

Charity Registration No. NIC101176

Company Registration No. NI043041 (Northern Ireland)

EMPLOYERS FOR CHILDCARE
GROUP ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MAY 2023

EMPLOYERS FOR CHILDCARE

LEGAL AND ADMINISTRATIVE INFORMATION

Directors	Mrs J Kennedy Mrs S McCarry Prof M McHugh OBE Ms A Mervyn Mrs L Mulholland Mr J O'Neill Mr M Stevenson
Secretary	Ms M Marin OBE
Charity number	NIC101176
Company number	NI043041
Principal address	11 Blaris Industrial Estate 11 Altona Road Lisburn Co. Antrim BT27 5QB
Registered office	11 Blaris Industrial Estate 11 Altona Road Lisburn Co. Antrim BT27 5QB
Auditor	GMcG LISBURN Century House 40 Crescent Business Park Lisburn BT28 2GN
Bankers	Danske Bank 45-48 High Street Portadown Craigavon Co Armagh BT62 1LB
Solicitors	Edwards & Co 28 Hill Street Belfast BT1 2LA Worthingtons 24-38 Gordon Street Belfast BT1 2LG

EMPLOYERS FOR CHILDCARE

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EMPLOYERS FOR CHILDCARE

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 MAY 2023

The directors present their annual report and financial statements for the year ended 31 May 2023.

The financial statements have been prepared in accordance with the accounting policies set out in note 1 to the financial statements and comply with the charity's Memorandum and Articles of Association, the Companies Act 2006 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 2019).

Objectives and activities

Employers For Childcare is established to make it easier for parents with dependent children to get into work and to stay in work. We do this by addressing childcare as an economic and a labour market issue.

The Charity's purposes, as set out in our governing document, are to advance education, to prevent and relieve poverty and to relieve those in need by reason of financial hardship or other disadvantage by:

- promoting the provision and use of good quality registered childcare for the benefit of children and their parents
- providing information on all aspects of childcare and work-related issues, and raising awareness of the support available for parents including financial support with childcare costs, and associated employment rights
- undertaking and publishing research into all aspects of childcare and work-related issues including parental entitlements and the provision of childcare
- raising awareness of issues relating to provision of childcare facilities and parental entitlements.

These purposes are intended to benefit families, particularly working parents with dependent children, and those parents who are seeking to get back into work. More broadly, the public at large benefits through the economic development generated through broadening the pool of potential employees within the workforce, lifting families out of poverty and facilitating children's access to high quality early years education and childcare.

The directors have paid due regard to guidance issued by the Charity Commission in deciding what activities the charity should undertake.

Achievements and performance

This year marked an incredible milestone for Employers For Childcare. Since 2008, when our Family Benefits Advice Service began, we have identified over £105 million in financial support for families across the UK. This has only been possible as a result of our social enterprise business activities which have enabled us to invest £7.4 million in our charity during that time.

Our charity works directly with parents through the Family Benefits Advice Service, and for parents through our research, policy, and lobbying work. To achieve the charity's purposes during the year under review we undertook a range of activities. We continued to deliver support and helped putting money back in the pockets of hard-pressed families and the economy, at what was a challenging time for everyone. We provided a Family Benefits Advisory Service offering free, impartial, and confidential advice and information on childcare and work-related issues both through operating a Freephone helpline and through delivering outreach, for example presentations and one to one advice sessions in community and employer settings.

We had over 1 million engagements with our services in person, online through social media and by telephone. We helped over 11,000 people and carried out over 4,400 calculations for parents. In terms of delivering impact through the Family Benefits Advice Service - 97% of parents would recommend our services to other parents and 97% of parents rate the quality of the service as excellent or good.

EMPLOYERS FOR CHILDCARE

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 MAY 2023

Recent feedback from our clients include:

"I feel much better informed since speaking with the Family Benefits Advice Service and have been able to take action to maximise my work opportunities knowing the impact this will have on my benefits"

"It's very clear, concise and jargon free which is helpful for service users."

"By providing crucial advice in such a short time of space, this saved us thousands of pounds by making the right arrangements in time."

"I was told by a universal credit advisor I wasn't going to be entitled to any help but Employers For Childcare could see I was entitled to help. This reduced my anxiety over money."

Financial review

The results for the period are as set out on pages 10 to 29. The charity returned net outgoing resources of £223,889 (2022 - £151,766). At 31 May 2023 the level of unrestricted reserves held was £2,869,689 (2022 - £3,093,578).

