

Company registration number 2412455 (England and Wales)

St George's Community Children's Project Limited



DIRECTORS' REPORT AND

UNAUDITED FINANCIAL STATEMENTS

for the year ended

31 AUGUST 2016



THE
BROOK TRUST
FUND



LOTTERY FUNDED

ST GEORGE'S COMMUNITY CHILDREN'S PROJECT LIMITED

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ST GEORGE'S COMMUNITY CHILDREN'S PROJECT LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 AUGUST 2016

The directors, who are also trustees for the purposes of the Charities Act, present their annual report and the unaudited financial statements of the charitable company for the year ended 31 August 2016. This directors' report, prepared in accordance with Section 415 of the Companies Act 2006, is also the trustees' report required by the Charities Act 2011.

The trustees confirm that the annual report and financial statements of the charity comply with the current statutory requirements, the requirements of the charity's governing document and the provisions of "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)).

Reference and Administrative Information

COMPANY NUMBER	2412455 (registered in England)	
CHARITY REGISTRATION NUMBER	802017	
REGISTERED OFFICE AND PRINCIPAL ADDRESS	7 Chilston Road Tunbridge Wells Kent TN4 9LP	
INDEPENDENT EXAMINER	A S Healey FCA CTA DchA Lindeyer Francis Ferguson Limited Chartered Accountants North House, 198 High Street Tonbridge, Kent, TN9 1BE	
BANKERS	National Westminster Bank plc 89 Mount Pleasant Road Tunbridge Wells Kent TN1 1PX	CAF Bank Ltd 25 Kings Hill Avenue, Kings Hill, West Malling, Kent ME19 4JQ
DIRECTORS	Cenydd Milne (Chair) Adrian Crouch (Treasurer) Ingrid Bussell Laura Brunger (resigned 29 June 2016) Amy Kewell (resigned 13 October 2015) Lindsey Grant Jason Fisher Pauline Parker (appointed 9 February 2016)	
BUSINESS MANAGER	Nicola Stirling (resigned 26 February 2016) Morgane Glew (appointed 4 April 2016)	

ST GEORGE'S COMMUNITY CHILDREN'S PROJECT LIMITED

DIRECTORS' REPORT (continued) FOR THE YEAR ENDED 31 AUGUST 2016

Structure, Governance and Management

Company Status

St George's Community Children's Project Limited is a charitable company limited by guarantee and has no share capital. In the event of a winding up, each member and those that have ceased being a member within the previous twelve months, are limited to a liability of £1. The company was incorporated on 10 August 1989 and is governed by its Memorandum and Articles of Association.

Governance and internal control

The Board of Directors is responsible for selecting and recruiting suitable directors to office at the Annual General Meeting. The maximum number of directors that may be elected to the board is twelve and the minimum is three. Eight directors served in office during the year.

The directors may from time to time appoint any member of the company as a director, either to fill a casual vacancy or by way of addition to the Board, provided that the prescribed maximum number of directors is not exceeded. Any member so appointed shall retain office until the next Annual General Meeting and is then eligible for re-election.

The management of the project is run by the Executive Committee, which consists of the serving directors and the business manager, which meets monthly. Following the resignation of Nicola Stirling, the Board appointed a new business manager to oversee the day to day running of the setting and to assist with the strategic growth and planning objectives of St George's. The new Business Manager is Morgane Glew who was appointed on 4th April 2016 and works full time.

Individuals who are interested in becoming directors are invited to join a meeting where they are introduced to all the other members. They are asked to submit a CV and to complete the necessary forms for clearance through the Disclosure and Barring Service (DBS).

During the year Pauline Parker, a member of staff, joined the Board of Directors, adding Childcare Management to an already very strong Board in terms of professional experience.

Each new director is given a Charity Commission booklet explaining directors' responsibilities and dates of available training relating to directors' responsibilities. Copies of the previous 12 month's meeting minutes are supplied, together with a pack containing the history of the Project, a list and CV of other directors, a copy of the charity's Memorandum and Articles of Association, and the latest accounts from the preceding month. The Project's website and the prospectus are available to all new members to gain more information about the management and services of the Project.

The Board of Directors continue to meet monthly with the Business Manager where any issues or escalations are raised for discussion and resolution.

**DIRECTORS' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2016**

Aims and objectives

The overall aims of the Project are to provide a high standard of childcare for the local community.

This service is offered to all sections of the community irrespective of ethnic, social and cultural differences and thereby encourages children to mix with and respect one another. The Project also aims to promote a high level of parental involvement in the management and development of the Project.

