donations and legacies	2	2,144	-	-	2,144	2,391
Charitable activities	3	1,277,663	-	-	1,277,663	1,408,330
Income from other trading activities	6	89,718	-	-	89,718	-
Investments	4	-	-	1,003	1,003	40
Total income		1,369,525	-	1,003	1,370,528	1,410,761
Expenditure on:						
Other trading activities	6	73,893	-	-	73,893	-
Charitable activities	7	1,461,718	739	-	1,462,457	1,297,909
Total expenditure		1,535,611	739	-	1,536,350	1,297,909
Net income/(expenditure)		(166,086)	(739)	1,003	(165,822)	112,852
Transfers between funds		1,003	-	(1,003)	-	-
Net movement in funds		(165,083)	(739)	-	(165,822)	112,852
Reconciliation of funds:						
Total funds brought forward	13	346,186	2,084	23,596	371,866	259,014
Total funds carried forward		£ 181,103	£ 1,345	£ 23,596	£ 206,044	£ 371,866

The notes on pages 18 to 29 form part of these financial statements

YORK CHILDCARE LIMITED
CONSOLIDATED AND CHARITY BALANCE SHEETS
AS AT 31 MARCH 2023

Company Registration Number: 02476480

	Note	Consolidated		Charlty only	
		2023	2022	2023	2022
		£	£	£	£
Fixed assets					
Tangible fixed assets	9	49,122	58,592	49,122	58,592
Investment in subsidiary	10	-	-	1	1
		49,122	58,592	49,123	58,593
Current assets					
Debtors	11	71,481	33,650	63,864	33,650
Bank balances and cash	21	208,614	368,957	188,760	368,957
		280,095	402,607	252,624	402,607
Creditors: amounts falling due within one year					
Creditors	12	123,173	89,333	95,703	89,334
		156,922	313,274	156,921	313,273
Net current assets					
Total assets less current liabilities					
		206,044	371,866	206,044	371,866
Net assets					
		£ 206,044	£ 371,866	£ 206,044	£ 371,866
Funds					
Unrestricted					
Undesignated		181,103	268,205	181,103	268,205
Designated		-	77,981	-	77,981
Restricted					
Restricted		1,345	2,084	1,345	2,084
Endowment		23,596	23,596	23,596	23,596
		1,345	2,084	1,345	2,084
		23,596	23,596	23,596	23,596
Total Funds					
	13	£ 206,044	£ 371,866	£ 206,044	£ 371,866

The notes on pages 18 to 29 form part of these financial statements.

Approved by the Board on 6 December 2023 and signed on its behalf by:

Director and Trustee

YORK CHILDCARE LIMITED
CONSOLIDATED AND CHARITY STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 MARCH 2023

	Note	Consolidated		Charity only	
		2023	2022	2023	2022
		£	£	£	£
Net cash provided by operating activities	20	(160,343)	72,591	(180,197)	72,592
Cash flow from investing activities:					
Purchase of tangible fixed assets		-	-	-	(1)
Net cash provided used in investing activities		-	-	-	(1)
Change in cash and cash equivalents in the reporting period		(160,343)	72,591	(180,197)	72,591
Cash and cash equivalents at beginning of the reporting period		368,957	296,366	368,957	296,366
Cash and cash equivalents at end of the reporting period	21	£208,614	£368,957	£188,760	£368,957

The notes on pages 18 to 29 form part of these financial statements.

YORK CHILDCARE LIMITED
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023

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 CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 31 MARCH 2023

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 CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 31 MARCH 2023

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

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 CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 31 MARCH 2023

	Unrestricted Funds £	Restricted Funds £	Endowment Funds £	Total 2023 £	Total 2022 £
2. DONATIONS AND LEGACIES					
Donations and covenants	£ 2,144	£ -	£ -	£ 2,144	£ 2,391

Donations received during the year were from The Sylvia and Colin Sheperd Charitable Trust (£2,000) and various donations.