The Directors are obliged to ensure that sufficient reserves are available to allow the organisation to continue its work in the foreseeable future. From June 2008 the main source of income is the trading activity of Employers For Childcare Trading. The Directors would wish to carry reserves of six month's running costs.

Structure, governance and management

The charity is a company limited by guarantee and is governed by its Memorandum and Articles of Association.

The directors who served during the year and up to the date of signature of the financial statements were:

Mrs J Kennedy

Mrs S McCarry

Prof M McHugh OBE

Ms A Mervyn

Mrs L Mulholland

Mr J O'Neill

Mr M Stevenson

The Board is responsible for the overall governance of the charity. Directors are either elected or co-opted and the total number of directors shall not be subject to any maximum but shall not be less than two.

The Board delegates the exercise of certain powers in connection with the management and administration of the charity to the Audit and Risk Committee. This is controlled by regular reporting back to the Board, so that all decisions made under delegated powers can be ratified by the full board in due course.

The Chief Executive Officer is responsible for the day to day management of the charity's affairs and for implementing the policies agreed by the Board of Directors.

EMPLOYERS FOR CHILDCARE

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 MAY 2023

Statement of directors' responsibilities

The directors who also act as trustees for the charitable activities of Employers for Childcare, are responsible for preparing the Directors' Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company Law requires the directors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charity and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that year.

In preparing these financial statements, the directors are required to:

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

The directors are responsible for keeping adequate accounting records that disclose with reasonable accuracy at any time the financial position of the group and charity and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the group and charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Auditor

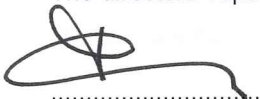
The auditor, GMcG LISBURN, is deemed to be reappointed under section 487(2) of the Companies Act 2006.

Disclosure of information to auditor

Each of the directors has confirmed that there is no information of which they are aware which is relevant to the audit, but of which the auditor is unaware. They have further confirmed that they have taken appropriate steps to identify such relevant information and to establish that the auditor is aware of such information.

This report has been prepared in accordance with the provision applicable to companies entitled to the small companies exemption.

The directors' report was approved by the Board of Directors.



Ms M Marin OBE
Secretary

Date: 26 Feb 2024

EMPLOYERS FOR CHILDCARE

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF EMPLOYERS FOR CHILDCARE

Opinion

We have audited the financial statements of Employers for Childcare (the 'parent charitable company') for the year ended 31 May 2023 which comprise the group statement of financial activities, the group statement of financial position, the company statement of financial position, the group statement of cash flows, the company statement of cash flows and the 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 FRS 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 and charitable company's affairs as at 31 May 2023 and of its incoming resources and application of resources, 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 charity 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 directors' 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 charity'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 directors with respect to going concern are described in the relevant sections of this report.

EMPLOYERS FOR CHILDCARE

INDEPENDENT AUDITOR'S REPORT (CONTINUED) TO THE MEMBERS OF EMPLOYERS FOR CHILDCARE

Other information

The other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the annual report. 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. 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 course of 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 directors' report, for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the directors' report has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the group and parent charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the directors' 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:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the directors were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemptions in preparing the directors' report and from the requirement to prepare a strategic report.

EMPLOYERS FOR CHILDCARE

INDEPENDENT AUDITOR'S REPORT (CONTINUED) TO THE MEMBERS OF EMPLOYERS FOR CHILDCARE

Responsibilities of directors

As explained more fully in the statement of directors' responsibilities, the directors 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 directors 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 directors are responsible for assessing the group's and parent 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 directors 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.

The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below.

EMPLOYERS FOR CHILDCARE

INDEPENDENT AUDITOR'S REPORT (CONTINUED) TO THE MEMBERS OF EMPLOYERS FOR CHILDCARE

Extent to which the audit was considered capable of detecting irregularities, including fraud

We identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and then design and perform audit procedures responsive to those risks, including obtaining audit evidence that is sufficient and appropriate to provide a basis for our opinion.

In identifying and assessing potential risks of material misstatement in respect of irregularities, including fraud and non-compliances with laws and regulations, we considered the following:

- The nature of the industry and sector, control environment and business performance, including the group's and company's remuneration policies for directors, bonus levels and performance targets, if any;
- Results of our enquiries of management about their own identification and assessment of the risks of irregularities;
- Any matters we identified having obtained and reviewed the group's and company's documentation of their policies and procedures relating to:
 - Identifying, evaluating and complying with laws and regulations and whether they were aware of any instance of non-compliance;
 - Detecting and responding to the risks of fraud and whether they have knowledge of any actual, suspected or alleged fraud; and
 - The internal controls established to mitigate risks of fraud or non-compliance with laws and regulations;
- The matters discussed among the audit engagement team regarding how and where fraud might occur in the financial statements and potential indicators of fraud.

