

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 2017



THE
BROOK TRUST
FUND



LOTTERY FUNDED

CONTENTS

Page(s)

1 - 10	Directors' report
11 -12	Independent Examiner's report
13	Statement of financial activities
14	Balance sheet
15	Statement of cash flows
16 - 26	Notes to the accounts

ST GEORGE'S COMMUNITY CHILDREN'S PROJECT LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 AUGUST 2017

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 2017. 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 Jason Fisher Lindsey Grant Laura Gueran (appointed 1 October 2017) Pauline Parker	
BUSINESS MANAGER	Morgane Glew	

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. Six 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.

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).

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 management of the project is run by the Executive Committee, which consists of the serving directors and the Business Manager, which meets monthly. The Business Manager is Morgane Glew who was appointed on 4th April 2016 and works full time.

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

The remuneration of the charity's key management personnel (Morgane Glew, Business Manager) is decided by the directors based on performance and achievement of agreed objectives for the year. It is communicated to her by the Chairman after discussion with the other directors.

Aims and objectives

The overall aim of the Project is to provide a high standard of childcare for the local community.

This encompasses:

- the promotion of the mental, physical and spiritual wellbeing of children and young people, especially those in poor circumstances, those suffering from disability and incapacity of any kind and those who are deprived; and
- the relief of children in need of care and protection by the provision of day care facilities and facilities for such children outside of school hours and during school holidays.

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.

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 is 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

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 good quality Out of School Clubs 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, our Facebook and Twitter page.

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

Activities

The Project is divided into three main categories of activity:

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

Within these activities, the Executive Committee reviews the number of assisted places offered each year and case by case reviews every 6 months. Currently St George's offers two sessions a week to a child who is considered to be 'in need' or to families who are receiving income support. However, for sustainability purposes, the total amount of these sessions and children attending, 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.

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 was a small mortgage for the premises which was paid off in full on 3 April 2017. Part 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, a part time Fundraising Manager, a part time Operations & Communications Co-ordinator and a part time Administrative Assistant.

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.

Review of achievements

During the year, St George's experienced no significant events, which had any impact on the running of the nursery for the 2016/17 year.

We are governed by Ofsted and follow the Early Years Foundation Stage (EYFS); the government framework that sets standards for care and learning in the early years. This framework, plus our Key Person approach, gives every child continuity, security, reassurance and a chance to learn and grow as they play.

The Key Person will really get to know the individual child and create an Online Journal through iConnect (an app) that parents can read and add to. Besides observations on learning and progress, their journal will include things like photos and videos etc. This interactive online tool was introduced to the setting and parents in March 2017.

We monitor current occupancy rates and compile a 5-month forecast monthly, this is reviewed by the board and the Business Manager during the Monthly board meeting. We achieve on average 85% occupancy across the entire nursery which means that we have waiting lists for some groups (for example babies and After School Club).

Our childcare managers also meet with social workers and health visitors, and every 6 months organise questionnaires and interviews with family members so that they can tell us about the behaviour of their children and how their life is improving. Results of these interviews and questionnaires were positive and show the difference we make to children and their families.

In April 2016 the charity received an outstanding rating from Ofsted in which shows the high level of quality childcare we provide here at St George's.

Children

Nursery

The nursery continues to thrive with very high occupancy.

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. This is extremely popular.

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 sessions being taken up very quickly.

At the centre to these areas, is the Senior Childcare Leader who is a highly experienced and qualified childcare professional supported by Keyworkers who complete planning and next steps for their children including observations and assessments using iConnect.

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 2016/17 year saw St George's provide 20 children with such subsidised places which in effect represented 1,224 sessions at a cost of £14,035 for the year.

St George's fundraising objectives were not fully met in 2016/17 however, we have now recruited a dedicated fundraising and development manager so we are anticipating achieving our objectives going forward.

Large fundraising events held during the year included:

1. Christmas Fair
2. Shoot Day
3. Quiz Night
4. Sports Day
5. Summer Fair

DIRECTORS' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2017

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:

- £9,840 from National Lottery Grant
- £5,000 from Brook House
- £1,000 from Sir Thomas Smythe Charity
- £1,000 from Raymond & Blanche Lawson Trust
- £784 from WKCC
- £575 from Golden Court for William Wright
- £250 from PwC
- £150 from Sainsburys

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 each year to enjoy a better Christmas.

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. In addition, they are mostly either qualified or working towards a qualification. 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 replacing the carpet in all communal areas of the building, fixing one of our flat roofs to prevent any future water damage, paint much of the inside of the building, electrical work, opening between the kitchen and the freezer room, as well as general maintenance performed by our caretaker who works 2 days a week.

It is hoped that in the 2017/2018 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 and building work and decorating the reception and office areas.

