

Company registration number 2412455 (England and Wales)

St George's Community Children's Project Limited



DIRECTORS' REPORT AND AUDITED FINANCIAL STATEMENTS

for the year ended

31 AUGUST 2018



THE
BROOK TRUST
FUND



LOTTERY FUNDED

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ST GEORGE'S COMMUNITY CHILDREN'S PROJECT LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 AUGUST 2018

The directors, who are also trustees for the purposes of the Charities Act, present their annual report and the audited financial statements of the charitable company for the year ended 31 August 2018. 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 AUDITORS	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	Adrian Crouch (Chair) Laura Gueran (Treasurer, appointed 1 October 2017) Ingrid Bussell Jason Fisher Lindsey Grant Cenydd Milne Pauline Parker Steven Whittle (appointed 24 August 2018)	
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

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.

Induction of directors

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 charity's website and the prospectus are available to all new members to gain more information about the management and services of the charity.

Organisational Structure

The management of the charity is run by the Executive Committee, which consists of the serving directors and the Business Manager. The Board of Directors meet monthly with the Business Manager where any issues or escalations are raised for discussion and resolution.

The Executive Committee oversee the rest of the administrative team which comprises three Childcare Managers, a Finance Manager, a Fundraising Manager, an Operations & Communications Co-ordinator and an Administrative Assistant.

The remuneration of the charity's key management personnel is decided by the directors based on performance and achievement of agreed objectives for the year. It is communicated by the Chair after discussion with the Business Manager and the other directors.

Objectives and Activities

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.

The nursery offers three 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.

These activities are run from the charity's freehold property at 7 Chilston Road, Tunbridge Wells. 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.

The childcare 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. In order to accomplish this, St George's uses social media, word of mouth and sometimes marketing advertisements placed in targeted local publications.

When providing childcare places St George's aims to also 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

In order to do this the charity offers subsidised places for childcare services. Special consideration is given to individual families as and when the need arises within all areas of the childcare. The Executive Committee

reviews the number of assisted places offered each year and the Childcare managers review them on a case by case basis every 6 months. Subsidised places are made possible through the charity's programme of fundraising.

In order to meet the overall aim of providing high quality childcare the Project has categorised its aims 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 term time only preschool 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.

The Project's short-term aims are:

- Increase the number of places the nursery can offer by expanding the setting and carrying out building work
- Make sure St George's has sufficient subsidised places
- Achieve the forecasted fundraising objective

The Project's long-term aims are:

- Maintain our 'Outstanding' OFSTED rating
- Maintain or increase the occupancy
- Retain staff by making sure our training and benefits package is competitive
- Provide a clear pipeline and personal development plan for staff from apprentices to fully qualified childcare professionals

The Executive Committee measures its success in a number of ways, but there a number of key indicators as follows:

- The Occupancy rates within each activity. A 5-month forecast is prepared monthly, which is reviewed by the board and the Business Manager.
- The number of assisted places it has been able to offer to parents who need support.
- Results of OFSTED inspections. 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.
- Feedback from parents or carers. Childcare managers meet with social workers and health visitors, and every 6 months organise questionnaires and interviews with family members so that the childcare managers can be informed about the behaviour of their children and how their life is improving.
- Retention of permanent staff members.

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.

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 2017/18 year.

The last OFSTED inspection was In April 2016 and the charity received an outstanding rating which shows the quality of childcare provided.

Children

Overall the Project achieves on average 85% occupancy across the entire nursery which means that there are waiting lists for some groups (for example babies and After School Club).

Nursery

The nursery continues to thrive with very high occupancy. Occupancy rates for the year were 83.8%.

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. Occupancy rates for the year were 89.9%.

After School Club

The club has been consistently well occupied throughout the year. Occupancy rates for the year were 94.6% The 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 the 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. Occupancy rates for the year were 97.9%.