As a result of these procedures, we considered the opportunities and incentives that may exist within the group and charitable company for fraud and identified the greatest potential for fraud in income recognition. In common with all audits under ISAs (UK), we are also required to perform specific procedures to respond to the risk of management override.

We also obtained an understanding of the legal and regulatory frameworks that the group and charitable company operates in, focusing on provisions of those laws and regulations that had a direct effect on the determination of material amounts and disclosures in the financial statements. The key laws and regulations we considered in this context included the Companies Act 2006, and local tax legislation.

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 may be fundamental to the group's and charitable company's ability to operate or to avoid a material penalty.

EMPLOYERS FOR CHILDCARE

INDEPENDENT AUDITOR'S REPORT (CONTINUED) TO THE MEMBERS OF EMPLOYERS FOR CHILDCARE

Audit response to risks identified

Our procedures to respond to the risks identified included the following:

- Reviewing the financial statement disclosures and testing to supporting documentation to assess compliance with provisions of relevant laws and regulations described as having a direct effect on the financial statements;
- Enquiring of management concerning actual and potential litigation and claims;
- Performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud;
- Reading minutes of meetings of those charged with governance and reviewing correspondence with tax authorities; and
- In addressing the risk of fraud through management override of controls, testing the appropriateness of journal entries and other adjustments; assessing whether the judgements made in making accounting estimates are indicative of a potential bias; and evaluating the business rationale of any significant transactions that are unusual or outside the normal course of business.

We also communicated relevant identified laws and regulations and potential fraud risks to all engagement team members and remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.

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. In addition, as with any audit, there remains a higher risk of non-detection of irregularities, as they may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls. We are not responsible for preventing non-compliance and cannot be expected to detect non-compliance with all laws and regulations.

A further description of our responsibilities is available on the Financial Reporting Council's website at: <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

EMPLOYERS FOR CHILDCARE

INDEPENDENT AUDITOR'S REPORT (CONTINUED) TO THE MEMBERS OF EMPLOYERS FOR CHILDCARE

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.



Mr Stephen Houston FCA (Senior Statutory Auditor)
for and on behalf of GMcG LISBURN

21/2/24

Chartered Accountants
Statutory Auditor

Century House
40 Crescent Business Park
Lisburn
BT28 2GN

EMPLOYERS FOR CHILDCARE

GROUP STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 MAY 2023

		Unrestricted funds 2023 £	Restricted funds 2023 £	Total 2023 £	Unrestricted funds 2022 £	Restricted funds 2022 £	Total 2022 £
	Notes						
<u>Income and endowments from:</u>							
Donations and legacies	3	-	31,115	31,115	-	-	-
Charitable activities	4	-	45,567	45,567	-	43,750	43,750
Other trading activities	5	685,870	-	685,870	626,347	-	626,347
Investments	6	86,585	-	86,585	10,966	-	10,966
Other income	7	1,955	-	1,955	15,279	-	15,279
Total income		774,410	76,682	851,092	652,592	43,750	696,342
<u>Expenditure on:</u>							
Raising funds	8	844,435	-	844,435	556,457	-	556,457
Charitable activities	9	166,986	76,682	243,668	262,948	43,750	306,698
Tax on activities		(13,122)	-	(13,122)	(15,047)	-	(15,047)
Total expenditure		998,299	76,682	1,074,981	804,358	43,750	848,108
Net movement in funds		(223,889)	-	(223,889)	(151,766)	-	(151,766)
Fund balances at 1 June 2022		3,093,578	-	3,093,578	3,245,344	-	3,245,344
Fund balances at 31 May 2023		2,869,689	-	2,869,689	3,093,578	-	3,093,578

The statement of financial activities includes all gains and losses recognised in the year.

All income and expenditure derive from continuing activities.

The statement of financial activities also complies with the requirements for an income and expenditure account under the Companies Act 2006.

