

AIGBURTH OPPORTUNITIES

also known as "ATO AND LITTLE EXPLORERS DAY NURSERY"

ANNUAL REPORT AND ACCOUNTS

for the year ended

31st March 2021

REGISTERED NUMBER: 2025421

CHARITY NUMBER: 700705

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AIGBURTH OPPORTUNITIES
also known as "ATO AND LITTLE EXPLORERS DAY NURSERY"

Accounts
for the year ended 31st March 2021

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AIGBURTH OPPORTUNITIES

also known as "ATO AND LITTLE EXPLORERS DAY NURSERY"

Company Information
for the year ended 31st March 2021

Company number: 2025421

Charity number: 700705

Patrons: Dame Lorna E Muirhead DCVO DBE CStJ DL FRCOG

Trustees: Mr Ronald Basnett
Father David Gamble
Mrs Patricia Fearn
Ms Belinda Perez

Nursery Manager: Danielle Clarke-Walsh

Registered office: Future House
25 Pomona Street
Liverpool
L3 5TL

Bankers: Lloyds Bank plc
Liverpool Law Courts
Merchants Court
2 - 12 Lord Street
Liverpool
L2 1TS

Independent Examiner: Mr P L Griffiths FCA DchA
Mitchell Charlesworth LLP
Chartered Accountants
3rd Floor
5 Temple Square
Temple Street
Liverpool
L2 5RH

Solicitors: Brabners LLP
Horton House
Exchange Flags
Liverpool
L2 3YL

AIGBURTH OPPORTUNITIES

also known as "ATO AND LITTLE EXPLORERS DAY NURSERY"

Report of the Trustees for the year ended 31st March 2021

The trustees (who are also the directors of the company for the purposes of company law) present their report together with the accounts of the charity for the year ended 31st March 2021. The trustees have adopted the provisions of the Statement of Recommended Practice (SORP) "Accounting and Reporting by Charities" (FRS 102) in preparing the annual report and financial statements of the charity.

The accounts have been prepared in accordance with the accounting policies set out in note 1 to the accounts and comply with the charity's governing document, applicable law and 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 published in October 2019.

Trustees

The trustees who served during the year are detailed on page 1.

Objectives and activities

We started our new financial year on 1st April 2020 in lockdown. Schools and Nurseries were ordered to close and as such we closed our doors on 24th March 2020.

If there was one main objective that we aimed for at that point, it was to re-open as soon as possible and continue our work.

This we did in June 2020, though child numbers were very low. However, this did not in any way affect our ethos nor our commitment to our aims.

We have always striven to provide excellent childcare, teaching and enthusing our young citizens and visitors to this country in basic skills and a wonder of and respect in our shared humanity.

After the shock of Covid, we felt this was more important than ever. We needed to play our part in providing a safe environment for the children, and one that was as normal as we could make it, whilst supporting the parents in their return to work.

The overall objectives of the charity are set out in its mission statement:

To promote the value of learning by creating a purposeful learning environment that enables learners to meet and to exceed their aspirations.

To provide opportunities which enhance and develop the social and economic structure of the local communities that Aigburth Training Opportunities serves.

To support and develop staff, thereby ensuring that the learning environment we aim to create is conducive to the occupational area we offer.

The aim of the charity is to provide quality training and childcare facilities that enables people to realise their aspirations in being able to access employment and or further/higher education.

In 2020/21 the main objectives of the charity were:

- To continue in our aim of providing education for learners, staff and carers.
- To provide opportunities to those who have difficulty in accessing training and employment.
- To provide affordable and culturally diverse childcare facilities for the community
- To develop staff, in relation to higher qualifications and information, advice and guidance, so the company can aid and contribute to the wider community.

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Report of the Trustees for the year ended 31st March 2021

Public benefit statement

The trustees have had due regard to the guidance published by the Charity Commission on public benefit.

Strategic Report

Achievements and performance

In June 2020 we re-opened after lockdown and could only welcome 18 children out of the 68 we had before closure.

Most of the international students who brought their children to us had left for home and we had no way of knowing when or even if they would return. As such we kept most of the staff on furlough and operated with a small crew.

