



Gingerbread Corner Annual Review 2017

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A Potted History of Gingerbread Corner



In 2016, we celebrated the 40th Anniversary of when we first opened our doors. I have been involved with Gingerbread Corner, in one way or another, for 36 of those years and what a lot of changes there have been!



Gingerbread Corner started life as the very first after-school scheme in the United Kingdom, and one of the first in Europe.

Just a few Croydon lone parents worked together to successfully apply for funding from the European Anti-Poverty Grant. At first, there were around two dozen five-11 year olds – who had been known as latchkey children –



collected from their schools in an antiquated minibus, an MG sports car (yes, really!) and by foot.

The scheme ran from an enormous old house in East Croydon. In 1982, when our house was demolished to make way for the Croydon Park Hotel, we moved to Grenaby Avenue.

The building was a bit of a mishmash, comprising Tavistock School's old music hall at one end and their laboratories at the other, with a corridor and additional rooms cobbled together to join the two. But the children were happy, and staff and parents built a splendid Adventure Playground from scratch.



Over the years, we opened a Breakfast Club and increased our Out of School numbers to more than 150 regular clients. Our Day Nursery opened in 1984 – again the result of lone parents working together to apply for funding, this time to the Department of Health. Initially we looked after 16 under fives. Now, we have a total of 86 spaces in our early years' provision.



For some years, we ran what we believe was the first holiday care scheme for 11-15 year olds but a lack of funding and increasingly expensive activities forced its closure, much to the disappointment of the young people and of their parents who no longer had a safe environment for their children to attend.

of care is maintained. Indeed, some of our staff came to us as students or volunteers – and several began their Gingerbread Corner time with us as young children or even babies.



Although the local authority had generously taken over the funding, which subsidised the fees, when the European and Department of Health grants ran out, gradually their help decreased as budgets were cut by central government. At last, the only way to continue to receive funding from Croydon was to become a Children's Centre. Whilst this enabled us to fund the demolition of our original building in Grenaby Avenue and the design and build of our new Gingerbread Corner, it soon appeared that we were at risk of losing our autonomy. So, the Trustees took the courageous decision for Gingerbread Corner to withdraw from council funding and to become entirely independent.

All around Gingerbread Corner are large photoboards celebrating and memorialising our children, staff and activities over the past forty years and just a few of these are replicated throughout this Review. I hope there will be photoboards celebrating the next forty years in due course!

Sue Dzendzera
Chief Executive



This was financially challenging but we all worked together to ensure that the quality of care for our young charges was not compromised in any way. Our ethos of providing a "home from home" environment continues. Many of our team members have been with us for years and thus the continuity



Chair's Report

Welcome to Gingerbread Corner's Report and Accounts for the financial year 2016-17.

As you read the report, you'll note that it has been another good year for Gingerbread Corner, having recently achieved another Ofsted rating of Good. Despite its financial challenges, it has continued to thrive and is certainly on track to achieve its aim to be the parents' child-care centre of choice.



Unlike many nurseries and out of school schemes, Gingerbread Corner opens every week-day (from 7.45am - 6.30 pm) except bank holidays and one training day per year. It does a great job catering for everyone, including those with special dietary needs on the basis of allergy, religion or ethics. 90% of meals are freshly prepared on the premises by Gingerbread Corner's own cook, and processed foods are kept to a minimum. This is a very comprehensive offering.

With this in mind, it's worth remembering that Gingerbread Corner has not received any local authority funding since 2012, meaning it must be self-sufficient, relying on fees, ad hoc grants won through innovative bids and its own fund



raising activities. Although this latter area is where more support is required, the staff and volunteers continue to create, and take part in, many fund raising activities, normally in their own time.

As usual, in order to deliver good quality, best value and affordable child-care provision, the management team continues to seek out better and more efficient ways of working and to offer support to those parents transitioning to the new Universal Credit system.

By working together we can achieve great results.

Linda Hitchcock
Chair



Trustees Report

The Trustees are pleased to present their Report and Audited Financial Statements for the year ended 31 March 2017.

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).

The Trustees' Report is also a Directors' Report as required by S417 of the Companies Act 2006 and all the Trustees are also Directors.