EMPLOYERS FOR CHILDCARE

GROUP STATEMENT OF FINANCIAL POSITION


AS AT 31 MAY 2023

	Notes	2023		2022	
		£	£	£	£
Fixed assets					
Tangible assets	15		2,303,248		2,416,129
Current assets					
Stocks	17	2,328		-	
Debtors	18	35,245		30,814	
Cash at bank and in hand		6,351,872		7,856,857	
		6,389,445		7,887,671	
Creditors: amounts falling due within one year					
	19	(5,756,440)		(7,130,536)	
Net current assets			633,005		757,135
Total assets less current liabilities			2,936,253		3,173,264
Provisions for liabilities	21		(66,564)		(79,686)
Net assets			2,869,689		3,093,578
Income funds					
Unrestricted funds			2,869,689		3,093,578
			2,869,689		3,093,578

These financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime.

The financial statements were approved and authorised for issue by the Directors on 26.2.24 and signed on its behalf by


Mrs S McCarry
Trustee


Mr M Stevenson
Trustee

Company Registration No. NI043041

EMPLOYERS FOR CHILDCARE

COMPANY STATEMENT OF FINANCIAL POSITION

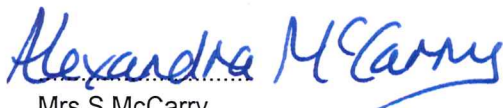
AS AT 31 MAY 2023


	Notes	2023 £	£	2022 £	£
Fixed assets					
Tangible assets	15		1,952,897		1,995,372
Current assets					
Debtors	18	94,807		12,192	
Cash at bank and in hand		452,440		783,047	
		<u>547,247</u>		<u>795,239</u>	
Creditors: amounts falling due within one year	19	<u>(11,344)</u>		<u>(189,538)</u>	
Net current assets			535,903		605,701
Total assets less current liabilities			<u>2,488,800</u>		<u>2,601,073</u>
Income funds					
Unrestricted funds			2,488,800		2,601,073
			<u>2,488,800</u>		<u>2,601,073</u>

As permitted by S408 Companies Act 2006, the charitable company has not presented its own profit and loss account and related notes. The charitable company's deficit for the year was £112,273 (2022 - £40,684)

These financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime.

The financial statements were approved by the Directors and authorised for issue on 26.2.24 and signed on its behalf by


Mrs S McCarry
Trustee


Mr M Stevenson
Trustee

Company Registration No. NI043041

EMPLOYERS FOR CHILDCARE

GROUP STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 MAY 2023

	Notes	2023 £	£	2022 £	£
Cash flows from operating activities					
Cash absorbed by operations	25	(1,589,630)		(1,595,803)	
Taxes paid		-		2,361	
Income taxes refunded		7,125		-	
Investing activities					
Purchase of tangible fixed assets		(9,065)		(9,885)	
Proceeds on disposal of tangible fixed assets		-		1,329	
Investment income received		86,585		10,966	
Net cash generated from investing activities			77,520		2,410
Net cash used in financing activities			-		-
Net decrease in cash and cash equivalents		(1,504,985)		(1,591,032)	
Cash and cash equivalents at beginning of year		7,856,857		9,447,889	
Cash and cash equivalents at end of year		<u>6,351,872</u>		<u>7,856,857</u>	

EMPLOYERS FOR CHILDCARE

COMPANY STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 MAY 2023

	Notes	2023 £	£	2022 £	£
Cash flows from operating activities					
Cash (absorbed by)/generated from operations	27		(332,066)		146,864
Investing activities					
Purchase of tangible fixed assets		-		(4,364)	
Proceeds on disposal of tangible fixed assets		-		25	
Investment income received		1,459		41	
Net cash generated from/(used in) investing activities			1,459		(4,298)
Net cash used in financing activities			-		-
Net (decrease)/increase in cash and cash equivalents			(330,607)		142,566
Cash and cash equivalents at beginning of year			783,047		640,481
Cash and cash equivalents at end of year			<u>452,440</u>		<u>783,047</u>

EMPLOYERS FOR CHILDCARE

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MAY 2023

1 Accounting policies

Charity information

Employers for Childcare is a private company limited by guarantee incorporated in Northern Ireland. The registered office is 11 Blaris Industrial Estate, 11 Altona Road, Lisburn, Co. Antrim, BT27 5QB.

1.1 Accounting convention

The financial statements have been prepared in accordance with the charity's Memorandum and Articles of Association, the Companies Act 2006, FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the Charities SORP "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). The charity is a Public Benefit Entity as defined by FRS 102.

The financial statements are prepared in sterling, which is the functional currency of the charity. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared under the historical cost convention. The principal accounting policies adopted are set out below.

1.2 Basis of consolidation

The consolidated financial statements incorporate those of Employers for Childcare and all of its subsidiaries (ie entities that the group controls through its power to govern the financial and operating policies so as to obtain economic benefits).