In 2022 no donations and legacies related to Restricted Funds.

	Unrestricted Funds £	Restricted Funds £	Endowment Funds £	Total 2023 £	Total 2022 £
3. CHARITABLE ACTIVITIES					
Nursery fees	1,269,078	-	-	1,269,078	1,266,421
Out of school support services	233	-	-	233	78,846
Grants receivable	4,500	-	-	4,500	13,720
Other income	3,852	-	-	3,852	49,343
	£ 1,277,663	£ -	£ -	£ 1,277,663	£ 1,408,330

In 2022 no income from charitable activities related to Restricted Funds.

	Unrestricted Funds £	Restricted Funds £	Endowment Funds £	Total 2023 £	Total 2022 £
4. INVESTMENT INCOME					
Bank interest receivable	£ -	£ -	£ 1,003	£ 1,003	£ 40

In 2022 £40 related to Endowment Funds.

5. NET INCOME FOR THE YEAR

	2023 £	2022 £
Net income for the year is stated after charging:		
Depreciation	9,470	9,325
Rent on short leaseholds	61,149	63,037
Auditor's remuneration	4,500	3,960
audit		
other services	5,748	4,313

YORK CHILDCARE LIMITED
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 31 MARCH 2023

6. INCOME FROM COMMERCIAL TRADING OPERATIONS AND INVESTMENT IN TRADING

The charity owns the whole of the issued share capital of York Childcare Out of School Club Support Service Ltd , which was incorporated on 30 March 2022 in the United Kingdom (company number 14013880) and pays its taxable profit to the charity by corporate gift aid. A summary of the trading results which have been consolidated on a line by line basis is shown below.

	Period to 31 March 2023 £	Period to 31 March 2022 £
Summary profit and loss account:		
Turnover	89,718	-
Administration expenses	(73,893)	-
Profit for the financial period	<u>15,825</u>	<u>-</u>
Corporate gift aid distribution to parent charity	(15,825)	-
Retained profit carried forward	<u>-</u>	<u>-</u>
The assets and liabilities of the subsidiary were:		
Current assets	43,293	1
Current liabilities	(43,293)	-
	<u>-</u>	<u>1</u>
Aggregate share capital and reserves	<u>-</u>	<u>1</u>

After adjusting for intercompany transactions upon consolidation, the income from trading activities was £89,718 (2022 - n/a) and expenditure was £89,718 (2022 - n/a).

YORK CHILDCARE LIMITED
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 31 MARCH 2023

7. CHARITABLE ACTIVITIES EXPENDITURE

	Unrestricted Funds £	Restricted Funds £	Endowment Funds £	Total 2023 £	Total 2022 £
Nurseries					
Grants paid as Assisted Places	9,457	-	-	9,457	6,990
Other costs	1,336,126	739	-	1,336,865	1,126,469
Out of school support services					
Other costs	-	-	-	-	66,183
Out of school services					
Grants paid to clubs	-	-	-	-	526
Office and governance costs	116,135	-	-	116,135	97,741
	<u>£ 1,461,718</u>	<u>£ 739</u>	<u>£ -</u>	<u>£ 1,462,457</u>	<u>£ 1,297,909</u>

In 2022 £1,398 of expenditure related to Restricted Funds.

8. EMPLOYEE INFORMATION

The aggregate payroll costs of the Charitable Company for the period are as follows:	2023 £	2022 £
Salaries	997,750	951,734
Social security costs	58,264	53,072
Pension costs	14,993	14,061
	<u>£ 1,071,007</u>	<u>£ 1,018,867</u>
Average number of employees for the period	No.	No.
Nursery staff	60	60
Office staff	4	4
Out of school service staff	2	2
	<u>66</u>	<u>66</u>

No employees were paid emoluments amounting to £60,000 or more (2022 - none) .

Included in the above figures are 29 (2022 - 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 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, open to all staff, 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 £194,372 (2022 - £176,692).

