

Company Registration Number: 05871101

Charity Number: 1137866

**ST BEDE'S CHILDCARE LIMITED**

**A Company Limited by Guarantee**

**Trustees' Report and Financial Statements**

**For The Year Ended  
31 August 2019**

Draft

**ST BEDE'S CHILDCARE LIMITED**  
**A COMPANY LIMITED BY GUARANTEE**

**CONTENTS**

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Members of the Board and Professional Advisers	1
Trustees' Annual Report	2
Independent Auditor's Report	7
Statement of Financial Activities (incorporating Income and Expenditure Account)	10
Balance Sheet	11
Statement of Cash Flows	12
Notes to the Financial Statements	13

**ST BEDE'S CHILDCARE LIMITED  
COMPANY LIMITED BY GUARANTEE**

**MEMBERS OF THE BOARD AND PROFESSIONAL ADVISERS**

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<b>Registered charity name</b>	St Bede's Childcare Limited
<b>Charity registration number</b>	1137866
<b>Company registration number</b>	05871101
<b>Registered office</b>	C/O MHA Moore and Smalley Richard House Winckley Square Preston PR1 3HP
<b>Principal office</b>	St Bede Church of England Primary Academy Morris Green Lane Bolton Lancashire BL3 3LJ
<b>Trustees</b>	J Hatch OBE J Roberts S Bagshaw M A Caine K Dearden
<b>Auditor</b>	MHA Moore and Smalley Chartered Accountants Richard House Winckley Square Preston PR1 3HP

# **ST BEDE'S CHILDCARE LIMITED COMPANY LIMITED BY GUARANTEE**

## **TRUSTEES' ANNUAL REPORT**

**FOR THE YEAR ENDED 31 AUGUST 2019**

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The trustees submit their annual report and the financial statements of St Bede's Childcare Limited (the charity) for the year ended 31 August 2019. The trustees have adopted the provisions of the Statement of Recommended Practice (SORP) "Accounting and Reporting by Charities" (FRS 102) in preparing the annual report and financial statements of the charity.

The financial statements have been prepared in accordance with the accounting policies set out in notes to the accounts and comply with the charity's governing document, the Charities Act 2011 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 published on 16 July 2014.

### **Reference and administrative details**

Reference and administrative details are shown in the schedule of members of the board and professional advisers on page 1 of the financial statements.

### **The trustees**

The directors of the charitable company are its trustees for the purposes of charity law. The trustees who have served during the year and since the year end were as follows:

J Hatch OBE  
J Roberts  
S Bagshaw  
M A Caine  
K Dearden

### **Structure, governance and management**

#### **Governing document**

The charity is governed by its memorandum and articles of association dated 30 June 2006.

#### **Trustees**

The number of Directors shall be not less than one. There is no maximum number of Directors.

Directors are appointed by the Board as and when required.

The trustees of the Charity receive extensive training via their individual professional organisations. They engage in ongoing continuous professional development through the Headship schemes, ICAEW and Ofsted-approved training providers.

Pay and remuneration for the Childcare Director will be reviewed annually by Jack Hatch OBE and the Finance Director and will be linked to performance targets.

Two of the trustees are directors of St Bede Academy. The operation of the Charity is managed with assistance from staff at the school and services and costs are recharged by the Academy.

#### **Risk management**

The trustees have reviewed the risks to which the charity is subject, and developed systems to mitigate these risks.

#### **Objectives and activities**

The objects of the charity are to provide better educational and childcare resources to enable all members of the community to play a fuller role in the local community and society at large.

The charity provides nursery care and after school clubs.

**ST BEDE'S CHILDCARE LIMITED**  
**COMPANY LIMITED BY GUARANTEE**  
**TRUSTEES' ANNUAL REPORT (CONTINUED)**  
**FOR THE YEAR ENDED 31 AUGUST 2019**

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The nursery provision aims to offer parents an extension to their home, where children will be loved, cared for and educated to the highest standard, allowing parents to return to work knowing their child's needs, likes and enjoyment are fully catered for.

The trustees have taken into consideration the Charity Commission guidance on public benefit.

## **Strategic Report**

### **Achievements and performance**

In the year ended August 2019 the Charity continued to improve and promote our existing venues. Following last year's indoor refurbishment of Baby Bede, this year we have completed major works to the outdoor area to create an impressive play area for the children. All of this work has been funded from reserves.

Works to the outdoor area at Little Owls are scheduled for October 2019 as part of our ongoing improvements programme at our nurseries.

Further development works are planned for our largest site in Leigh as part of the Charity's long term strategic plan. These plans include extending the nursery provision at Little Rainbows 2.

All of our Out of School Clubs have performed well. Our newest club, based in Leigh, is now established and attracts children from a number of local primary schools. The longer running clubs remain popular with children and parents and are consistently busy.

