

Charity Number SC041420

Company Number SC372020

SIMPLY PLAY

Directors Report and Financial Statements
For the Year Ended 31 March 2020

SIMPLY PLAY

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2020

Contents	Page
Report of the Board of Directors	1-8
Independent Auditor's Report	9-11
Statement of Financial Activities	12
Balance Sheet	13-14
Statement of Cash Flows	15
Notes Forming Part of the Accounts	16-25

SIMPLY PLAY

REPORT OF THE BOARD OF DIRECTORS FOR THE YEAR ENDED 31 MARCH 2020

The Board present their Report, together with the accounts for the year ended 31st March 2020.

This report and the financial statements, comply with the Statement of Recommended Practice (SORP) "Accounting and Reporting by Charities" (FRS 102), the Charities and Trustee Investment (Scotland) Act 2005, the Charities Accounts (Scotland) Regulations 2006 (as amended), the Companies Act 2006, the Memorandum and Articles of Association, 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 (FRS 102).

Chair's Report

I am pleased to present the 2019/20 Directors' Report for Simply Play, a year in which we have striven to provide an ever improving service to our families. In this year we took steps to mitigate the impact of the economic downturn by consolidating services and closing unsustainable sites. This proved to be a successful strategy and we had seen an upturn in performance. However, the onset of the pandemic rendered the short term future difficult, with many parents being advised to work from home. This situation is being continually monitored and we have plans to address it as 2020 progresses.

On the upside, inspection grades continue to be great and plans for our innovative outdoor nursery are well underway. We look forward to the opening of this exciting new service.

As we move to 2020/2021 everyone's future is uncertain but the Board and Management Team, are working closely together to developing a strategy that will allow us to continue a service, relevant to the time, whilst ensuring the longer-term financial health of the organisation.

Many thanks to Raymond Branton, our CEO and all of the staff team, for their excellent work and to my fellow Trustees, for all the extra effort they have expended in the last year: a year which has ended being an even more challenging period than the last one. We look forward to addressing the challenges before us with cautious optimism.

Margaret Graham
Chairperson



SIMPLY PLAY

REPORT OF THE BOARD OF DIRECTORS FOR THE YEAR ENDED 31 MARCH 2020

Objectives and Activities

Simply Play exists to promote the benefit of the inhabitants of West Lothian and in particular parents and children, to advance education and provide facilities in the interest of social welfare for recreation and leisure time occupation with the object of improving the conditions of life for the said inhabitants by the provision, co-ordination and management of out of school care facilities and activities.

Its mission is **Working together to provide high quality, accessible and affordable out of school childcare across West Lothian.**

For this period the organisation's aims were to provide high quality, accessible and affordable out of school childcare across West Lothian by:

- Continuing to work closely with Family and Community Development West Lothian, its parent organisation, to develop and continually improve services
- Ensuring that pricing is appropriate to deliver the level of service required and benchmarking our value and quality against competitors
- Consolidating management and leadership across the organisation
- Continued efficiencies from shared resources, centralised administration and economies of scale
- Growing clubs' capacity/occupancy
- Exploring opportunities for expansion
- Continual improvement of quality and consistency across all services
- Continued investment in staff, to improve training, consistency and retention

Specific targets for the period were:

- Strategic business review
- Consolidation of services to address the pattern of reducing demand
- Consolidation of office space
- Opening of a new service in Linlithgow, following confirmation of unmet demand in the town
- Fundraising for a new, woodland nursery
- Increased and refined marketing campaigns
- Review of online bookings and payments system suppliers and costs
- Focus on continuing practice and quality improvements within services
- Focus all staff on child centred play across services
- Focus service teams on continual improvement and Care Inspectorate gradings

SIMPLY PLAY

REPORT OF THE BOARD OF DIRECTORS FOR THE YEAR ENDED 31 MARCH 2020

Achievements and Performance

2019/20 was another year of continued evolution and there were a number of key events:

- Our "Community Place" (funded childcare support) continued to support families in need/crisis and made a real difference to their situations
- Customer feedback was very good, with real impact on parents and children's lives evident
- Our marketing campaign netted a record 116 new registrations
- The year saw a reduction in bookings across our services. This was due to families cutting their outgoings, in a challenging economic climate, by adjusting their working patterns and increasingly relying on grandparents. This was addressed by consolidation of services over the summer: 3 services were combined and 1 was closed. This resulted in positive financial performance in the second half of the year.
- Frustratingly, after months of planning, The Donaldson Trust decided to withdraw their venue in Linlithgow at the 11th hour. This meant that our much anticipated new service to help families in Linlithgow could not open in January 2020 as planned.
- "Forest Fridays" at our outdoor site in Harburn over the autumn of 2019, were a great success and very popular.
- Everyone was delighted to secure funding from Inspiring Scotland's Outdoor Nursery Social Enterprise fund toward the creation of West Lothian's first woodland nursery. The site chosen for this was Tor Whitie at Harburn. This was due to the landowner's support and we want to thank the Pearce family for this. "Wonder Woods" has been an aspiration of ours for a couple of years and is a new direction for the organisation. Opening was due in Easter 2020 but was delayed by the Covid lockdown until August.
- We continued to be a key leader for the local Third Sector, with our CEO re-elected as Chair of the Third Sector Strategy Group and the creation of a Sector/Council Working Group to engage on future funding and support plans.

Plans for Future Periods

The Covid advice to work from home, has resulted in reduced demand for childcare. Simply Play is therefore having to utilise its reserves as working capital in the short term and we are working on plans to change our bookings policy to reduce flexibility and drive more regular booking patterns that enable more efficient planning of services and staffing. This may result in further consolidation of services. It is planned that this will reduce losses and maintain core provision that can be re-expanded once people return to work and demand increases.

The Board has a number of formal arrangements between the organisation and Family and Community Development West Lothian, to reimburse costs and share resources, which are laid out in a Facilities Sharing Agreement. These are monitored on a regular basis.

Fees for the organisation's childcare are reviewed and increased annually in line with costs and long-term plans.

SIMPLY PLAY

REPORT OF THE BOARD OF DIRECTORS FOR THE YEAR ENDED 31 MARCH 2020

Financial Review

Thanks to the successful consolidation, implemented during the year, Simply Play was on track to deliver a small surplus at the end of March, due to increased profitability over the second half of the financial year. Shut down in late March due to Covid, however, resulted in a small loss for the year.

Principal funding sources

Simply Play's income is fee based. Where available, charitable grants are sought to assist with specific, outcomes based, elements of the service.

Investment policy

To reflect very low interest rates and ensure the accessibility of working capital during restructuring and consolidation, the Board did not renew its fixed deposit accounts.

Reserves policy

The target is to build reserves equivalent to 6-months full operating costs, including salaries, as part of a prudent financial planning and management strategy.

Auditors

To ensure robust governance, the Board of Directors assessed the performance of and reappointed, Thomson Cooper Accountants, whom they felt represented best value for the organisation.

Structure, Governance and Management

Governing Document

The organisation is a charitable company limited by guarantee (SC372020), incorporated on 29th January 2010 and registered as a charity on 22nd April 2010 (SC041420). The company was established under a Memorandum of Association, which established the objects and powers of the charitable company and is governed under its Articles of Association. Under those Articles, the Directors of the company are also charity trustees for the purposes of charity law and under the company's Articles are known as members of the Board. Under the requirements of the Memorandum and Articles of Association the members of the Board are appointed by Family and Community Development West Lothian (FCDWL), which is the sole Member.

Recruitment and Appointment to the Board

There is a good mix of skills and experience represented on the Board, which includes parents/service users, local business people, members with previous governance experience and members with specialist sector knowledge and experience. Skills gaps are identified and suitable replacements sought when required.

SIMPLY PLAY

REPORT OF THE BOARD OF DIRECTORS FOR THE YEAR ENDED 31 MARCH 2020

Board Induction and Training

Most Board Members are already familiar with the operation of the organisation and their governance roles and responsibilities. The CEO keeps the Board up to date with changing requirements, legislation and policy initiatives. Training for Directors is organised as required.

New members of the Board of Management are taken through an induction programme by the CEO, which includes: the structure, ethos and operation of the organisation; governing documents and reporting requirements; roles and responsibilities of charity Trustees; resourcing information and financial management arrangements; and strategic plans for the organisation.

Risk Management

The Board has assessed the major risks to which the organisation is exposed. An annual risk assessment is carried out and appropriate systems have been put into place to minimise the risks the charity faces:

- Fluctuations in the market, including local demographic changes and projections
- The organisation's operating environment, including policy and regulatory changes
- Child protection guidelines are applied, including appropriate checks on all staff and volunteers. Relevant staff are also registered with the Scottish Social Services Council (SSSC) and members of the Protection of Vulnerable Groups (PVG) scheme
- Financial systems are in place to ensure good practice in relation to processing, handling and authorisation of all financial transactions
- A long-term funding strategy is in place, with regular strategic reviews
- Hygiene controls are in place and are monitored by staff and Environmental Health Officers
- Health and safety policy and procedures are in place for all staff, volunteers and users of the service
- Regular inspections at all clubs are carried out by the Care Inspectorate

Covid-19

The world-wide pandemic struck at the end of this financial year. Lockdown had a massive impact on our service users, staff and services. We closed most of our sites and services but worked with West Lothian Council to provide Key Worker childcare hubs. We also made extensive use of the Government's Job Retention Scheme and secured grants from the Business Support Scheme, Pivotal Enterprise Resilience Fund, West Lothian Council and the Third Sector Resilience Fund.

