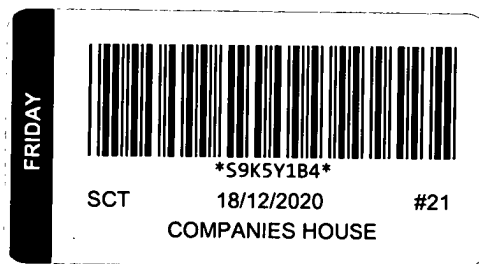


REGISTERED COMPANY NUMBER: SC203106 (Scotland)
REGISTERED CHARITY NUMBER: SC029731

CHILDCARE CONNECTIONS LIMITED
(A Company Limited by Guarantee)

**ANNUAL REPORT
AND
FINANCIAL STATEMENTS**

For the year ended 31 March 2020



COMPANIES LTD

18 DEC 2020

EDINBURGH MAILBOX

CHILDCARE CONNECTIONS LIMITED

REFERENCE AND ADMINISTRATIVE DETAILS **for the year ended 31 March 2020**

TRUSTEES	M Reid J R Gilbertson F Waterston D Hayward M Fairbairn
SECRETARY	P Ellis
REGISTERED OFFICE	Valley Park Community Centre 37 Southhouse Road Edinburgh EH17 8EU
REGISTERED COMPANY NUMBER	SC203106 (Scotland)
REGISTERED CHARITY NUMBER	SC029731
INDEPENDENT AUDITORS	Geoghegans Chartered Accountants 6 St Colme Street Edinburgh EH3 6AD
BANKERS	Bank of Scotland 1 Liberton Drive Edinburgh EH16 6NL

CHILDCARE CONNECTIONS LIMITED

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for the year ended 31 March 2020**

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CHILDCARE CONNECTIONS LIMITED

TRUSTEES' REPORT

for the year ended 31 March 2020

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 charitable company for the year ended 31 March 2020. This report is also the Directors' Report for purposes of the Companies Act 2006.

Trustees

The following trustees have held office in the year ended 31 March 2020:

M Reid
J R Gilbertson
F Waterson
D Hayward
M Fairbairn
K McGregor (resigned 24 June 2019)
C Aita De Almeida (resigned 19 May 2020)

OBJECTIVES AND ACTIVITIES

Objectives and aims

The objectives of the company are:

1. To provide a quality affordable and inclusive childcare service for those people within the Liberton / Gilmerton Neighbourhood Partnership area who are excluded from key aspects of life.
2. To improve access to economic activity and learning opportunities for local parents and carers by providing childcare which will enable them to take up job, training and educational opportunities.
3. To provide a safe, pleasant and stimulating child-centered play care environment where children learn and broaden their experiences through participating in play activities.

ACHIEVEMENT AND PERFORMANCE

Childcare Connections provides affordable, inclusive and quality childcare to families, and removes one of the main barriers which prevents taking up training and job opportunities. During 2019-20 Childcare Connections has provided Out of School Care to more than 250 families and over 300 children. Throughout the year the demand for term time after school care had remained consistent with the After School Club service maintaining an occupancy level of around 79% and the Breakfast Club having an average occupancy level of 83%. The demand for the Holiday Club childcare provision has increased from the previous year.

As in previous years, all staff continue to be actively contributing to the development plans of all services which has included increasing the links within the local community, developing staff skills and developing further opportunities for children in Primary 6 & 7.

CHILDCARE CONNECTIONS LIMITED

TRUSTEES' REPORT (Continued) for the year ended 31 March 2020

ACHIEVEMENT AND PERFORMANCE (Continued)

The Care Inspectorate inspected Gilmerton After School Club during the year. The overall marks for Gilmerton were '5 - Very Good'.

St-Johns Vianney were also inspected however the charity has lodged an error in point with the care inspectorate regarding errors made by the inspector. We are awaiting the outcome of this case.

The continual professional development of staff continues to be important to us with staff in the past year working towards the BA Childhood Practice level 9 award, SVQ4 (level 8) award in Social Services Children & Young People and others completing the SVQ3 (level 7) award in Social Services Children & Young People.

We have provided work experience placements for Edinburgh College students and young people from two local high schools, provided long term work placements for young people participating in the JET programme and provided modern apprenticeship opportunities for school leavers.