YORK CHILDCARE LIMITED
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 31 MARCH 2023

9. TANGIBLE FIXED ASSETS

Consolidated and Charity

	Leasehold alterations	Nursery equipment	OOSMS equipment	Total
<u>Cost</u>	£	£	£	£
At 1 April 2022	270,331	187,904	899	459,134
Additions	-	-	-	-
At 31 March 2023	270,331	187,904	899	459,134
<u>Depreciation</u>				
At 1 April 2022	215,481	184,162	899	400,542
Charge for year	8,463	1,007	-	9,470
At 31 March 2023	223,944	185,169	899	410,012
<u>Net Book Value</u>				
At 31 March 2023	£ 46,387	£ 2,735	£ -	£ 49,122
At 31 March 2022	£ 54,850	£ 3,742	£ -	£ 58,592

All fixed assets held are for charitable use £1,007 (2022 - £1,708) related to Restricted Funds.
 Note 14 Operating lease commitments sets out the terms of the leases.

10. 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.

11. DEBTORS

	Consolidated		Charity	
	2023	2022	2023	2022
	£	£	£	£
Income debtors	57,252	20,181	36,329	20,181
Other debtors	367	164	35	164
Prepayments and accrued income	13,862	13,305	11,675	13,305
Amounts due from subsidiary undertaking	-	-	15,825	-
	£ 71,481	£ 33,650	£ 63,864	£ 33,650

In 2022 no debtors related to Restricted Funds.

YORK CHILDCARE LIMITED
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 31 MARCH 2023

12. CREDITORS - amounts falling due within one year

	Consolidated		Charity	
	2023	2022	2023	2022
	£	£	£	£
Trade creditors	24,523	10,534	5,636	10,534
Fees and bonds paid in advance	45,616	45,565	45,616	45,565
Taxation and social security	22,167	13,593	20,384	13,593
Accruals	22,118	11,316	15,318	11,316
Other creditors	8,749	8,325	8,749	8,326
	<u>£ 123,173</u>	<u>£ 89,333</u>	<u>£ 95,703</u>	<u>£ 89,334</u>
Fees and bonds paid in advance				
Brought forward balance	45,565	79,416	45,565	79,416
Deferred in the year	11,753	6,565	11,753	6,565
Released in the year	(11,702)	(40,416)	(11,702)	(40,416)
Carried forward balance	<u>£ 45,616</u>	<u>£ 45,565</u>	<u>£ 45,616</u>	<u>£ 45,565</u>

In 2022 no creditors related to Restricted Funds.

13. FUNDS

Consolidated and charity

	As at 01/04/2022	Income	Expenditure	Transfers	As at 31/03/2023
	£	£	£	£	£
Unrestricted:					
Undesignated	268,205	1,295,632	(1,365,493)	(17,241)	181,103
Designated - Roof Repairs	77,981	-	(96,225)	18,244	-
Restricted:					
Capital Access Grant - SGN	1,708	-	(701)	-	1,007
Green Spaces - SGN	376	-	(38)	-	338
Endowment	23,596	1,003	-	(1,003)	23,596
Total funds	<u>£ 371,866</u>	<u>£ 1,296,635</u>	<u>£(1,462,457)</u>	<u>£ -</u>	<u>£ 206,044</u>

YORK CHILDCARE LIMITED
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 31 MARCH 2023

13. FUNDS (continued)

Consolidated and charity

	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	<u>£ 259,014</u>	<u>£ 1,410,761</u>	<u>£(1,297,909)</u>	<u>£ -</u>	<u>£ 371,866</u>

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.

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 £1,003 (2022 - £40) was transferred to the Unrestricted Fund in accordance with the terms of the endowment to fund Assisted Nursery Places.

