

ST PAUL'S CHILDCARE
UNAUDITED REPORT AND ACCOUNTS
FOR THE YEAR ENDED 31 DECEMBER 2020
Charity Registration No. 1175452

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FOR THE YEAR ENDED 31 DECEMBER 2020

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**St Paul's Childcare
Trustees Annual Report
for the year ended 31 December 2020**

Objectives and Activities

The objective of St Paul's Childcare (a Charitable Incorporated Organisation number 1175452) is the advancement of the development and education of children and young people in accordance with Christian principles and practice in such a way as the charity trustees think fit. The Charity meets the requirements of the Public Benefit provisions of the Charities Act 2011.

To facilitate this St Paul's Childcare is responsible for overseeing a Breakfast Club, a Nursery and an After School Club, which are registered with Ofsted (Number 2509646) and has a current grading of Outstanding. St Paul's Childcare pays rent to both the PCC of Tupsley, St. Paul's Church and St. Paul's Church of England School for the hire of their facilities in order to achieve its aims.

Achievements and Performance

St Paul's Childcare CIO began operating on 1st April 2019 and this report covers the year to 31st December 2020. Prior to that date the Childcare operated within the structure of the PCC of St Paul's (charity number 1134258).

Plans for future

The trustees are committed to ensure that there is continual improvement of the childcare setting both in terms of the infrastructure and in terms of the continued development of the skills and training of the employees.

Financial Review

The year to 31st December 2020 showed a surplus of £ 77,324 (2019 £5,114). The unrestricted reserves of the Charity were £82,438 (2019 £5,114) at the year end. Cash reserves stood at £100,103 (2019 £66,435) at the year end.

In common with other Childcare settings, Covid has had a significant effect on the charity's operations. Whilst St Paul's Childcare benefitted from continual support from the local authority there was a significant reduction in income from parent paid nursery, breakfast club and after school club. Operating costs, particularly salary costs have been partly mitigated by local and national government support. Closure during the initial stages of the pandemic meant that we lost a few users, while a further decline in numbers was due primarily to changed working practices on the part of families.

The results for the year were materially affected by the donation of starting capital from St Paul's PCC of £81,500. Without this donation, St Paul's Childcare would have had a deficit in the year of £4,176.

**St Paul's Childcare
Trustees Annual Report
for the year ended 31 December 2020 (cont.)**

Reserves policy

It is the policy of St Paul's Childcare to hold in reserve the equivalent of 3 months running costs, including staff wages and rent. The trustees calculate this to be in the region of £80,000 and are therefore able to confirm at the year ended 31 December 2020 that this has been met.

Structure, governance and management

The method of the appointment of trustees is set out in the Constitution. They are responsible for making decisions on all matters of general concern and importance to the organisation including deciding on how the funds are to be spent.

Recruitment and Appointment of Trustees

Trustees are recruited either from members of the PCC of St Paul's Church or because the trustee has specialist skills that are of value to the operation of the childcare setting. One of the trustees is also the current manager of the setting and is paid a salary on normal commercial terms. New trustees go through an induction process which is determined by the incumbent trustees to familiarise themselves with the ethics and organisation of the setting.

Reference and administrative information

Registered Charity name St Paul's Childcare

Registered Charity number 1175452

Principal office c/o St Paul's Church, Community Centre, Church Road, Tupsley, Hereford, HR1 1RT

Governing document CIO - Foundation Registered 30 Oct 2017

Trustees	Rev. Preb. N P Armstrong Mrs C Evans Mrs K E Bishop Mrs S J Clayton resigned 18 July 2020 Mrs R Burrow Mrs D Hartland Mrs A D Green resigned 15 June 2020 Mrs H J Wheadon-Griffiths appointed 15 June 2020
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Bankers

Lloyds TSB Bank plc
8 High Town
Hereford HR1 2AE

**St Paul's Childcare
Trustees Annual Report
for the year ended 31 December 2020 (cont.)**

Independent examiners

Haines Watts Hereford Limited
Chartered Accountants
3rd Floor, Broadway House
32-35 Broad Street
Hereford HR4 9AR

Risk Management

The Trustees continue to monitor the major risks which the charity faces and has established systems to reduce those risks. Risks are reviewed at least annually. The main risks include the health and safety of clients and employees alongside the financial viability of the organisation.


Fund raising

The charity normally undertakes several fund-raising activities during the year including cakes sales, sponsored walks and Christmas fares. The amount of money raised is immaterial in comparison from that generated providing childcare. All monies raised are used to provide additional items for the benefit of the children in the setting. As a result of Covid it was only possible to organise a sponsored walk during the year.

Independent Examiners

Haines Watts Hereford Limited have agreed to offer themselves for re-appointment as independent examiners of the charity.

On behalf of the board of Trustees



Mrs D J Hartland - Chair

Date 18.10.21,...



