

REGISTERED COMPANY NUMBER: 04899075 (England and Wales)
REGISTERED CHARITY NUMBER: 1102007

**REPORT OF THE TRUSTEES AND
UNAUDITED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2019
FOR
CLEETHORPES CHILDCARE**

CLEETHORPES CHILDCARE

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FOR THE YEAR ENDED 31 AUGUST 2019

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REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 AUGUST 2019

The trustees who are also directors of the charity for the purposes of the Companies Act 2006, present their report with the financial statements of the charity for the year ended 31 August 2019. The trustees have adopted 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).

OBJECTIVES AND ACTIVITIES

The Charitable Objectives of Cleethorpes Childcare are:

In accordance with the Aims of the adopted Memorandum and Articles of Association of the Pre-school Learning Alliance:

To enhance the development and education of children primarily under statutory school age by encouraging parents to understand and provide for the needs of their children through community groups and by:

- Offering appropriate play, education and care facilities and training courses, together with the right of parents to take responsibility for and to become involved in the activities of such groups, ensuring that such groups offer opportunities for all children whatever their race, culture, religion, means or ability
- Encouraging the study of the needs of such children and their families and promoting public interest in and recognition of such needs
- Instigating and adhering to and furthering the aims of the Pre-school Learning Alliance

Activities:

The Work of the Executive Committee

The trustees confirm they have referred to the guidance contained in the Charity's Commission's guidance on public benefit when reviewing the charity's aims and objectives and in planning future activities.

Professional memberships & advisors

The Pre-school Learning Alliance changed their name in February 2019 to become known as Early Years Alliance. We are currently registered members of Early Years Alliance, the membership organisation who offer online training and regular updates of information and advice relating to the Early Years Sector which supports the development of services within Cleethorpes Childcare. The General Manager continues to represent Cleethorpes Childcare as a trustee for the national Charity.

HR service advice and support has been identified through Beetonson & Gibbon Solicitors on an as-and-when basis which meets our requirements alongside the Lawcall advice service we continue to access through our Early Years Alliance membership.

Fundraising and Events

The Executive Committee, through the Fundraising and Events sub-committee, work with staff and volunteers to plan and organise events and activities throughout the year.

Other fundraising activities and special events held this year include:

- Tempest Photographs: groups and individual
- Clothing / uniform sales
- Halloween / Autumn dressing up day
- Easter hat / Christmas Competitions
- Stay and Play sessions
- Concerts - Christmas / end of year
- Welcome meetings and information systems
- Red Day
- Name cards
- 50:50 raffles
- Annual General Meeting
- Parties - Christmas / end of year
- Summer Fair

Public relations and marketing

Word of mouth has, as always, proved to be our widest source of publicity by parents showing appreciation of the quality of care and education we have provided for their children. With many parents accessing our settings for siblings, we are confident that our service continues to meet the needs of our community.

REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 AUGUST 2019

OBJECTIVES AND ACTIVITIES

Public relations and marketing (cont.)

Whilst our website, Facebook page and text message service have been well received, we have also now invested in Famly, a new software application to promote relationships directly with families registered with our provisions. Famly offers Cleethorpes Childcare staff and parents a "one-stop-shop" for communication, keeping everyone up-to-date with events, activities and newsletters. It also provides a learning journey and registration system where both staff and parents have control over the information recorded and shared about their child. We introduced Famly to staff from September 2018, building on each of the areas offered through in-house training sessions and informal supervisions to ensure all staff were familiar and onboard with the processes required. We launched the app to parents at our AGM in November 2018 before fully rolling out to ensure everyone had full access and understanding. We continue to develop staff skills, communication with parents and information sharing as Famly also regularly develops and enhances the app functions. The app has been well received by parents who appreciate seeing photos and information about their child's progress. Parents can also access invoice information, calendar dates and contact details within the app and this transparency has impacted on the number of queries back to the office, demonstrating an improvement in overall communication.

We have made some very positive relationships with local businesses through support and donations for our events. We carefully select and contact organisations to ensure we do not pressure or mail unnecessarily when seeking donations. We have continuing contacts with many local businesses who are keen to provide items for raffles and name cards throughout the year to allow us to maximise fundraising efforts however this is becoming more of a challenge for time allocation for our volunteers and staff, resulting in fewer donations this year than in previous years. This year we have dedicated one day each week to a member of staff to seek grants and donations from external sources to support development of larger projects such as Signhills Garden and expanding experiences for children and families.

We continue to value the close relationships we share with our local Academies and Children's Centres and are grateful for their promotion of our services through distribution of our contact and event details. We are also listed with Families First provided free by North East Lincolnshire Authority to publicise all of our settings as this provides public information through the Internet and through a free phone number.

In June this year, we invited our local MP's to visit our settings in support of the Early Years Alliance Fair Future Funding campaign. This was very effective with both local MP's Martin Vickers and Melanie Onn spending time with staff and children. Melanie Onn publicised our visit and highlighted our concerns on her own Facebook page, in addition to our own Facebook and Famly publicity.