As part of the organisation development of communication systems, and following last year's introduction of a new website, the charity has introduced workplace by Facebook to increase communication for all staff, moved to a new and improved learning management system, Noodle Now, and introduced Box, a cloud based content management, collaboration and workflow tool.

FINANCIAL REVIEW

Our main source of funding is parental fees and funding from the Capital City Partnership. During 2018-19 we participated in a tender process with the Capital City Partnership and were successful in receiving funding to continue to provide subsidised child care fees for eligible families. This funding runs across three funding years.

RESERVES POLICY

The charity had net incoming resources of £46,184 (2019: £26,886). At 31 March 2020 reserves amounted to £444,675 (2019: £398,491). The trustees' policy is to retain 6 months' worth of running costs in order to meet commitments and with a contingency to cover any unexpected expenditure. The reserves have been affected by the Covid-19 pandemic, whereby the organisation has used some of these to support the ongoing operation of the business; however, the charity have still managed to retain 6 months' worth of running costs should they need to use these in the future.

COVID 19

The 2020/2021 future outlook for Childcare Connections was positive with an expected increase in demand as a result of the building of a new school, Frogston Primary, and the significant building of new homes in the catchment area. However, in early March 2020 the charity was affected by the Coronavirus pandemic.

The pandemic, country wide lockdown and closure of all schools and childcare provision forced the business into a period of shutdown.

Childcare Connections completed an immediate review of the risks and financial position, including scenario planning, and agreed a way forward. We observed that with the offered government

CHILDCARE CONNECTIONS LIMITED

TRUSTEES' REPORT (Continued) for the year ended 31 March 2020

COVID 19 (Continued)

support and the reserves in the bank, we were able to safeguard the business, support our people and service users. Key actions taken were as follows:

To safeguard the business, we engaged and consulted with our employees to obtain agreement to a temporary change of terms and conditions which enabled the charity to utilise the government Coronavirus Job Retention Scheme (CJRS) and as a result all play care staff were placed onto furlough leave. Our employees were kept well informed and as a result were exceptionally supportive. They understood the need for this action and the ultimate aim of safeguarding their jobs and the survival of the business for the future. Throughout the pandemic the Operations Manager kept in very close contact with the team, and the board, providing regular updates and keeping them informed of the situation.

There was a need to ensure a level of business continuity and therefore the office staff worked from home. This enabled them to maintain contact with staff, parents, schools, school lets, the council etc and ultimately plan for the re-opening of the playrooms. Due to the recent system changes and introduction of cloud-based technology they were very quickly able to move to working from home with very little impact on business continuity. Keeping these key staff members at work also enabled the charity to safeguard some of their core funding, which is reliant on the charity maintaining a minimum operating salary regardless of the circumstances.

The charity was very concerned with the impact of the pandemic on their service users; following a financial review and scenario planning exercise, a fee freeze was agreed, ensuring that none of the service users were paying for a service that they couldn't use nor afford. This was communicated effectively and was well received by all concerned.

Once the government allowed the service to re-open, full risk assessments were completed, along with communication with all schools and school lets. The charity worked hard to ensure they understood the national and local requirements and were able to ensure the playrooms were completely COVID secure.

The Operations manager engaged with all staff to ensure they were fully trained and understood their responsibilities in relation to risk management and infection control. Some of the measures taken to manage the infection risk included:

- Full COVID-19 Playroom and individual staff risk assessments and regular review of these in line with government guidance,
- reducing the number of children in each playroom,
- creating playroom bubbles with limited children and consistent playcare staff,
- ensuring children do not mix with any other children or playcare staff outside of their bubbles,
- and a strict personal and environment hygiene regime.

CHILDCARE CONNECTIONS LIMITED

TRUSTEES' REPORT (Continued) for the year ended 31 March 2020

COVID 19 (Continued)

Key impacts and potential future risks that are continually under review are as follows:

- Financial impact of the reduced occupancy levels and closure of the holiday clubs for Easter, October and Christmas.
- Impact of the reduced occupancy levels on future funding.
- Impacts on future service provision, particularly in relation to the new Frogston School and intake of new primary 1s for the 2021/22 academic year.
- Potential future impact on demand should service users continue to work from home and have less need for the service.

