

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 2024

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 2024

The directors present their annual report and financial statements for the year ended 31 May 2024.

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

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. Our social enterprise business activities enabled us to invest in our charity during that time.

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. During the period our Family Benefits Advice Service helped 8,301 clients across the UK and identified over £12million in financial support for families. In terms of delivering impact through the Family Benefits Advice Service - 100% of parents would recommend our services to other parents and 100% of parents rate the quality of the service as excellent or good.

Financial review

The results for the period are as set out on pages 10 to 29. The charity returned net outgoing resources of £244,441 (2023 - £223,889). At 31 May 2024 the level of unrestricted reserves held was £2,625,248 (2023 - £2,869,689).

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.

EMPLOYERS FOR CHILDCARE

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 MAY 2024

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.

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.

EMPLOYERS FOR CHILDCARE

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 MAY 2024

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: 13.2.25

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 2024 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 2024 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

13/2/25

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 2024

		Unrestricted funds 2024 £	Restricted funds 2024 £	Total 2024 £	Unrestricted funds 2023 £	Restricted funds 2023 £	Total 2023 £
	Notes						
<u>Income and endowments from:</u>							
Donations and legacies	3	-	14,000	14,000	-	31,115	31,115
Charitable activities	4	-	41,667	41,667	-	45,567	45,567
Other trading activities	5	826,629	-	826,629	685,870	-	685,870
Investments	6	167,190	-	167,190	86,585	-	86,585
Other income	7	6,019	-	6,019	1,955	-	1,955
Total income		999,838	55,667	1,055,505	774,410	76,682	851,092
<u>Expenditure on:</u>							
Raising funds	8	972,638	-	972,638	844,435	-	844,435
Charitable activities	9	279,519	55,667	335,186	166,986	76,682	243,668
Tax on activities	14	(7,878)	-	(7,878)	(13,122)	-	(13,122)
Total expenditure		1,244,279	55,667	1,299,946	998,299	76,682	1,074,981
Net movement in funds		(244,441)	-	(244,441)	(223,889)	-	(223,889)
Fund balances at 1 June 2023		2,869,689	-	2,869,689	3,093,578	-	3,093,578
Fund balances at 31 May 2024		2,625,248	-	2,625,248	2,869,689	-	2,869,689

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

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

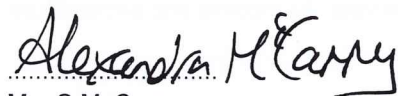
GROUP STATEMENT OF FINANCIAL POSITION

AS AT 31 MAY 2024

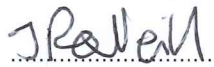
	Notes	2024		2023	
		£	£	£	£
Fixed assets					
Tangible assets	15		2,222,446		2,303,248
Current assets					
Stocks	17	2,328		2,328	
Debtors	18	23,966		35,245	
Cash at bank and in hand	19	5,237,430		6,351,872	
		<u>5,263,724</u>		<u>6,389,445</u>	
Creditors: amounts falling due within one year	20	<u>(4,802,236)</u>		<u>(5,756,440)</u>	
Net current assets			461,488		633,005
Total assets less current liabilities			2,683,934		2,936,253
Provisions for liabilities	21		<u>(58,686)</u>		<u>(66,564)</u>
Net assets			<u>2,625,248</u>		<u>2,869,689</u>
Income funds					
Unrestricted funds			2,625,248		2,869,689
			<u>2,625,248</u>		<u>2,869,689</u>

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 13.2.25 and signed on its behalf by



Mrs S McCarry
Trustee



Mr J O'Neill
Trustee

Company Registration No. NI043041

EMPLOYERS FOR CHILDCARE

COMPANY STATEMENT OF FINANCIAL POSITION

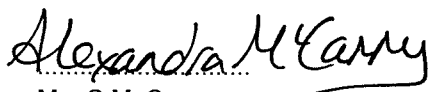
AS AT 31 MAY 2024

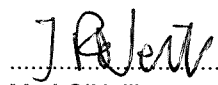
	Notes	2024		2023	
		£	£	£	£
Fixed assets					
Tangible assets	15		1,910,611		1,952,897
Current assets					
Debtors	18	140,086		94,807	
Cash at bank and in hand		258,244		452,440	
		<u>398,330</u>		<u>547,247</u>	
Creditors: amounts falling due within one year	20	<u>(39,893)</u>		<u>(11,344)</u>	
Net current assets			358,437		535,903
Total assets less current liabilities			<u>2,269,048</u>		<u>2,488,800</u>
Income funds					
Unrestricted funds			2,269,048		2,488,800
			<u>2,269,048</u>		<u>2,488,800</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 £219,781 (2023 - £112,273)