ACHIEVEMENT AND PERFORMANCE

General

We have focussed on parental engagement and rolling out new software & communications technology over this year as we recognised a need to be able to pull together all of our different systems, with the additional focus of supporting staff work-home life balance. The Famly software was rolled out within all of our settings to staff and then to families. The software has opened up further opportunities to share good news and information with parents, with staff also gaining confidence in using it to support parents. The app is continuously being developed and we also continue to access and draw down more information than we previously were able to pin point from any one source. We identified areas for staff development, supporting each individual staff member in their role and are already seeing improvements in the quality of service we provide for our family members. We anticipate this growth and strengthening of quality, accuracy and communication will continue.

Although we have continued to provide crèche services for Reynolds Children's Centre for two days per week during this year, service cuts from the local authority mean this will not continue from September 2019. We have also continued to work with North East Lincolnshire Women's Aid to support their crèches alongside their in-house training sessions, which will continue on an ad-hoc basis over the next year. These crèches have demonstrated the excellent relationships we have formed with other professionals and will leave a gap in our community service provisions.

We have been keen to work with other local partners and an opportunity for a new toddler club arose at the beginning of the year. We were approached by a local elderly care home, Rivelin, who asked us to support them to develop an open group where children would be able to visit residents and undertake activities together. Cleethorpes Childcare committee members felt this would meet our aims and objectives well and so we trialled sessions from October 2018 for one hour each month. The first few sessions proved to be really popular with both residents and families however, some changes to timings have affected attendance so we will be looking at alternative ways to promote this group as we continue to work with Rivelin.

The search for new premises has continued in the background work of the General Manager and Committee however we have as yet been unable to find anything suitable for purpose within the local area.

**REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 AUGUST 2019**

ACHIEVEMENT AND PERFORMANCE

General (cont.)

Early Years Funding Entitlements have remained at the same rate this year despite increases to our outgoing commitments such as minimum wage and pensions. We continue to lobby both locally and nationally to highlight the concerns of the sector as we become aware of more and more closures to provisions throughout the country. Two year old and Extended Funding (30 hours) have remained fairly constant though slightly reduced in our income however, as birth rates have been reducing within the local area over the last couple of years, and are predicted to remain lower for the foreseeable future, we recognise that we may need to make changes in our service offer and our advertising.

Looking ahead to supporting staff development and succession planning, we enrolled two level 3 apprentices into our staff teams from March 2019. Both have already gained experience within the early years sector and were inducted into the Highgate and Signhills teams to support staff ratios, offering flexibility in numbers when working with the children. The level 3 apprenticeship programme is expected to take approximately 18 months to 2 years to complete and we have made a commitment to support both staff members for the duration of their training.

Over the year we have been recruiting for some higher level posts to both replace staff leavers and to cover maternity leave. The recruitment process involved the General Manager, Setting Manager and a Committee member to ensure a balanced and safeguarded result. A full induction programme has been implemented and is an ongoing development process for all new starters within the organisation to ensure everyone remains in tune with their responsibilities and understands the ethos of Cleethorpes Childcare. Investment of time and supervisions has been highlighted during the year as a focus area and the induction programme, along with regular individual staff supervisions supports our aims to drive improvements in our service quality and standards.

Inclusion

This year staff have supported three children with one-to-one care and education, accessing Early Years Inclusion Funding and Education Health Care Plan funding to support this. Offering care at this level also incurs additional staffing, meetings, support for the family, training and paperwork, all of which have been undertaken by knowledgeable, caring and professional staff. The funding received does not fully cover the cost of delivering one-to-one care for each child and therefore we recognise that we only apply for additional support where children are unable to be fully integrated into the setting without it.

Cleethorpes Childcare Special Educational Needs Co-Ordinators (SENCo's) attend regular network and training meetings and disseminate information and knowledge to the rest of their staff team to enhance best practice in meeting the individual needs of all children attending our settings. The local authority Inclusion Support team offer additional in-setting knowledge, support and advice to ensure we maintain procedures in line with the SEN Code of Practice. We have also gained professional support from local Children's Centres, Child Development Centre and Speech and Language therapists, which further enhance the services we provide for all families.

We have received some Early Years Pupil Premium (EYPP) funding this year however this remains an unpredictable amount which is received almost a term after a child becomes eligible. This fund is accessed for 3 & 4 year old children, whose parents meet set criteria and is used to provide financial or developmental support for children in need. This year we have again purchased educational resources, duck hatchlings at both pre-schools, developed staff training and provided additional staff within higher than required ratios to enhance children's learning experiences and opportunities with the aim of children gaining the best start in their education. We have also accessed Yoga for children at Highgate Pre-school for one session per week to support overall physical development as we recognise the benefit and impact of this across all areas of learning and development.

We also supported one child with SEN for a short-term 1-1 transitional placement before starting school. We were fully supported from a variety of agencies to integrate the child and staff and parents worked well together to develop a positive experience for the child.