Strict Covid prevention measures were put into place. All soft furnishings and playthings were removed. The entire premises was given a deep clean. One "bubble" was formed in the nursery but split into two rooms so babies and toddlers were safely apart from older children.

No one but staff and children were allowed into the building. Parents had to wait outside, socially distanced, and bring their children to the door one by one. Staff wore masks when dealing with the public and a cleaning station was set up by the front door for hand sanitising. All staff were regularly tested for Covid.

By the end of the month, it was clear that numbers of children were likely to remain very low for the foreseeable future. Despite the Furlough scheme which had allowed us to keep twenty members of staff on the payroll for three months, it was decided that this was unsustainable in the light of severely reduced income.

Regrettably, we started the wheels in motion, and after following the correct procedures, ten members of staff were made redundant in July.

Over summer the reduced nursery continued to function, and numbers slowly began to rise. As people returned to work there was a demand for after-school and holiday club services, but it was decided to offer this only to those attending the local school, in order to preserve the "bubble".

The main office was moved downstairs in order to have a clearer view of those outside, and so parents, who could now enter the building, would have easier access to pay fees or talk to the staff.

The possibility of expanding again was discussed, but it was agreed that this would require a "leap of faith" in terms of hiring qualified staff, when the numbers of children needed to justify this were uncertain.

Despite the bizarre circumstances, the remaining staff worked hard and diligently to maintain a professional but cheerful atmosphere. Efforts were made to make things as normal as possible for the children, and to maintain the high standards of developmental support coupled with a sense of wonder and fun. This was appreciated by the parents who wrote glowing reviews of Little Explorers.

As winter approached, cases of Covid were again on the rise.

In October the nursery had to shut (for all children) for over a week as one member of staff tested positive and staff members who had not been exposed were too low to function safely & effectively. This was a blow to the finances, and staff morale.

However, after re-opening the momentum was taken up again and despite the usual day to day problems, the nursery continued to do well.

Overseas parents began to return, and by Christmas there were about 30 children attending, many of which were familiar faces from pre-Covid times.

AIGBURTH OPPORTUNITIES

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Report of the Trustees

for the year ended 31st March 2021

Strategic Report (continued)

Achievements and performance

In February, the nursery was forced to close yet again due to Covid. The disruption for the parents was sorely felt, but had to be endured as a feature of the ongoing pandemic.

By the end of the financial year there were about 38 children attending. Local Universities moving to online learning and Covid still continued to affect the nursery in many ways. However the staff were in good spirits and continuing their own personal development and training within the setting of Little Explorers Nursery.

Financial review

The pandemic has had a severe impact on the financial position of the Charity.

Income dropped from approximately £400,000 to £163,000 from our charitable activities.

The majority of this was comprised of nursery fees and monies received via Liverpool City Council for Government funded free hours.

Additional funding from renting of parking spaces to local businesses and parents/carers was unsurprisingly down on last year as were donations from the local Freemasons.

Grant/employer incentives also dropped dramatically from £3,000 to £100 due to the reduced staff numbers.

There was one restricted donation of £1,200 towards staff training.

The availability of Local Government grants and National help from the Job Retention Scheme has been vital in maintaining this establishment throughout the year. In total we received a further £63,695 from these sources.

Expenses were kept to a bare minimum throughout the year, dropping by 33%.

Despite being closed for two months expenses such as equipment hire, insurance, water rates etc. remained due.

However, council rates were suspended by the local authorities and our landlords offered a reduction in rent for the months in lockdown.

Staff costs were cut by regrettably making redundancies.

Only essential repairs and maintenance have been carried out.

Accountancy fees were reduced by the bookkeeper working remotely and only when absolutely necessary.

The quality of the food and resources for the children was not compromised and has decreased solely due to the reduced numbers attending.

The trustees aim to keep a reserve of unrestricted funds sufficient to ensure the smooth running of the charity for approximately three months. In spite of the hardships suffered throughout the year, the unrestricted funds remained relatively stable, dropping by only 16.5%

The Statement of Financial Activities shows a decrease in funds for the year of £27,338.