Structure, Governance And Management

Formation and Constitution

The charity was formed in 1976 and registered under The Charities Act 1960 (registration number 278093), becoming a Company Limited by Guarantee (registration number 1424489) in 1979. This means that the liability of the Company Members is limited, where every Member of the Company undertakes to contribute not more than £1 to the assets of the Company in the event that it is wound up while they are a Member or within a year after they cease to be a Member, for the payment of the debts and liabilities of the Company contracted before cessation of Membership, and for the costs, charges and expenses of winding up.

Gingerbread Corner is licensed under Section 19(1) of the Companies Act 1948 to dispense with the word "limited" after our name and, under Section 60 of the Companies Act 2006, this exemption continues. The Company is exempt from taxation.

The income and property of the Company is applied solely towards our objects as set forth in the Memorandum of Association, and Company Members receive no money, directly or otherwise, by way of profit.



Board of Trustees

Gingerbread Corner is controlled by a Board of up to nine Trustees, each of whom is elected from within the Company Membership at General Meetings. Any client whose child attends our year-round projects may apply for Company Membership and anyone else interested in joining can become a "Friend of Gingerbread Corner", and thus a Company Member. Full information on Company Membership can be obtained from the Chief Executive.

Gingerbread Corner requires two references for new Trustees (who are also Directors of the Company), a satisfactory DBS check and a Suitability Declaration. Trustees are obliged to declare any potential conflicts of interest. As the majority of the Company Members are required to be Gingerbread Corner clients, our work is driven by our clients' needs and views.

Gingerbread Corner's Trustees have Role Descriptions and new Trustees receive a verbal induction from the Chair and/or Chief Executive and a comprehensive Information Pack. Most years, there is an in-house Induction and Training Day, which covers the Board's legal responsibilities and other issues (such as human resources, equal opportunities, health and safety), as well as enabling team-building.

Gingerbread Corner believes that the enthusiasm, dedication and commitment of

our Trustees are at least as important as the skills an individual Trustee can bring to the Committee. Trustees are encouraged to take up any external training offers (the costs of which Gingerbread Corner can cover) that may be of use to them. The Committee's succession planning involves ensuring that the

Chair, Hon Secretary and Hon Treasurer role all have deputies, and it is anticipated that those deputies would take on the full role in due course.

The Board of Trustees, between 1st April 2016 - 31st March 2017, comprised:

- Shadie Banton-John (from 18th November 2016--24th March 2017)
- Lauren Crawford
- Debbie Degnan (from 18th November 2016) (Hon Secretary)
- Mahnaz Ghadepour (left 18th November 2016)
- Linda Hitchcock (Chair)
- Sascha Layne (left 4th July 2016)
- Sandra Lewis (from 18th November 2016-24th March 2017)
- Maria Martin
- Christina Mavrommati
- James Tyzack (from 18th November 2016) (Hon Treasurer)
- Agnieszka Waluga-Dumana (left 4th July 2016)

Organisational Structure

The Trustees delegate the operational management of Gingerbread Corner to the Executive Management Team which comprises Sue Dzendzera (Chief Executive), Leanne Jones (Child Care Director and Deputy Chief Executive), and Paula Carter (Finance Director).

The Out of School and Early Years schemes are each headed by a Child Care Manager, both of whom report to the Child Care Director.



The Trustees meet regularly and are kept informed of relevant issues through regular written reports from the Executive Management Team. The Chief Executive's reports include information on health and safety issues, proposed and enacted legislation, human resources, networking with other agencies, our parenting programme, policy reviews, additional projects, etc. The Child Care Director's reports cover subjects such as



changes in child care practice, issues around our child care provision centre provision and any complaints, praise or suggestions from clients. The Finance Director provides detailed quarterly information on Gingerbread Corner's financial performance, including income and expenditure against budget and cash flow projections.

Human Resources and Training

Gingerbread Corner is committed to the continued training and development of our staff. Between them, our staff members have many qualifications and certificates, from NVQs in Child-Care to qualifications in Food Hygiene, Makaton and Change Management. The majority of staff are qualified either in Full or in Paediatric First Aid, and have Level 2 Food Safety and Hygiene.

The Public Benefit Test

Gingerbread Corner's Trustees have complied with the duty in Section 4 of the Charities Act 2006 to have due regard to the Public Benefit guidance issued by the Charity Commission. Those of prime relevance to Gingerbread Corner can be seen as including the prevention or relief of poverty and the relief of those in need by reason of youth, age, ill-health, disability, financial hardship or other disadvantage, although clearly issues around human rights and equality and diversity are also of paramount importance. We certainly have regard to the advancement of culture and of environmental protection or improvement.