YORK CHILDCARE LIMITED
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 31 MARCH 2023

15. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Unrestricted Undesignated Funds £	Designated Funds £	Restricted Funds £	Endowment Funds £	Total Funds £
Consolidated					
Tangible fixed assets	47,414	-	1,007	-	48,421
Current assets	256,161	-	338	23,596	280,095
Current liabilities	(123,173)	-	-	-	(123,173)
At 31 March 2023	<u>£ 180,402</u>	<u>£ -</u>	<u>£ 1,345</u>	<u>£ 23,596</u>	<u>£ 205,343</u>
Charity only					
Tangible fixed assets	48,116	-	1,007	-	49,123
Current assets	228,690	-	338	23,596	252,624
Current liabilities	(95,703)	-	-	-	(95,703)
At 31 March 2023	<u>£ 181,103</u>	<u>£ -</u>	<u>£ 1,345</u>	<u>£ 23,596</u>	<u>£ 206,044</u>
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	<u>£ 268,205</u>	<u>£ 77,981</u>	<u>£ 2,084</u>	<u>£ 23,596</u>	<u>£ 371,866</u>

16. OPERATING LEASE COMMITMENTS

The total future value of minimum lease payments is as	2023	2022
	£	£
Within one year	63,467	62,871
Within two to five years	214,299	234,206
After more than five years	69,997	113,558
	<u>£ 347,763</u>	<u>£ 410,635</u>

The amount of non-cancellable operating lease payments recognised as an expense during the period was £61,149 (2022 - £63,037).

YORK CHILDCARE LIMITED
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 31 MARCH 2023

16. 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 (2022- none).

18. 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.

19. 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.

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

	Consolidated		Charity	
	2023	2022	2023	2022
	£	£	£	£
Net income for the reporting period	(165,822)	112,852	(165,822)	112,852
Depreciation of tangible fixed assets	9,470	9,540	9,470	9,540
Decrease/(increase) in debtors	(37,831)	(5,179)	(30,214)	(5,179)
Increase /(decrease) in creditors	33,840	(44,622)	6,369	(44,621)
Net cash provided by operating activities	£ (160,343)	£ 72,591	£ (180,197)	£ 72,592

21. ANALYSIS OF CASH AND CASH EQUIVALENTS

	Consolidated		Charity	
	2023	2022	2023	2022
	£	£	£	£
Cash at bank and in hand	208,614	368,957	181,103	368,957
Total cash and cash equivalents	£ 208,614	£ 368,957	£ 181,103	£ 368,957

YORK CHILDCARE LIMITED
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 31 MARCH 2023

22. ANALYSIS OF CHANGES IN NET DEBT

	At 01/04/2022 £	Cash-flows £	At 31/03/2023 £
Charity only			
Cash at bank and in hand	368,957	(180,197)	188,760
	<u>£ 368,957</u>	<u>£ (180,197)</u>	<u>£ 188,760</u>
Consolidated			
Cash at bank and in hand	-	-	208,614
	<u>£ -</u>	<u>£ -</u>	<u>£ 208,614</u>

23. COMPARATIVE STATEMENT OF FINANCIAL ACTIVITIES

	Unrestricted Funds £	Restricted Funds £	Endowment Funds £	31 March 2022 £
Income and endowments from:				
Donations and legacies	2,391	-	-	2,391
Charitable activities	1,406,830	1,500	-	1,408,330
Investments	-	-	40	40
Total income	<u>1,409,221</u>	<u>1,500</u>	<u>40</u>	<u>1,410,761</u>
Expenditure on:				
Charitable activities	1,296,511	1,398	-	1,297,909
Total expenditure	<u>1,296,511</u>	<u>1,398</u>	<u>-</u>	<u>1,297,909</u>
Net income	112,710	102	40	112,852
Transfers between funds	40	-	(40)	-
Net movement in funds	<u>112,750</u>	<u>102</u>	<u>-</u>	<u>112,852</u>
Reconciliation of funds:				
Total funds brought forward	233,436	1,982	23,596	259,014
Total funds carried forward	<u>£ 346,186</u>	<u>£ 2,084</u>	<u>£ 23,596</u>	<u>£ 371,866</u>