The Balance Sheet position indicates reserves, unrestricted as to purpose, amounting to £136,397 and restricted reserves of £Nil.

AIGBURTH OPPORTUNITIES

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Report of the Trustees for the year ended 31st March 2021

Policy on remuneration of key management personnel

The charity is committed to ensuring that we pay our staff fairly and in a way which ensures we attract and retain the right skills to have the greatest impact in delivering our charitable objectives.

The Board undertakes an annual review of salaries with the support of the nursery manager, although the nursery manager does not participate in the discussions around their own salary. All salary reviews take account of the financial position of the organisation.

When carrying out its reviews, the Board has regard to:

- salary levels in the sector generally;
- making sure that pay rates are competitive;
- the remuneration package as a whole including pension contributions; and
- rewarding good performance.

It is the aim of this charity to work towards paying a "living wage" and the financial position is reviewed regularly with this aim in mind.

Risk management

The trustees confirm that the major foreseeable risks to the charity are those of:

- a renewal of lockdown conditions due to a resurgence of a new Covid variant.
- the quality and availability of potential new staff members as many people have left the sector.
- further necessity to close the nursery due to positive Covid tests.

These are reviewed at each Board meeting and the nursery manager is responsible for ensuring that strategies are in place to counteract the effects of any changes.

Whilst a new lockdown would be the most devastating occurrence, Little Explorers has survived the last two, and has learnt better coping strategies as a result.

Looking forward from March 2021, The Charity finds itself on a sound footing to continue to operate and to expand when time and conditions are right.

In order to open a new room the cost of acquiring a suitably qualified member of staff has to be balanced against the expected extra fees, and the timing of this is crucial.

In these precarious times, Little Explorers is proud to continue to provide a much appreciated service to local families. Our commitment to promote multi-ethnic harmony and continued personal development is at the core of its existence

Other plans:

- the provision of a small library in the car park to encourage reading and appreciation of books.
- the provision of a small food bank containing food and toiletries, especially toothpaste to promote good dental health.
- a move to a web-based platform to allow direct input of a child's progress (including photographs) which is accessible to the parents. This also saves on paper and is much more eco-friendly.
- a review of the smoke alarm and CCTV layout in the rooms.
- to look for new apprentices to offer more learning opportunities to young people.
- to review all staff wages and set more rigorous wages scales based on qualifications and position.

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Report of the Trustees for the year ended 31st March 2021

Structure, governance and management

The charity is constituted as a company limited by guarantee and is therefore governed by its Memorandum and Articles of Association, which was amended in January 2007 to allow for current governance arrangements. It is also known by the names of "Aigburth Training Opportunities" and "ATO". The nursery is known as Little Explorers Day Nursery.

There were four trustees during the period from 1st April 2020 to the date of signing this report as shown on page 1.

New trustees are recruited and appointed by arrangement with the existing trustees. Each trustee's individual liability in the event of winding-up is limited to £1.

Organisation

The Board meets every twelve weeks and an Annual General Meeting (AGM) is held prior to the Reports and Financial Statements being submitted to Companies House and to the Charity Commission.

The Chief Executive Officer (CEO) was appointed by the trustees to manage and oversee the day-to-day operations of the charity.

To ensure effective working practice the CEO has full delegated authority approved by the trustees. This includes both strategic and operational concerns, including; finance, employment, management of training contracts, staff and business development.

Recruitment, appointment, induction and training of trustees

Both the trustees and the CEO have a responsibility to recruit suitable trustees to the Board. From time to time approaches are made to the charity by individuals and organisations who wish to support the charity in continuing or developing the support they afford their beneficiaries.

Potential trustees are then nominated by either current trustees or by the Chief Executive Officer ("CEO").

A discussion is held at either the quarterly planned Board meetings or at additional meetings held to nominate prospective members.

Once the nomination has been agreed by the trustees, an informal interview is undertaken by the Chair with the nominee.

During this interview the Chair will discuss the company history and working ethos, and explain what qualities are required of potential trustees.

When the Chair has satisfied him/herself that the nominee would be a suitable and supportive trustee, a Board meeting is called to officially appoint the new trustee.