All activities and risk management were and continue to be, led by the Senior Management Team and overseen by the Board of Trustees. All Board meetings continued over the period by video conferencing.

SIMPLY PLAY

REPORT OF THE BOARD OF DIRECTORS FOR THE YEAR ENDED 31 MARCH 2020

Organisational Structure

Simply Play is governed by a Board of Directors of up to 9 members, who monitor the organisation and oversee its strategic direction and agree policy. Parent/user representation on the Board is ensured through its Memorandum and Articles, where 3 positions are reserved specifically for parent users.

The Board's consolidated structure facilitates effective governance and reflects the organisation's size and diversity. The full Board meets quarterly, supported by monthly Finance Sub Group meetings and quarterly Practice Sub groups.

The operational running of the organisation is delegated to the organisation's CEO and, through him, to the staff according to the organisation's management structure. The CEO reports directly to the Board at their meetings.

Related Parties

Simply Play works in partnership with a number of other agencies and bodies, both to promote the organisation's charitable objects and to contribute to the development of the local sector. Key partners are:

- West Lothian Council, where the organisation works closely with various local teams and staff from Community Regeneration, Social Policy and Education Departments, to liaise on activities, joint working and referrals. Our CEO also represents the voluntary sector on the Council's Children and Families Strategic Planning Group, Early Years Early Intervention and Prevention Working Group, as well as various short-life working groups.
- The Voluntary Sector Gateway West Lothian is the district's third sector interface organisation and the organisation's CEO Chairs its Third Sector Strategy Group. There are no financial transactions between the two organisations.

Family and Community Development West Lothian is the sole Member of Simply Play and has representation on its Board of Directors. There are a number of formal arrangements between the two organisations to reimburse costs and share resources, which are laid out in a Facilities Sharing Agreement.

SIMPLY PLAY

REPORT OF THE BOARD OF DIRECTORS FOR THE YEAR ENDED 31 MARCH 2020

Legal and Administrative Information

The Directors, who are also Trustees who served during the period, were as follows: -

Board of Directors

Margaret Graham

Chair

Irene Kinroy

Treasurer

Marilyn Simpson

Lynne Hammersley

Michelle O'Loughlin

Alan Owen

(Appointed 21/08/20)

Senior Management Team

Raymond Branton

Chief Executive Officer & Company Secretary

Simon Henderson

Operations Manager

Shirley Thomson

Project Manager

Registered Office

1-3 Henderson Place
Broxburn
West Lothian
EH52 6EY

Principal Office

Unit 1
Kirkhill Business Units
Park Court
Broxburn
EH52 6EE

Auditors

Thomson Cooper
3 Castle Court
Carnegie Campus
Dunfermline
Fife
KY11 8PB

Bankers

Bank of Scotland
57 East Main Street
Broxburn
West Lothian
EH52 5EE

Charity Registration Number

SC041420

Company Number

SC372020

SIMPLY PLAY

REPORT OF THE BOARD OF DIRECTORS FOR THE YEAR ENDED 31 MARCH 2020

Statement of Directors Responsibilities

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

Company law requires the directors 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 directors are required to:

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

The directors are responsible for keeping adequate 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, the Charities and Trustee Investment (Scotland) Act 2005 and the Charities Accounts (Scotland) Regulations 2006 (as amended). They are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Statement of Disclosure to the Auditor

In so far as the directors are aware:

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

Auditors

In accordance with the company's articles, a resolution proposing that Thomson Cooper be reappointed as auditor of the company will be put at a General Meeting.

Approved by the Board of Directors on 10 December 2020 and signed on its behalf by:


.....
Irene Kinroy – Treasurer

SIMPLY PLAY

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS AND TRUSTEES OF SIMPLY PLAY

Opinion

We have audited the financial statements of Simply Play (the 'charitable company') for the year ended 31 March 2020 which comprise the Statement of Financial Activities, the Balance Sheet, the Statement of Cash Flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 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 (as amended).

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 of 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.

Material uncertainty relating to going concern

We draw attention to note 3 in the financial statements. As stated in this note, these events or conditions indicate that a material uncertainty exists that may cast significant doubt on the charity's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

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.