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.

Financial Review

The board review the risk register on a monthly basis and take appropriate actions where necessary. Our principal risks are currently:

- The board could benefit in relevant skills in HR, employment law etc.
- Outdated Constitution & Articles of Association.
- Building destruction by fire.
- Key staff absence.
- GDPR Compliance.

The board and the Business Manager have identified these risks and put relevant measures in place to control them, for example, a recruitment plan for new board members, a review of our constitution, the creation of a continuity plan and cover plan for key staff and the appointment of a Data Protection Officer.

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.

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 1 September 2017. 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.

The Project had an unrestricted net income amounting to £26,139 (2016: £85,466). 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).

Reserves

The balance on the General Fund at the year-end was £460,032 (2016: £426,717) 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 and after designations for assisted places) at 31 August 2017 totalled £118,768 (2016: £81,643).

DIRECTORS' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2017

It is the Project's policy to hold between £100,000 and £120,000 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.

The level of restricted funds at the year end which are not available for the general purposes of the charity are £758. This represents specific grants and donations towards equipment. All restricted funds received for assisted places in the year were spent.

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.

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; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

DIRECTORS' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2017

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: 30 November 2017

INDEPENDENT EXAMINERS' REPORT

TO THE MEMBERS OF ST GEORGE'S COMMUNITY CHILDREN'S PROJECT LIMITED
FOR THE YEAR ENDED 31 AUGUST 2017

I report on the financial statements of St George's Community Children's Project Limited for the year ended 31 August 2017, which comprise the Statement of Financial Activities (including Income and Expenditure Account), the Balance Sheet, the 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 Part 16 of the Companies Act 2006 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 2017

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.

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

Date: 30 November 2017

ST GEORGE'S COMMUNITY CHILDREN'S PROJECT LIMITED

STATEMENT OF FINANCIAL ACTIVITIES (INCLUDING INCOME AND EXPENDITURE ACCOUNT)
FOR THE YEAR ENDED 31 AUGUST 2017

	Notes	<i>Unrestricted Funds 2017 £</i>	<i>Restricted Funds 2017 £</i>	<i>Total Funds 2017 £</i>	<i>Total Funds 2016 £</i>
Income from:					
Donations	3	9,951	9,840	19,791	1,190
Charitable activities	4	926,753	-	926,753	889,711
Other trading activities	5	23,152	10,997	34,149	38,862
Investments		69	-	69	138
Total income		<u>959,925</u>	<u>20,837</u>	<u>980,762</u>	<u>929,901</u>
Expenditure on:					
Raising funds	6	27,886	-	27,886	13,794
Charitable activities	7	905,900	20,079	925,979	830,641
Total expenditure		<u>933,786</u>	<u>20,079</u>	<u>953,865</u>	<u>844,435</u>
Net income	10	<u>26,139</u>	<u>758</u>	<u>26,897</u>	<u>85,466</u>
Net movement in funds		<u>26,139</u>	<u>758</u>	<u>26,897</u>	<u>85,466</u>
Reconciliation of funds:					
Total funds brought forward		<u>581,660</u>	<u>-</u>	<u>581,660</u>	<u>496,194</u>
Total funds carried forward	16	<u><u>607,799</u></u>	<u><u>758</u></u>	<u><u>608,557</u></u>	<u><u>581,660</u></u>

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 2017

	Notes	2017 £	2017 £	2016 £	2016 £
Fixed assets					
Tangible assets	11		489,031		497,241
Current assets					
Debtors	12	52,521		47,528	
Cash at bank and in hand		224,646		143,924	
		<u>277,167</u>		<u>191,452</u>	
Creditors: amounts falling due within one year	13	(145,191)		(90,433)	
Net current assets			131,976		101,019
Creditors: amounts falling due after more than one year	14		(12,450)		(16,600)
Net assets			<u>608,557</u>		<u>581,660</u>
Funds					
Unrestricted funds			607,799		581,660
Restricted funds			758		-
	16		<u>608,557</u>		<u>581,660</u>

For the financial year ended 31 August 2017 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 30 November 2017 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 2017

	Notes	2017 £	2016 £
Cash flows from operating activities:			
Net cash provided by operating activities	A	92,473	86,578
Cash flows from investing activities:			
Purchase of tangible assets		(1,980)	(21,258)
Net cash used in investing activities		(1,980)	(21,258)
Cash flows from financing activities:			
Loan repayments		(9,771)	(15,199)
Net cash used in financing activities		(9,771)	(15,199)
Change in cash and cash equivalents for the year		80,722	50,121
Cash and cash equivalents at the beginning of the year		143,924	93,803
Cash and cash equivalents at the end of the year		224,646	143,924
A Reconciliation of net income to net cash flow from operating activities			
Net income for the year		26,897	85,466
<i>As per Statement of Financial Activities</i>			
Adjustments for:			
Depreciation		10,190	19,361
(Increase) in debtors		(4,993)	(18,111)
Increase / (decrease) in creditors		60,379	(138)
Net cash provided by operating activities		92,473	86,578

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2017

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 a high standard of 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 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.