All of our venues are rated Ofsted 'outstanding' or 'good'.

The directors remain pleased with the performance of the Charity.

### **Public benefit**

The Trustees have had due regard to the Charity Commission guidance on public benefit.

### **Financial review**

The detailed results for the charity are included in the Statement of Financial Activities.

Net incoming resources for the year were £121,149 (2018: £88,239)

The Charity's performance has improved from the year ended 2018 and the Charity is in a strong position.

There were no significant events in year ended 2019 which are likely to have a financial effect on the business going forward.

### **Principal risks and uncertainties**

The main risks to the Charity are:

#### *Reputational risk and Ofsted inspections*

St Bede's Childcare is a high quality childcare provider. All of our venues are rated good or outstanding (or awaiting inspection). In order to maintain this quality we have robust systems in place for training, safeguarding and recruitment which are reviewed frequently to ensure their effectiveness.

#### *Business Interruption*

St Bede's Childcare has formulated a thorough Business Continuity Plan drawing on the expertise of staff members at all levels in the business. The plan has detailed instructions of how we would move from Day 1 onwards. As we have multiple settings, with 2 of our nurseries based in buildings that we own, we are confident that if this plan was ever needed we would be able to continue to provide care for all of the children currently registered with us. We also have insurance cover in place for this eventuality.

**ST BEDE'S CHILDCARE LIMITED**  
**COMPANY LIMITED BY GUARANTEE**  
**TRUSTEES' ANNUAL REPORT (CONTINUED)**  
**FOR THE YEAR ENDED 31 AUGUST 2019**

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This plan is reviewed regularly by our IT Manager and Finance Director to ensure it is up to date and fit for purpose. It has been adapted in light of recent changes to legislation regarding data to ensure that it is GDPR compliant.

**Factors likely to affect future financial performance or position**

*Recruitment*

Recruitment within the Childcare sector has become more difficult in recent years and will continue to be effected by the increases to the National Living Wage. At the beginning of the year ended 2019 we were still using Agency staff more than in previous years. This decreased throughout the year as we filled permanent positions within the nurseries. We have also recruited additional qualified staff members to cover staff absence so that we are not reliant on agency staff going forwards.

We have introduced a number of employee incentives to improve morale and staff retention. We have also introduced a staff wellness package which includes free confidential counselling for all staff.

*Government Funding*

The sector as a whole continues to feel the effects of the increases to living wage. This has been further impacted by the freeze in government funding for early years over the past three years. A very small increase has been announced for 2020/2021 but this will not offset the increases to wage costs. The combination of these two factors continues to squeeze reserves throughout the nursery sector.

*Covid-19 control measures*

Covid-19 has had an impact on the childcare charity after instructions from the government to provide childcare for only those children of key workers and vulnerable children.

The charity firstly reviewed the staff and tiered them into:-

- Tier 1 – staff who are in the vulnerable group (including pregnant workers) who should self-isolate for 12 weeks.
- Tier 2 – staff who live with members within their household who are within the vulnerable group
- Tier 3 – staff who care for a vulnerable member not within their household
- Tier 4 – other staff.

The objective was to review if a rota can be prepared to operate with just tier 3 and 4 staff.

The charity then reviewed the number of children under the current government guidance that required care. This was trialled for 2 days after which point unfortunately it became impossible to operate and all (including nurseries) but one of the out of school clubs were closed. Staff were furloughed and parents informed.

The following things have been initiated to ensure we continue to operate as a viable concern.

- Reserves which were held for development of a large building to increase capacity (and refurbishment work) are now released to be used when needed.
- Weekly cash flows are being prepared and reviewed by the Financial Controller and Finance Director
- Rent holidays are being negotiated for the two nurseries being rented
- Forecasts are being updated regularly to review the current scenarios and any new directives issued by the government
- Considering the need to request a loan repayment holiday
- Furloughed staff are initially receiving 20% top up for the first 4 weeks, then 15% for the next 4 weeks then 10% for 2 weeks and 5% for 2 weeks
  - (a) This allows staff to gradually get used to a smaller income
  - (b) Creates goodwill with staff (many nurseries are not topping up) to aid staff retention

**ST BEDE'S CHILDCARE LIMITED  
COMPANY LIMITED BY GUARANTEE  
TRUSTEES' ANNUAL REPORT (CONTINUED)  
FOR THE YEAR ENDED 31 AUGUST 2019**

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- Staff's accrued and not yet used holidays will be used when the charity re-opens venues whilst number of children are built back up
- Keep in touch with parents to review their ongoing needs once the nursery is open
- Encourage those eligible for 15 hour and 30 hours funding to continue to claim and those who become eligible to join and reserve their place in the nursery as we will continue to receive income for this
- Chase outstanding debt to ensure cash still flows into the charity
- Remain aware of the other nurseries in the locality and if any are not opening in the future, contact them to purchase equipment, look at staff who need employment and children who need care.