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 on13.2.25..... and signed on its behalf by


Mrs S McCarry
Trustee


Mr J O'Neill
Trustee

Company Registration No. NI043041

EMPLOYERS FOR CHILDCARE
GROUP STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 MAY 2024

	Notes	2024		2023	
		£	£	£	£
Cash flows from operating activities					
Cash absorbed by operations	25	(1,273,571)		(1,589,630)	
Income taxes refunded		-		7,125	
Investing activities					
Purchase of tangible fixed assets		(9,121)		(9,065)	
Proceeds on disposal of tangible fixed assets		1,060		-	
Investment income received		167,190		86,585	
Net cash generated from investing activities			159,129		77,520
Net cash used in financing activities			-		-
Net decrease in cash and cash equivalents		(1,114,442)		(1,504,985)	
Cash and cash equivalents at beginning of year		6,351,872		7,856,857	
Cash and cash equivalents at end of year		<u>5,237,430</u>		<u>6,351,872</u>	

EMPLOYERS FOR CHILDCARE

COMPANY STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 MAY 2024

	Notes	2024 £	£	2023 £	£
Cash flows from operating activities					
Cash absorbed by operations	27		(197,979)		(332,066)
Investing activities					
Investment income received		3,783		1,459	
Net cash generated from investing activities			3,783		1,459
Net cash used in financing activities			-		-
Net decrease in cash and cash equivalents			(194,196)		(330,607)
Cash and cash equivalents at beginning of year			452,440		783,047
Cash and cash equivalents at end of year			258,244		452,440

EMPLOYERS FOR CHILDCARE

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MAY 2024

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 Change in accounting estimate

The directors reviewed the depreciation policy in the year, and as a result the depreciation rates were changed. The depreciation rate for fixtures, fittings and equipment was changed from 10% straight line to 5% straight line, with depreciation decreasing by £33,615.

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 2025 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 £516,523 (2023 - £692,126) 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 or grantors 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.

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,

EMPLOYERS FOR CHILDCARE

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MAY 2024

1 Accounting policies (Continued)

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	5% - 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.

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.

EMPLOYERS FOR CHILDCARE

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MAY 2024

1 Accounting policies (Continued)

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 2024

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 2024

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 Income from donations and legacies

	Restricted funds 2024 £	Restricted funds 2023 £
The Rank Foundation	14,000	31,115

4 Charitable activities

	Restricted Funds 2024 £	Restricted Funds 2023 £
Services provided under contract	41,667	45,567

5 Income from other trading activities

	Unrestricted funds 2024 £	Unrestricted funds 2023 £
Childcare voucher administration fees	356,838	478,225
High rise income	469,791	207,645
Other trading activities	826,629	685,870

EMPLOYERS FOR CHILDCARE

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MAY 2024

6 Income from investments

Unrestricted funds 2024 £	Unrestricted funds 2023 £
167,190	86,585

Interest receivable

7 Other income

Unrestricted funds 2024 £	Unrestricted funds 2023 £
6,019	1,955

Miscellaneous income

8 Raising funds

Unrestricted funds 2024 £	Unrestricted funds 2023 £
284,447	218,295
622,981	527,190
59,262	92,214
5,948	6,736
972,638	844,435

Trading costs

Staff costs

Depreciation and impairment

Share of support costs (see note 11)

EMPLOYERS FOR CHILDCARE

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MAY 2024

9 Charitable activities

	2024 £	2023 £
Staff costs	209,991	155,230
Depreciation and impairment	25,371	25,485
Travel	4,521	3,270
Printing & publicity	465	712
	<u>240,348</u>	<u>184,697</u>
Share of support costs (see note 11)	8,093	30,146
Share of governance costs (see note 11)	86,745	28,825
	<u>335,186</u>	<u>243,668</u>
Analysis by fund		
Unrestricted funds	279,519	166,986
Restricted funds	55,667	76,682
	<u>335,186</u>	<u>243,668</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 2024