Mrs K E Bishop - Treasurer

**St Paul's Childcare
Trustees Annual Report
for the year ended 31 December 2020 (cont.)**

Statement of Trustees' Responsibilities

The trustees 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), FRS102 and SORP 2015

The law applicable to charities in England and Wales 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 charity and of its incoming resources and application of resources of the charity 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 (FRS 102) 2015;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable 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 charity will continue in a business.

The trustees are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the charity and enable them to ensure that the financial statements comply with the Charities Act 2011 and the Charity (Accounts and Reports) Regulations 2008. They are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

On behalf of the Trustees



Mrs D J Hartland. Chair of trustees.

18.10.2021

Independent Examiner's Report to the Trustees of St Paul's Childcare

I report on the accounts of the charity for the year ended 31 December 2020.

Respective responsibilities of trustees and examiner

The charity's trustees are responsible for the preparation of the accounts. The charity's trustees consider that an audit is not required for this year under section 144(2) of the Charities Act 2011 (the 2011 Act) and that an independent examination is needed.

It is my responsibility to:

- examine the accounts under section 145 of the 2011 Act;
- follow the procedures laid down in the general Directions given by the Charity Commission under section 145(5)(b) of the 2011 Act; and
- state whether particular matters have come to my attention.

Basis of independent examiner's report

My examination was carried out in accordance with the general Directions given by the Charity Commission. An examination includes a review of the accounting records kept by the charity and a comparison of the accounts presented with those records. It also includes consideration of any unusual items or disclosures in the accounts, and seeking explanations from you as trustees concerning any such matters. The procedures undertaken do not provide all the evidence that would be required in an audit and consequently no opinion is given as to whether the accounts present a "true and fair view" and the report is limited to those matters set out in the statement below.

Independent examiner's statement

In connection with my examination, no matter has come to my attention:

- 1 which gives me reasonable cause to believe that, in any material respect, the requirements:
 - to keep accounting records in accordance with section 130 of the 2011 Act; and
 - to prepare accounts which accord with the accounting records and comply with the accounting requirements of the 2011 Act have not been met; or
- 2 to which, in my opinion, attention should be drawn in order to enable a proper understanding of the accounts to be reached.



Name: Sophie Powell

Relevant professional qualification or body: FCCA

ON BEHALF OF HAINES WATTS HEREFORD LIMITED

Chartered Accountants

3rd Floor

Broadway House

32-35 Broad Street

Hereford

HR4 9AR

21 October 2021.

St Paul's Childcare

**Statement of Financial Activities
(Including Income and Expenditure Account)
For the year ended 31 December 2020**

	Note	Unrestricted Fund £	Total Funds 2020 £	Total Funds 2019 £
Income from charitable activities				
Childcare Income		285,268	285,268	285,911
Other Income	3	137,086	137,086	-
Total income		422,354	422,354	285,911
Expenditure				
Expenditure on charitable activities	4	345,030	345,030	280,797
Total expenditure		345,030	345,030	280,797
Net income/(expenditure and net movement in funds for the year		77,324	77,324	5,114
Reconciliation of funds				
Total funds brought forward		5,114	5,114	-
Total funds carried forward		82,438	82,438	5,114

All activities are classed as continuing
The notes on pages 11 to 14 form part of the accounts

St Paul's Childcare

Balance Sheet

At 31 December 2020

	<i>Note</i>	2020 £	2019 £
Current Assets			
Cash at bank and in hand		100,103	66,435
Debtors	8	<u>1,119</u>	<u>6,213</u>
		101,222	72,648
Liabilities			
Creditors falling due within one year	9/10	(18,784)	(67,534)
Total assets less current liabilities		<u>82,438</u>	<u>5,114</u>
 The funds of the charity			
Unrestricted funds	12	<u>82,438</u>	<u>5,114</u>
		<u>82,438</u>	<u>5,114</u>

The notes on pages 11 to 14 form part of these accounts

The accounts on pages 9 to 14 were approved by the governing body and authorised for issue on 18 October 2021 and are signed on their behalf by



Mrs K E Bishop (Treasurer)



Mrs D J Hartland (Chair)

St Paul's Childcare

Notes on the accounts

For the year ended 31 December 2020

1 Accounting policies

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

a) Basis of preparation

The financial statements have been prepared in accordance with the Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2015) - Charities SORP (FRS 102)), and the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102).

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

b) Reconciliation with previous Generally Accepted Accounting Practice

In preparing the accounts, the trustees have considered whether in applying the accounting policies required by FRS012 and the Charities SORP FRS 102 the restatement of comparative items was required.

c) Preparation of accounts on a going concern basis.

The trustees consider the funds available will enable the charity to operate for more than one year and on that basis the charity is a going concern. Despite the COVID-19 outbreak in 2020, the charity, with the help of Government grants remains solvent and has increased its cash reserves since 2019. Since the year end the charity has reduced expenditure on rent costs and reduced employee numbers. From the start of the new term in September 2020 the number of children attending nursery, breakfast club and after school club have begun to increase.

d) Income

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

e) Fund accounting

Unrestricted funds are available to spend on activities that further any of the purposes of the charity. Designated funds are unrestricted funds of the charity which the trustees have decided at their discretion to set aside for a specific purpose. Restricted funds are donations which the donor has specified are to be used solely for particular areas of the charity's work or for particular activities carried out by the charity.