During the year, results of interviews and questionnaires with parents were positive and showed the difference that the Project makes to children and their families. Communication, observations, activities, catering, building and gardening improvements and fundraising awareness were a few areas that were highlighted.

At the centre of the service, is the Senior Childcare Leader who is a highly experienced and qualified childcare professional, supported by Keyworkers who complete planning and next steps for the children including observations and assessments. iConnect, an interactive tool, is used by the setting and parents. This enables the Key Person to create an Online Journal which parents can read and contribute to, to document the children's progress. Besides observations on learning and progress, the journal will include things like photos and videos. This investment has enabled better sharing of information and feedback on each child which has helped develop consistent care both at nursery and at home.

Staff

The Project is very fortunate that the staff currently employed 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. A total of 6 staff either qualified or gained higher qualification this year. The management team continues to work with each employee with a view to be a great place to work as well as a fantastic childcare establishment. This includes ensuring all staff receive the necessary training, have supervision meetings every 6-8 weeks and a yearly appraisal where their personal development plan and objectives are reviewed. Staff benefits package include: 3 months maternity leave, discount on childcare fees, holiday given between

Christmas and New Year, Pension and access to over 200 exclusive perks and discounts (discounted cinema tickets, money off meals out, reduced membership fees etc).

Fundraising and assisted places

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

The 2017/18 year saw St George's provide 20 children with such subsidised places represented 1,653 sessions at a cost of £26,323 for the year.

St George's came close to achieving its fundraising objectives in 2017/18 (81.13%). A new fundraising and development manager was appointed in the year so the Project anticipates achieving its objectives going forward.

Large fundraising events held during the year included:

1. Christmas Fair
2. Summer Fair

Additionally, smaller events were held such as sports days and various other hall sales. The Project would like to thank the following individuals, grant bodies and organisations who have supported the charity during the year with significant fundraising activities and donations:

- £5,000 from Gatwick Association
- £4,500 from Kent Community Foundation
- £3,589 from Screwfix Foundation
- £2000 from Glenn & Phyllida Earle Family Trust
- £2,000 from The Lawson Trust
- £1,500 from Kent Police
- £1,000 from Sir Thomas Smythe Charity
- £1,000 from Whitehead Monckton Foundation
- £766 donation from PCC Frittenden
- £750 from John Lewis
- £554 from St Augustine's Church
- £500 from Kent County Council
- £500 from TWBC
- £307 from Linda Hogan Community Fund
- £300 from Aviva
- £274 from Potanical
- £250 from Rowan Bentall Trust
- £250 from KPMG
- £200 from Southborough Lions Club

DIRECTORS' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2018

- £150 donation from Mr & Mrs Ropotan
- £121 from Hayesbrook School

The Project is sincerely grateful to each and every individual, company, club, church, trust and group that has donated or volunteered their services. Without this help, the Project could not hope to help as many children as it does.

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.

The majority of St George's fundraising income is obtained through grant and trust applications and the support from those in our community. We do not carry out any fundraising activities where a professional fundraising agency is paid or where external fundraisers are acting on our behalf. Any fundraising activities that are undertaken are done so voluntarily and under the guidance of the Fundraising and Development Manager wherever possible.

Building

The building is close to 200 years old and, as such, requires a significant amount of work and upkeep to maintain a safe and comfortable environment as well as retain its appealing nature for children.

In order to ensure the Project provides a high standard setting for the children a number of building works have taken place in the year:

- Office/Reception opening
- New flooring laid in communal areas
- Boiler maintenance
- New Mud kitchen
- Opening between kitchen and freezer room
- Flat roof re-laid

It is hoped that in the 2018/2019 financial year, St George's will be able to secure some additional fundraising, so that it can undertake some significant improvements throughout the setting. This includes projects such as improvements and enhancements to the gardens and children's rooms, as well as expansion to increase the number of places the setting can offer.