11 Support costs

	Support costs	Governance costs	2024 Support costs	Governance costs	2023
	£	£	£	£	£
Staff costs	-	18,932	18,932	-	8,792
Depreciation	-	4,228	4,228	-	4,247
Telephone	2,217	246	2,463	1,834	2,038
Computer costs	6,399	711	7,110	5,828	6,476
Premises expenses	2,956	328	3,284	4,846	5,385
Insurance	2,702	300	3,002	2,363	2,626
Bank fees	277	-	277	296	296
Security costs	37	4	41	331	368
Postage and stationery	1,548	-	1,548	2,007	2,007
Legal & Professional	551	57,573	58,124	224	10,142
Sundry expenses	654	73	727	1,592	1,769
Staff training and recruitment	(3,300)	-	(3,300)	17,561	-
Audit fees	-	4,350	4,350	-	4,000
	<u>14,041</u>	<u>86,745</u>	<u>100,786</u>	<u>36,882</u>	<u>65,707</u>
Analysed between					
Raising funds	5,948	-	5,948	6,736	6,736
Charitable activities	8,093	86,745	94,838	30,146	58,971
	<u>14,041</u>	<u>86,745</u>	<u>100,786</u>	<u>36,882</u>	<u>65,707</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 £4,350 (2023- £4,000) 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:

2024 Number	2023 Number
<u>57</u>	<u>41</u>

EMPLOYERS FOR CHILDCARE

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MAY 2024

13 Employees (Continued)

Employment costs	2024 £	2023 £
Wages and salaries	754,570	614,170
Redundancy costs	12,194	-
Social security costs	56,037	48,791
Other pension costs	29,103	28,252
	<u>851,904</u>	<u>691,212</u>

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 £173,119 (2023 - £208,691).

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

	2024 Number	2023 Number
£60,000 to £80,000	-	1
£80,001 to £90,000	1	-
	<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.

Deferred taxation credit of £7,878 (2023 - credit of £13,122) relates to the origination and reversal of timing differences.

EMPLOYERS FOR CHILDCARE

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MAY 2024

15 Tangible fixed assets

Group

	Freehold land and buildings	Fixtures and fittings	Computers	Total
	£	£	£	£
Cost				
At 1 June 2023	2,121,255	639,784	52,735	2,813,774
Additions	-	7,281	1,840	9,121
Disposals	-	(1,910)	-	(1,910)
At 31 May 2024	2,121,255	645,155	54,575	2,820,985
Depreciation and impairment				
At 1 June 2023	167,838	296,126	46,562	510,526
Depreciation charged in the year	42,571	43,396	3,461	89,428
Eliminated in respect of disposals	-	(1,415)	-	(1,415)
At 31 May 2024	210,409	338,107	50,023	598,539
Carrying amount				
At 31 May 2024	1,910,846	307,048	4,552	2,222,446
At 31 May 2023	1,953,417	343,658	6,173	2,303,248

EMPLOYERS FOR CHILDCARE

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MAY 2024

15 Tangible fixed assets (Continued)

Charity

	Freehold land and buildings £	Fixtures and fittings £	Computers £	Total £
Cost				
At 1 June 2023	2,106,783	2,696	5,492	2,114,971
At 31 May 2024	2,106,783	2,696	5,492	2,114,971
Depreciation and impairment				
At 1 June 2023	154,037	2,696	5,341	162,074
Depreciation charged in the year	42,136	-	150	42,286
At 31 May 2024	196,173	2,696	5,491	204,360
Carrying amount				
At 31 May 2024	1,910,610	-	1	1,910,611
At 31 May 2023	1,952,746	-	151	1,952,897

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

	2024 £	2023 £
Finished goods and goods for resale	2,328	2,328

18 Debtors

	2024 £	2023 £
Amounts falling due within one year:		
Group		
Trade debtors	3,098	1,687
Other debtors	-	9,624
Prepayments and accrued income	20,868	23,934
	23,966	35,245

EMPLOYERS FOR CHILDCARE

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MAY 2024

18 Debtors (Continued)

	2024	2023
	£	£
Charity		
Amounts owed by subsidiary undertakings	127,386	77,597
Other debtors	-	9,624
Prepayments and accrued income	12,700	7,586
	<u>140,086</u>	<u>94,807</u>

19 Cash at bank

Cash at bank includes £4,720,907 (2023 - £5,668,727) which relates to vouchers payable and is restricted client money and is not available for the use by the charitable group.