All intra-group transactions, balances and unrealised gains on transactions between group companies are eliminated on consolidation. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred.

1.3 Going concern

The charitable group as well as carrying out charitable activities via its Family Benefits Advice Service also operates the administration of a childcare voucher scheme and an indoor adventure facility, called High Rise.

The directors have reviewed the cost structure for High Rise during the 2024 financial year and have taken action to reduce costs and through a concentrated marketing campaign to increase footfall. The charity uses the funds generated from the High Rise facility and the childcare voucher scheme to finance the charitable activities it undertakes.

The group meets its day to day working capital requirements through its own bank reserves and has no external funding. Total funds at bank available for use by the group and charity at the year-end was £692,126 (2022 - £814,525) and the directors believe that the charitable group has adequate reserves to self-finance the charitable activities while the trading operations transition.

The directors have considered future financial projections and future cash flow requirements and are confident that the company will continue in business for the foreseeable future. On this basis, the directors consider it appropriate to prepare the financial statements on the going concern basis.

1.4 Charitable funds

Unrestricted funds are available for use at the discretion of the directors in furtherance of their charitable objectives.

Restricted funds are subject to specific conditions by donors as to how they may be used. The purposes and uses of the restricted funds are set out in the notes to the financial statements.

EMPLOYERS FOR CHILDCARE

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MAY 2023

1 Accounting policies (Continued)

1.5 Income

Income is recognised when the charity is legally entitled to it after any performance conditions have been met, the amounts can be measured reliably, and it is probable that income will be received.

Income from charitable activities provides core funding to support the charity's activities and is recognised in full in the statement of financial activities in the year in which they are receivable,

The charity receives government grants in respect of the provision of specified services, projects and activities. Income from government and other grants are recognised at fair value when the charity has entitlement after any performance conditions have been met, it is probable that the income will be received and the amount can be measured reliably. If entitlement is not met then these amounts are deferred.

Income from trading activities provides additional funding to support the charity's activities and is recognised in full in the statement of financial activities in the year in which they are receivable.

Investment income is included in the year in which it is receivable.

1.6 Expenditure

All expenditure is accounted for on an accrual basis and has been classified under headings that aggregate all costs related to the category. Expenditure is recognised where there is a legal or constructive obligation to make payments to third parties, it is probable that the settlement will be required and the amount of the obligation can be measured reliably. It is categorised under one of the following headings: Costs of raising funds, Expenditure on charitable activities and Other expenditure.

Irrecoverable VAT is charged as an expense against the activity for which expenditure arose.

Support costs are those that assist the work of the charity but do not directly represent charitable activities and include office costs, governance costs, depreciation costs and administrative payroll costs. They are incurred directly in support of expenditure on the objects of the charity and include project management carried out at the office. Office costs, depreciation costs governance costs and payroll costs are allocated to charitable activities based on useage. The allocation of the support costs is analysed in note 11.

1.7 Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Freehold land and buildings	2% & 12.5% Straight Line
Fixtures and fittings	10% - 33.33% Straight Line
Computers	33.33% Straight Line

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is recognised in the statement of financial activities.

EMPLOYERS FOR CHILDCARE

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MAY 2023

1 Accounting policies (Continued)

1.8 Stocks

Stocks are stated at the lower of cost and estimated selling price less costs to complete and sell. Cost comprises direct materials and, where applicable, direct labour costs and those overheads that have been incurred in bringing the stocks to their present location and condition. Items held for distribution at no or nominal consideration are measured the lower of replacement cost and cost.

Net realisable value is the estimated selling price less all estimated costs of completion and costs to be incurred in marketing, selling and distribution.

1.9 Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

1.10 Financial instruments

The charity has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the charity's balance sheet when the charity becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Basic financial assets

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

Basic financial liabilities

Basic financial liabilities, including creditors and bank loans are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of operations from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

Derecognition of financial liabilities

Financial liabilities are derecognised when the charity's contractual obligations expire or are discharged or cancelled.

EMPLOYERS FOR CHILDCARE

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MAY 2023

1 Accounting policies (Continued)

1.11 Taxation

There is no liability in respect of the Charity due to the charitable status.

Taxation in the year comprises current and deferred tax and relates to the activities of the charity's subsidiary company. Tax is recognised in the Income Statement, except to the extent that it relates to items recognised in other comprehensive income or directly in equity.

Current or deferred taxation assets and liabilities are not discounted.