A further requirement of the Charities Act 2006 is that charity Trustees prepare a report of activities which further its charitable purposes for the public benefit, and these activities are detailed on the following pages.



Evaluation of Gingerbread Corner's Charitable Activities, Achievements and Performance
Gingerbread Corner's objectives, and the achievements against those objectives, are outlined in the next section, with a more detailed evaluation of our activities available on request. In the coming year, the Trustees will be considering changing some of these objects to reflect any changes in client groups and activities since the current Articles and Memorandum of Association were agreed.

FIRST OBJECTIVE: to alleviate poverty and distress in one parent families and other disadvantaged families, which we achieve by running excellent and inexpensive child-care facilities for children aged three months to 11 years, primarily for parents working and/or attending college full-time.

The fee structure is in three bands, with two heavily subsidised, in order to be of particular assistance to parents on low incomes.

However, it should be noted that, particularly for the facilities provided at Gingerbread Corner, even the fees in the highest band are extremely competitive, with the aim being to provide best value for money, and be parents' child-care centre of choice.



Unlike many nurseries and out of school schemes, Gingerbread Corner opens every week-day except bank holidays and one day per year for in-service training.

In addition, senior staff can provide emotional and practical support to parents who are facing difficulties, such as: being in debt, suffering domestic violence or facing homelessness, and putting them in touch with those who may be able to help.

SECOND OBJECTIVE: to preserve, protect and improve the good health (mental, emotional and physical) of children and their parents, and our aims are two-fold under this objective. Firstly, we enhance children's life chances by recording their development and acting on any concerns, improving their diet and increasing the amount of exercise they take. We work hard to increase our children's self-esteem and self-



confidence, enhance their learning (through play and other activities) and motivate them through creativity and curiosity. Our lunch and snack menus are 75% "homemade" and provide a healthy and varied diet, involving foods from various cultures.

offers a discount of up to 100% to families with disabilities or additional needs and a Family Support Fund, totalling £9,947 for the year under review, which assists clients in temporary financial difficulties. Moreover, our Students' Fund offers help to parents whose bursaries don't cover the fees. All these funds are managed by the Family Support Panel which carefully assesses each application.



Secondly, we improve families' knowledge and emotional and mental health by keeping the parents up to date on relevant issues and legislation, via our informative and regularly updated website, our Facebook page and our Twitter feed.

FIFTH OBJECTIVE: to increase public awareness of financial, social and other issues associated with one parent families, which we mainly achieve through our social media, as well as posters and leaflets at Gingerbread Corner. It is unlikely that we will carry forward this as a primary aim when we review our Aims and Objective, as there are other agencies and organisations far better placed to raise awareness about these issues.

THIRD OBJECTIVE: to prevent and relieve the suffering of children who have been the subject of cruelty and maltreatment, and we aim to achieve this by ensuring that any concerns about Gingerbread Corner children are dealt with effectively (in-house or by referral to other agencies) and by joining organisations such as "Children are Unbeatable!" in order to work towards a safer world for children.



FOURTH OBJECTIVE, to improve the social and economic circumstances of one parent families, is partly achieved by having two heavily discounted fee bands, which ensure our fees are considerably less than other local child-care providers.

SIXTH OBJECTIVE: to promote the transfer of information and advice between relevant national, international and local organisations and authorities, which we achieve through membership of a number of local and national organisations, as well as active involvement with the voluntary sector in Croydon - such holding trusteeships at Croydon Voluntary Action and the Fieldway Family Centre.



SEVENTH OBJECTIVE: to contribute to research in the field of play and care, is no longer appropriate and therefore will not be carried forward when we review our aims and objectives.

Risk Management

In addition, we offer an Assisted Places' Scheme (with a budget for the year of £10,150) which

We believe we have captured all reasonable financial, operational and regulatory risks and recorded the control measures, put in place to manage, mitigate or eliminate the risks.

Financial Review

Gingerbread Corner has not received any Local Authority funding since 2012. This has been challenging, but we have continued to offer good quality and affordable child-care provision, and work with other providers to support the offer of Children's Centre Services. We also continue to make efficiency savings across the board where this will not reduce the level and quality of care we provide.