In setting the objectives and planning the activities of the Project the directors have given careful consideration to the Charity Commissioner's general guidance on public benefit and in particular to its supplementary public benefit guidance on advancing education and on fee charging.

The Project aims to give consideration to (and in no order of preference):-

1. children from single parent families
2. children who have a parent suffering from either mental or physical disability
3. children who have been referred to the Project through another agency
4. children from families who are experiencing financial hardship
5. children from families experiencing emotional/stressful circumstances temporarily or long-term
6. children whose social or intellectual development is known to be delayed
7. children from homes where there is inadequate play space

The Project aims to provide all childcare services at current cost rates with subsidised places available (depending on finances and demand). Special consideration will be given to individual families as and when the need arises within all areas of the childcare.

The Project aims to review the current need of subsidised places at regular intervals with consideration to the agreeable balance of differing backgrounds of the children.

The aims are categorised in five ways:

Community links

- to provide access to all visitors to view our services and facilities
- to open or join communication links with other agencies
- to share information and experiences with other agencies
- to open or join communication links with statutory agencies

Health and Safety

- to provide optimum standards of Health and Safety for all individuals involved in the Project
- to have sufficient expertise amongst the staff to cope with the minor medical problems of children and to deal confidently with emergency situations
- to be aware of the nutritional requirements of the growing child and how these needs can be met

**DIRECTORS' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2016**

Childcare facilities

- to provide a good quality day care nursery service for children from babies to five years old
- to provide a good quality playgroup for children from two and a half years to school age
- to provide a good quality After School Club for school children up to twelve years old
- to provide a good quality Holiday Club for school children up to twelve years old
- to provide subsidised places for disadvantaged children as predetermined
- to provide a combination of excellent day care, after school and holiday care that can provide a continuous service from babies to twelve years old

Family support

- to provide a secure and caring environment in which parents will feel confident to leave their child
- to offer a team of professional staff who are available for confidential discussion of each individual child's needs
- to maximise fundraising potential in order to provide subsidised places
- to offer advice and support for parents of children with special needs
- to offer opportunities for parental involvement in social, board management and fundraising activities

Media

- to promote a positive image of the Project and the excellent child care it offers through social media such as our website and Facebook page.

Review of activities and achievements

The Project is divided into three main categories:

- 1) A full day care Nursery comprised of three areas namely Squirrels (babies – 2 years), Moles (2-3 years), and Badgers (3-5 years);
- 2) Little Dragons term time only preschool play group; and
- 3) An Out of Hours facility incorporating After School Club for children aged between 4 and 12 and Holiday Clubs.

The charity owns the freehold property at 7 Chilston Road, Tunbridge Wells from which St George's carries on its business as a nursery for children between the ages of 6 months and 12 years as well as some charitable activities to raise funds to subsidise places for needful children. There is a small mortgage for the premises which is being paid off monthly. Some of the property is let to tenants on a leasehold basis which provides the project with income to help cover the day to day running costs.

There is a small administrative team comprising The Business Manager, 3 Childcare Managers who each work part time, an Accountant who works 28 hours a week and a part time Operations & Communications Co-ordinator.

ST GEORGE'S COMMUNITY CHILDREN'S PROJECT LIMITED

DIRECTORS' REPORT (continued) FOR THE YEAR ENDED 31 AUGUST 2016

The Project is accessible to children and families from all sections of the local community. In order to accomplish this, St George's uses social media, word of mouth and recently, some marketing advertisements placed in targeted local publications.

We welcome children and their families from all cultural, ethnic, religious and social groups. We do not discriminate against children with abilities or disabilities but the physical layout of our building does limit access to some disabilities. We actively encourage parents/carers to visit the project at any time before enrolling their child.

Currently St George's offers three sessions a week to a child who is considered to be 'in need' or to families who are currently receiving income support but for sustainability purposes, the total amount of these sessions and children attending on such sessions, needs to be capped. For families in temporary/bed and breakfast accommodation places are offered at £4 per session until they are in receipt of benefits when the rates are increased to £8 per session.

During the year St George's experienced one significant event which had a favourable impact on the running of the nursery for the 2015/16 year as follows:

Ofsted inspected us on 13 April 2016. St George's received an upgrading to "Outstanding" at that inspection due to the substantial improvement in performance compared to the previous year. During the year there was a restructure of the childcare areas. This was expedited with a view to bringing St George's closer to other Nursery setting's operational models by introducing a 'free flow' system throughout. The free flow system opened up the age appropriate rooms, so the children themselves can determine what it is they wish to play with or investigate. It strongly encourages decision making, child initiated play, active learning and gives them opportunities to interact in positive relationships and enabling environments.