Quality Assurance

The General Manager works alongside each setting manager to monitor and evaluate practice within each childcare provision, in turn informing staff development and progression. Questionnaires are given to parents & children when their child leaves and results are discussed and evaluated with committee and staff to ensure they inform action planning to maintain a high quality service which continues to meet the needs of the community which we serve. Over the year, with the introduction of Family software, we have been pleasantly surprised at the increase in communication between staff and family members. We recognise we have much more we can develop and improve on in this area and will continue to focus over the coming year. Family has also allowed us to develop and enhance monitoring skills- both in children's development and progression needs as well as financially. We aim to continue to analyse and progress data over the coming years to allow us to identify and hone in on areas for focus such as enhancing the children's environment and speaking and listening skills.

**REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 AUGUST 2019**

ACHIEVEMENT AND PERFORMANCE

Quality Assurance (cont.)

This year, we have been able to participate in an early years group providing professional development in Maths. One member of staff from each pre-school attended workshops and disseminated information to support developing and enhancing maths as an area of early learning, making it fun and well integrated into the daily provision we provide. We await the result for the impact on our setting however we recognise that this focus has supported staff development and focus which will in turn enhance quality within the settings.

North East Lincolnshire Local Authority continued to provide support for our settings through Early Years Teacher/ Advisor/ Area SENCO input. Managers work alongside the advisor to enhance quality within the settings. We continue to attend moderation meetings as well as holding regular staff meetings to disseminate information and address areas for improvements. Individual staff members are supported in development through induction, 1-1 meetings and role supervisions.

Staff Training and Development

Staff members undertake and update core elements of training to support their professional development which includes Safeguarding, Paediatric First Aid, Understanding and Addressing Behaviour, PREVENT duty and Food Hygiene & Safety in the form of a short course, workshop or online training refresher through Educare.

Staff members have received support to undertake training courses, and workshops over the year including:

Foundation Degree in Health & Social Care	Level 4/5 (1 member)
Safeguarding (inc. refresher)	Level 1 & 2 (3 members)
Paediatric First Aid	Level 3 (5 members)
Food Hygiene	Level 2 (7 members)
Understanding & Addressing Behaviour	Level 2 (9 members)
Early Years & Childcare (Apprenticeship)	Level 3 (2 members)

Staff undertaking training are supported financially / with workplace release and at degree level with additional mentor support meetings.

The General Manager again attended the Early Years Alliance Conference in London in June 2019, focussing on being the best, sharing early years excellence. Information from the conference was then disseminated to support all staff in being ready for a change in the Ofsted Inspection Framework which will be in place from September 2019.

In-House training has been informal this year, developing staff understanding and knowledge of the new Family software. Three focus sessions took place to ensure all staff were fully on board and understood how to get the most from the system. This is expected to be an ongoing process of formal and informal training as we identify the needs of individual roles and staff members.

Staff induction training has been undertaken in house this year with new staff, with setting managers supporting each session.

A member of staff from each pre-school participated in a regional scheme to develop and enhance maths provision within Early Years. They both attended workshops and visited other provisions as well as spending time in their own setting to develop and share skills with team members. The information and reporting processes have been disseminated to all staff and the impact of the time spent on this training and workshops is soon to be evaluated.

The General Manager has continued her representation to the Early Years Alliance throughout this year as a Trustee for the national organisation and a member of the Audit Committee. Committee members recognise and support these roles for the General Manager's continuing development as information and skills are shared and developed for the benefit of both organisations.

Induction for new committee members took place in November 2018, following the Annual General Meeting elections. Members comment that they find this a very useful overview of the organisation and that it helps them to better understand their roles and responsibilities.

Students and Volunteer Placements

Our Pre-schools continue to support work placements for students to offer experience of the workings of our childcare provisions. This year we have placed one undergraduate student from Grimsby Institute at Highgate Pre-school and one from Franklin College. We also placed a student on work experience from Beacon academy. Students value the experience they gain from their placements and often comment on how much more is involved in Early Years childcare than they first expected!

An estimated total of 265 volunteer hours and 345 student volunteer hours have been undertaken during this year.

REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 AUGUST 2019

ACHIEVEMENT AND PERFORMANCE

Visitors and liaisons

We continue to work with other professionals and this year have had visits from The Yoga Studio (Yoga Bugs), NE Lincs advisors, Early Years Inclusion Support Officer, Tempest Photographers, MP's Melanie Onn & Martin Vickers, University Centre Grimsby & Grimsby Institute tutors & assessors, Child Development Centre, RNLI Lifeboat, Humberside Fire and Rescue Service, Speech and Language therapist, Health visitors, Signhills Infant & Junior Academies; Middlethorpe Academy, Thrunscoe Primary Academy & Nursery, Humberston Park Academy, Beacon Academy, Technical Support Services, CASS, Humber Maths, Haiths Heating, Newby Leisure, Ofsted, Skanska (volunteer), Franklin College, Mr Wong, City Pat, Gaswise, Rejuvament, Guide Dogs for the Blind, MC Photography, Early Years Alliance, Mr Lentz, Rosita Bird (Author) and Incredible Eggs.