New trustees undergo an induction day with the Chair and CEO at the company's registered office. This is usually done within the first month of appointment at a time that is conducive to all parties, and consists of:

- Briefing the new trustee as regards their legal obligation under company and charity law;
- The content of the Memorandum and Articles of Association;
- The decision-making process;
- The current business plan;
- Financial performance;
- The company structure;
- Meeting with employees;
- The new trustee's role in the overall scheme.

The new trustee also completes any paperwork required for registering as a director with Companies House and receives a copy of "The Burden of Responsibility" by Stephan Drew together with Charity Commission publications booklet CC3, "The essential trustee".

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Report of the Trustees for the year ended 31st March 2021

Recruitment, appointment, induction and training of trustees (continued)

As part of the company's Safeguarding policy, all new and recently appointed trustees are subject to an enhanced DBS check prior to taking up their position.

Trustees are encouraged to attend meetings, as and when required, training events and information days that are pertinent to the company's running and objectives.

Related parties

Other parties which the charity associates with are:

Social Services
NWTS (North West Training Services)
Liverpool Community College
Blackburne House
Job Centres

All the above use the nursery's resources and so contribute to our income.

Statement of trustees' responsibilities

Law applicable to charities in England and Wales requires the trustees to prepare financial statements for each financial year which give a true and fair view of the charity's financial activities during the year and of its financial position at the end of the year. In preparing financial statements giving a true and fair view, the trustees are required to:

- select suitable accounting policies and apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards and statements of recommended practice have been followed, subject to any departures disclosed and explained in the financial statements; and
- prepare the financial statements on an ongoing concern basis unless it is inappropriate to presume that the charity will continue in operation.

The trustees are responsible for keeping accounting records which disclose with reasonable accuracy the financial position of the charity and which enable them to ascertain the financial position of the charity and which enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

By Order of the Trustees

Ron Basnett

**R Basnett
Trustee**

31 January 2022

Mitchell Charlesworth LLP

Chartered Accountants

5 Temple Square Temple Street Liverpool L2 5RH

INDEPENDENT EXAMINER'S REPORT TO THE TRUSTEES OF

AIGBURTH OPPORTUNITIES

also known as "ATO AND LITTLE EXPLORERS DAY NURSERY"

I report to the charity trustees on my examination of the accounts of the company for the year ended 31 March 2021 which are set out on pages 9 to 21.

Responsibilities and basis of report

As the charity 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 company'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

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 that in any material respect:

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.

Mitchell Charlesworth

P L Griffiths FCA DChA
MITCHELL CHARLESWORTH LLP
Liverpool

31 January 2022

AIGBURTH OPPORTUNITIES

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Statement of Financial Activities (including Income and Expenditure Account) for the year ended 31st March 2021

	Notes	Unrestricted £	Restricted £	Total 2021 £	Total 2020 £
Income from:					
Donations and legacies	2	63,955	-	63,955	4,899
Charitable activities	3	<u>162,931</u>	<u>1,200</u>	<u>164,131</u>	<u>404,212</u>
Total income		<u>226,886</u>	<u>1,200</u>	<u>228,086</u>	<u>409,110</u>
Expenditure on:					
Charitable activities	4	<u>254,224</u>	<u>1,200</u>	<u>255,424</u>	<u>381,933</u>
Total expenditure		<u>254,224</u>	<u>1,200</u>	<u>255,424</u>	<u>381,933</u>
Net (expenditure)/income for the year	9	(27,338)	-	(27,338)	27,177
Total funds brought forward		<u>163,735</u>	-	<u>163,735</u>	<u>136,558</u>
Total funds carried forward		<u><u>136,397</u></u>	<u><u>-</u></u>	<u><u>136,397</u></u>	<u><u>163,735</u></u>

The charity has no recognised gains or losses other than the results for the year as set out above.

The notes on pages 13 to 21 form part of these accounts.