Children

Little Dragons

The Little Dragons continue to hold two sessions or a full longer day session from 9.00am until 3.00pm term time only.

After School Club

The club has been consistently well occupied throughout the year. Our mini-bus continues to collect children from Claremont, St James's, St John's, St Augustine's and St Peter's Schools. The children are fed from our marvellous kitchen and then have the opportunity to play both in and out of the building.

Holiday Club

The Holiday Clubs continue to be very popular during the year with an additional Pre-school summer club created to see if there was a demand for such a service in the community and indeed, there was. Lots of little 3 – 5 year olds joined in the fun with the older children for a few weeks over the summer and saw lots of castle making and knightly practices taking place.

**DIRECTORS' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2016**

Nursery

The nursery now has the same structure as Little Dragons, namely, the Free Flow system. Rather than nine different rooms holding several areas of the same age group, the doors have been opened to allow children to flow freely in between different rooms allocated to a particular task or activity. Keeping in line with St George's history of caring for children in one way or another since 1926, the Board and management elected to revert back to the original group names which were in place from its inception in 1982. Babies are now known as the 'Squirrel's, 2 to 3 year olds are known as 'Moles' and those aged 3 to 5 years are known as 'Badgers'.

At the centre to these areas, is the Senior Childcare Leader who is a highly experienced and qualified childcare professional who sets out the monthly activities for the children and manages the team of staff in their respective areas.

Staff

We are very fortunate that the staff we currently employ are bright, caring individuals who are a credit to the St George's team. We are really looking forward to continuing to work with each and every single one, with a view to being a great place to work as well as a fantastic childcare establishment.

Building

The building is close to 200 years old and as such, requires a significant amount of work and upkeep to ensure its structural soundness as well as its appealing nature.

This year has seen us renovate the Badgers room, paint much of the inside of the building, landscape the car parking area, improvement of the sand pit area, service and certification of the internal boiler and cylinder, as well as general maintenance performed by our caretaker who works 2 days a week.

It is hoped that in the 2016/2017 financial year, St George's will be able to secure some additional fundraising, so that we can undertake some of the significant improvements throughout the setting. Projects such as improvements and enhancements to the gardens, decorating the reception and office areas and re-carpeting of the communal areas, are all desired however we must first secure the funds to do so.

Pension

Following the introduction of new pension legislation, last year saw St George's introduce Pensions for its staff for the first time. Staff who meet the legislative criteria now can opt in to pay 1% of their salary to the People's Pension for which 1%, St George's matches. As of April 2018, staff increments will go up to 2% and 3% by April 2019. We feel this is a great development and evidences the care and support St George's wishes to provide to our team.

**DIRECTORS' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2016**

Financial Review

Each year a budget is prepared to show a breakeven position to ensure the Project covers its costs. Capital projects are either covered by specific fundraising campaigns or from reserves brought forward at the discretion of the directors.

The Project made a surplus for the year amounting to £85,466 (2015: £3,791). This surplus is intended to be used mainly for improvements to the buildings and grounds and, in addition, to cover the costs of rebranding St George's (as per Plans for Future Periods below).

Fundraising

Although St George's runs a full time Nursery, Term time only preschool, Afterschool and Holiday Clubs, we also undertake significant fundraising activities with the objective of being able to provide subsidised places for children in need.

The 2015/16 year saw St George's provide 23 children with such subsidised places which in effect represented 1,817 sessions at a cost of £22,026 for the year.

Large fundraising events held during the year included:

- | | |
|-------------------|---------------------|
| 1. Christmas Fair | 2. Valentine's Ball |
| 3. Golf Day | 4. Shoot Day |
| 5. Sports Day | 6. Summer Fayre |

Additionally, we held smaller events such as an Easter Tombola and various other hall sales. We would like to thank the following individuals, grant bodies and organisations who have supported us during the year with significant fundraising activities and donations:

- £1,685 from Sainsbury's
- £1,219 from Fidelity
- £750 from the KCF
- £500 from WH Smith

We would like to record our sincere gratitude to each and every individual company, club, church, trust and group that has donated or volunteered their services. Without this help, we could not hope to help as many children as we do.

In addition, St George's continues to be involved with The Mayor's Toy Appeal, helping a large number of children last year to enjoy a better Christmas.