To mitigate these risks, the charity is actively engaging with their local council in relation to future funding impacts and continually monitoring current demand. They are currently in discussions with the new school management team with a view to exploring the options of establishing a new playroom for the future. They are also maintaining a waiting list, with regular parent contact for those who have been affected by the reduced occupancy levels and those enquiring about new P1 childcare provision for the next academic year.

The risk register has been updated accordingly and will be reviewed monthly by the board whilst the pandemic, and resulting restrictions remain in place.

At present, in December 2020, Childcare Connections remains in a positive financial position and will be able to continue current operations whilst the ongoing restrictions remain in place. Should Edinburgh move into a Tier 4 position, the charity would have to further utilise the CJRS scheme, and some of the reserves, as the only means of safeguarding jobs and the survival of the business.

Whilst the reserves have been used to cover key costs throughout the pandemic, the charity has been able to maintain the reserves policy of six months operating costs. They will continue to review this position alongside any updated guidance from the government relating to COVID-19 impacts and additional support options for childcare providers.

Overall, we have coped exceptionally well, and the future position looks cautiously optimistic, however we continue to remain vigilant and agile in our ongoing response to this unprecedented event.

FUTURE PLANS

Despite the pandemic and the ongoing restrictions in place, the trustees will continue to work towards the achievement of the charities objectives and to develop the Out of School Care services within the community. As part of the strategic development they are reviewing the need for additional Out of School and Breakfast Club provision at both the current services and at new schools due to be built in the local area.

CHILDCARE CONNECTIONS LIMITED

TRUSTEES' REPORT (Continued) for the year ended 3 March 2020

STRUCTURE, GOVERNANCE AND MANAGEMENT

Governing document

The charity is a company limited by guarantee and is constituted by its Memorandum and Articles of Association. It is governed by a Board of Directors. The Directors make the strategic decisions regarding the charity and delegate to the staff the day to day operations.

Recruitment and appointment of new trustees

Requirements are discussed at Board meetings. Vacant positions available on the Board are discussed regularly, and attempts made to identify individuals with the appropriate skill base who are then encouraged to apply to become trustees.

Operational structure

The Board of Directors meets at least once a month and, in consultation with the senior members of staff, makes policy decisions, receives budgetary information and ratifies any service delivery decisions. At all times we seek to fulfil the requirements of our founders and to satisfy the demands from the local community in the delivery of our service.

As an organisation we are seeking to maximise the skill base of those involved. This is achieved through encouraging staff training and development, and by attempting to attract Board members with a variety of skills and experience.

Induction and training of new trustees

New trustees receive a director's pack of information and a job description.

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. The Board of Directors conducts an annual review of the major risks to which the charity is exposed, and systems are then established to mitigate those risks.

STATEMENT OF TRUSTEES RESPONSIBILITIES

The trustees (who are also the directors of Childcare Connections Limited for the purposes of company law) are responsible for preparing the Trustees' Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charitable company and of the incoming resources and application of resources, including the income and expenditure, 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 Charity SORP 2015 (FRS 102);
- make judgements and estimates that are reasonable and prudent;

CHILDCARE CONNECTIONS LIMITED

TRUSTEES' REPORT (Continued)
for the year ended 3 March 2020

STATEMENT OF TRUSTEES' REPOSNBILITY (Continued)

- state whether applicable UK accounting standards have been followed, subject to any material differences 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 which disclose with reasonable accuracy at any time the financial position of the charitable company and to 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.

In so far as the trustees are aware:

- there is no relevant audit information of which the charitable company's auditors are unaware; and
- the trustees have taken all relevant steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information.

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 15 December 2020 and signed on its behalf by:



M Reid
Trustee

**INDEPENDENT AUDITORS' REPORT TO THE TRUSTEES AND MEMBERS OF
CHILDCARE CONNECTIONS LIMITED
for the year ended 31 March 2020**

Opinion

We have audited the financial statements of Childcare Connections Limited for the year ended 31 March 2020 which comprise the Statement of Financial Activities, the Balance Sheet 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 (United Kingdom Generally Accepted Accounting Practice) including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland".

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 March 2020, and of its incoming resources and application of resources, including its income and expenditure, 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, the Charities and Trustee Investment (Scotland) Act 2005 and regulation 8 of the Charities Accounts (Scotland) Regulations 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.