As always, most of our income comes from clients' fees. As we continued to improve on filling spaces even more quickly, our fee income increased from £910,633 the previous year to £923,388 with an inflationary rise in July. Our fund-raising has decreased from £40,566 to £22,583. Overall our income was £976,252 compared to £973,476 in the previous year.

As previously mentioned, in addition to increasing fee income we constantly review our expenditure and make savings wherever we can without reducing service quality. For the year under review, we saw an increase to £954,942 from £916,345, in the main because we had recruited to our full staff establishment. We had a healthy surplus of £22,752, of which the vast majority was transferred to our Reserves and Contingency Funds.

Although we carry out various fund-raising activities, such as sponsored events, we still find that client participation is limited. We believe this is due both to the time pressures and to the financial constraints of Gingerbread Corner's clients, many of whom are lone mothers: the majority of our clients therefore not only have sole responsibility for their children, but are likely to be in lower-paid jobs.

Nonetheless, we would like to take this opportunity to thank our staff and volunteers for their efforts. We continue to look for new and interesting ways to increase our fund-raising capabilities.

The amount owed in fee arrears at the end of March increased from £5,147 to £12,886. As usual, the majority of this sum relates to arrangements which have been made with parents to clear their arrears gradually and more significantly has been affected by difficulties parents have been experiencing with the transition to Universal Credit and delays in receiving Student Finance and Bursary payments. More than offsetting the

fee arrears, parents were in credit to the sum of £21,727.

Reserves Fund

In line with best practice and legislative requirement, our Reserves Policy covers why we hold reserves, the level of reserves held, the steps taken to maintain reserves at the agreed level, contingency fund levels and arrangements for monitoring and reviewing the Reserves Policy.

Gingerbread Corner (GBC) aims to ensure that our reserves are sufficient to cover our commitments to staff redundancy pay and other contracts assuming a wind-down period of six months and that GBC is protected from insolvency.

Contingency and Designated Funds Policy
From April 2017, funds will be transferred, as per the budget, into a Contingency Fund, designated for general contingencies. There will be a Designated Fund for capital expenditure on vehicles, as well as expenditure on outdoor play, ICT and catering equipment for which there is no revenue budget.

Investment Policy

Gingerbread Corner's Investment Policy ensures that our funds are properly protected, e.g. that the capital is not put at risk and will be protected against inflation and that the best income is obtained from those funds with which to carry out our activities.

Trustees bear in mind that any decision to avoid certain investments or institutions must be centred on Gingerbread Corner's interests, and that they may decline to invest in a particular company if it carries out activities which are directly contrary to GBC's purposes or if such an investment would directly impede the furtherance of Gingerbread Corner's objects, e.g. causing a loss of financial support from subscribers.

**GINGERBREAD CORNER
(A Company Limited by Guarantee)**

**ANNUAL REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 MARCH 2017**

STATEMENT OF BOARD OF TRUSTEES' RESPONSIBILITIES

The Committee Members, who are Trustees and also Directors of Gingerbread Corner for the purposes of company law, are responsible for preparing the Trustees' Report and financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires 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 these financial statements, the Trustees are required to:

- a) select suitable accounting policies and apply them consistently;
- b) observe the methods and principles in the Charities SORP;
- c) make judgments and estimates that are reasonable and prudent;
- d) state whether applicable UK accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements.
- e) prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in operation

The Trustees are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Trustees are also responsible for the maintenance and integrity of the corporate and financial information included on the charitable company's website.

Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

The Trustees confirm that, so far as they are aware, there is no relevant audit information of which the charitable company's auditor is unaware. They have taken all the steps that they ought to have taken as Trustees in order to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

AUDITORS

A resolution for the appointment of Kingsmill Partnership as auditors to the charitable company will be proposed at the Annual General Meeting.

Approved by the Board of Trustees on _____ and signed on its behalf by Order of the Board.

Linda Hitchcock
Chair
Gingerbread Corner Management Committee



**INDEPENDENT AUDITORS' REPORT
TO THE MEMBERS OF
GINGERBREAD CORNER**

We have audited the financial statements of Gingerbread Corner for the year ended 31st March 2017 on pages eight to fifteen. 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).