The General Manager continues to represent our organisation and the private, voluntary and independent sector (PVI) at Schools Forum where decisions affecting the allocation of government finance for educational sectors takes place.

Cleethorpes Childcare continues to operate as a preferred provider for The Hub Children's Centres and in particular Highgate. Informal meetings have taken place to ensure the Children's Centre remit of family support, health, safeguarding and partnership working is met through partnership engagement.

Professional Advisors

We have sought advice throughout the year from Professional Advisors, which are:

TSB Bank, 9 Old Market Place, Grimsby, DN31 1BN

Smethurst & Co LLP, 12 Abbey Road, Grimsby DN32 0HL

Lawcall, Pre-school Learning Alliance, 50 Featherstone Street, London EC1Y 8RT

Dataplan Payroll services, 1 Prince Albert Gardens, Grimsby DN31 3AG

BG Solicitors LLP, 27 Osborne Street, Grimsby DN31 1JB

Control Account, Compass House, Waterside, Hanbury Rd, Bromsgrove, B60 4FD

FINANCIAL REVIEW

Financial review

This relates to the enclosed financial statement as agreed by the Executive Committee and in accordance with the accounting procedures determined by Companies House and the Charity Commission.

The main source of income for the pre-school groups continues to be from Early Years Entitlement (EYE) for 2, 3 and 4 year old children attending our settings.

Additional income is from fees in Hardys Den and for pre-school children not eligible for FFE, those taking sessions in addition to their FFE capacity or from children who attend the pre-school lunch clubs. Fees are reviewed annually to ensure they remain affordable to parents, maintain sustainability of the provisions, reflect local pay scales and are competitive within the marketplace. Further income is raised from fundraising activities throughout the year to enable us to enhance children's resources and experiences. Pre-school children are asked to pay a resource/consumables contribution which was reviewed and remained at 75p per child per session, with the majority of families paying this within the allocated timescales, in accordance with our fees policy. The initial registration fee was increased this year due to ongoing increases in our outgoings. Pre-school registration includes a sweatshirt or cardigan for each child as well as a polo t-shirt and supports the costs of printing booklets, providing badges and book-bags along with administration time for this preparation. This is reviewed as a minimal one-off cost to parents whilst Hardys Den administration fee is charged and reviewed annually.

The new Famly software has been introduced over the year to support us with our invoicing and to enable parents to see their balance and payments due at a glance. This proved to be a little tedious in getting to grips with at first however, with online support directly from Famly, we succeeded in rolling out the full system by January 2019. Fee payments continue to be monitored to ensure we have a sustainable cash-flow. We have continued to see a significant increase in fee payments directly through online banking as this alleviates time for childcare managers and supports direct accountability and recording of payments, whilst reducing the risks of holding cash on our premises. Good communication between families and the administration team ensure that we offer all opportunities for parents to pay under mutually agreed terms. Outstanding fees are a regular agenda item at committee meetings and the Finance Administrator provides updates to each setting manager to allow them to monitor payments from their own families, enabling us to make initial approaches to accounts informally and prior to escalation. We continue to recover debts via HMRC online where all other attempts have failed.

**REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 AUGUST 2019**

FINANCIAL REVIEW

Financial review (cont.)

Cleethorpes Childcare had growing concerns over the service from TSB banking following their change in online banking and removal of BACS service from April 2017. New and suitable bank accounts were investigated and over the year we have been driving a move towards HSBC where we will be able to access all of the services we require. We anticipate opening of a new account early in 2019-20 with the intention to support a full account switch over the full year to follow. The process involved in switching banks has created many discussion points around the committee table as we have been banking with TSB since conception however all agree that the move will carry us through in the direction we need for the organisation to function effectively and will reduce the risks of errors from the banks which we have been querying for some time.

The ongoing increases to the National Minimum Wage and National Living Wage continue to challenge our financial viability. Trustees again reviewed the staff payroll structure to account for future potential increases which impact on the differentials between rates paid for each level of job responsibility, whilst recognising qualifications and potential progression opportunities through the organisation, which in turn may provide job security. The increase in employer pension contributions from April 2019 was also factored into our predicted financial expectations and implemented through the Nest and Halifax pension schemes.

Highgate Pre-school service charges have been an ongoing issue over the year as we found a new administrator in place. The General Manager has been extremely vocal in highlighting to the Local Authority that the change in administration person should ensure a clear and consistent approach to invoicing. We still have concerns regarding breakdown of costings shared between all site users and have also been querying again the 90% discount which we had been granted on the rent over previous years, which apparently was not applicable to our lease agreement. The queries were not resolved by year end.