**INDEPENDENT AUDITORS' REPORT TO THE TRUSTEES AND MEMBERS OF
CHILDCARE CONNECTIONS LIMITED (Continued)
for the year ended 31 March 2020**

Other information

The trustees are responsible for the other information. The other information comprises the information included in the trustees' annual report, other than the financial statements and our auditor's report thereon. 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 for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- 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 our 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 trustees' report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 and the Charities Accounts (Scotland) Regulations 2006 require us to report to you if, in our opinion:

- adequate and proper 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 trustees 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 trustees' report and from the requirement to prepare a strategic report.

**INDEPENDENT AUDITORS' REPORT TO THE TRUSTEES AND MEMBERS OF
CHILDCARE CONNECTIONS LIMITED (Continued)
for the year ended 31 March 2020**

Responsibilities of trustees

As explained more fully in the trustees' responsibilities statement, 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

We have been appointed as auditor under section 44(1)(c) of the Charities and Trustee Investment (Scotland) Act 2005 and under the Companies Act 2006 and report in accordance with regulations made under those Acts.

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: 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, and to the charitable company's directors, as a body, in accordance with Regulation 10 of the Charities Accounts (Scotland) Regulations 2006. Our audit work has been undertaken so that we might state to the charitable company's members and directors 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, the charitable company's members as a body and the charitable company's directors as a body, for our audit work, for this report, or for the opinions we have formed.



Iain Binnie, CA (Senior Statutory Auditor)
For and on behalf of Geoghegans, Statutory Auditor
6 St Colme Street
Edinburgh, EH3 6AD

15 December 2020

Geoghegans is eligible to act as an auditor in terms of section 1212 of the Companies Act 2006.

CHILDCARE CONNECTIONS LIMITED

**STATEMENT OF FINANCIAL ACTIVITIES
(Incorporating the Income and Expenditure Account)
for the year ended 31 March 2020**

	Notes	Unrestricted Funds £	Restricted Funds £	Total funds 2020 £	Total funds 2019 £
Income from:					
Charitable activities	2	<u>463,441</u>	<u>4,867</u>	<u>468,308</u>	<u>464,051</u>
Total incoming resources		<u>463,441</u>	<u>4,867</u>	<u>468,308</u>	<u>464,051</u>
Expenditure on:					
Raising funds	3	24,105	-	24,105	27,442
Charitable activities	4	<u>393,152</u>	<u>4,867</u>	<u>398,019</u>	<u>409,723</u>
Total resources expended		<u>417,257</u>	<u>4,867</u>	<u>422,124</u>	<u>437,165</u>
Net movements in funds		46,184	-	46,184	26,886
Reconciliation of funds					
Funds balance at 1 April 2019		<u>398,491</u>	-	<u>398,491</u>	<u>371,605</u>
Funds balance at 31 March 2020		<u>444,675</u>	-	<u>444,675</u>	<u>398,491</u>

The Statement of Financial Activities includes all gains and losses in the year. All incoming resources and resources expended derive from continuing operations.

CHILDCARE CONNECTIONS LIMITED

BALANCE SHEET
as at 31 March 2020

	Notes	2020 Total funds £	2019 Total funds £
FIXED ASSETS			
Tangible assets	9	<u>936</u>	<u>1,583</u>
CURRENT ASSETS			
Debtors	10	1,801	2,409
Cash at bank and in hand		<u>469,724</u>	<u>421,046</u>
		471,525	423,455
CREDITORS			
Amounts falling due within one year	11	<u>(27,786)</u>	<u>(26,547)</u>
NET CURRENT ASSETS		<u>443,739</u>	<u>396,908</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>444,675</u>	<u>398,491</u>
FUNDS	12		
Unrestricted funds		444,675	398,491
Restricted funds		<u>-</u>	<u>-</u>
TOTAL FUNDS		<u>444,675</u>	<u>398,491</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 and constitute the annual accounts required by the Companies Act and are for circulation to members of the charitable company.

The financial statements were approved by the Board of Trustees on 15 December 2020 and were signed on its behalf by:



M Reid
Trustee
Company Registration Number: SC203106

CHILDCARE CONNECTIONS LIMITED

NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 March 2020

1 Accounting policies

Company information

Childcare Connections Limited is a private company limited by guarantee incorporated in Scotland. The registered office address is 37 Southhouse Road, Edinburgh, EH17 8EU.