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

RESPECTIVE RESPONSIBILITIES OF TRUSTEES AND AUDITORS

As explained more fully in the Trustees' Responsibilities Statement (set out on page two to six), the trustees' (who are also directors of the charitable company for the purpose of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors.

SCOPE OF THE AUDIT OF THE FINANCIAL STATEMENTS

A description of the scope of an audit of financial statements is provided on the FRC's website at www.frc.org.uk/apb/scope/private.cfm.

OPINION ON FINANCIAL STATEMENTS

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31st March 2017 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended; and
- 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.

OPINION ON OTHER MATTERS PRESCRIBED BY THE COMPANIES ACT 2006

In our opinion the information given in the Trustees' Annual Report for the financial year for which financial statements are prepared is consistent with the financial statements.

MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

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

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

Romit Basu FCA
Senior Statutory Auditor
Kings Mill Partnership
Chartered Accountants
Statutory Auditors
Date:

75 Park Lane
Croydon
Surrey
CR9 1XS

GINGERBREAD CORNER
(A Company Limited by Guarantee)

STATEMENT OF FINANCIAL ACTIVITIES
FOR THE YEAR ENDED 31 MARCH 2017

INCOME AND EXPENDITURE ACCOUNT

	Notes	Unrestricted Funds £	Restricted Funds £	Total 2017 £	Total 2016 £
INCOMING RESOURCES					
Incoming resources from generated funds					
Activities for generating funds		22,583	-	22,583	40,566
Investment income - interest receivable		62	-	62	64
Other income		30,219	-	30,219	22,213
Incoming resources from charitable activities	3	923,388	-	923,388	910,633
Total incoming resources		<u>976,252</u>	<u>-</u>	<u>976,252</u>	<u>973,476</u>
RESOURCES EXPENDED					
Costs of generating funds	4	7,215	-	7,215	7,906
Charitable activities	4	942,241	-	942,241	902,919
Governance Costs	4	5,486	-	5,486	5,520
Total resources expended	4	<u>954,942</u>	<u>-</u>	<u>954,942</u>	<u>916,345</u>
Net incoming resources before transfers		21,310	-	21,310	57,131
Gross transfers between funds		-	-	-	-
Net incoming resources before other recognised gains and losses		<u>21,310</u>	<u>-</u>	<u>21,310</u>	<u>57,131</u>
Other recognised gains and losses					
Profit on sale of fixed assets	11	1,442	-	1,442	-
Net movement in funds		<u>22,752</u>	<u>-</u>	<u>22,752</u>	<u>57,131</u>
Total funds at 1 April 2016	14	451,791	5,856	457,647	400,516
Total funds at 31 March 2017	14	<u>474,543</u>	<u>5,856</u>	<u>480,399</u>	<u>457,647</u>

All incoming resources expended are derived from continuing activities.

BALANCE SHEET
AS AT 31 MARCH 2017

	Notes	2017		2016	
		£	£	£	£
Fixed Assets					
Tangible fixed assets	7		706,002		704,640
Current Assets					
Debtors	8	29,290		29,518	
Cash at bank and in hand		<u>146,854</u>		<u>127,891</u>	
		176,144		157,409	
Creditors: amounts falling due within one year	9	<u>(90,811)</u>		<u>(78,571)</u>	
Net Current Assets			85,333		78,838
Creditors: amounts falling due after more than one year	10		(310,936)		(325,831)
Net Assets			<u>480,399</u>		<u>457,647</u>
Funds					
Unrestricted funds	14		474,543		451,791
Restricted funds	14		5,856		5,856
Total Funds			<u>480,399</u>		<u>457,647</u>

The financial statements have been prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small charitable companies.

Approved by the Committee of Management on and signed on it's behalf by

.....
Linda Hitchcock
Chair Person

.....
Christina Mavronmati
Vice Chair Person

GINGERBREAD CORNER
(A Company Limited by Guarantee)

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

1. ACCOUNTING POLICIES

a) Basis of preparation of 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) '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.

b) Going concern

The financial statements have been prepared on a going concern basis, which committee members of the charity consider appropriate. The Committee of Management have reviewed management accounts, projections and forecasts post year end and on the basis of this review the committee believe it appropriate to prepare the financial statements on a going concern basis.