SIMPLY PLAY

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS AND TRUSTEES OF SIMPLY PLAY

Other information (cont'd)

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 (as amended) 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 directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of trustees

As explained more fully in the trustees' responsibilities statement set out on page 8, the trustees (who are also the directors 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.

SIMPLY PLAY

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS AND TRUSTEES OF SIMPLY PLAY

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 those Acts and relevant regulations made or having effect thereunder.

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

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 trustees, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006, section 44(1)(c) of the Charities and Trustee Investment (Scotland) Act 2005 and 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 those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.



Alan Mitchell (Senior Statutory Auditor)
for and on behalf of Thomson Cooper, Statutory Auditor
Edinburgh

Date: 15/12/20

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

SIMPLY PLAY

**STATEMENT OF FINANCIAL ACTIVITIES
FOR THE YEAR ENDED 31 MARCH 2020**

Current Financial Year

	Notes	Unrestricted Funds £	Restricted Funds £	Total Funds 2020 £	Total Funds 2019 £
Income and endowments from:					
Donations		-	-	-	46
Grants received	5	-	6,099	6,099	10,672
<i>Charitable activities:</i>					
Out of school care fees	6	816,107	-	816,107	854,224
<i>Other trading activities:</i>	7	20,024	-	20,024	17,085
<i>Investment income:</i>					
Bank interest		1,123	-	1,123	2,116
Total income		837,254	6,099	843,353	884,143
Expenditure on:					
Charitable activities	8	852,791	6,099	858,890	952,339
Total expenditure		852,791	6,099	858,890	952,339
Net income/(expenditure)		(15,537)	-	(15,537)	(68,196)
Net movement of funds		(15,537)	-	(15,537)	(68,196)
Reconciliation of funds					
Fund Balance Brought Forward		125,984	-	125,984	194,180
Fund Balance Carried Forward	14	110,447	-	110,447	125,984

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

The notes on page 16 to 25 form part of these financial statements

SIMPLY PLAY

**STATEMENT OF FINANCIAL ACTIVITIES
FOR THE YEAR ENDED 31 MARCH 2020**

Prior Financial Year

	Notes	As Restated Unrestricted Funds £	As Restated Restricted Funds £	Total Funds 2019 £	Total Funds 2018 £
Income and endowments from:					
Donations		46		46	-
Grants received	5	-	10,672	10,672	-
<i>Charitable activities:</i>	6				
Out of school care fees		854,224	-	854,224	830,049
<i>Other trading activities:</i>	7	17,085	-	17,085	7,100
<i>Investment income:</i>					
Bank interest		2,116	-	2,116	1,798
Total income		873,471	10,672	884,143	838,947
Expenditure on:					
Charitable activities	8	941,667	10,672	952,339	827,719
Total expenditure		941,667	10,672	952,339	827,719
Net income/(expenditure)		(68,196)	-	(68,196)	11,228
Net movement of funds		(68,196)	-	(68,196)	11,228
Reconciliation of funds					
Fund Balance Brought Forward		194,180	-	194,180	182,952
Fund Balance Carried Forward	14	125,984	-	125,984	194,180

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

The notes on page 16 to 25 form part of these financial statements

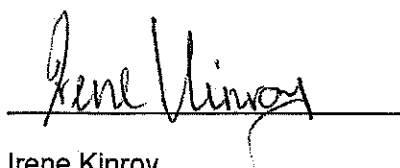
SIMPLY PLAY

**BALANCE SHEET
FOR THE YEAR ENDED 31 MARCH 2020**

	Notes	Year to 31/03/20 £	Year to 31/03/19 £
Fixed Assets			
Tangible Assets	11	8,218	9,202
<i>Total fixed assets</i>		8,218	9,202
Current Assets			
Debtors	12	17,816	25,093
Cash at bank and in hand		258,747	221,882
<i>Total current assets</i>		276,563	246,975
Creditors:			
Falling Due Within One Year	13	(174,334)	(130,193)
Net Current Assets		102,229	116,782
Total Net Assets		110,447	125,984
The Funds of the Charity			
Unrestricted General Funds	14	110,447	125,984
Total Charity Funds		110,447	125,984

These accounts are prepared in accordance with the special provision of part 15 of the Companies Act relating to small companies.

The financial statements were approved by the Trustees on 10 December 2020.