AIGBIRTH OPPORTUNITIES

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Statement of Financial Activities (including Income and Expenditure Account) for the year ended 31st March 2021

Comparative information for the year ended 31st March 2020

	Notes	Unrestricted £	Restricted £	Total 2020 £	Total 2019 £
Income from:					
Donations and legacies	2	4,898	-	4,898	350
Charitable activities	3	<u>402,543</u>	<u>1,669</u>	<u>404,212</u>	<u>516,785</u>
Total income		<u>407,441</u>	<u>1,669</u>	<u>409,110</u>	<u>517,135</u>
Expenditure on:					
Charitable activities	4	<u>380,264</u>	<u>1,669</u>	<u>381,933</u>	<u>535,485</u>
Total expenditure		<u>380,264</u>	<u>1,669</u>	<u>381,933</u>	<u>535,485</u>
Net income/(expenditure) for the year	9	27,177	-	27,177	(18,350)
Total funds brought forward		<u>136,558</u>	-	<u>136,558</u>	<u>154,908</u>
Total funds carried forward		<u><u>163,735</u></u>	<u><u>-</u></u>	<u><u>163,735</u></u>	<u><u>136,558</u></u>

AIGBURTH OPPORTUNITIES

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Balance Sheet

31st March 2021

	Notes	2021	2020
		£	£
Fixed assets			
Tangible assets	11	41,081	52,978
Current assets			
Debtors	12	6,538	20,020
Cash at bank and in hand		<u>130,134</u>	<u>133,936</u>
		136,672	153,956
Creditors			
Amounts falling due within one year	13	<u>41,356</u>	<u>43,199</u>
Net current assets		<u>95,316</u>	<u>110,757</u>
Net assets		<u>136,397</u>	<u>163,735</u>
Unrestricted funds			
General funds	15	136,397	163,735
Restricted funds			
Restricted income funds	16	-	-
Total funds	17	<u>136,397</u>	<u>163,735</u>

For the year ended 31st March 2021 the company was entitled to exemption from audit under section 477 of the Companies Act 2006 relating to small companies.

The directors acknowledge their responsibilities for:

- the members have not required the company to obtain an audit of its accounts for the year in question in accordance with section 476;
- the directors acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and the preparation of accounts.

These accounts have been prepared in accordance with the provisions applicable to companies subject to the small companies' regime.

The accounts on pages 9 to 21 were approved by the Trustees and authorised for issue on 31 January 2022 and signed on their behalf by:-

Ron Basnett

R Basnett
Trustee

Company Registration Number: 4174619

The notes on pages 13 to 21 form part of these accounts.

AIGBIRTH OPPORTUNITIES

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Statement of Cash Flows for the year ended 31st March 2021

	Notes	2021	2020
		£	£
Cash flow from operating activities	21	(3,802)	36,528
Cash flow from investing activities			
Payments to acquire tangible fixed assets		<u>-</u>	<u>(11,792)</u>
Net cash flow from investing activities		<u>-</u>	<u>(11,792)</u>
Change in cash and cash equivalents in the year ending 31st March 2021		(3,802)	24,736
Cash and cash equivalents as at 1st April 2020		<u>133,936</u>	<u>109,200</u>
Cash and cash equivalents as at 31st March 2021	22	<u><u>130,134</u></u>	<u><u>133,936</u></u>

AIGBURTH OPPORTUNITIES

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Notes to the Accounts

Year ended 31st March 2021

1. Summary of significant accounting policies

(a) General information and basis of preparation

Aigburth Opportunities is a company limited by guarantee and a registered charity in the United Kingdom. In the event of the charity being wound up, the liability in respect of the guarantee is limited to £1 per member of the charity. The address of the registered office is given in the charity information on page 1 of these financial statements. The nature of the charity's operations and principal activities are set out in the Trustees' Report on page 2.

The charity constitutes a public benefit entity as defined by FRS 102. The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland issued in October 2019, the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102), the Companies Act 2006 and UK Generally Accepted Accounting Practice.

The financial statements are prepared on a going concern basis under the historical cost convention. The financial statements are prepared in sterling which is the functional currency of the charity and rounded to the nearest £1.

The significant accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all years presented unless otherwise stated.

(b) Funds

Unrestricted funds are available for use at the discretion of the trustees in furtherance of the general objectives of the charity and which have not been designated for other purposes.