Endowment funds are not available for spending on day to day activities but income generated forms part of unrestricted income.

f) Expenditure and irrecoverable VAT

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

g) Allocation of support costs

Support costs are those functions that assist the work of the charity but do not directly undertake charitable activities. Support costs include back office costs, finance, personnel and governance costs which support the charity's activities.

St Paul's Childcare

Notes on the accounts

For the year ended 31 December 2020

h) Tangible fixed assets

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life.

Plant and other equipment is depreciated the year after purchase - 33.33% straight line.

i) Cash at bank and in hand

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

j) Creditors and provisions

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

2 Legal status of the charity

The Charity is a Charitable Incorporated Organisation (CIO) registered on 30 Oct 2017.

The Charity started trading on 1 April 2019.

St Paul's Childcare

Notes on the accounts

For the year ended 31 December 2020

	2020 £	2019 £
3 Analysis of other income		
Coronavirus Job Support Scheme Grant	55,586	-
Starting Capital from St Paul's Tupsley PCC written off	81,500	-
	<u>137,086</u>	<u>-</u>
4 Analysis of expenditure on charitable activities		
Childcare staff costs	294,616	232,552
Rent	27,317	29,514
Nursery expenses	11,494	11,801
Support costs (Note 5)	11,603	6,930
	<u>345,030</u>	<u>280,797</u>
5 Support costs		
IT and website costs	4,917	3,144
Licences and insurance	862	720
Office administration	2,319	658
Independent examination	2,100	900
Training costs	1,405	1,508
	<u>11,603</u>	<u>6,930</u>

6 Trustees remuneration and expenses

During the year two trustees were employed by the charity. Mrs S Clayton from January 2020 to 18 July 2020 was employed as the setting manager. She received remuneration of £ 11,815 for the period (2019 £15,319).

Mrs Wheadon-Griffiths was employed as the acting setting manager from 15 June 2020 she received remuneration of £11,338 for the period .

During the year four trustees received reimbursement of expenses totalling £1,229. In the previous period one trustee had reimbursed expenses of £494. All the expenses related to items that were bought on behalf of St Paul's Childcare and used by the charity.

	2020 £	2019 £
7 Staff costs		
Gross wages	281,647	220,970
Employers National Insurance costs	10,230	9,366
Employers contributions to a defined contribution pension scheme	2,739	2,216
	<u>294,616</u>	<u>232,552</u>
Staff numbers	2020	2019
Nursery, breakfast club and after school club	24	26
Management and adminsitration	3	3
	<u>27</u>	<u>29</u>

No employees were paid over £60,000 in the current year or previous period.

St Paul's Childcare

Notes on the accounts

For the year ended 31 December 2020

	2020 £	2019 £
8 Debtors		
Trade debtors	1,119	6,213
	<u>1,119</u>	<u>6,213</u>
	2020 £	2019 £
9 Creditors: amounts falling due in one year		
Accruals	17,723	7,785
Starting capital - see note 10		59,749
Fees in advance	1,061	-
	<u>18,784</u>	<u>67,534</u>

10 Related Party Transactions

During the year ended 31 December 2020 the charity received further starting capital from St Paul's Church PCC of Tupsley of £21,751 (2019 £59,749) (Charity Registered number 1134258) a charity with common trustees, in recognition of its contribution to St Paul's Church PCC surpluses in previous years. At the year end the total amount received from St Paul's Church PCC was £81,500 (2019 £59,749). At a meeting of St Paul's Church PCC on 25 February 2020 it was agreed that this total starting capital would be written off in the year.

Rev. Armstrong, Mrs Hartland, Mrs Bishop and Mrs Burrow are also trustees of St Paul's Church PCC of Tupsley. During the year St Paul's Childcare paid rent to the PCC of £20,629 (2019 £24,490).

Rev. Armstrong and Mrs Burrow are directors of St Paul's School. During the year St Paul's Childcare paid rent of £6,688 (2019 £5,024) to St Paul's School.

At the year end the charity owed St Paul's PCC £2,408 (2019 £nil) and St Paul's School £896 (2019 £nil) in respect of rent.

11 Unrestricted funds

	Balance 1 January 2020 £	Income £	Expenditure £	Balance 31 December 2020 £
General fund	5,114	422,354	345,030	82,438

12 Analysis of net assets between funds

	Unrestricted funds £	Total £
Tangible fixed assets	-	-
Fixed asset investments	-	-
Net current assets	82,438	82,438
	<u>82,438</u>	<u>82,438</u>

13 Post balance Sheet Events

The global Coronavirus pandemic had a significant effect on the number of children attending the nursery, breakfast club and after school provision. As a result of the fall in children numbers the trustees agreed that there needed to be a restructuring of the charity. The restructuring resulted in a reduction of space required and a reduction in the number of employees. In August 2021, 10 employees left the charity after accepting voluntary redundancy at a cost to the charity of £49,822.