With our wealth of experience and available cash reserves we feel confident to be able to remain a viable concern in these uncertain times.

### **Reserves**

The trustees consider that a reasonable level of free reserves is 1 month's running costs. This would be approximately £164,813. Free reserves are currently £494,172. Extra reserves are being held to fund future capital projects. The directors also regard this as prudent with the rising costs of national living wage and government funding rates in Early Years not increasing accordingly.

At the year end the charity was holding £9,416 in restricted balances received from Bolton Local Authority to provide free breakfasts at the Morris Green Out of School Club.

### **Plans for future periods**

In the year ended August 2019 the trustees have engaged quantity surveyors to start to draw up plans for further developing the Leigh building. This building currently houses a 56 place nursery and a 60 place out of school club. Plans are being developed and costed to have an extended pre-school provision and potentially increase the overall nursery size to 96. The plans will also include costs for a community kitchen which would provide good quality food to the local community at affordable prices.

### **Fundraising standards information**

The charity does not currently raise funds from the public.

**ST BEDE'S CHILDCARE LIMITED**  
**COMPANY LIMITED BY GUARANTEE**  
**TRUSTEES' ANNUAL REPORT (CONTINUED)**  
**FOR THE YEAR ENDED 31 AUGUST 2019**

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**Responsibilities of the trustees**

The trustees (who are also directors of St Bede's Childcare Limited for the purposes of company law) are responsible for preparing the Trustees' Annual 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 trustees to prepare financial statements for each financial year, which give a true and fair view of the state of affairs of the charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that period.

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

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP 2015 (FRS102);
- 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;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in operation.

The trustees are responsible for keeping adequate accounting records that disclose with reasonable accuracy at any time the financial position of the charitable company 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 charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

In so far as the trustees are aware:

- there is no relevant audit information of which the charitable company's auditor is unaware; and
- the trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.



**ST BEDE'S CHILDCARE LIMITED  
COMPANY LIMITED BY GUARANTEE  
TRUSTEES' ANNUAL REPORT (CONTINUED)  
FOR THE YEAR ENDED 31 AUGUST 2019**

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**Auditor**

MHA Moore and Smalley are deemed to be re-appointed under section 487 (2) of the Companies Act 2006.

**Small company provisions**

This report has been prepared in accordance with the Statement of Recommended Practice "Accounting and Reporting by Charities", and in accordance with the special provisions for small companies under Part 15 of the Companies Act 2006.

Signed by order of the trustees

.....  
June Roberts  
Trustee

Registered office:  
St Bede Church of England Primary Academy  
Morris Green Lane  
Bolton  
Lancashire  
BL3 3LJ

Draft

**ST BEDE'S CHILDCARE LIMITED  
COMPANY LIMITED BY GUARANTEE**

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS**

**FOR THE YEAR ENDED 31 AUGUST 2019**

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**Opinion**

We have audited the financial statements of St Bede's Childcare Limited (the 'charitable company') for the year ended 31 August 2019 which comprise the Statement of Financial Activities, the Balance Sheet, the Cash Flow Statement and related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice, including Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice)).

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 August 2019, and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

**Basis for opinion**

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

**Conclusions relating to going concern**

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the trustees' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the charitable company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

**Other information**

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

**ST BEDE'S CHILDCARE LIMITED  
COMPANY LIMITED BY GUARANTEE**

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS**

**FOR THE YEAR ENDED 31 AUGUST 2019**

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In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. 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 the audit:

- the information given in the trustees' report (incorporating the strategic report and the directors' report) for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report 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 our knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report and the directors' report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 require 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 trustees 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.

**Responsibilities of the trustees**

As explained more fully in the Trustees' Responsibilities Statement set out on page 4, the trustees (who are also the directors of St Bede's Childcare Limited for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatements, whether due to fraud or error.

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

**ST BEDE'S CHILDCARE LIMITED  
COMPANY LIMITED BY GUARANTEE**

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS**

**FOR THE YEAR ENDED 31 AUGUST 2019**

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**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.