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by donors or which have been raised by the charity for particular purposes. The cost of raising and administering such funds are charged against the specific fund. The aim and use of each restricted fund is set out in the notes to the financial statements.

(c) Income recognition

All incoming resources are included in the Statement of Financial Activities (SoFA) when the charity is legally entitled to the income after any performance conditions have been met, the amount can be measured reliably and it is probable that the income will be received.

For donations to be recognised the charity will have been notified of the amounts and the settlement date in writing. If there are conditions attached to the donation and this requires a level of performance before entitlement can be obtained then income is deferred until those conditions are fully met or the fulfilment of those conditions is within the control of the charity and it is probable that they will be fulfilled.

No amount is included in the financial statements for volunteer time in line with the SORP (FRS 102). Further detail is given in the Trustees' Annual Report.

AIGBURTH OPPORTUNITIES

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Notes to the Accounts

Year ended 31st March 2021

1. Summary of significant accounting policies (continued)

(c) Income recognition (continued)

Income from charitable activities includes income received under contract or where entitlement to grant funding is subject to special performance conditions and is recognised as earned as the related services are provided. Grant income included in this category provides funding to support performance activities and is recognised when there is entitlement, certainty of receipt and the amounts can be measured with sufficient reliability.

Investment income is earned through holding assets for investment purposes such as bank deposits. It essentially includes interest which is recognised using the effective interest method.

(d) Expenditure recognition

All expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all costs related to the category. Expenditure is recognised where there is a legal or constructive obligation to make payments to third parties, it is probable that the settlement will be required and the amount of the obligation can be measured reliably. It is categorised under the following headings:

- Expenditure on charitable activities includes expenditure on the operation of an on-site nursery.

Irrecoverable VAT is charged as an expense against the activity for which expenditure arose.

(e) Support costs allocation

Support costs are those that assist the work of the charity but do not directly represent charitable activities and include office costs, governance costs and administrative payroll costs. They are incurred directly in support of expenditure on the objects of the charity and include project management carried out at the registered office. Where support costs cannot be directly attributed to particular headings they have been allocated to expenditure on charitable activities on a basis consistent with use of the resources.

The analysis of these costs is included in note 5.

(f) Tangible fixed assets

Tangible fixed assets are stated at cost (or deemed cost) or valuation less accumulated depreciation and accumulated impairment losses. Cost includes costs directly attributable to making the asset capable of operating as intended.

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

Building improvements	-	10% per annum
Fixtures and fittings	-	25% per annum

AIGBURTH OPPORTUNITIES

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Notes to the Accounts

Year ended 31st March 2021

1. Summary of significant accounting policies (continued)

(g) Debtors and creditors receivable / payable within one year

Debtors and creditors with no stated interest rate and receivable or payable within one year are recorded at transaction price. Any losses arising from impairment are recognised in expenditure.

(h) Loans and borrowings

Loans and borrowings are initially recognised at the transaction price including transaction costs. Subsequently, they are measured at amortised cost using the effective interest rate method, less impairment. If an arrangement constitutes a finance transaction it is measured at present value.

(i) Impairment

Assets not measured at fair value are reviewed for any indication that the asset may be impaired at each balance sheet date. If such indication exists, the recoverable amount of the asset, or the asset's cash generating unit, is estimated and compared to the carrying amount. Where the carrying amount exceeds its recoverable amount, an impairment loss is recognised in profit or loss unless the asset is carried at a revalued amount where the impairment loss is a revaluation decrease.

(j) Leases

Rentals payable and receivable under operating leases are charged to the SoFA on a straight line basis over the period of the lease.

(k) Employee benefits

When employees have rendered service to the charity, short-term employee benefits to which the employees are entitled are recognised at the undiscounted amount expected to be paid in exchange for that service.

(l) Tax

The charity is an exempt charity within the meaning of schedule 3 of the Charities Act 2011 and is considered to pass the tests set out in Paragraph 1 Schedule 6 Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes.

(m) Going concern

The financial statements have been prepared on a going concern basis as the trustees believe that no material uncertainties including the arising from Covid-19, exist. The trustees have considered the level of funds held and the expected level of income and expenditure for 12 months from authorising these financial statements. The budgeted income and expenditure is sufficient with the level of reserves for the charity to be able to continue as a going concern.