ST GEORGE'S COMMUNITY CHILDREN'S PROJECT LIMITED

DIRECTORS' REPORT (continued) FOR THE YEAR ENDED 31 AUGUST 2016

Fees

After review of the increase to St George's operational and running costs for the past year, the Board felt it necessary to increase the fees with effect from 1st September 2016. Great thought was taken in keeping the increase as fair and as reasonable as possible and across each area, but whilst enabling St George's to raise funds to cover future improvements to the buildings and grounds.

Reserves

The balance on the General Fund at the year-end was £426,717 (2015: £327,207) and is available to be spent at the directors' discretion on the charitable objects of the company.

Free unrestricted reserves (being unrestricted reserves excluding income funds only available on sale of fixed assets after designations for assisted places) at 31 August 2016 totalled £108,014 (2015: £30,000).

It is the Project's policy to hold £100,000 of free unrestricted reserves representing six weeks expenditure. Reserves are held to maintain required working capital and to ensure funds are available in the event of unbudgeted expenditure. It is the Project's policy to maintain a balanced budget each year.

The building fund comprises a grant from the National Lottery that was used to purchase the freehold land and building. The fund is reduced each year in equal amounts and transferred to the general fund in line with the rate of depreciation charged on the freehold building.

A designated fund has been set up for assisted places. Fundraising was successful for assisted places and not all funds were spent during the financial year and so the unspent balance has been carried forward to the following year.

Plans for Future Periods

The Board and Business Manager have plans to develop further St George's presence in the community by liaising more directly with local companies and business with a view to seeking corporate sponsorship and presence.

There are also ongoing plans for improvements to the buildings and grounds of St George's.

Additionally, we are in the process of rebranding St George's which will include the design of our new website which is a primary source of information for parents old and new.

DIRECTORS' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2016

Statement of Directors' Responsibilities

The trustees are responsible for preparing the financial statements in accordance with applicable law and United Kingdom Generally Accepted Accounting Practice.

Company law requires the trustees to prepare financial statements for each financial year. Under that law the trustees have elected to prepare the financial statements in accordance with the United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the charitable company and of the surplus or deficit of the charitable company for that period. In preparing those 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;
- 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 business.

The trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the charitable company's transactions and 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.

Small Company Exemptions

The above report has been prepared in accordance with the provisions applicable to companies subject to the small companies regime in Part 15 of the Companies Act 2006.

By Order of the Board


.....
Cenydd Milne
Chairman

Dated: 29/11/16

INDEPENDENT EXAMINERS' REPORT

TO THE MEMBERS OF ST GEORGE'S COMMUNITY CHILDREN'S PROJECT LIMITED FOR THE YEAR ENDED 31 AUGUST 2016

I report on the financial statements of St George's Community Children's Project Limited for the year ended 31 August 2016, which comprise the Statement of Financial Activities (including Income and Expenditure Account), the Balance Sheet, Statement of Cash Flows and the related Notes.

Respective responsibilities of the directors and examiner

The charity's trustees (who are also the directors of the company for the purposes of company law) 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.

The charity's gross income exceeded £250,000 and I am qualified to undertake the examination by being a qualified member of the Institute of Chartered Accountants in England and Wales.

Having satisfied myself that the charity is not subject to audit under company law and is eligible for independent examination, it is my responsibility to:

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

Basis of independent examiner's statement

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 EXAMINERS' REPORT (continued)

TO THE MEMBERS OF ST GEORGE'S COMMUNITY CHILDREN'S PROJECT LIMITED FOR THE YEAR ENDED 31 AUGUST 2016


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 386 of the Companies Act 2006; and
 - to prepare accounts which accord with the accounting records, comply with the accounting requirements of section 396 of the Companies Act 2006 and with the methods and principles of 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).

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.


.....

Date: 30/11/16

A S Healey FCA CTA DChA
Lindeyer Francis Ferguson Limited
North House
198 High Street
Tonbridge
Kent TN9 1BE