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

**Use of our report**

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

**Christine Wilson (Senior Statutory Auditor)**

**For and on behalf of**

MHA Moore and Smalley

Richard House  
9 Winckley Square  
Preston  
PR1 3HP

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**ST BEDE'S CHILDCARE LIMITED  
COMPANY LIMITED BY GUARANTEE**

**STATEMENT OF FINANCIAL ACTIVITIES  
(INCORPORATING THE INCOME AND EXPENDITURE ACCOUNT)**

**FOR THE YEAR ENDED 31 AUGUST 2019**

	Note	Unrestricted funds £	Restricted funds £	2019 Total Funds £	2018 Total Funds £
<b>Income and endowments from:</b>					
Charitable activities	2	2,170,667	13,948	2,184,615	2,248,980
Investments	3	250	-	250	319
<b>Total income and endowments</b>		<b>2,170,917</b>	<b>13,948</b>	<b>2,184,865</b>	<b>2,249,299</b>
<b>Expenditure on:</b>					
Charitable activities	4/5	2,044,184	19,532	2,063,716	2,161,060
<b>Total expenditure</b>		<b>2,044,184</b>	<b>19,532</b>	<b>2,063,716</b>	<b>2,161,060</b>
<b>Net income / (expenditure)</b>		<b>126,733</b>	<b>(5,584)</b>	<b>121,149</b>	<b>88,239</b>
Transfers between funds		-	-	-	-
<b>Net movement in funds</b>		<b>126,733</b>	<b>(5,584)</b>	<b>121,149</b>	<b>88,239</b>
<b>Reconciliation of funds</b>					
Total funds brought forward		886,466	15,000	901,466	813,227
<b>Total funds carried forward</b>		<b>1,013,199</b>	<b>9,416</b>	<b>1,022,615</b>	<b>901,466</b>

All income and expenditure derive from continuing activities.

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

**ST BEDE'S CHILDCARE LIMITED  
COMPANY LIMITED BY GUARANTEE**

**BALANCE SHEET**

**AS AT 31 AUGUST 2019**

	Note	Unrestricted funds £	Restricted funds £	2019 Total Funds £	2018 Total Funds
<b>Fixed assets</b>					
Intangible assets	12	-	-	-	-
Tangible assets	13	789,190	-	789,190	756,498
		789,190	-	789,190	756,498
<b>Current assets</b>					
Debtors	14	70,810	-	70,810	88,934
Cash at bank and in hand		626,479	9,416	635,895	567,704
		697,289	9,416	706,705	656,638
<b>Creditors: amounts falling due within one year</b>	15	(197,433)	-	(197,433)	(207,336)
<b>Net current assets</b>		499,856	9,416	509,272	449,302
<b>Total assets less current liabilities</b>		1,289,046	9,416	1,298,462	1,205,800
<b>Creditors: amounts falling due after more than one year</b>	16	(275,847)	-	(275,847)	(304,334)
<b>Net assets</b>		1,013,199	9,416	1,022,615	901,466
<b>Charity Funds</b>					
Restricted income funds		-	9,416	9,416	15,000
Unrestricted funds		1,013,199	-	1,013,199	886,466
<b>Total charity funds</b>		1,013,199	9,416	1,022,615	901,466

The accounts have been prepared in accordance with the provisions applicable to companies subject to the small companies' regime.

These financial statements were approved and authorised for issue by the members of the committee on ..... and are signed on their behalf by:

.....  
Jack Hatch OBE  
Director

The notes on pages 13 to 24 form part of these financial statements.

Company Registration Number: 05871101

**ST BEDE'S CHILDCARE LIMITED  
COMPANY LIMITED BY GUARANTEE**

**STATEMENT OF CASH FLOWS**

**FOR THE YEAR ENDED 31 AUGUST 2019**

	Note	2019		2018	
		£	£	£	£
<b>Cash flow from operating activities:</b>					
<i>Net cash flow from operating activities</i>	19		<u>175,315</u>		<u>(27,334)</u>
<b>Cash flow from investing activities:</b>					
Payments to acquire tangible fixed assets		(63,568)		(18,476)	
Interest received		<u>250</u>		<u>319</u>	
<i>Net cash flow from investing activities</i>			<u>(63,318)</u>		<u>(18,157)</u>
<b>Cash flow from financing activities</b>					
Repayment of long term loans		(27,471)		(27,546)	
Interest paid		<u>(16,335)</u>		<u>(16,250)</u>	
<i>Net cash flow from financing activities</i>			<u>(43,806)</u>		<u>(43,796)</u>
<b>Net increase/(decrease) in cash and cash equivalents</b>			68,191		(89,287)
Cash and cash equivalents at 1 September 2018			<u>567,704</u>		<u>656,991</u>
<b>Cash and cash equivalents at 31 August 2019</b>			<u>635,895</u>		<u>567,704</u>

# ST BEDE'S CHILDCARE LIMITED COMPANY LIMITED BY GUARANTEE

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2019

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### 1 Accounting policies

#### General information and basis of preparation

St Bede's Childcare Limited is a charity registered in England and also a company limited by guarantee. In the event of the charity being wound up, the liability in respect of the guarantee is limited to £1 per member of the charity. The address of the registered office is given in the charity information on page 1 of these financial statements. The nature of the charity's operations and principal activities are the operation of full day care nursery provision for children from 6 weeks to 4 years all year around together with breakfast, after school and holiday care for 3 to 11 year olds.