20 Creditors: amounts falling due within one year

	2024	2023
	£	£
Group		
Other taxation and social security	42,614	28,529
Vouchers payable	4,676,818	5,659,746
Trade creditors	23,976	23,923
Other creditors	11,065	7,306
Accruals and deferred income	47,763	36,936
	<u>4,802,236</u>	<u>5,756,440</u>

	2024	2023
	£	£
Charity		
Other taxation and social security	9,546	25
Trade creditors	3,523	82
Other creditors	401	1,462
Accruals and deferred income	26,423	9,775
	<u>39,893</u>	<u>11,344</u>

EMPLOYERS FOR CHILDCARE

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MAY 2024

21 Provisions for liabilities	2024	2023
	£	£
Deferred tax liabilities	58,686	66,564
	<u>58,686</u>	<u>66,564</u>
	<u><u>58,686</u></u>	<u><u>66,564</u></u>

Movements in the year

	Total
	£
Liability at 1 June 2023	66,564
Expense to profit or loss	(7,878)
Liability at 31 May 2024	<u>58,686</u>

22 Retirement benefit schemes	2024	2023
	£	£
Defined contribution schemes		
Charge to profit or loss in respect of defined contribution schemes	29,103	28,252
	<u>29,103</u>	<u>28,252</u>

The charity operates a defined contribution pension scheme for all qualifying employees. The assets of the scheme are held separately from those of the charity in an independently administered fund.

23 Restricted funds

The restricted funds of the charity comprise the unexpended balances of donations and grants held on trust subject to specific conditions by donors as to how they may be used.

	At 1 June 2023	Incoming resources	Resources expended	At 31 May 2024
	£	£	£	£
Health & Social Care Trust	-	41,667	(41,667)	-
The Rank Foundation	-	14,000	(14,000)	-
	<u>-</u>	<u>55,667</u>	<u>(55,667)</u>	<u>-</u>
	<u><u>-</u></u>	<u><u>55,667</u></u>	<u><u>(55,667)</u></u>	<u><u>-</u></u>

Previous year:

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

EMPLOYERS FOR CHILDCARE

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MAY 2024

23 Restricted funds (Continued)

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.

24 Unrestricted funds

The unrestricted funds of the charity comprise the unexpended balances of donations and grants which are not subject to specific conditions by donors and grantors as to how they may be used. These include designated funds which have been set aside out of unrestricted funds by the trustees for specific purposes.

	At 1 June 2023	Incoming resources	Resources expended	At 31 May 2024
	£	£	£	£
General funds	2,869,689	999,838	(1,244,279)	2,625,248
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Previous year:	At 1 June 2022	Incoming resources	Resources expended	At 31 May 2023
	£	£	£	£
General funds	3,093,578	774,410	(998,299)	2,869,689
	<u> </u>	<u> </u>	<u> </u>	<u> </u>

25 Analysis of net assets between funds

	Unrestricted funds 2024	Restricted funds 2024	Total 2024	Unrestricted funds 2023	Restricted funds 2023	Total 2023
	£	£	£	£	£	£
Fund balances at 31 May 2024 are represented by:						
Tangible assets	2,222,446	-	2,222,446	2,303,248	-	2,303,248
Current assets/(liabilities)	461,488	-	461,488	633,005	-	633,005
Provisions	(58,686)	-	(58,686)	(66,564)	-	(66,564)
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
	2,625,248	-	2,625,248	2,869,689	-	2,869,689
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>

26 Related party transactions

There were no disclosable related party transactions during the year (2023 - none).

EMPLOYERS FOR CHILDCARE

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MAY 2024

27	Cash generated from group operations	2024	2023
		£	£
	Deficit for the year	(244,441)	(223,889)
	Adjustments for:		
	Investment income recognised in statement of financial activities	(167,190)	(86,585)
	Gain on disposal of tangible fixed assets	(567)	-
	Depreciation and impairment of tangible fixed assets	89,428	121,946
	Taxation	(7,878)	(13,122)
	Movements in working capital:		
	(Increase) in stocks	-	(2,328)
	Decrease/(increase) in debtors	11,281	(11,556)
	(Decrease) in creditors	(954,204)	(1,360,096)
	(Decrease) in deferred income	-	(14,000)
	Cash absorbed by operations	(1,273,571)	(1,589,630)
28	Analysis of changes in net funds - group		
	The charity had no debt during the year.		
27	Cash generated from operations - charity	2024	2023
		£	£
	Deficit for the year	(219,781)	(112,273)
	Adjustments for:		
	Investment income recognised in statement of financial activities	(3,783)	(1,459)
	Depreciation and impairment of tangible fixed assets	42,286	42,475
	Movements in working capital:		
	(Increase) in debtors	(45,279)	(82,615)
	Increase/(decrease) in creditors	28,578	(178,194)
	Cash absorbed by operations	(197,979)	(332,066)
28	Analysis of changes in net funds		
	The charity had no debt during the year.		