Current tax is recognised at the amount of tax payable using the tax rates and laws that have been enacted or substantively enacted by the statement of financial position date.

Deferred tax

Deferred tax liabilities are generally recognised for all timing differences and deferred tax assets are recognised to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits. Such assets and liabilities are not recognised if the timing difference arises from goodwill or from the initial recognition of other assets and liabilities in a transaction that affects neither the tax profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at each reporting end date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised. Deferred tax is charged or credited in the income statement, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity. Deferred tax assets and liabilities are offset when the company has a legally enforceable right to offset current tax assets and liabilities and the deferred tax assets and liabilities relate to taxes levied by the same tax authority.

1.12 Employee benefits

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the charity is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

1.13 Retirement benefits

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

2 Critical accounting estimates and judgements

In the application of the charity's accounting policies, the directors are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

EMPLOYERS FOR CHILDCARE

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MAY 2023

2 Critical accounting estimates and judgements (Continued)

Key sources of estimation uncertainty

Fixed assets

The annual depreciation charge on fixed assets depends primarily on the estimated lives of each type of asset and estimates of residual values. The directors regularly review these assets lives and change them as necessary to reflect current thinking on remaining lives in light of prospective economic utilisation and physical condition of the assets concerned. Changes in assets lives can have a significant impact on depreciation charges for the period. Detail of the useful lives is included in the accounting policies.

3 Donations and legacies

	Restricted funds	Total
	2023 £	2022 £
The Rank Foundation	31,115	-

4 Charitable activities

	Restricted Funds 2023 £	Restricted Funds 2022 £
Services provided under contract	45,567	43,750

5 Other trading activities

	Unrestricted funds 2023 £	Unrestricted funds 2022 £
Childcare voucher administration fees	478,225	626,347
High Rise Income	207,645	-
Other trading activities	685,870	626,347

EMPLOYERS FOR CHILDCARE

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MAY 2023

6 Investments

Unrestricted funds Unrestricted funds

2023 2022
£ £

Interest receivable 86,585 10,966

7 Other income

Unrestricted funds Unrestricted funds

2023 2022
£ £

Miscellaneous income 1,955 160

Other coronavirus funding - 10,000

Insurance claim receivable - 5,119

1,955 15,279

8 Raising funds

Unrestricted funds Unrestricted funds

2023 2022
£ £

Trading costs 218,295 80,836

Staff costs 527,190 379,815

Depreciation and impairment 92,214 90,480

Share of support costs (see note 11) 6,736 5,326

844,435 556,457

EMPLOYERS FOR CHILDCARE

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MAY 2023

9 Charitable activities

	2023	2022
	£	£
Staff costs	155,230	221,757
Depreciation and impairment	25,485	25,561
Travel	3,270	1,400
Printing & publicity	712	792
	<u>184,697</u>	<u>249,510</u>
Share of support costs (see note 11)	30,146	12,390
Share of governance costs (see note 11)	28,825	44,798
	<u>243,668</u>	<u>306,698</u>
Analysis by fund		
Unrestricted funds	166,986	262,948
Restricted funds	76,682	43,750
	<u>243,668</u>	<u>306,698</u>

10 Description of charitable activities

To make it easier for parents with dependent children to get into work and to stay in work.

EMPLOYERS FOR CHILDCARE

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MAY 2023

11 Support costs

	Support costs	Governance costs	2023 Support costs	Governance costs	2022
	£	£	£	£	£
Staff costs	-	8,792	8,792	-	23,108
Depreciation	-	4,247	4,247	-	4,260
Telephone	1,834	204	2,038	1,738	1,931
Computer costs	5,828	648	6,476	5,652	6,280
Premises expenses	4,846	539	5,385	2,749	3,054
Insurance	2,363	263	2,626	2,061	2,290
Bank fees	296	-	296	226	226
Security costs	331	37	368	113	126
Postage and stationery	2,007	-	2,007	1,766	1,766
Legal & Professional	224	9,918	10,142	803	13,199
Sundry expenses	1,592	177	1,769	1,017	1,130
Staff training and recruitment	17,561	-	17,561	1,591	-
Audit fees	-	4,000	4,000	-	2,750
	<u>36,882</u>	<u>28,825</u>	<u>65,707</u>	<u>17,716</u>	<u>44,798</u>
Analysed between					
Raising funds	6,736	-	6,736	5,326	-
Charitable activities	30,146	28,825	58,971	12,390	44,798
	<u>36,882</u>	<u>28,825</u>	<u>65,707</u>	<u>17,716</u>	<u>44,798</u>

The basis of allocation of the support costs identified above is a mixture of the percentage of time spent on each activity and the pro rata cost of each direct cost when compared to the support cost.