The charity constitutes a public benefit entity as defined by FRS 102. The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) issued on 16 July 2014 (as updated through Update Bulletin 1 published on 2 February 2016), the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102), the Charities Act 2011, the Companies Act 2006 and UK Generally Accepted Practice as it applies from 1 January 2015.

The financial statements are prepared on a going concern basis under the historical cost convention. The financial statements are presented in sterling which is the functional currency of the charity and rounded to the nearest pound.

The significant accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all years presented unless otherwise stated.

#### Going concern

The trustees are required to assess whether the use of going concern is appropriate, ie whether there are any material uncertainties related to events or conditions that may cast significant doubt on the ability of the charitable company to continue as a going concern. The Trustees make this assessment in respect of a period of at least one year from the date of authorisation of the accounts. The recent escalation of measures taken by the Government to combat the spread of the corona virus has resulted in the closure of all venues other than one out of school club. As a result, in the year ending 31 August 2020, income will be significantly lower than anticipated. Staff have been furloughed and the Trustees and Senior Management Team are putting plans in place to manage the situation and monitor reserves levels. At the date of approving these accounts the trustees have a reasonable expectation that the charity will be able to manage the situation and that it has sufficient cash resources to enable it to meet its liabilities as they fall due for at least 12 months from the date of approval. Thus the trustees continue to adopt the going concern basis of accounting in preparing the financial statements.

#### Funds

Unrestricted funds are available for use at the discretion of the trustees in furtherance of the general objectives of the charity and which have not been designated for other purposes.

Designated funds comprise unrestricted funds that have been set aside by the trustees for particular purposes. The aim and use of each designated fund is set out in the notes to the financial statements.

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by donors or which have been raised by the charity for particular purposes. The cost of raising and administering such funds are charged against the specific fund. The aim and use of each restricted fund is set out in the notes to the financial statements.



**ST BEDE'S CHILDCARE LIMITED  
COMPANY LIMITED BY GUARANTEE**

**NOTES TO THE FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 AUGUST 2019**

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**1 Accounting policies (continued)**

**Income recognition**

All incoming resources are included in the Statement of Financial Activities (SoFA) when the charity is legally entitled to the income after any performance conditions have been met, the amount can be measured reliably and it is probable that the income will be received.

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. Grants where the application of the grant is determined by the funder are included as restricted funds. Grants where there are no conditions set by the funders other than the general objects of the charity are included as unrestricted funds. Grants are accrued when any conditions on their receipt have been met and are deferred where conditions on their receipt have not been met.

Investment income is earned through holding assets for investment purposes such as shares and property. It includes interest. Interest income is recognised using the effective interest method.

Fees income represents amounts receivable for childcare services within the year.

**Expenditure recognition**

All expenditure is accounted for on an accruals 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 the following heading:

- Expenditure on charitable activities includes all costs relating to the operating of the nurseries and clubs.

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

**Tangible fixed assets**

Tangible fixed assets are stated at cost (or deemed cost) less accumulated depreciation and accumulated impairment losses. Cost includes costs directly attributable to making the asset capable of operating as intended.

Depreciation is provided on all tangible fixed assets, at rates calculated to write off the cost, less estimated residual value, of each asset on a systematic basis over its expected useful life as follows:

- Freehold property - 2% per annum straight line
- Leasehold property - 2% per annum straight line
- Fixtures and fittings - 20% per annum straight line

**Debtors and creditors receivable/payable within one year**

Debtors and creditors with no stated interest rate and receivable or payable within one year are recorded at transaction price. Any losses arising from impairment are recognised in expenditure.

**Loans and borrowings**

Loans and borrowings are initially recognised at the transaction price including transaction costs. Subsequently, they are measured at amortised cost using the effective interest rate method, less impairment. If an arrangement constitutes a finance transaction it is measured at present value.

**ST BEDE'S CHILDCARE LIMITED  
COMPANY LIMITED BY GUARANTEE**

**NOTES TO THE FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 AUGUST 2019**

**1 Accounting policies (continued)**

**Leases**

Rentals payable and receivable under operating leases are charged to the SoFA on a straight line basis over the period of the lease.

**Employee benefits**

When employees have rendered service to the charity, short-term employee benefits to which the employees are entitled are recognised at the undiscounted amount expected to be paid in exchange for that service.

The charity operates a defined contribution plan for the benefit of its employees. Contributions are expensed as they become payable.

**Tax**

The charity is an exempt charity within the meaning of schedule 3 of the Charities Act 2011 and is considered to pass the tests set out in Paragraph 1 Schedule 6 Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes.

**Judgements and key sources of estimation uncertainty**

There have been no significant judgements made in the process of preparing the financial statements.