Pension

Staff who meet the legislative criteria now can opt in to pay 2% of their salary (1% prior to April 2018) to the People's Pension for which 2%, St George's matches. As of April 2019, staff increments will go up to 3%. This is a great development and evidences the care and support St George's wishes to provide to the team.

Risk Management

The board review the risk register on a monthly basis and take appropriate actions where necessary. Currently, principal risks are considered to be:

- The board could benefit in relevant skills in HR, employment law etc.
- Outdated Constitution & Articles of Association
- Key staff absence
- GDPR Compliance
- Business continuity and planning
- Retention of staff
- Building destruction by fire
- Loss of IT equipment
- Lockdown situation

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 the constitution, the creation of a continuity plan and cover plan for key staff, the appointment of a Data Protection Officer and lock down drills.

Financial Review

Income for the year was £1,104,604, a 13% increase on £980,762 in 2016/2017. This is due to an increase in fees receivable this year. The total expenditure in the year was £983,172. This represents a 3% increase on the previous year of £953,865. This increase is largely due to a rise in employment costs, due to requiring more staff to cover the higher occupancy levels in the year.

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 2018. 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

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.

DIRECTORS' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2018

The balance on the General Fund at the year-end was £583,399 (2017: £460,032). Of this amount 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 2018 totalled £226,663 (2016: £118,768). This is in excess of the charity's reserve policy and there are plans in place (see plans for the future) on how this will be spent.

The project had designated funds of £143,367 (2017: 147,767). This comprises the building fund which represents 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 £3,223 (2017: £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 with the view to expand the setting by increasing the number of places we currently offer by 35%.

Statement of Trustees' 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.

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.

Statement of disclosure to auditors

So far as each trustee is aware, there is no relevant audit information (information needed by the charity's auditors in connection with preparing their report) of which the charity's auditors are unaware. Each trustee has taken all the steps that they ought to have taken as a trustee in order to make themselves aware of any relevant audit information and to establish that the charity's auditors are aware of that information.

Small Company Exemptions

This 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

Adrian Crouch
Chair

Dated: 29 November 2018

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF ST GEORGE'S COMMUNITY CHILDREN'S PROJECT LIMITED

FOR THE YEAR ENDED 31 AUGUST 2018

Opinion

We have audited the financial statements of St George's Community Children's Project Limited (the 'charitable company') for the year ended 31 August 2018 which comprise the statement of financial activities, balance sheet, statement of cash flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 August 2018 and of its incoming resources and application of resources for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

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

Conclusions relating to going concern

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

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

Other matters which we are required to address

The prior period financial statements and the corresponding comparative figures included within these financial statements were not audited.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF ST GEORGE'S COMMUNITY CHILDREN'S PROJECT LIMITED

FOR THE YEAR ENDED 31 AUGUST 2018

Other information

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

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

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the trustees' report, which includes the directors' report prepared for the purposes of company law, for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the directors' report included within the trustees' report has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the directors' report included within the trustees' report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the trustee were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemptions in preparing the directors' report and from the requirement to prepare a strategic report.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF ST GEORGE'S COMMUNITY CHILDREN'S PROJECT LIMITED

FOR THE YEAR ENDED 31 AUGUST 2018

Responsibilities of Trustees

As explained more fully in the trustees' responsibilities statement set out on page 10, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

Use of our report

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

Amy Healey FCA CTA DChA
Senior Statutory Auditor

For and on behalf of:
Lindeyer Francis Ferguson Limited
Statutory Auditors
Chartered Accountants