c) Fund accounting

Unrestricted general funds are available for use at the discretion of the Committee of Management in furtherance of the general objectives of the Charity.
The 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.

d) Incoming resources

All incoming resources are included in the Statement of Financial Activities when the charity is entitled to the income and the amount can be quantified with reasonable accuracy. The following specific policies are applied to particular categories of income:

- Core income relating to grants is accounted for on a receivable basis. Any grants restricted to future accounting periods are deferred and included in creditors and recognised in future accounting periods.
- Legacies are included when the charity is advised by the personal representatives of an estate that the payment will be made and the amount can be quantified.
- Gifts in kind are included at the value to the charity and are recognised as income when received.

e) Resources expended

Expenditure is accounted for on an accruals basis. Irrecoverable VAT is included with the item of expense to which it relates.

GINGERBREAD CORNER
(A Company Limited by Guarantee)

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

- Costs of generating funds are those costs incurred in attracting income from fundraising activities.
- Charitable expenditure comprises those costs incurred by the charity in the delivery of its activities and services for its beneficiaries. It includes both costs allocated directly and those costs of an indirect nature necessary to support them.
- Governance costs include those incurred in the governance of the charity and are primarily associated with constitutional and statutory requirements.

f) Operating leases

Rentals applicable to operating leases where substantially all of the benefits and risks of ownership remain with the lessor are charged to the Statement of Financial Activities as incurred.

g) Tangible fixed assets

Individual fixed assets costing £500 or more are capitalised at cost.

Tangible fixed assets are capitalised and stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost of fixed assets, less their estimated residual value, over their useful economic lives as follows:

Building conversion costs	25% straight line
Motor vehicles	25% straight line
Equipment	33.33% straight line
Fixtures and fittings	20% straight line
Freehold land and buildings	2% straight line
Leasehold property	2% straight line
Children's equipment	25% straight line

h) Status of Company

The company is limited by guarantee and has no share capital. The maximum liability of each member in the event of a winding up is £1.

2. TAXATION

The company is a registered charity and is therefore entitled to the exemptions from corporation tax afforded by section 505 of the Income and Corporation Taxes Act 1988. Accordingly, there is no corporation tax charge in these financial statements.

3. INCOMING RESOURCES FROM CHARITABLE ACTIVITIES

	2017	2016
	£	£
Fees receivable	923,388	910,633

GINGERBREAD CORNER
(A Company Limited by Guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2017**

4 RESOURCES EXPENDED

	Basis of Allocation £	Cost of Generating Funds £	Charitable Activities £	Governance Costs £	Total 2017 £	Total 2016 £
Staff Costs	% of Staff Time	6,866	783,344	2,126	792,336	760,025
Fundraising costs	Direct	349	-	-	349	306
Catering	Direct	-	23,308	-	23,308	22,615
Repairs and cleaning	Direct	-	20,890	-	20,890	21,590
Children's activities	Direct	-	9,779	-	9,779	7,448
Administration	Direct	-	12,319	-	12,319	12,128
Transport	Direct	-	8,085	-	8,085	8,029
Light, heat and telephone	Usage	-	20,119	-	20,119	20,545
Legal and professional costs	Usage	-	6,502	3,360	9,862	7,092
Bank charges and interest	Transactions	-	3,238	-	3,238	2,982
Sundries	Direct	-	3,991	-	3,991	3,357
Staff training	Staff Time	-	3,884	-	3,884	2,522
Books and subscriptions	Direct	-	1,708	-	1,708	1,259
Bad Debts	Direct	-	1,870	-	1,870	(1,161)
Depreciation	Usage	-	29,381	-	29,381	32,913
Loan Interest	Direct	-	11,092	-	11,092	12,064
Rent, rates and insurance	Floor Area	-	2,731	-	2,731	2,631
		7,215	942,241	5,486	954,942	916,345

5 GOVERNANCE COSTS

	2017 £	2016 £
Auditor's remuneration	3,347	3,227
Legal and finance costs	13	13
Staff costs	2,126	2,053
	<u>5,486</u>	<u>5,293</u>

6. COMMITTEE'S REMUNERATION

	2017 £	2016 £
Wages and salaries	704,668	678,099
Social security costs	39,503	40,565
Pension costs	5,224	2,813
	<u>749,395</u>	<u>721,477</u>

The members of the Committee of Management received no remuneration or reimbursed expenses during the year. None of the employees received remuneration exceeding £60,000 in the year (2016: none).