There have been no key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

**2 Income from charitable activities**

	<b>Unrestricted Funds</b>	<b>Restricted funds</b>	<b>2019 Total Funds</b>	<b>2018 Total Funds</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Grant income	-	13,948	13,948	15,000
Fees	2,168,236	-	2,168,236	2,231,721
Other income	2,431	-	2,431	2,259
	<hr/>	<hr/>	<hr/>	<hr/>
	2,170,667	13,948	2,184,615	2,248,980
	<hr/>	<hr/>	<hr/>	<hr/>

Income from charitable activities was £2,184,615 (2018: £2,248,980) of which £13,948 (2018: £15,000) was attributable to restricted funds and £2,170,667 (2018: £2,233,980) was attributable to unrestricted funds.

**ST BEDE'S CHILDCARE LIMITED  
COMPANY LIMITED BY GUARANTEE**

**NOTES TO THE FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 AUGUST 2019**

**3 Income from investments**

	Unrestricted Funds	Restricted funds	2019 Total Funds	2018 Total funds
	£	£	£	£
Bank interest receivable	250	-	250	319

Income from investments was £250 (2018: £319) of which £250 (2018: £319) was attributable to unrestricted funds.

**4 Analysis of expenditure on charitable activities by fund type**

	Unrestricted Funds	Restricted funds	2019 Total Funds	2018 Total Funds
	£	£	£	£
Wages and salaries	1,422,313	19,432	1,441,745	1,396,992
Food	111,705	-	111,705	113,579
Heat and light	36,360	-	36,360	37,519
Rent and rates	117,304	-	117,304	140,848
Repairs and maintenance	25,686	-	25,686	23,953
Cleaning and caretaking	26,403	-	26,403	26,637
Insurance	16,155	-	16,155	18,763
Telephone	2,156	-	2,156	2,966
Equipment and activities	88,821	100	88,921	93,350
Venue set up costs	4,037	-	4,037	4,602
Legal and professional	2,845	-	2,845	2,588
Depreciation	30,876	-	30,876	27,708
Senior management recharge	117,496	-	117,496	215,632
Administration	16,746	-	16,746	33,979
Bank interest (note 11)	16,335	-	16,335	16,250
Other expenses	802	-	802	30
Bad debt written off	1,064	-	1,064	(1,110)
Governance costs (note 7)	7,080	-	7,080	6,774
	<u>2,044,184</u>	<u>19,532</u>	<u>2,063,716</u>	<u>2,161,060</u>

£19,532 (2018: £nil) of the above costs were attributable to restricted funds. £2,044,184 (2018: £2,161,060) of the above costs were attributable to unrestricted funds.

**ST BEDE'S CHILDCARE LIMITED  
COMPANY LIMITED BY GUARANTEE**

**NOTES TO THE FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 AUGUST 2019**

**5 Analysis of expenditure on charitable activities by activity type**

	Direct charitable costs £	Support Costs £	2019 Total Funds £	2018 Total Funds £
Wages and salaries	1,441,745	-	1,441,745	1,396,992
Food	111,705	-	111,705	113,579
Heat and light	36,360	-	36,360	37,519
Rent and rates	117,304	-	117,304	140,848
Repairs and maintenance	25,686	-	25,686	23,953
Cleaning and caretaking	-	26,403	26,403	26,637
Insurance	-	16,155	16,155	18,763
Telephone	-	2,156	2,156	2,966
Equipment and activities	88,921	-	88,921	93,350
Venue set up costs	4,037	-	4,037	4,602
Legal and professional	-	2,845	2,845	2,588
Depreciation	-	30,876	30,876	27,708
Senior management recharge	-	117,496	117,496	215,632
Administration	-	16,746	16,746	33,979
Bank interest (note 11)	-	16,335	16,335	16,250
Other expenses	-	802	802	30
Bad debt written off	1,064	-	1,064	(1,110)
Governance costs (note 7)	-	7,080	7,080	6,774
	<u>1,826,822</u>	<u>236,894</u>	<u>2,063,716</u>	<u>2,161,060</u>

**6 Governance costs**

	Unrestricted Funds £	Restricted funds £	2019 Total Funds £	2018 Total Funds £
Audit and Accountancy fees	7,080	-	7,080	6,774
	<u>7,080</u>	<u>-</u>	<u>7,080</u>	<u>6,774</u>

**7 Auditor's remuneration**

The auditor's remuneration amounts to an audit fee of £5,900 (2018: £5,645) excluding VAT.

**8 Trustees' and key management personnel remuneration and expenses**

The trustees neither received nor waived any remuneration during the year (2018: £Nil).