Date: 1 December 2018

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 2018

	Notes	<i>Unrestricted Funds 2018 £</i>	<i>Restricted Funds 2018 £</i>	<i>Total Funds 2018 £</i>	<i>Total Funds 2017 £</i>
Income from:					
Donations	3	2,018	23,617	25,635	19,791
Charitable activities	4	1,050,057	-	1,050,057	926,753
Other trading activities	5	25,447	3,429	28,876	34,149
Investments		36	-	36	69
Total income		<u>1,077,558</u>	<u>27,046</u>	<u>1,104,604</u>	<u>980,762</u>
Expenditure on:					
Raising funds	6	29,973	-	29,973	27,886
Charitable activities	7	921,738	31,461	953,199	925,979
Total expenditure		<u>951,711</u>	<u>31,461</u>	<u>983,172</u>	<u>953,865</u>
Net income	10	125,847	(4,415)	121,432	26,897
Transfers between funds	15	(6,880)	6,880	-	-
Net movement in funds		<u>118,967</u>	<u>2,465</u>	<u>121,432</u>	<u>26,897</u>
Reconciliation of funds:					
Total funds brought forward		607,799	758	608,557	581,660
Total funds carried forward	15	<u><u>726,766</u></u>	<u><u>3,223</u></u>	<u><u>729,989</u></u>	<u><u>608,557</u></u>

ST GEORGE'S COMMUNITY CHILDREN'S PROJECT LIMITED

BALANCE SHEET

AS AT 31 AUGUST 2018

	Notes	2018 £	2018 £	2017 £	2017 £
Fixed assets					
Tangible assets	11		500,103		489,031
Current assets					
Debtors	12	44,536		52,521	
Cash at bank and in hand		304,377		224,646	
		<u>348,913</u>		<u>277,167</u>	
Creditors: amounts falling due within one year	13	(110,727)		(145,191)	
Net current assets			238,186		131,976
Creditors: amounts falling due after more than one year	14		(8,300)		(12,450)
Net assets			<u>729,989</u>		<u>608,557</u>
Funds					
Unrestricted funds			726,766		607,799
Restricted funds			3,223		758
	15		<u>729,989</u>		<u>608,557</u>

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 November 2018 and were signed on its behalf by:

Adrian Crouch
Chair

Company number: 2412455

ST GEORGE'S COMMUNITY CHILDREN'S PROJECT LIMITED

STATEMENT OF CASHFLOWS
FOR THE YEAR ENDED 31 AUGUST 2018

	Notes	2018 £	2017 £
Cash flows from operating activities:			
Net cash provided by operating activities	A	108,855	92,473
Cash flows from investing activities:			
Purchase of tangible assets		(26,654)	(1,980)
Sale of tangible assets		1,680	-
Net cash used in investing activities		(24,974)	(1,980)
Cash flows from financing activities:			
Loan repayments		(4,150)	(9,771)
Net cash used in financing activities		(4,150)	(9,771)
Change in cash and cash equivalents for the year		79,731	80,722
Cash and cash equivalents at the beginning of the year		224,646	143,924
Cash and cash equivalents at the end of the year		304,377	224,646
A Reconciliation of net income to net cash flow from operating activities			
Net income for the year		121,432	26,897
<i>As per Statement of Financial Activities</i>			
Adjustments for:			
Depreciation		14,560	10,190
Profit on disposal of tangible fixed assets		(658)	-
Decrease / (increase) in debtors		7,985	(4,993)
(Decrease) / increase in creditors		(34,464)	60,379
Net cash provided by operating activities		108,855	92,473

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 under the historical cost convention 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 2018

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 the direct staff costs attributable to each activity. This is considered to provide a better reflection of staff resources than child hours, which was the estimate used in previous years. This change only affects the split of staff costs between activities and has no impact on net income or net assets for the year. 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 2018

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.

ST GEORGE'S COMMUNITY CHILDREN'S PROJECT LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018

3 DONATIONS

	2018 £	2017 £
Grants and donations	25,635	19,791

In the prior year the Charity received £9,840 in restricted grants and donations.

4 INCOME FROM CHARITABLE ACTIVITIES

	<i>Nursery</i> £	<i>After school & Holiday</i> £	<i>Little Dragons</i> £	2018 £	2017 £
Fees receivable	884,871	56,368	108,818	1,050,057	926,753

5 OTHER TRADING ACTIVITIES

	2018 £	2017 £
Fundraising activities	10,392	16,678
Rent receivable	18,484	17,471
	28,876	34,149

In the prior year the Charity received £10,997 restricted income from other trading activities.