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Notes to the Accounts

Year ended 31st March 2021

2. Income from donations and legacies	Unrestricted funds	
	Total 2021 £	Total 2020 £
Donations	260	600
Coronavirus Job Retention Scheme Grants	53,695	4,298
Other Covid support grants	10,000	-
	<u>63,955</u>	<u>4,898</u>
Donations	<u>63,955</u>	<u>4,898</u>

3. Income from charitable activities	Unrestricted funds	Restricted funds	Total	Total
	£	£	2021 £	2020 £
Nursery income	162,008	1,200	163,208	400,136
Rents and other income	923	-	923	4,076
	<u>162,931</u>	<u>1,200</u>	<u>164,131</u>	<u>404,212</u>
	<u>162,931</u>	<u>1,200</u>	<u>164,131</u>	<u>404,212</u>

£1,669 of the above income for 2020 was attributable to restricted funds and £406,841 was attributable to unrestricted funds.

4. Analysis of expenditure on charitable activities	Direct costs	Support costs	Total	Total
	£	£	2021 £	2020 £
Direct charitable expenditure				
Nursery	189,326	64,483	253,809	374,944
College	1,615	-	1,615	6,989
	<u>190,941</u>	<u>64,483</u>	<u>255,424</u>	<u>381,933</u>
	<u>190,941</u>	<u>64,483</u>	<u>255,424</u>	<u>381,933</u>

£1,200 (2020 £1,669) of the above costs were attributed to restricted funds and £254,224 (2020 £380,264) of the above costs were attributed to unrestricted funds.

5. Support costs	Total	Total
	2021 £	2020 £
Salaries	20,224	21,882
Establishment expenses	28,169	35,662
Communications	3,008	2,782
Office costs	4,449	4,751
Other	6,743	17,902
Governance costs (see note 6)	1,890	2,356
	<u>64,483</u>	<u>85,335</u>
Total support costs	<u>64,483</u>	<u>85,335</u>

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Notes to the Accounts

Year ended 31st March 2021

6. Governance costs	Total 2021 £	Total 2020 £
Independent examination	1,620	2,080
Legal and professional	270	276
	<u>1,890</u>	<u>2,356</u>
7. Staff costs and numbers	Total 2021 £	Total 2020 £
Salaries and wages	180,771	266,799
Social security costs	5,663	9,193
Other pension costs	2,385	3,069
	<u>188,819</u>	<u>279,061</u>

No employee received benefits (excluding employer pension costs) of more than £60,000 during the year.

The average weekly number of employees during the year, calculated on the basis of full time equivalents, was as follows:-

	Number 2021	Number 2020
Total	13	19

8. Trustees' and key management remuneration

One of the trustees, Ms Belinda Perez provides bookkeeping services to the charity. Fees for her services from this date amounted to £4,697 (2020 £11,752).

The total amount of employee benefits received by key management personnel is £48,683 (2020 £51,210).

The charity considers its key management personnel to comprise the Nursery Manager and Assistant Manager.

9. Net income/(expenditure) for the year	Total 2021 £	Total 2020 £
This is stated after charging/(crediting):		
Depreciation	11,897	16,830
External examiner's fees:		
Independent examination	1,620	2,080
Operating lease payments:		
Equipment	4,361	4,312

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Year ended 31st March 2021

10. Taxation

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

11. Tangible fixed assets

	Nursery improvements £	Plant, machinery and motor vehicles £	Fixtures, fittings and equipment £	Total £
Cost				
At 1st April 2020 and 31 March 2021	202,908	64,616	93,837	361,361
Depreciation				
At 1st April 2020	182,272	40,330	85,781	308,383
Charge for the year	6,810	2,428	2,659	11,897
At 31st March 2021	189,082	42,758	88,440	320,280
Net book value				
At 31st March 2021	13,826	21,858	5,397	41,081
At 31st March 2020	20,636	24,286	8,056	52,978

12. Debtors

	2021 £	2020 £
Trade debtors	1,999	7,789
Prepayments and accrued income	4,539	7,669
Other debtors	-	4,562
	6,538	20,020