Basis of preparing the financial statements

The accounts are prepared under the historical cost convention in accordance with applicable accounting standards, the Companies Act 2006, the Charities Accounts (Scotland) Regulations 2006 (as amended) and the Statement of Recommended Practice on Accounting and Reporting by Charities (the Charities SORP (FRS 102)). The disclosure requirements of section 1A of FRS 102 have been applied other than where additional disclosure is required to show a true and fair view.

The financial statements are prepared in sterling, which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest £.

The principal accounting policies adopted are set out below.

Going concern

At the time of approving the financial statements, the Trustees are confident that the company has adequate funds to continue in operational existence for the foreseeable future. Thus, the Trustees continue to adopt the going concern basis of accounting in preparing the financial statements.

The Trustees have considered the potential implications of Covid-19 in their assessment of going concern and for the reasons outlined in the Trustee's Report and above, the Trustees consider it appropriate to prepare the financial statements on a going concern basis.

Incoming resources

All income is recognised in the Statement of Financial Activities once the charity has entitlement to the funds, it is probable that the income will be received and the amount can be measured reliably.

Resources expended

Expenditure is recognised on an accruals basis when a liability is incurred and it is reported as part of the expenditure to which it relates. The charitable company is not registered for VAT and accordingly expenditure is shown gross of irrecoverable VAT. The following specific policies are applied to particular categories of expenditure:

- Expenditure on charitable activities comprises those costs incurred by the charity in the delivery of the charitable activities carried out which meet the objectives of the charity. Expenditure on charitable activities includes governance costs which comprise the costs of running the charity, including strategic planning for its future development, external audit, any legal advice for the Trustees and all the costs of complying with constitutional and statutory requirements, such as the costs of Board meetings and of preparing statutory accounts and satisfying public accountability.
- Costs of raising funds include all staff costs incurred in obtaining external funding for the charity and all other direct costs associated to fundraising activities.

NOTES TO THE FINANCIAL STATEMENTS (Continued)
for the year ended 31 March 2020

Tangible fixed assets

Fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses. All assets costing more than £500 are capitalised.

Where fixed assets are purchased from restricted funds, a transfer is made to unrestricted funds in order to reduce the restricted fund with the cost of the asset.

Depreciation is provided at rates calculated to write off the cost of each asset over its expected useful life, which in all cases is estimated at 4 years.

Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks and other short term liquid investments.

Financial instruments

The charitable company only has financial assets and liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value.

Taxation

Childcare Connections Limited has been accorded charitable status for tax purposes. For the year ended 31 March 2020 it is considered the company's activities were within the scope of the charitable status and accordingly no provision for taxation is necessary.

Fund accounting

Unrestricted funds are available for use at the discretion of the members in furtherance of the general objectives of the charity.

Designated funds are funds which have been earmarked by the Trustees for specific purposes.

Restricted funds are subjected to restrictions on their expenditure imposed by the donor or through the terms of an appeal.

Judgements and key sources of estimation uncertainty

In the application of the company's accounting policies, the Trustees are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

CHILDCARE CONNECTIONS LIMITED**NOTES TO THE FINANCIAL STATEMENTS (Continued)
for the year ended 31 March 2020****2 Income from charitable activities**

	2020 £	2019 £
Parental fees	328,201	327,917
Grants	140,107	136,134
	<u>468,308</u>	<u>464,051</u>

The income from charitable activities was £468,308 (2019: £464,051) of which £463,441 (2019: £460,157) was unrestricted and £4,867 (2019: £3,894) was restricted.

3 Raising funds

	2020 £	2019 £
Staff costs	20,410	22,685
Marketing	3,695	4,757
	<u>24,105</u>	<u>27,442</u>

Expenditure on raising funds was £24,105 (2019: £27,442) all of which was unrestricted.

4 Analysis of expenditure on charitable activities

	2020 £	2019 £
Staff costs	268,997	257,031
Rent	3,440	4,457
Materials and play care	34,434	53,252
Other direct costs	18,046	18,392
Support costs (see note 5)	69,019	72,555
Governance costs (see note 6)	4,083	4,036
	<u>398,019</u>	<u>409,723</u>

Expenditure on charitable activities was £398,019 (2019: £409,723) of which £393,152 (2019: £405,829) was unrestricted and £4,867 (2019: £3,894) was restricted.