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.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2017

2 ACCOUNTING POLICIES (continued)

2.2 Incoming resources continued

The charitable company is not registered for VAT.

2.3 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. Support costs and direct costs not relating to one activity in particular 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 and are included in support costs.

2.4 Taxation

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

2.5 Fund accounting

General 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 2017

2 ACCOUNTING POLICIES (continued)

2.6 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 buildings	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.

2.7 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.

2.8 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.

2.9 Leasing

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2017

3 DONATIONS

	2017 £	2016 £
Grants and donations	19,791	1,190

In the prior year the Charity received £750 in restricted grants and donations.

4 INCOME FROM CHARITABLE ACTIVITIES

	<i>Nursery</i> £	<i>After school & Holiday</i> £	<i>Little Dragons</i> £	2017 £	2016 £
Fees receivable	724,733	116,641	85,379	926,753	889,711

5 OTHER TRADING ACTIVITIES

	2017 £	2016 £
Fundraising activities	16,678	21,771
Rent receivable	17,471	17,091
	34,149	38,862

In the prior year the Charity received £1,229 restricted income from other trading activities.

6 COSTS OF RAISING FUNDS

	2017 £	2016 £
Fundraising costs	4,598	8,732
Legal and professional fees	12,600	-
Staff costs (Note 9)	10,688	5,062
	27,886	13,794

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2017

7 COSTS OF CHARITABLE ACTIVITIES

	<i>Nursery</i>	<i>After School & Holiday Clubs</i>	<i>Little Dragons</i>	<i>2017</i>	<i>2016</i>
	<i>£</i>	<i>£</i>	<i>£</i>	<i>£</i>	<i>£</i>
Direct costs:					
Staff costs (Note 9)	490,659	46,708	41,934	579,301	541,411
Other direct costs	54,012	11,934	9,519	75,465	60,308
	<u>544,671</u>	<u>58,642</u>	<u>51,453</u>	<u>654,766</u>	<u>601,719</u>
Allocated support costs (Note 8)	203,410	35,258	32,545	271,213	228,922
	<u>748,081</u>	<u>93,900</u>	<u>83,998</u>	<u>925,979</u>	<u>830,641</u>

In the prior year, the charity spent £2,708 from restricted funds in relation to its charitable activities.

8 SUPPORT COSTS

	<i>2017</i>	<i>2016</i>
	<i>£</i>	<i>£</i>
Staff costs (Note 9)	108,224	95,493
Administrative expenses	42,268	23,072
Premises costs	98,298	75,356
Depreciation	10,190	19,361
Interest payable - bank loan	99	255
<i>Governance:</i>		
Independent examination fees	2,808	3,360
Accountancy and payroll fees	3,972	5,295
Legal and professional fees	5,354	6,730
	<u>271,213</u>	<u>228,922</u>

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2017

9	STAFF COSTS	2017 No.	2016 No.
	The average number of employees during the year, by headcount, was:		
	Nursery	37	43
	After School Club and Holiday Club	3	4
	Little Dragons	4	7
	Administration	11	5
		<u>55</u>	<u>59</u>
	Employment costs:	2017 £	2016 £
	Gross salaries	658,945	602,411
	Employer's National Insurance	33,428	28,694
	Pension costs	4,862	4,348
	Staff recruitment	978	6,513
		<u>698,213</u>	<u>641,966</u>

There are no employees with emoluments above £60,000 (2016: None).

One trustee was remunerated £6,253 in her role as Nursery Staff during the year (2016: £7,230).

There were no other trustees' remuneration, other benefits or reimbursed expenses during the current or prior period.

10	NET INCOME	2017 £	2016 £
	Net income is stated after charging:		
	Independent examiner's fees	2,808	3,360
	Depreciation	10,190	19,361
	Operating lease payments	6,505	4,302
		<u></u>	<u></u>

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2017

11 TANGIBLE FIXED ASSETS

	<i>Land and buildings £</i>	<i>Fixtures & Equipment £</i>	<i>Motor vehicles £</i>	<i>Total £</i>
Cost				
At 1 September 2016	618,764	41,446	20,748	680,958
Additions	-	1,980	-	1,980
At 31 August 2017	<u>618,764</u>	<u>43,426</u>	<u>20,748</u>	<u>682,938</u>
Depreciation				
At 1 September 2016	126,197	38,297	19,223	183,717
Charge for the year	8,967	842	381	10,190
At 31 August 2017	<u>135,164</u>	<u>39,139</u>	<u>19,604</u>	<u>193,907</u>
Net book value				
At 31 August 2017	<u>483,600</u>	<u>4,287</u>	<u>1,144</u>	<u>489,031</u>
At 31 August 2016	<u>492,567</u>	<u>3,149</u>	<u>1,525</u>	<u>497,241</u>

Included in land and buildings above is the cost of freehold land of £189,626 (2016: £189,626) which is not being depreciated.