13. Creditors: Amounts falling due within one year

	2021 £	2020 £
Trade creditors	5,974	8,048
Taxation and social security	2,416	1,281
Accruals and deferred income	32,457	33,348
Other creditors	509	522
	41,356	43,199

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Year ended 31st March 2021

14. Financial instruments	2021	2020
	£	£
Financial assets		
Debt instruments measured at amortised cost	132,133	141,725
	<u> </u>	<u> </u>
Financial liabilities		
Measured at amortised cost	31,474	29,549
	<u> </u>	<u> </u>

15. Unrestricted funds	At 01.04.20	Incoming Resources	Resources Expended	At 31.03.21
	£	£	£	£
General funds	163,735	226,886	(254,224)	136,397
	<u> </u>	<u> </u>	<u> </u>	<u> </u>

Comparative information in respect of the preceding period is as follows:

	At 01.04.19	Incoming Resources	Resources Expended	At 31.03.20
	£	£	£	£
General funds	136,558	407,441	(380,264)	163,735
	<u> </u>	<u> </u>	<u> </u>	<u> </u>

16. Restricted funds	At 01.04.20	Incoming Resources	Resources Expended	At 31.03.21
	£	£	£	£
School Improvement Liverpool	-	1,200	(1,200)	-
	<u> </u>	<u> </u>	<u> </u>	<u> </u>

School Improvement Liverpool - this is a grant towards Special Educational Needs Co-ordinator training for a member of staff.

Comparative information in respect of the preceding period is as follows:

	At 01.04.19	Incoming Resources	Resources Expended	At 31.03.20
	£	£	£	£
Early Years Pupil Premium	-	103	(103)	-
School Improvement Liverpool	-	1,200	(1,200)	-
Big Trip Chester Zoo	-	266	(266)	-
Privacy Screening	-	100	(100)	-
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
	-	1,669	(1,669)	-
	<u> </u>	<u> </u>	<u> </u>	<u> </u>

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Notes to the Accounts

Year ended 31st March 2021

17. Analysis of net assets between funds	Unrestricted funds £	Restricted Funds £	Total £
Tangible fixed assets	41,081	-	41,081
Net current assets	95,316	-	95,316
	<u>136,397</u>	<u>-</u>	<u>136,397</u>

Comparative information in respect of the preceding period is as follows:

	Unrestricted funds £	Restricted Funds £	Total £
Tangible fixed assets	52,978	-	52,978
Net current assets	110,757	-	110,757
	<u>163,735</u>	<u>-</u>	<u>163,735</u>

18. Members' liability

The company is limited by guarantee and has no share capital. Every member of the charity undertakes to contribute to the assets of the charity, in the event of being wound up while he or she is a member or within one year of ceasing to be a member for debts and liabilities of the charity contracted before he or she ceases to be a member, such amount as may be required not exceeding £1.

19. Ultimate controlling party

In the opinion of the trustees, there is no ultimate controlling party.

20. Capital commitments

The charity had no capital commitments at 31st March 2021 (2020 £Nil).

21. Reconciliation of net (expenditure)/income to net cash flow from operating activities	Total 2021 £	Total 2020 £
Net (expenditure)/income for the year	(27,338)	27,177
Depreciation charges	11,897	16,830
Decrease/(increase) in debtors	13,482	(3,708)
(Decrease) in creditors	<u>(1,843)</u>	<u>(3,771)</u>
Net cash flow from operating activities	<u>(3,802)</u>	<u>36,528</u>

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Year ended 31st March 2021

22. Analysis of cash and cash equivalents	Total 2021 £	Total 2020 £
Cash in hand	938	820
Cash at bank	<u>129,196</u>	<u>133,116</u>
Total of cash and cash equivalents	<u>130,134</u>	<u>133,936</u>

23. Analysis of net debt	At 1 April 2020 £	Cash flows £	At 31 March 2021 £
Cash in hand	820	118	938
Cash at bank	<u>133,116</u>	<u>(3,920)</u>	<u>129,196</u>
	<u>133,936</u>	<u>(3,802)</u>	<u>130,134</u>