The total amount of employee benefits received by key management personnel is £149,263 (2018: £236,613). The charity considers its key management personnel comprise the senior management staff, whose employee benefits are recharged by St Bede Church of England Primary Academy, and the Childcare Director, whose employee benefits are included on the charity's own payroll.

None of the trustees are accruing any pension benefits.

The trustees did not have any expenses reimbursed during the year (2018: £nil).

**ST BEDE'S CHILDCARE LIMITED  
COMPANY LIMITED BY GUARANTEE  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2019**

**9 Staff costs and employee benefits**

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

	<b>2019 No</b>	<b>2018 No</b>
Management	16	24
Nursery and after school club workers	87	80
	<u>103</u>	<u>108</u>

The total staff costs and employees benefits were as follows:

	<b>2019 £</b>	<b>2018 £</b>
Wages and salaries	1,363,481	1,321,600
Social security	59,907	62,763
Defined contribution pension costs	18,357	12,629
	<u>1,441,745</u>	<u>1,396,992</u>

No employees received total employee benefits (excluding employer pension costs) of more than £60,000 (2018: Nil).

**10 Interest payable and similar expenses**

	<b>2019 £</b>	<b>2018 £</b>
Bank loans and overdrafts	16,335	16,250
	<u>16,335</u>	<u>16,250</u>

**ST BEDE'S CHILDCARE LIMITED  
COMPANY LIMITED BY GUARANTEE  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2019**

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**11 Net Incoming Resources**

Net incoming resources is stated after charging

	<b>2019</b>	<b>2018</b>
	<b>£</b>	<b>£</b>
Depreciation	30,876	27,708
Auditors' remuneration (net of VAT)	5,900	5,440
	<u>          </u>	<u>          </u>

**12 Intangible assets**

	<b>Goodwill</b>
	<b>£</b>
<b>Cost</b>	
At 1 September 2018 and 31 August 2019	270,000
	<u>          </u>
<b>Amortisation to date</b>	
At 1 September 2018 and 31 August 2019	270,000
	<u>          </u>
<b>Net book value</b>	
At 31 August 2018 and 31 August 2019	-
	<u>          </u>

**ST BEDE'S CHILDCARE LIMITED  
COMPANY LIMITED BY GUARANTEE**

**NOTES TO THE FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 AUGUST 2019**

**13 Tangible fixed assets**

	Land and buildings £	Fixtures & fittings £	Total £
<b>Cost</b>			
At 1 September 2018	852,064	6,139	858,203
Additions	<u>55,775</u>	<u>7,793</u>	<u>63,568</u>
<b>At 31 August 2019</b>	<u>907,839</u>	<u>13,932</u>	<u>921,771</u>
<b>Depreciation</b>			
At 1 September 2018	97,803	3,902	101,705
Charge in the period	<u>29,077</u>	<u>1,799</u>	<u>30,876</u>
<b>At 31 August 2019</b>	<u>126,880</u>	<u>5,701</u>	<u>132,581</u>
<b>Net book value</b>			
<b>At 31 August 2019</b>	<u><b>780,959</b></u>	<u><b>8,231</b></u>	<u><b>789,190</b></u>
At 31 August 2018	<u>754,261</u>	<u>2,237</u>	<u>756,498</u>

The net book value of land and buildings comprised:

	2019 £	2018 £
Land and buildings:		
Freehold	239,051	193,573
Leasehold	529,782	536,024
Leasehold improvements	<u>12,126</u>	<u>24,664</u>
	<u><b>780,959</b></u>	<u>754,261</u>

**14 Debtors**

	2019 £	2018 £
Trade debtors	31,163	50,427
Prepayments and accrued income	39,647	23,030
Other debtors	<u>-</u>	<u>15,477</u>
	<u><b>70,810</b></u>	<u>88,934</u>

**ST BEDE'S CHILDCARE LIMITED  
COMPANY LIMITED BY GUARANTEE**

**NOTES TO THE FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 AUGUST 2019**

**15 Creditors : Amounts falling due within one year**

	2019 £	2018 £
Bank loan	29,288	28,272
Trade creditors	52,916	55,845
Accruals	115,229	123,219
	<b>197,433</b>	207,336

**16 Creditors : Amounts falling due after more than one year**

	2019 £	2018 £
Bank loan	<b>275,847</b>	304,334

The bank loan is secured by a first legal charge over the assets of Baby Bede Private Day Nursery, Little Owls Private Day Nursery and Little Rainbows 2 Private Day Nursery.

The amount repayable after more than five years is £180,772.