6 COSTS OF RAISING FUNDS

	2018 £	2017 £
Fundraising costs	6,776	4,598
Legal and professional fees	-	12,600
Staff costs (Note 9)	23,197	10,688
	29,973	27,886

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018

7 COSTS OF CHARITABLE ACTIVITIES

	<i>Nursery</i>	<i>After School & Holiday Clubs</i>	<i>Little Dragons</i>	<i>2018</i>	<i>2017</i>
	<i>£</i>	<i>£</i>	<i>£</i>	<i>£</i>	<i>£</i>
Direct costs:					
Staff costs (Note 9)	562,852	35,619	42,082	640,553	579,301
Other direct costs	66,969	5,520	4,668	77,157	75,465
	<u>629,821</u>	<u>41,139</u>	<u>46,750</u>	<u>717,710</u>	<u>654,766</u>
Allocated support costs (Note 8)	207,654	12,693	15,142	235,489	271,213
	<u>837,475</u>	<u>53,832</u>	<u>61,892</u>	<u>953,199</u>	<u>925,979</u>

In the prior year, the charity spent £20,079 from restricted funds in relation to its charitable activities.

8 SUPPORT COSTS

	<i>2018</i>	<i>2017</i>
	<i>£</i>	<i>£</i>
Staff costs (Note 9)	85,200	108,224
Administrative expenses	25,527	42,268
Premises costs	94,412	98,298
Depreciation	14,560	10,190
Profit on disposal of tangible fixed assets	(658)	-
Interest payable - bank loan	-	99
<i>Governance:</i>		
Audit and independent examination fees	7,140	2,808
Accountancy and payroll fees	3,906	3,972
Legal and professional fees	5,402	5,354
	<u>235,489</u>	<u>271,213</u>

ST GEORGE'S COMMUNITY CHILDREN'S PROJECT LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018

9	STAFF COSTS	2018 No.	2017 No.
	The average number of employees during the year, by headcount, was:		
	Nursery	35	37
	After School Club and Holiday Club	6	3
	Little Dragons	4	4
	Administration	14	11
		<u>59</u>	<u>55</u>
	Employment costs:	2018 £	2017 £
	Gross salaries	700,034	658,945
	Employer's National Insurance	40,364	33,428
	Pension costs	7,758	4,862
	Staff recruitment	794	978
		<u>748,950</u>	<u>698,213</u>
	There are no employees with emoluments above £60,000 (2017: None).		
	One trustee was remunerated £6,445 in her role as Nursery Staff during the year (2017: £6,253).		
	There were no other trustees' remuneration, other benefits or reimbursed expenses during the current or prior period.		
10	NET INCOME	2018 £	2017 £
	Net income is stated after charging:		
	Audit fees	7,140	-
	Independent examination fees	-	2,808
	Depreciation	14,560	10,190
	Operating lease payments	<u>6,505</u>	<u>6,505</u>

ST GEORGE'S COMMUNITY CHILDREN'S PROJECT LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018

11 TANGIBLE FIXED ASSETS

	<i>Land and buildings</i> £	<i>Fixtures & Equipment</i> £	<i>Motor vehicles</i> £	<i>Total</i> £
Cost				
At 1 September 2017	618,764	43,426	20,748	682,938
Additions	15,780	10,874	-	26,654
Disposals	-	(2,046)	-	(2,046)
At 31 August 2018	634,544	52,254	20,748	707,546
Depreciation				
At 1 September 2017	135,164	39,139	19,604	193,907
Charge for the year	9,283	4,991	286	14,560
Eliminated on disposal	-	(1,024)	-	(1,024)
At 31 August 2018	144,447	43,106	19,890	207,443
Net book value				
At 31 August 2018	490,097	9,148	858	500,103
At 31 August 2017	483,600	4,287	1,144	489,031

Included in land and buildings above is the cost of freehold land of £189,626 (2017: £189,626) which is not being depreciated.