ST GEORGE'S COMMUNITY CHILDREN'S PROJECT LIMITED

**STATEMENT OF FINANCIAL ACTIVITIES (INCLUDING INCOME AND EXPENDITURE ACCOUNT)
FOR THE YEAR ENDED 31 AUGUST 2016**

	Notes	Unrestricted Funds 2016 £	Restricted Funds 2016 £	Total Funds 2016 £	Total Funds 2015 £
Income from:					
Donations	3	440	750	1,190	11,287
Charitable activities	4	889,711	-	889,711	795,467
Other trading activities	5	37,633	1,229	38,862	37,403
Investments		138	-	138	77
Total income		927,922	1,979	929,901	844,234
Expenditure on:					
Raising funds	6	13,794	-	13,794	17,185
Charitable activities	7	827,933	2,708	830,641	823,258
Total expenditure		841,727	2,708	844,435	840,443
Net income / (expenditure)	10	86,195	(729)	85,466	3,791
Net movement in funds		86,195	(729)	85,466	3,791
Reconciliation of funds:					
Total funds brought forward		495,465	729	496,194	492,403
Total funds carried forward	16	581,660	-	581,660	496,194

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

All income and expenditure derives from continuing operations.

ST GEORGE'S COMMUNITY CHILDREN'S PROJECT LIMITED

BALANCE SHEET
AS AT 31 AUGUST 2016

	Notes	2016 £	2016 £	2015 £	2015 £
Fixed assets					
Tangible assets	11		497,241		495,344
Current assets					
Debtors	12	47,528		29,417	
Cash at bank and in hand		143,924		93,803	
		191,452		123,220	
Creditors: amounts falling due within one year	13	(90,433)		(96,040)	
Net current assets			101,019		27,180
Creditors: amounts falling due after more than one year	14		(16,600)		(26,330)
Net assets			581,660		496,194
Funds					
Unrestricted funds			581,660		495,465
Restricted funds			-		729
	16		581,660		496,194

For the financial year ended 31 August 2016 the charitable company was entitled to exemption from audit under section 477 Companies Act 2006 relating to small companies.

Directors' responsibilities:

- The members have not required the company to obtain an audit of its financial statements for the year in question in accordance with section 476;
- The trustees, who are also the directors of the charitable company for the purposes of company law, acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and the preparation of the financial statements.

These financial statements have been prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small charitable companies.

The financial statements were approved by the Board of Trustees on 29/11/16 and were signed on its behalf by:


Cenydd Milne
Chairman

Company number: 2412455

ST GEORGE'S COMMUNITY CHILDREN'S PROJECT LIMITED

STATEMENT OF CASHFLOWS
FOR THE YEAR ENDED 31 AUGUST 2016

	Notes	2016 £	2015 £
Cash flows from operating activities:			
Net cash provided by / (used in) operating activities	A	86,578	8,619
Cash flows from investing activities:			
Purchase of tangible assets		(21,258)	(7,110)
Net cash used in investing activities		(21,258)	(7,110)
Cash flows from financing activities:			
Loan repayments		(15,199)	(15,199)
Net cash used in financing activities		(15,199)	(15,199)
Change in cash and cash equivalents for the year		50,121	(13,690)
Cash and cash equivalents at the beginning of the year		93,803	107,493
Cash and cash equivalents at the end of the year		143,924	93,803
A Reconciliation of net income / (expenditure) to net cash flow from operating activities			
Net income for the year		85,466	3,791
<i>As per statement of financial activities</i>			
Adjustments for:			
Depreciation		19,361	16,864
(Increase) / decrease in debtors		(18,111)	1,516
(Decrease) in creditors		(138)	(13,552)
Net cash provided by / (used in) operating activities		86,578	8,619

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2016**

1 STATUS

St George's Community Children's Project Limited is a charitable company incorporated in England and Wales. It is limited by guarantee and has no share capital. In the event of a winding up, each member and those that have ceased being a member within the previous twelve months, are limited to a liability of £1. The address of the registered office is 7 Chilston Road, Tunbridge Wells, Kent, TN4 9LP.

2 ACCOUNTING POLICIES

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

2.1 Basis of preparation

The financial statements have been prepared in accordance with "Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102)" (Effective 1 January 2015) - (Charities SORP (FRS 102)), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

St George's Community Children's Project Limited meets the definition of a public benefit entity under FRS 102 as it aims to provide high standard childcare for the local community.

There are no material uncertainties about the charity's ability to continue, and so the going concern basis of accounting has been adopted.

The financial statements are prepared in pounds sterling, which is the functional currency of the charity, and rounded to the nearest £1.

2.2 Reconciliation with previous Generally Accepted Accounting Practice

In preparing the accounts, the trustees have considered whether in applying the accounting policies required by FRS 102 and the Charities SORP FRS 102 the restatement of comparative items was required. The trustees have not identified any material restatements and so no changes have been made to comparative figures.