5 Support costs

	2020 £	2019 £
Staff costs	58,436	63,051
Depreciation	647	1,809
Other support costs	9,936	7,695
	<u>69,019</u>	<u>72,555</u>

CHILDCARE CONNECTIONS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (Continued)
for the year ended 31 March 2020

6 Governance costs

	2020 £	2019 £
Audit and accountancy fees	3,563	3,900
Board meeting expenses	520	136
	<u>4,083</u>	<u>4,036</u>

7 Trustees' remuneration, benefits and expenses

No remuneration, benefits or expenses were paid to the Trustees in the current or prior year.

8 Staff costs

	2020 £	2019 £
Staff costs during the year amounted to:		
Wages and salaries	327,066	325,132
Social security costs	16,031	14,537
Employer pension costs	4,746	3,098
	<u>347,843</u>	<u>342,767</u>

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

	2020	2019
Childcare	23	23
Management and administration	3	3
	<u>26</u>	<u>26</u>

The total amount of employee benefits received by key management personnel is £121,460 (2019: £133,253)

No employees received emoluments in excess of £60,000 (2019: none).

CHILDCARE CONNECTIONS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (Continued)
for the year ended 31 March 2020

9	Tangible Fixed Assets		Office Equipment £
	Cost		
	At 1 April 2019		10,454
	Additions in the year		-
			<hr/>
	At 31 March 2020		10,454
	Depreciation		
	At 1 April 2019		8,871
	Charge for year		647
			<hr/>
	At 31 March 2020		9,518
	Net book value		
	At 31 March 2020		936
			<hr/>
	At 31 March 2019		1,583
			<hr/>
10	Debtors: Amounts due within one year		
		2020	2019
		£	£
	Trade debtors	1,801	2,300
	Other debtors	-	109
		<hr/>	<hr/>
		1,801	2,409
		<hr/>	<hr/>
11	Creditors: Amounts due within one year		
		2020	2019
		£	£
	Trade creditors	1,450	1,076
	Taxation and social security	4,085	2,745
	Other creditors	22,251	22,726
		<hr/>	<hr/>
		27,786	26,547
		<hr/>	<hr/>

CHILDCARE CONNECTIONS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (Continued) for the year ended 31 March 2020

12 Movement in funds

	<i>Unrestricted Designated fund</i> £	<i>Unrestricted General fund</i> £	<i>Restricted Capability Scotland</i> £	<i>Total funds</i> £
At 1 April 2018	3,000	368,605	-	371,605
Incoming resources	-	460,157	3,894	464,051
Resources expended	(1,686)	(431,585)	(3,894)	(437,165)
Net movement in funds before transfers	(1,686)	28,572	-	26,886
Transfers	(1,314)	1,314	-	-
At 31 March 2019	-	398,491	-	398,491
Incoming resources	-	463,441	4,867	468,308
Resources expended	-	(417,257)	(4,867)	(422,124)
Net movement in funds before transfers	-	46,184	-	46,184
Transfers	-	-	-	-
At 31 March 2020	-	444,675	-	444,675

The designated fund represents amounts set aside by the Trustees for the development of the company's website.

The restricted fund is from Capability Scotland and is for the inclusion of children with additional needs in mainstream provision.

13 Financial commitments

At the balance sheet date, the company had outstanding commitments for future minimum lease payments under operating leases, which fall due as follows:

	<i>Land and buildings</i>	
	2020	2019
	£	£
Within one year	-	4,400

14 Related party disclosures

The Trustees are of the opinion that there were no related party transactions for the years ended 31 March 2020 or 31 March 2019.

CHILDCARE CONNECTIONS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS (Continued)
for the year ended 31 March 2020**

15 Events after the reporting date

As referred to in the Report of the Trustees, during the period post year end the outbreak of Covid-19 has interrupted the activities of the charitable company. Any financial impact of Covid-19 will be reflected in the results for the year to 31 March 2021. The Trustees have also considered the impact of Covid-19 on their assessment of going concern and despite any implications arising, do not believe these will have a material impact on the going concern status of charitable company.