We have been able to purchase further tablet devices to support staff working in the settings as we recognised that some of the workplace stresses for staff related to poor technology functions. Increasing and updating technology has been a focal point over the year however we are always conscious of a balance in maintaining staffing levels and quality to work with the children without technology becoming a distraction from the hands on day to day work we carry out.

Guarantors

Members of the Charitable Company guarantee to contribute an amount not exceeding £1 to the assets of the Charitable Company in the event of winding up. The total number of such Guarantors at 31st August 2019 was 189.

Reserves

Reserves are currently held to support Cleethorpes Childcare in meeting future potential expenditure:

- Recruitment and training costs
- Three months working reserves to cover staff redundancies and the winding up of the business, should this become necessary
- Increase to National Minimum & Living Wage and to pension contributions due to no planned increase in Early Years Entitlement
- Development of additional childcare provision to enhance security in lease of premises

Risk Review

Through a Business Plan, Risk Analysis and regular Executive Committee meetings, the trustees review the risks to the organisation. Although they are not aware of any major risks to which the charity has been exposed, concerns have been noted regarding the potential a School/Academy have to cease a lease agreement in relation to sustainability. This risk continues to be monitored and reported at committee meetings and strategies to secure continuing viability have been implemented to confirm we remain a going concern. The Trustees ensure the agenda for each meeting promotes full monitoring and evaluation of government / local challenge to mitigate risk.

FUTURE PLANS

Future Sustainability

Whilst we recognise that government focus is prioritised with Brexit, we continue to push forward with our concerns regarding poor funding for Early Years provision. Trustees recognise the challenges in continuing to meet the needs of the community and identify potential expansion within the current and/or new provisions. We are confident that, with the knowledge and experience within the organisation, partnerships and community involvement, representations to local and national networks and the long established record of quality provision, we are well placed to remain flexible and review our services accordingly.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Governing document

The charity is controlled by its governing document, a deed of trust, and constitutes a limited company, limited by guarantee, as defined by the Companies Act 2006.

REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 AUGUST 2019

STRUCTURE, GOVERNANCE AND MANAGEMENT

Risk management

The trustees have a duty to identify and review the risks to which the charity is exposed and to ensure appropriate controls are in place to provide reasonable assurance against fraud and error.

Structure

Cleethorpes Childcare consists of:

- Signhills Pre-school
- Highgate Pre-school
- Hardys Den out-of-school club
- Cleethorpes Childcare Crèche Services

Appointment of Members

An Annual General Meeting was held in November 2018. New members were appointed following suitable checks and registrations. All member families are invited to attend the AGM; a member is an adult representative for a child who attends any of the settings of Cleethorpes Childcare. As in previous years, a meeting date is agreed and publicised at each of Cleethorpes Childcare provisions to allow parents and member representatives to attend. An induction meeting was held in November to ensure all elected members fully understood their responsibilities and duties prior to the first committee meeting which followed the AGM. At the first meeting, officers were voted into post by fellow trustees. Training, both formal and informal, is offered for committee members should they wish to further develop their skills and knowledge. This year committee members have undertaken online training on Safer Recruitment and GDPR with other packages available through Educare, offered as part of our Pre-school Learning Alliance membership. In this voluntary role, committee members offer their time and expertise in the decision making of Cleethorpes Childcare. Many members offer additional time to carry out further duties throughout the year within the childcare provisions or through fundraising, community events and activities.

Staffing

The executive committee have a responsibility to ensure that staff are employed within the company to meet the company objectives. A General Manager is employed to oversee the day-to-day running of the work of Cleethorpes Childcare within each provision and in addition to this, an average of 27 members of staff have worked to provide high quality care and education for the children who have attended, offering support and information to parents and family members. The number of staff has reduced again this year due to the lower birth rates of children however we have been able to support two apprentices from April 2019 to develop their skills to level 3 in Early Years. As appropriate, all staff are supported to develop their skills within the organisation and internal progression is also encouraged when vacancies arise.

The General Manager reports to the executive committee on a regular basis at formal meetings and communicates with executive members as required to deal with matters that may arise during the periods between meetings. A setting manager also attends these meetings on a rotational basis to ensure reporting and communication remains paramount.

Policies

Policies and procedures were again reviewed over this year as changes to Local Safeguarding Boards impacted on many of the policies we had in place. Once fully compliant and updates complete, all policies were made available within each setting and through our website which members, staff and trustees access using a secure password.

REFERENCE AND ADMINISTRATIVE DETAILS

Registered Company number

04899075 (England and Wales)

Registered Charity number

1102007

Registered office

Signhills School
Hardys Road
Cleethorpes
N E Lincs
DN35 0DN

REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 AUGUST 2019

REFERENCE AND ADMINISTRATIVE DETAILS

Trustees

C Parfremment

B Rodgers-Gibbs

T Whitehead

I Baker

C Moore

J Jackson

L Pendred

K Scott

- appointed 8.11.18

Independent examiner

Mrs H Spauls FCA

ICAEW

Smethurst & Co LLP

12 Abbey Road

GRIMSBY

DN32 0HL

Bankers

TSB

43 Victoria Street

GRIMSBY

DN31 1UU

Solicitors

BG Solicitors LLP

27 Osborne Street

Grimsby

N E Lincs

DN31 1JB

Cleethorpes Childcare is a charitable company limited by guarantee, incorporated on 15 September 2003 and registered as a charity on 10 February 2004.