2.3 Incoming resources

All incoming resources are included on the Statement of Financial Activities when the charity is legally entitled to the income, the receipt is probable and the amount can be quantified with reasonable accuracy. For donations this is usually on receipt. For grants this is usually when a formal offer is made in writing, unless the grant contains terms and conditions outside of the charity's control, which must be met before the charity is entitled to the funds.

Incoming resources from charitable activities have been analysed by the three activities undertaken by the charity, namely Nursery, After School Club / Holiday Club, and Little Dragons. The income is recognised to the extent that the charity has provided contracted services.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2016**

2 ACCOUNTING POLICIES (continued)

2.3 Incoming resources continued

Fees received in advance or income to which the charitable company is not yet entitled is accounted for as deferred income.

Fundraising income is recognised when the event takes place. Rental income is recognised in the period to which it relates.

The charitable company is not registered for VAT.

2.4 Resources expended

Liabilities, and related expenditure, are recognised when a present legal or constructive obligation exists at the balance sheet date as a result of a past event, it is probable that a transfer of economic benefits will be required to settle the obligation, and the amount can be measured or estimated reliably.

Expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all costs related to the category and includes irrecoverable VAT.

Direct costs have been charged to the activity to which they relate. Direct costs not relating to one activity in particular and support costs have been allocated to the three activities undertaken by the charity on the basis of number of child hours attributable to each activity. Governance costs include those costs directly associated with the general running of the charity, as opposed to the direct management functions inherent in generating funds and service delivery. Under FRS 102, governance costs are now allocated to each activity with support costs. Comparative governance costs have been reclassified to be included in support costs.

2.5 Taxation

The charitable company is exempt from corporation tax on its charitable activities.

2.6 Fund accounting

Unrestricted funds can be used in accordance with the charitable objectives at the discretion of the trustees.

Designated funds are unrestricted funds which the trustees have designated to be used for a particular purpose.

Restricted funds can only be used for the particular restricted purposes within the objects of the charity. Restrictions arise when specified by the donor or when funds are raised for particular restricted purposes.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2016**

2 ACCOUNTING POLICIES (continued)

2.7 Tangible fixed assets and depreciation

Tangible fixed assets are capitalised above £1,000 and are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost less estimated realisable value of each asset over its expected useful life, as follows:

Freehold land and	2% straight line on freehold buildings only
Fixtures, fittings and equipment	25% straight line
Motor vehicles	25% reducing balance

A review for impairment of a fixed asset is carried out if events or changes in circumstances indicate that the carrying value of any fixed asset may not be recoverable. Shortfalls between the carrying value of fixed assets and their recoverable amounts are recognised as impairments. Impairment losses are recognised in the Statement of Financial Activities.

Part of the charity's freehold property relates to offices which are let to tenants on a leasehold basis to generate funds. The property is therefore classified as mixed use under the Charities SORP (FRS 102). In the opinion of the trustees, measuring the fair value of the investment property component of the mixed use property would involve significant cost and effort without commensurate benefit to users of the financial statements. Accordingly, all of the freehold property is stated at cost less depreciation.

2.8 Financial instruments

The charity's basic financial instruments are initially recognised at transaction value and subsequently measured at amortised cost.

The charity has opted to recognise concessionary loans at the amount received, with adjustments in subsequent periods for repayments made.

2.9 Pension scheme

The charity operates a defined contribution pension scheme for its employees. The assets of the scheme are held separately from those of the charity in an independently administered fund. The pension cost represents contributions payable by the charity to the fund. The pension expense is recognised across activities on the same basis as all other expenditure.

2.10 Leasing

Rentals payable under operating leases are charged against income on a straight line basis over the lease term.

ST GEORGE'S COMMUNITY CHILDREN'S PROJECT LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2016**

3 GRANTS AND DONATIONS

	<i>Total Funds 2016 £</i>	<i>Total Funds 2015 £</i>
Grants and donations	1,190	11,287

In the prior year the Charity received £7,200 in restricted grants and donations.

4 INCOME FROM CHARITABLE ACTIVITIES

	<i>Nursery £</i>	<i>After school & Holiday £</i>	<i>Little Dragons £</i>	<i>Total Funds 2016 £</i>	<i>Total Funds 2015 £</i>
Fees receivable	666,349	115,604	107,758	889,711	795,467

5 OTHER TRADING ACTIVITIES

	<i>Total Funds 2016 £</i>	<i>Total Funds 2015 £</i>
Fundraising activities	21,771	19,385
Rent receivable	17,091	18,018
	38,862	37,403

In the prior year the Charity received £7,713 restricted income from other trading activities.