The average number of full and part time employees, analysed by function, were:

	2017	2016
Childcare	32	32
Support staff	13	13
	<u>45</u>	<u>45</u>

Each member of the support staff, which include the Chief Executive, Deputy Chief Executive, Finance Director and Administrator spend a significant proportion of their time on childcare.

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FOR THE YEAR ENDED 31 MARCH 2017

7. TANGIBLE FIXED ASSETS

	Leasehold Property £	Fixtures & Fittings £	Equipment £	Children's Equipment £	Motor Vehicles £	Total £
Cost						
As at 1 April 2016	759,000	63,657	18,173	46,158	33,764	920,752
Additions	-	7,936	-	-	22,915	30,851
Disposals	-	(1,080)	-	-	(6,300)	(7,380)
As at 31 March 2017	<u>759,000</u>	<u>70,513</u>	<u>18,173</u>	<u>46,158</u>	<u>50,379</u>	<u>944,223</u>
Depreciation						
As at 1 April 2016	80,960	50,607	17,930	45,042	21,573	216,112
Charge for year	15,180	8,083	190	307	5,621	29,381
Disposals	-	(972)	-	-	(6,300)	(7,272)
As at 31 March 2017	<u>96,140</u>	<u>57,718</u>	<u>18,120</u>	<u>45,349</u>	<u>20,894</u>	<u>238,221</u>
Net Book values						
As at 31 March 2017	<u>662,860</u>	<u>12,795</u>	<u>53</u>	<u>809</u>	<u>29,485</u>	<u>706,002</u>
As at 31 March 2016	<u>678,040</u>	<u>13,050</u>	<u>243</u>	<u>1,116</u>	<u>12,191</u>	<u>704,640</u>

8. DEBTORS

	2017 £	2016 £
Fee arrears	12,886	5,147
Grants receivable	9,809	14,244
Other debtors and prepayments	6,595	10,127
	<u>29,290</u>	<u>29,518</u>

**9. CREDITORS:
AMOUNTS FALLING DUE WITHIN ONE YEAR**

	2017 £	2016 £
Fees received in advance	21,727	19,885
Loan from Future Builders	13,900	12,900
Trade creditors	3,448	5,315
Social security and other taxes	11,239	11,456
Other creditors and accruals	40,497	29,015
	<u>90,811</u>	<u>78,571</u>

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

10. CREDITORS:	2017	2016
AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR	£	£
Loan from Future Builders	310,936	325,831
	<u>310,936</u>	<u>325,831</u>

In 2009-2010 Gingerbread Corner received an unsecured loan from Future Builders towards the capital costs of redevelopment of the building. The loan is for 25 years at 6% interest rate with a 20 month repayments holiday, with interest to be rolled up into the remaining years. Repayments of this loan began from March 2011, with interest only payments until April 2013.

<u>The loans are repayable as follows:</u>	2017	2016
	£	£
Under one year:		
Loan from Future Builders	13,900	12,900
	<u>13,900</u>	<u>12,900</u>
Between one to five years:	55,600	51,600
Over five years:	255,336	274,231
	<u>310,936</u>	<u>325,831</u>

11. RECOGNISED GAINS AND LOSSES	2017	2016
	Unrestricted Funds	Unrestricted Funds
	£	£
Profit on sale of Assets	1,442	-
	<u>1,442</u>	<u>-</u>

12. ANALYSIS OF NET ASSETS BETWEEN FUNDS	Unrestricted Funds	Restricted Funds	Total Funds
	£	£	£
Tangible fixed assets	700,146	5,856	706,002
Current assets	176,144	-	176,144
Current liabilities	(90,811)	-	(90,811)
Long term liabilities	(310,936)	-	(310,936)
Net Assets at 31st March 2017	<u>474,543</u>	<u>5,856</u>	<u>480,399</u>

13. LEASING AGREEMENTS	2017	2016
	£	£
Minimum lease payments under non-cancellable operating leases fall due as follows:		
Within one year	6,008	6,008
Between one and five years	15,901	21,909
	<u>21,909</u>	<u>27,917</u>