12 DEBTORS

	<i>2017 £</i>	<i>2016 £</i>
Trade debtors	32,807	22,933
Prepayments and accrued income	19,714	24,595
	<u>52,521</u>	<u>47,528</u>

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2017

13	CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR	2017 £	2016 £
	Bank loan	-	5,621
	Other loan	4,150	4,150
	Trade creditors	14,226	6,722
	Taxes and social security costs	6,370	7,454
	Other creditors	1,012	1,577
	Deferred income	35,606	1,216
	Accruals and deposits	83,827	63,693
		<u>145,191</u>	<u>90,433</u>
	Deferred income		
	Income deferred from the previous year	1,216	1,393
	Released to the statement of financial activities	(1,216)	(1,393)
	<i>Arising during the current year:</i>		
	Rent receivable	1,313	1,216
	KCC grant	34,293	-
		<u>35,606</u>	<u>1,216</u>
The KCC grant is deferred as the terms and conditions specify that it is to be used in the 2017/18 financial year.			
14	CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR	2017 £	2016 £
	Other loan	12,450	16,600
		<u>12,450</u>	<u>16,600</u>
	Analysis of loans:		
	Wholly repayable within five years by instalments	16,600	5,621
	Wholly repayable within ten years	-	20,750
		<u>16,600</u>	<u>26,371</u>
	Included in creditors: amounts falling due within one year	(4,150)	(9,771)
		<u>12,450</u>	<u>16,600</u>
	Loan maturity analysis		
	Due between one and two years	4,150	4,150
	Due between two and five years	8,300	12,450
		<u>12,450</u>	<u>16,600</u>

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2017

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

The amount of £16,600 (2016: £20,750) 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>Current year</i>	<i>At 1 Sept 2016 £</i>	<i>Incoming resources £</i>	<i>Resources expended £</i>	<i>At 31 Aug 2017 £</i>
Unrestricted funds				
General fund	426,717	958,905	(925,590)	460,032
Designated funds				
Building fund	152,167	-	(4,400)	147,767
Assisted places fund	2,776	1,020	(3,796)	-
	<u>581,660</u>	<u>959,925</u>	<u>(933,786)</u>	<u>607,799</u>
Restricted funds				
Assisted places fund	-	10,239	(10,239)	-
Equipment fund	-	10,598	(9,840)	758
	<u>-</u>	<u>20,837</u>	<u>(20,079)</u>	<u>758</u>
Total funds	<u>581,660</u>	<u>980,762</u>	<u>(953,865)</u>	<u>608,557</u>

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2017

16 MOVEMENT ON FUNDS (continued)

<i>Prior year</i>	<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 2017

17 ANALYSIS OF NET ASSETS BETWEEN FUNDS

	<i>Unrestricted funds 2017 £</i>	<i>Restricted funds 2017 £</i>	<i>Total funds 2017 £</i>	<i>Total funds 2016</i>
Tangible fixed assets	489,031	-	489,031	497,241
Net current assets	131,218	758	131,976	101,019
Long term liabilities	(12,450)	-	(12,450)	(16,600)
	<u>607,799</u>	<u>758</u>	<u>608,557</u>	<u>581,660</u>

In the previous year, all funds were unrestricted.

18 OPERATING LEASE COMMITMENTS

At 31 August 2017, the charitable company is committed to future minimum lease payments under non-cancellable operating leases totalling £26,192 (2016: £32,697).

As set out in accounting policy 2.6, part of the charity's freehold property relates to offices which are let to tenants on a leasehold basis to generate funds. The future minimum lease payments receivable under non-cancellable operating leases are £24,938 (2016: £37,588).

19 RELATED PARTY TRANSACTIONS

Black Bug Creative Limited is considered to be a related party as it is controlled by the husband of the Business Manager. During the year Black Bug Creative Limited charged the charity £10,213 (2016: £nil) for re-branding services. There were no balances outstanding at the year end.

The charity's key management personnel for the year ended 31 August 2017 are considered to be the Trustees and the Business Manager. Total emoluments, including employer's pension contributions and employer's NIC, paid in respect of key management personnel were £45,046 (2016: £7,230).