This report has been prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small companies.

Approved by order of the board of trustees on 4 November 2019 and signed on its behalf by:

C Parfremment - Trustee

**INDEPENDENT EXAMINER'S REPORT TO THE TRUSTEES OF
CLEETHORPES CHILDCARE (REGISTERED NUMBER: 04899075)**

Independent examiner's report to the trustees of Cleethorpes Childcare ('the Company')

I report to the charity trustees on my examination of the accounts of the Company for the year ended 31 August 2019.

Responsibilities and basis of report

As the charity's trustees of the Company (and also its directors for the purposes of company law) you are responsible for the preparation of the accounts in accordance with the requirements of the Companies Act 2006 ('the 2006 Act').

Having satisfied myself that the accounts of the Company are not required to be audited under Part 16 of the 2006 Act and are eligible for independent examination, I report in respect of my examination of your charity's accounts as carried out under section 145 of the Charities Act 2011 ('the 2011 Act'). In carrying out my examination I have followed the Directions given by the Charity Commission under section 145(5) (b) of the 2011 Act.

Independent examiner's statement

Since your charity's gross income exceeded £250,000 your examiner must be a member of a listed body. I can confirm that I am qualified to undertake the examination because I am a registered member of ICAEW which is one of the listed bodies

I have completed my examination. I confirm that no matters have come to my attention in connection with the examination giving me cause to believe:

1. accounting records were not kept in respect of the Company as required by section 386 of the 2006 Act; or
2. the accounts do not accord with those records; or
3. the accounts do not comply with the accounting requirements of section 396 of the 2006 Act other than any requirement that the accounts give a true and fair view which is not a matter considered as part of an independent examination; or
4. the accounts have not been prepared in accordance with the methods and principles of the Statement of Recommended Practice for accounting and reporting by charities [applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102)].

I have no concerns and have come across no other matters in connection with the examination to which attention should be drawn in this report in order to enable a proper understanding of the accounts to be reached

Mrs H Spauls FCA
ICAEW
Smethurst & Co LLP
12 Abbey Road
GRIMSBY
DN32 0HL

6 November 2019

CLEETHORPES CHILDCARE

**STATEMENT OF FINANCIAL ACTIVITIES
FOR THE YEAR ENDED 31 AUGUST 2019**

	Notes	Unrestricted fund £	Designated fund £	Restricted fund £	31.8.19 Total funds £	31.8.18 Total funds £
INCOME AND ENDOWMENTS FROM						
Incoming resources from charitable activities		382,738	-	8,510	391,248	417,700
Activities for generating funds	2	3,748	-	-	3,748	3,843
Total		386,486	-	8,510	394,996	421,543
EXPENDITURE ON						
Costs of generating funds		2,466	-	-	2,466	2,598
Charitable activities						
Childcare		334,504	-	8,510	343,014	351,287
Premises costs		31,986	6,400	4,158	42,544	40,243
Total		368,956	6,400	12,668	388,024	394,128
NET INCOME/(EXPENDITURE)		17,530	(6,400)	(4,158)	6,972	27,415
RECONCILIATION OF FUNDS						
Total funds brought forward		67,459	20,267	8,164	95,890	68,475
TOTAL FUNDS CARRIED FORWARD		84,989	13,867	4,006	102,862	95,890

The notes form part of these financial statements

**BALANCE SHEET
AT 31 AUGUST 2019**

	Notes	31.8.19 £	31.8.18 £
FIXED ASSETS			
Tangible assets	6	21,734	30,524
CURRENT ASSETS			
Stocks	7	1,563	1,296
Debtors	8	9,704	7,928
Cash at bank and in hand		112,332	105,314
		<u>123,599</u>	<u>114,538</u>
CREDITORS			
Amounts falling due within one year	9	(42,471)	(49,172)
NET CURRENT ASSETS		<u>81,128</u>	<u>65,366</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		102,862	95,890
NET ASSETS		<u>102,862</u>	<u>95,890</u>
FUNDS	11		
Unrestricted funds		98,856	87,726
Restricted funds		4,006	8,164
TOTAL FUNDS		<u>102,862</u>	<u>95,890</u>

The charitable company is entitled to exemption from audit under Section 477 of the Companies Act 2006 for the year ended 31 August 2019.

The members have not required the company to obtain an audit of its financial statements for the year ended 31 August 2019 in accordance with Section 476 of the Companies Act 2006.