**17 Movements in funds**

<i>Current year</i>	At 1 September 2018 £	Incoming resources £	Outgoing resources £	Transfers £	At 31 August 2019 £
Unrestricted fund	818,375	2,170,917	(2,027,059)	(15,897)	<b>946,336</b>
Designated fund	68,091	-	(17,125)	15,897	<b>66,863</b>
Restricted fund	15,000	13,948	(19,532)	-	<b>9,416</b>
	<b>901,466</b>	<b>2,184,865</b>	<b>(2,063,716)</b>	-	<b>1,022,615</b>

**Restricted funds**

An amount of £15,000 was received in the previous year to be used for the Morris Green breakfast club at the year end a balance of £9,416 was remaining in relation to this.

Restricted funds received during the year related to funding received for the purpose of funding nursery and out of school club places and this was fully spent during the year.

**Designated funds**

The directors have designated an amount equal to the lower of 2.5% of the audited net balance of the balance sheet at 31 August and the reconciled bank balance to be transferred to a hardship fund for the benefit of the public.

In addition, places are held open at each venue to be used at the discretion of the Directors to aid in safeguarding and/or where particular areas of hardship are identified within families accessing our childcare.



**ST BEDE'S CHILDCARE LIMITED  
COMPANY LIMITED BY GUARANTEE**

**NOTES TO THE FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 AUGUST 2019**

**17 Movements in funds (continued)**

<i>Prior year</i>	<b>At 1 September 2017 £</b>	<b>Incoming resources £</b>	<b>Outgoing resources £</b>	<b>Transfers £</b>	<b>At 31 August 2018 £</b>
Unrestricted fund	755,770	2,234,299	(2,157,501)	(14,193)	818,375
Designated fund	57,457	-	(3,559)	14,193	68,091
Restricted fund	-	15,000	-	-	15,000
	<u>813,227</u>	<u>2,249,299</u>	<u>(2,161,060)</u>	<u>-</u>	<u>901,466</u>

**18 Analysis of net assets between funds – prior year**

	<b>Unrestricted funds</b>	<b>Restricted funds</b>	<b>2018 Total £</b>
Fixed assets	756,498	-	756,498
Current assets	641,638	15,000	656,638
Current liabilities	(207,336)	-	(207,336)
Non-current liabilities	(304,334)	-	(304,334)
	<u>886,466</u>	<u>15,000</u>	<u>901,466</u>

**19 Operating lease commitments**

Total future minimum lease payments under non-cancellable operating leases are as follows:

	<b>2019 Land and Buildings £</b>	<b>2018 Land and Buildings £</b>
Operating leases which expire		
Within 1 year	55,000	55,000
Within 2 to 5 years	120,000	145,000
More than 5 years	360,000	390,000
	<u>535,000</u>	<u>590,000</u>

**ST BEDE'S CHILDCARE LIMITED  
COMPANY LIMITED BY GUARANTEE**

**NOTES TO THE FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 AUGUST 2019**

**20 Reconciliation of net income/(expenditure) to net cash flow from operating activities**

	<b>2019</b>	<b>2018</b>
	<b>£</b>	<b>£</b>
Net income/(expenditure) for the period	121,149	88,239
Interest receivable	(250)	(319)
Interest payable	16,335	16,250
Depreciation and impairment of tangible fixed assets	30,876	27,708
Decrease/(increase) in debtors	18,124	(49,559)
Decrease in creditors	(10,919)	(109,653)
Net cash flow from operating activities	<b>175,315</b>	<b>(27,334)</b>

**21 Analysis of net debt**

	<b>1 September</b>	<b>Cash flow</b>	<b>Other non-</b>	<b>31 August</b>
	<b>2018</b>	<b>£</b>	<b>cash</b>	<b>2019</b>
	<b>£</b>	<b>£</b>	<b>changes</b>	<b>£</b>
			<b>£</b>	
Net cash:				
Cash at bank and in hand	567,704	68,191	-	635,895
Debt:				
Bank loans	(332,606)	34,238	(6,767)	(305,135)
<b>Net debt</b>	<b>235,098</b>	<b>102,429</b>	<b>(6,767)</b>	<b>330,760</b>

**22 Related party transactions**

The directors consider that there is no overall controlling party.

St Bede Primary Academy is considered to be a related party as the directors of the charity are also part of the management team of the school.

Included within the accounts is a balance of £16,753 (2018: £4,413) due to St Bede Primary Academy.

Management recharges of £117,496 (2018: £215,632) have been charged from St Bede Primary Academy during the period.

Primary Alliance for Learning is also considered to be a related party as there are common directors of the two companies.

Included within the accounts is a balance of £nil (2018: £3,024 due from) due from Primary Alliance for Learning.

**ST BEDE'S CHILDCARE LIMITED  
COMPANY LIMITED BY GUARANTEE**

**NOTES TO THE FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 AUGUST 2019**

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**23 Company limited by guarantee**

The charity is a company limited by guarantee. In the event of the charity being wound up or dissolved, each member undertakes to contribute such amount as is required, not exceeding £1, for payment of any debts or liabilities.

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