Governance costs includes payments to the auditors of £4,000 (2022- £2,750) for audit fees.

12 Directors

None of the directors (or any persons connected with them) received any remuneration or benefits from the charity during the year.

13 Employees

The average monthly number of employees during the year was:

2023	2022
Number	Number
41	16
<u>41</u>	<u>16</u>

EMPLOYERS FOR CHILDCARE

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MAY 2023

13 Employees (Continued)

Employment costs	2023 £	2022 £
Wages and salaries	614,170	415,965
Social security costs	48,791	35,319
Other pension costs	28,252	173,396
	<u>691,212</u>	<u>624,680</u>

Included in the pension costs in the prior year is £148,099 paid as settlement on withdrawing from the multi-employer defined benefit scheme that the charity previously participated in.

The charity considers its key management personnel to comprise of the Chief Executive Officer and the senior management team. The total employment benefits including employer pension contributions of the key management personnel were £208,691 (2022 - £184,078).

The number of employees whose annual remuneration was more than £60,000 is as follows:

	2023 Number	2022 Number
£60,000 to £80,000	<u>1</u>	<u>1</u>

14 Taxation

The charity is exempt from tax on income and gains falling within section 505 of the Taxes Act 1988 or section 252 of the Taxation of Chargeable Gains Act 1992 to the extent that these are applied to its charitable objects.

EMPLOYERS FOR CHILDCARE

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MAY 2023

15 Tangible fixed assets

Group

	Freehold land and buildings	Fixtures and fittings	Computers	Total
	£	£	£	£
Cost				
At 1 June 2022	2,121,255	635,347	48,107	2,804,709
Additions	-	4,437	4,628	9,065
Disposals	-	-	-	-
At 31 May 2023	2,121,255	639,784	52,735	2,813,774
Depreciation and impairment				
At 1 June 2022	125,268	219,835	43,477	388,580
Depreciation charged in the year	42,570	76,291	3,085	121,946
Eliminated in respect of disposals	-	-	-	-
At 31 May 2023	167,838	296,126	46,562	510,526
Carrying amount				
At 31 May 2023	1,953,417	343,658	6,173	2,303,248
At 31 May 2022	1,995,987	415,512	4,630	2,416,129

EMPLOYERS FOR CHILDCARE

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MAY 2023

15 Tangible fixed assets (Continued)

Charity

	Freehold land and buildings £	Fixtures and fittings £	Computers £	Total £
Cost				
At 1 June 2022	2,106,783	2,696	5,492	2,114,971
At 31 May 2023	2,106,783	2,696	5,492	2,114,971
Depreciation and impairment				
At 1 June 2022	111,901	2,696	5,002	119,599
Depreciation charged in the year	42,136	-	339	42,475
At 31 May 2023	154,037	2,696	5,341	162,074
Carrying amount				
At 31 May 2023	1,952,746	-	151	1,952,897
At 31 May 2022	1,994,882	-	490	1,995,372

16 Subsidiaries

Details of the charity's subsidiary at 31 May 2023 is as follows:

Employers for Childcare Trading Limited

Registered office: 11 Blaris Industrial Estate, 11 Altona Road, Lisburn, BT27 5QB

Nature of business: Other business support activities

This company is limited by guarantee and is deemed to be controlled by the charity.

17 Stocks

	2023 £	2022 £
Finished goods and goods for resale	2,328	-

18 Debtors

	2023 £	2022 £
Amounts falling due within one year:		
Group		
Trade debtors	1,687	3,129
Corporation tax recoverable	-	7,125
Other debtors	9,624	4,263
Prepayments and accrued income	23,934	16,297
	35,245	30,814

EMPLOYERS FOR CHILDCARE

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MAY 2023

18 Debtors (Continued)

	2023	2022
	£	£
Charity		
Amounts owed by subsidiary undertakings	77,597	-
Other debtors	9,624	4,263
Prepayments and accrued income	7,586	7,929
	<u>94,807</u>	<u>12,192</u>

19 Creditors: amounts falling due within one year

	Notes	2023	2022
		£	£
Group			
Other taxation and social security		28,529	35,991
Deferred income	20	-	14,000
Vouchers payable		5,659,746	6,871,178
Trade creditors		23,923	9,732
Other creditors		7,306	176,554
Accruals and deferred income		36,936	23,081
		<u>5,756,440</u>	<u>7,130,536</u>