12 DEBTORS

	<i>2018</i> £	<i>2017</i> £
Trade debtors	29,853	32,807
Prepayments and accrued income	14,683	19,714
	44,536	52,521

ST GEORGE'S COMMUNITY CHILDREN'S PROJECT LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018

13	CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR	2018 £	2017 £
	Other loan	4,150	4,150
	Trade creditors	10,774	14,226
	Taxes and social security costs	10,417	6,370
	Other creditors	2,086	1,012
	Deferred income	1,339	35,606
	Accruals and deposits	81,961	83,827
		<u>110,727</u>	<u>145,191</u>
	Deferred income		
	Income deferred from the previous year	35,606	1,216
	Released to the statement of financial activities	(35,606)	(1,216)
	<i>Arising during the current year:</i>		
	Rent receivable	1,339	1,313
	KCC grant	-	34,293
		<u>1,339</u>	<u>35,606</u>
14	CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR	2018 £	2017 £
	Other loan	8,300	12,450
		<u>8,300</u>	<u>12,450</u>
	Analysis of loans:		
	Wholly repayable within five years by instalments	12,450	16,600
	Included in creditors: amounts falling due within one year	(4,150)	(4,150)
		<u>8,300</u>	<u>12,450</u>
	Loan maturity analysis		
	Due between one and two years	4,150	4,150
	Due between two and five years	4,150	8,300
		<u>8,300</u>	<u>12,450</u>

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018

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

The amount of £12,450 (2017: £16,600) 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.

15 MOVEMENT ON FUNDS

<i>Current year</i>	<i>At 1 Sept 2017 £</i>	<i>Incoming resources £</i>	<i>Resources expended £</i>	<i>Transfer £</i>	<i>At 31 Aug 2018 £</i>
Unrestricted funds					
General fund	460,032	1,077,558	(947,311)	(6,880)	583,399
Designated funds					
Building fund	147,767	-	(4,400)	-	143,367
	<u>607,799</u>	<u>1,077,558</u>	<u>(951,711)</u>	<u>(6,880)</u>	<u>726,766</u>
Restricted funds					
Assisted places fund	-	19,443	(26,323)	6,880	-
Equipment fund	758	7,603	(5,138)	-	3,223
	<u>758</u>	<u>27,046</u>	<u>(31,461)</u>	<u>6,880</u>	<u>3,223</u>
Total funds	<u>608,557</u>	<u>1,104,604</u>	<u>(983,172)</u>	<u>-</u>	<u>729,989</u>

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018

15 MOVEMENT ON FUNDS (continued)

<i>Prior 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>

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.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018

16 ANALYSIS OF NET ASSETS BETWEEN FUNDS

	<i>Unrestricted funds 2018 £</i>	<i>Restricted funds 2018 £</i>	<i>Total funds 2018 £</i>
Current year			
Tangible fixed assets	500,103	-	500,103
Net current assets	234,963	3,223	238,186
Long term liabilities	(8,300)	-	(8,300)
	<u>726,766</u>	<u>3,223</u>	<u>729,989</u>

	<i>Unrestricted funds 2017 £</i>	<i>Restricted funds 2017 £</i>	<i>Total funds 2017 £</i>
Prior year			
Tangible fixed assets	489,031	-	489,031
Net current assets	131,218	758	131,976
Long term liabilities	(12,450)	-	(12,450)
	<u>607,799</u>	<u>758</u>	<u>608,557</u>

17 OPERATING LEASE COMMITMENTS

At 31 August 2018, the charitable company is committed to future minimum lease payments under non-cancellable operating leases totalling £19,687 (2017: £26,192).

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 £9,006 (2017: £24,938).

18 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 £2,520 (2017: £10,213) 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 2018 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 £32,681 (2017: £45,046).