6 COSTS OF RAISING FUNDS

	<i>Total Funds 2016 £</i>	<i>Total Funds 2015 £</i>
Fundraising costs	8,732	4,198
Staff costs (Note 9)	5,062	12,987
	13,794	17,185

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2016

7 COSTS OF CHARITABLE ACTIVITIES

	<i>Nursery</i>	<i>After School & Holiday Clubs</i>	<i>Little Dragons</i>	<i>Total Funds 2016</i>	<i>Total Funds 2015</i>
	<i>£</i>	<i>£</i>	<i>£</i>	<i>£</i>	<i>£</i>
Direct costs:					
Staff costs (Note 9)	434,788	39,263	67,360	541,411	488,617
Other direct costs	40,661	11,586	8,061	60,308	54,594
	<u>475,449</u>	<u>50,849</u>	<u>75,421</u>	<u>601,719</u>	<u>543,211</u>
Allocated support costs (Note 8)	171,692	29,760	27,470	228,922	280,047
	<u>171,692</u>	<u>29,760</u>	<u>27,470</u>	<u>228,922</u>	<u>280,047</u>
Total costs	<u>647,141</u>	<u>80,609</u>	<u>102,891</u>	<u>830,641</u>	<u>823,258</u>

In the prior year, the charity spent £14,184 from restricted funds in relation to its charitable activities.

8 SUPPORT COSTS

	<i>Total Funds 2016</i>	<i>Total Funds 2015</i>
	<i>£</i>	<i>£</i>
Staff costs (Note 9)	95,493	170,109
Administrative expenses	23,072	22,068
Premises costs	75,356	56,585
Depreciation	19,361	16,864
Interest payable - bank loan	255	414
<i>Governance:</i>		
Auditor's remuneration	-	5,265
Independent examination fees	3,360	-
Accountancy and payroll fees	5,295	4,140
Legal and professional fees	6,730	4,602
	<u>228,922</u>	<u>280,047</u>

ST GEORGE'S COMMUNITY CHILDREN'S PROJECT LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2016**

9 STAFF COSTS	2016	2015
	No.	No.
The average number of employees during the year, by headcount, was:		
Nursery	43	27
After School Club and Holiday Club	4	4
Little Dragons	7	7
Administration	5	8
Building management	-	2
	<u>59</u>	<u>48</u>
Employment costs:	2016	2015
	£	£
Gross salaries	602,411	631,000
Employer's National Insurance	28,694	31,374
Pension costs	4,348	1,023
Staff recruitment	6,513	8,316
	<u>641,966</u>	<u>671,713</u>
There are no employees with emoluments above £60,000 (2015: None).		
One trustee was remunerated £7,230 in her role as Nursery Staff during the year (2015: £Nil).		
There were no other trustees' remuneration, other benefits or reimbursed expenses during the current or prior period.		
10 NET INCOME	2016	2015
	£	£
Net income is stated after charging:		
Independent examiner's fees	3,360	-
Audit fees	-	5,265
Depreciation	19,361	16,864
Rents under operating lease	4,302	3,568
	<u>27,023</u>	<u>25,697</u>

ST GEORGE'S COMMUNITY CHILDREN'S PROJECT LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2016

11 TANGIBLE FIXED ASSETS

	<i>Land and buildings</i> £	<i>Fixtures & Equipment</i> £	<i>Motor vehicles</i> £	<i>Total</i> £
Cost				
At 1 September 2015	599,552	39,400	20,748	659,700
Additions	19,212	2,046	-	21,258
At 31 August 2016	618,764	41,446	20,748	680,958
Depreciation				
At 1 September 2015	117,998	27,644	18,714	164,356
Charge for the year	8,199	10,653	509	19,361
At 31 August 2016	126,197	38,297	19,223	183,717
Net book value				
At 31 August 2016	492,567	3,149	1,525	497,241
At 31 August 2015	481,554	11,756	2,034	495,344

Included in land and buildings above is the cost of freehold land of £189,626 (2015: £189,626) which is not being depreciated.