GINGERBREAD CORNER
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2017

14. SUMMARY OF FUND MOVEMENTS

	Brought Forward £	Incoming Resources £	Resources Expended £	Transfers £	Gains and Losses £	Carried Forward £
Unrestricted funds						
Future Builders Capital Grants	-	-	-	-	-	-
Fees	69,115	923,388	(954,942)	-	-	37,561
Other Unrestricted funds	382,676	52,864	-	-	1,442	436,982
	<u>451,791</u>	<u>976,252</u>	<u>(954,942)</u>	<u>-</u>	<u>1,442</u>	<u>474,543</u>
Restricted funds						
Grants - Children's Centre Equipment & Furniture	4,976	-	-	-	-	4,976
Quality and Access Early Years	5	-	-	-	-	5
D Catch/Aiming High	-	-	-	-	-	-
Early Years Garden	875	-	-	-	-	875
	<u>5,856</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>5,856</u>
	<u>457,647</u>	<u>976,252</u>	<u>(954,942)</u>	<u>-</u>	<u>1,442</u>	<u>480,399</u>

Unrestricted funds

Future Builders Capital Grants - Towards the capital costs of redevelopment of the building.

Fees - Fees paid by Parents for childcare services

Other Unrestricted Funds - Income from hire of Gingerbread Corner, fundraising events, donations and profit on sale of fixed assets.

Restricted funds

Grants - Children's Centre Equipment & Furniture - To equip and furnish the family room and Children's Centre reception area.

Quality and Access Early Years - To improve the quality of the environment for children and to ensure that all children can access services and benefit fully from them.

D Catch and Aiming High grants - Funding to provide multi sensory room and equipment

Early Years Garden - Funding from Lanfranc school to improve the outside play provision

15. RELATED PARTY TRANSACTIONS

During the year no related party transactions transpired.

During the year no expenses were incurred by the Executive Management Team on behalf of the charity.

16. FIRST YEAR ADOPTION

The charity adopted FRS 102 for the first time in the year under review. No transitional adjustments have arisen.

Thank you!

We would like to express our gratitude to a number of individuals and organisations for their support and financial assistance over the past year.

We continue to be grateful to all our volunteers who have given their time generously, particularly our loyal regulars, Alesha Biggs, Charlotte Kuofie and Clare Morris.

Thank you to everyone who donated items for, helped at, and/or attended various fund-raising events, raising a total of £1110.

£165 was raised by one of Sandra's Chinese café, ably organised by Leanne and with help from other staff and Tigger staff raised £68 from running a Christmas Hamper tombola.

For donations of toys, books and spare clothes, our gratitude goes to Gemma Hobbs, Sue Willett, Azhar Omar, Lola Debra, Lauren Crawford and Helen Chitty. Thanks in particular to Jay at Venom for an extra docking station, Michael Callisto and Carrie Smith who each donated an air hockey table. We would also like to thank Alan Clarke and Wayne Jones who each donated a fish tank.

For regularly bringing us excellent items for junk modelling, we extend our thanks to Maggie Goshawk, Sue Stern, Derek Cooper and Angy & Bob Bell.

Thanks again to Heavers Farm for lending us their stage every year for our AGM performance.

Thanks to all parents, neighbours and staff, particularly Melanie, Terry and Georgia who helped us raise £155 through our "Rag Bag".

Continued appreciation goes to Julie Pellen who conceived the idea of a staff tuck shop and has run it so well that £800 was raised over the year.

Thanks to the Good Gym for donating their time, after an evening run, to clean our windows and glass, and to Tesco's and Fairshare for food donations through the Community Food scheme.

Special gratitude goes to all the staff, friends, neighbours and families (past and present) for making our 40th Anniversary Party a rip-roaring success. Thanks particularly to Wayne Jones, Ray Bailey, Uli Valle and Michael Jones who sourced the ingredients for, and ran, the amazing BBQ, to Helen Smith for helping out at numerous stalls, to Magic Theo for giving us a discount, to Paul Ross for donating a percentage of the takings from his jeweller stall and to Martin of Bouncing Buddies for lending us a Bouncy Castle at a peppercorn rate. Also, our gratitude goes to Lee-Ann Diaz for providing a gift hamper and to Zainab Nuzhan who baked biscuits and cakes for the food stall.

Finally, I would like to record our appreciation for the fund-raising efforts of each and every one of our staff, who regularly give their own time to enhance the service we provide at Gingerbread Corner.