	2023	2022
	£	£
Charity		
Other taxation and social security	25	8,201
Trade creditors	82	734
Amounts owed to subsidiary undertakings	-	1,791
Other creditors	1,462	171,827
Accruals and deferred income	9,775	6,985
	<u>11,344</u>	<u>189,538</u>

20 Deferred income

	2023	2022
	£	£
Deferred income	-	14,000
	<u>-</u>	<u>14,000</u>

EMPLOYERS FOR CHILDCARE

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MAY 2023

20 Deferred income (Continued)

Deferred income is included in the financial statements as follows:

	2023 £	2022 £
Deferred income is included within:		
Current liabilities	-	14,000
	<u> </u>	<u> </u>
Movements in the year:		
Deferred income at 1 June 2022	14,000	-
Released from previous periods	(14,000)	-
Resources deferred in the year	-	14,000
	<u> </u>	<u> </u>
Deferred income at 31 May 2023	-	14,000
	<u> </u>	<u> </u>

Included in deferred income is £nil (2022 - £14,000) relating to grant monies received from The Rank Foundation.

21 Provisions for liabilities

	2023 £	2022 £
Deferred tax liabilities	66,564	79,686
	<u> </u>	<u> </u>
	66,564	79,686
	<u> </u>	<u> </u>

22 Restricted funds

The income funds of the charity include restricted funds comprising the following unexpended balances of donations and grants held on trust for specific purposes:

	Movement in funds			Movement in funds		
	Incoming resources £	Resources expended £	Balance at 1 June 2022 £	Incoming resources £	Resources expended £	Balance at 31 May 2023 £
Health & Social Care Trust	43,750	(43,750)	-	45,567	(45,567)	-
The Rank Foundation	-	-	-	31,115	(31,115)	-
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
	43,750	(43,750)	-	76,682	(76,682)	-
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>

Health & Social Care Trust

To enable Family Benefits Advice Service to provide information, advice and guidance to families.

The Rank Foundation

Towards employment of a new 3-year entry level position within the organisation.

EMPLOYERS FOR CHILDCARE

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MAY 2023

23 Analysis of net assets between funds

	Unrestricted funds	Restricted funds	Total	Unrestricted funds	Restricted funds	Total
	2023	2023	2023	2022	2022	2022
	£	£	£	£	£	£
Fund balances at 31 May 2023 are represented by:						
Tangible assets	2,303,248	-	2,303,248	2,416,129	-	2,416,129
Current assets/(liabilities)	633,005	-	633,005	757,135	-	757,135
Provisions	(66,564)	-	(66,564)	(79,686)	-	(79,686)
	<u>2,869,689</u>	<u>-</u>	<u>2,869,689</u>	<u>3,093,578</u>	<u>-</u>	<u>3,093,578</u>

24 Related party transactions

There were no disclosable related party transactions during the year (2022 - none).

25 Cash generated from group operations

	2023	2022
	£	£
Deficit for the year	(223,889)	(151,766)
Adjustments for:		
Investment income recognised in statement of financial activities	(86,585)	(10,966)
Gain on disposal of tangible fixed assets	-	(119)
Depreciation and impairment of tangible fixed assets	121,946	120,420
Settlement of pension obligations	-	(16,877)
Taxation	(13,122)	(15,047)
Movements in working capital:		
(Increase) in stocks	(2,328)	-
(Increase)/decrease in debtors	(11,556)	2,837
(Decrease) in creditors	(1,360,096)	(1,538,285)
(Decrease)/increase in deferred income	(14,000)	14,000
Cash absorbed by operations	<u>(1,589,630)</u>	<u>(1,595,803)</u>

26 Analysis of changes in net funds - group

The charity had no debt during the year.

EMPLOYERS FOR CHILDCARE

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MAY 2023

27 Cash generated from operations - charity	2023	2022
	£	£
Deficit for the year	(112,273)	(40,684)
Adjustments for:		
Investment income recognised in statement of financial activities	(1,459)	(41)
Gain on disposal of tangible fixed assets	-	(25)
Depreciation and impairment of tangible fixed assets	42,475	42,626
Difference between pension charge and cash contributions	-	(16,877)
Movements in working capital:		
(Increase)/decrease in debtors	(82,615)	24,462
(Decrease)/increase in creditors	(178,194)	137,403
Cash (absorbed by)/generated from operations	(332,066)	146,864

28 Analysis of changes in net funds

The charity had no debt during the year.