12 DEBTORS

	2016 £	2015 £
Trade debtors	22,933	24,486
Other debtors	-	27
Prepayments and accrued income	24,595	4,904
	47,528	29,417

ST GEORGE'S COMMUNITY CHILDREN'S PROJECT LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2016

13 CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR	2016 £	2015 £
Bank loan	5,621	11,090
Other loan	4,150	4,150
Trade creditors	6,722	9,598
Taxes and social security costs	7,454	8,028
Other creditors	1,577	-
Deferred income	1,216	1,393
Accruals and deposits	63,693	61,781
	<u>90,433</u>	<u>96,040</u>
Deferred income		
Income deferred from the previous year	1,393	22,335
Released to the statement of financial activities	(1,393)	(22,335)
<i>Arising during the current year:</i>		
Rent receivable	1,216	1,393
	<u>1,216</u>	<u>1,393</u>
14 CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR	2016 £	2015 £
Bank loan	-	5,580
Other loan	16,600	20,750
	<u>16,600</u>	<u>26,330</u>
Analysis of loans:		
Wholly repayable within five years by instalments	5,621	16,670
Wholly repayable within ten years	20,750	24,900
	<u>26,371</u>	<u>41,570</u>
Included in creditors: amounts falling due within one year	(9,771)	(15,240)
	<u>16,600</u>	<u>26,330</u>
Loan maturity analysis		
Due between one and two years	4,150	9,730
Due between two and five years	12,450	12,450
Due after more than five years	-	4,150
	<u>16,600</u>	<u>26,330</u>

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2016**

15 CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR (continued)

The bank loan is secured by a first legal mortgage dated 24 May 2011 over the freehold property, 7 Chilston Road, Tunbridge Wells, Kent, TN4 9LP.

The amount of £20,750 (2015: £24,900) shown as other loans is a concessionary loan from Tunbridge Wells Borough Council. There is a legal charge dated 30 March 2001 held over the property for this loan. The loan is interest free and is being repaid in annual instalments of £4,150.

16 MOVEMENT ON FUNDS

	<i>At 1 Sept 2015</i>	<i>Incoming resources</i>	<i>Resources expended</i>	<i>At 31 Aug 2016</i>
	£	£	£	£
Unrestricted funds				
General fund	327,207	915,945	(816,435)	426,717
Designated funds				
Building fund	156,567	-	(4,400)	152,167
Assisted places fund	11,691	11,977	(20,892)	2,776
	<u>495,465</u>	<u>927,922</u>	<u>(841,727)</u>	<u>581,660</u>
Restricted funds				
Assisted places fund	-	1,135	(1,135)	-
Equipment fund	729	94	(823)	-
Sand area fund	-	750	(750)	-
	<u>729</u>	<u>1,979</u>	<u>(2,708)</u>	<u>-</u>
Total funds	<u>496,194</u>	<u>929,901</u>	<u>(844,435)</u>	<u>581,660</u>

Building fund

The building fund represents a lottery grant which was set aside by the trustees and utilised to purchase the freehold premises. Part of the depreciation charge is charged to the building fund each year.

Assisted places fund

The assisted places funds represents grants and donations received that were either restricted to, or have been allocated to, the provision of subsidised places.

Equipment fund

This fund represents specific grants and donations received for the purchase of equipment and/or toys.

Sand area fund

This fund represents a specific grant awarded to create a new sand area in the garden.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2016

17 ANALYSIS OF NET ASSETS BETWEEN FUNDS

	<i>Unrestricted funds 2016 £</i>	<i>Designated funds 2016 £</i>	<i>Total funds 2016 £</i>
Tangible fixed assets	345,074	152,167	497,241
Net current assets	98,243	2,776	101,019
Long term liabilities	(16,600)	-	(16,600)
	<u>426,717</u>	<u>154,943</u>	<u>581,660</u>

18 OPERATING LEASE COMMITMENTS

At 31 August 2016, the charitable company is committed to future minimum lease payments under non-cancellable operating leases as follows:

	<i>2016 £</i>	<i>2015 £</i>
Other operating leases:		
Due within one year	6,505	3,568
Due in two to five years	26,192	14,062
Due in more than five years	-	1,005
	<u> </u>	<u> </u>

19 RELATED PARTY TRANSACTIONS

During the year, the charity received donations and fundraising income from two trustees amounting to £1,450 (2015: £64). During the year the charity received £Nil in donated IT equipment from Trustees (2015: £225).

Due to changes in management personnel, the Trustees have recently taken a more active role in the management of the charity. As such, in the years ended 31 August 2015 and 31 August 2016 the charity's key management personnel are considered to be the Trustees only. It is expected that the new business manager will constitute key management personnel in the year ending 31 August 2017. Total emoluments, including employer's pension contributions, paid to key management personnel were £7,230 (2015: £Nil - not a Trustee in prior year). The emoluments were paid in respect of employment as Nursery staff. No Trustee was remunerated for their services as Trustee.