The trustees acknowledge their responsibilities for

- (a) ensuring that the charitable company keeps accounting records that comply with Sections 386 and 387 of the Companies Act 2006 and
- (b) preparing financial statements which give a true and fair view of the state of affairs of the charitable company as at the end of each financial year and of its surplus or deficit for each financial year in accordance with the requirements of Sections 394 and 395 and which otherwise comply with the requirements of the Companies Act 2006 relating to financial statements, so far as applicable to the charitable company.

These financial statements have been prepared in accordance with the provisions applicable to charitable companies subject to the small companies regime.

The financial statements were approved by the Board of Trustees on 4 November 2019 and were signed on its behalf by:

C Parfremont -Trustee

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019**

1. ACCOUNTING POLICIES

Basis of preparing the financial statements

The financial statements of the charitable company, which is a public benefit entity under FRS 102, have been prepared in accordance with the Charities SORP (FRS 102 updated by bulletin 1) '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)', Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and the Companies Act 2006. The financial statements have been prepared under the historical cost convention.

Income

Grants are recognised in full in the Statement of Financial Activities in the year in which they are receivable.

Donations and gifts are recognised in the Statement of Financial Activities when received.

Incoming resources for the provision of pre-school places and from investments are recognised in full in the Statement of Financial Activities when receivable.

Resources expended

Resources expended are recognised in the period in which they are incurred.

Tangible fixed assets

Tangible fixed assets are stated at cost (or deemed cost) or valuation less accumulated depreciation and accumulated impairment losses.

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

Land and buildings	- 20% on reducing balance or over lease term
Fixtures, fittings and equipment	- 20% on cost

Fixed assets are not capitalised if they cost less than £100.

Stocks

Stocks are valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving items.

Taxation

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

Fund accounting

Unrestricted funds are donations and other incoming resources receivable or generated for the objects of the charity without further specified purpose and are available as general funds.

Designated funds are unrestricted funds earmarked by the management committee for particular purposes.

Restricted funds are to be used for specific purposes as laid down by the donor. Expenditure which meets these criteria is charged to the fund, together with a fair allocation of management and support costs.

Pension costs and other post-retirement benefits

The charitable company operates a defined contribution pension scheme. Contributions payable to the charitable company's pension scheme are charged to the Statement of Financial Activities in the period to which they relate.

Leasing commitments

Rents payable under leases are charged to the Statement of Financial Activities on a straight line basis over the period of the lease.

CLEETHORPES CHILDCARE

**NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 31 AUGUST 2019**

2. ACTIVITIES FOR GENERATING FUNDS

	31.8.19	31.8.18
	£	£
Fundraising events	2,965	3,013
Uniform sales	783	830
	<u>3,748</u>	<u>3,843</u>

3. NET INCOME/(EXPENDITURE)

Net income/(expenditure) is stated after charging/(crediting):

	31.8.19	31.8.18
	£	£
Depreciation - owned assets	<u>11,413</u>	<u>11,197</u>

4. TRUSTEES' REMUNERATION AND BENEFITS

	31.8.19	31.8.18
	£	£
Trustees' salaries	26,540	17,208
Trustees' social security	2,488	1,609
Trustees' pension contributions to money purchase schemes	796	516
	<u>29,824</u>	<u>19,333</u>

The memorandum of association updated in May 2017 allows trustees of the charity to be a paid employee of the charity, but no trustee can be paid for their duties as a trustee.

Lorna Pendred, who became a trustee of the charity in January 2018, has been paid for her employment as the general manager of the charity.

Trustees' expenses

There were no trustees' expenses paid for the year ended 31 August 2019 nor for the year ended 31 August 2018.

5. STAFF COSTS

	31.8.19	31.8.18
	£	£
Wages and salaries	282,069	296,026
Social security costs	10,019	9,459
Other pension costs	8,574	5,558
	<u>300,662</u>	<u>311,043</u>

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

	31.8.19	31.8.18
Furtherance of the entity's activities	24	26
Management and administration	3	3
	<u>27</u>	<u>29</u>

No employees received emoluments in excess of £60,000.

CLEETHORPES CHILDCARE

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 31 AUGUST 2019

6. TANGIBLE FIXED ASSETS

	Land and buildings £	Fixtures, fittings and equipment £	Totals £
COST			
At 1 September 2018	42,291	38,525	80,816
Additions	-	2,623	2,623
Disposals	-	(349)	(349)
At 31 August 2019	42,291	40,799	83,090
DEPRECIATION			
At 1 September 2018	21,646	28,646	50,292
Charge for year	6,475	4,938	11,413
Eliminated on disposal	-	(349)	(349)
At 31 August 2019	28,121	33,235	61,356
NET BOOK VALUE			
At 31 August 2019	14,170	7,564	21,734
At 31 August 2018	20,645	9,879	30,524

7. STOCKS

	31.8.19 £	31.8.18 £
Stocks	1,563	1,296

8. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	31.8.19 £	31.8.18 £
Trade debtors	7,750	7,365
Other debtors	1,954	563
	9,704	7,928

9. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	31.8.19 £	31.8.18 £
Trade creditors	1,392	129
Social security and other taxes	140	1,701
Other creditors	8,157	2,354
Accruals and deferred income	32,782	44,988
	42,471	49,172

CLEETHORPES CHILDCARE

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 31 AUGUST 2019

10. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Unrestricted fund £	Designated fund £	Restricted fund £	31.8.19 Total funds £	31.8.18 Total funds £
Fixed assets	3,861	13,867	4,006	21,734	30,524
Current assets	123,599	-	-	123,599	114,538
Current liabilities	(42,471)	-	-	(42,471)	(49,172)
	<u>84,989</u>	<u>13,867</u>	<u>4,006</u>	<u>102,862</u>	<u>95,890</u>

11. MOVEMENT IN FUNDS

	At 1.9.18 £	Net movement in funds £	At 31.8.19 £
Unrestricted funds			
General fund	67,459	17,530	84,989
Designated fund	20,267	(6,400)	13,867
	<u>87,726</u>	<u>11,130</u>	<u>98,856</u>
Restricted funds			
Restricted fund	8,164	(4,158)	4,006
	<u>95,890</u>	<u>6,972</u>	<u>102,862</u>

Net movement in funds, included in the above are as follows:

	Incoming resources £	Resources expended £	Movement in funds £
Unrestricted funds			
General fund	386,486	(368,956)	17,530
Designated fund	-	(6,400)	(6,400)
	<u>386,486</u>	<u>(375,356)</u>	<u>11,130</u>
Restricted funds			
Restricted fund	8,510	(12,668)	(4,158)
	<u>394,996</u>	<u>(388,024)</u>	<u>6,972</u>

CLEETHORPES CHILDCARE

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 31 AUGUST 2019

11. MOVEMENT IN FUNDS - continued

Comparatives for movement in funds

	At 1.9.17 £	Net movement in funds £	At 31.8.18 £
Unrestricted Funds			
General fund	29,486	37,973	67,459
Designated fund	26,667	(6,400)	20,267
	<u>56,153</u>	<u>31,573</u>	<u>87,726</u>
Restricted Funds			
Restricted fund	12,322	(4,158)	8,164
	<u>12,322</u>	<u>(4,158)</u>	<u>8,164</u>
TOTAL FUNDS	<u>68,475</u>	<u>27,415</u>	<u>95,890</u>

Comparative net movement in funds, included in the above are as follows:

	Incoming resources £	Resources expended £	Movement in funds £
Unrestricted funds			
General fund	398,667	(360,694)	37,973
Designated fund	-	(6,400)	(6,400)
	<u>398,667</u>	<u>(367,094)</u>	<u>31,573</u>
Restricted funds			
Restricted fund	22,876	(27,034)	(4,158)
	<u>22,876</u>	<u>(27,034)</u>	<u>(4,158)</u>
TOTAL FUNDS	<u>421,543</u>	<u>(394,128)</u>	<u>27,415</u>

A current year 12 months and prior year 12 months combined position is as follows:

	At 1.9.17 £	Net movement in funds £	At 31.8.19 £
Unrestricted funds			
General fund	29,486	55,503	84,989
Designated fund	26,667	(12,800)	13,867
	<u>56,153</u>	<u>42,703</u>	<u>98,856</u>
Restricted funds			
Restricted fund	12,322	(8,316)	4,006
	<u>12,322</u>	<u>(8,316)</u>	<u>4,006</u>
TOTAL FUNDS	<u>68,475</u>	<u>34,387</u>	<u>102,862</u>

CLEETHORPES CHILDCARE

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 31 AUGUST 2019

11. MOVEMENT IN FUNDS - continued

A current year 12 months and prior year 12 months combined net movement in funds, included in the above are as follows:

	Incoming resources £	Resources expended £	Movement in funds £
Unrestricted funds			
General fund	785,153	(729,650)	55,503
Designated fund	-	(12,800)	(12,800)
	<hr/>	<hr/>	<hr/>
	785,153	(742,450)	42,703
 Restricted funds			
Restricted fund	31,386	(39,702)	(8,316)
 TOTAL FUNDS	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>
	816,539	(782,152)	34,387

Purposes of designated and restricted funds

Restricted funds at 31 August 2019 represents the carrying value of fixed assets acquired from restricted funds of £4,006 (2018: £8,164).

Designated funds at 31 August 2019 represents the carrying value of the new building at Signhills of £13,867 (2018: £20,267).

The balances relating to capital expenditure are adjusted each year in line with the depreciation of the assets acquired.

Restricted funds also includes funding received to assist with the inclusion of children.

12. RELATED PARTY DISCLOSURES

There were no related party transactions for the year ended 31 August 2019.

13. LEASING COMMITMENTS

The following operating lease payments are committed to be paid:

	Land and Buildings 31.8.19 £	31.8.18 £
Expiring:		
Within one year	5,238	5,224
Between one and five years	19,634	24,683