Irene Kinroy
Director

The notes on page 16 to 25 form part of these financial statements

Company Registration Number SC372020

SIMPLY PLAY**COMPANY STATEMENT OF CASH FLOWS
AS AT 31 MARCH 2020**

	Notes	2020 £	2019 £
Cash flows from operating activities	18	<u>38,642</u>	<u>(51,956)</u>
Cash flows from investing activities:			
Interest income		1,123	2,116
Purchase of fixed assets		<u>(2,900)</u>	<u>(1,620)</u>
Cash provided by (used in) investing activities		<u>(1,777)</u>	<u>496</u>
Increase/(decrease) in cash and cash equivalents in the year		<u>36,865</u>	<u>(51,460)</u>
Cash and cash equivalents at the beginning of the year		<u>221,882</u>	<u>273,342</u>
Total cash and cash equivalents at the end of the year		<u>258,747</u>	<u>221,882</u>

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2020

1. Accounting Policies

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

a) *Basis of Accounting*

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 (FRS 102) (effective 1 January 2015) – (Charities SORP (FRS 102), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102), the Charities and Trustee Investment (Scotland) Act 2005 and the Charities Accounts (Scotland) Regulations 2006 (as amended).

The charity constitutes a public benefit entity as defined by FRS 102.

The financial statements are prepared on a going concern basis under the historical cost convention, modified to include certain items at fair value. The financial statements are prepared in sterling which is the functional currency of the charity.

b) *Charitable Funds*

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

Designated funds comprise unrestricted funds that have been set aside by the Board for particular purposes. The aim and use of each designated fund is set out in the notes to the financial statements.

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

c) *Income Recognition*

All incoming resources are recognised when the charity has entitlement to the funds, any performance conditions have been met, it is probable that the income will be received, and the amount can be measured reliably.

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.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2020

1. Accounting Policies (cont'd)

c) *Income Recognition (cont'd)*

Income from government and other grants, whether 'capital grants or revenue grants', are recognised when the charity has entitlement to the funds, any performance conditions attached to the grants have been met, it is probable that the income will be received, and the amount can be measured reliably and is not deferred. Where a grant is received for a specific purpose, it is included in restricted income and any unexpended portion carried forward as a restricted fund.

Income from out of school care fees are recognised in the period to which the provision of the service occurs.

Income from other trading activities includes income earned from fundraising events and trading activities to raise funds for the charity. Income is received in exchange for supplying goods and services in order to raise funds and is recognised when entitlement has occurred.

Investment income includes interest on funds held on deposit and is included when receivable and the amount can be measured reliably by the charity, normally upon notification of the interest paid or payable by the Bank.

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. Expenditure is classified under the following activity headings:

- Cost of raising funds comprises the costs of the general fundraising activities of the charity, and their associated support costs.
- Expenditure on charitable activities comprises those costs incurred by the charity in the delivery of its activities and services for its beneficiaries, including the costs of providing out of school care services, and their associated support costs.
- Other expenditure (where relevant) comprises costs not falling into any other heading.

The charity is not registered for VAT and therefore all income and expenditure is recorded inclusive of VAT.

e) *Allocation of Support Costs*

Support costs are those functions that assist the work of the charity but do not directly undertake charitable activities. Support costs include office costs, payroll, general administration, and governance costs and are incurred directly in support of expenditure on the objects of the charity. The bases on which support costs have been allocated are on a direct basis or as a proportion of time spent.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2020

1. Accounting Policies (cont'd)

f) *Tangible Fixed Assets and Depreciation*

Tangible fixed assets are stated at cost (or deemed cost) or valuation less accumulated depreciation and accumulated impairment losses. Depreciation is provided on all tangible fixed assets, at rates calculated to write off the cost, less estimated residual value, of each asset on a systematic basis over its expected useful life as follows:

Office Equipment	25% on a straight line basis
Furniture & Fixtures	20% on a straight line basis
Computer Software	50% on a straight line basis
Play Equipment	25% on a straight line basis
Motor Vehicles	25% on a straight line basis
Leasehold Improvements	20% on a straight line basis

g) *Debtors*

Trade and other debtors are recognised at the settlement amount due after any discount offered. Prepayments are valued at the amount prepaid net of any discounts due.

h) *Cash at Bank and in Hand*

Cash at bank and cash in hand includes cash and all amounts held within bank current and deposit accounts.

i) *Creditors and Provisions*

Creditors and provisions are recognised where the charity has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors and provisions are normally recognised at their settlement amount after allowing for any discounts due.

j) *Financial Instruments*

The charity only has financial assets and financial 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.

k) *Pensions*

The charity operates a defined contribution scheme. The assets of the scheme are held separately from those of the company in an independently administered fund. Contributions are expensed as they become payable.

l) *Taxation*

The charity meets the definition of a charitable company for UK corporation tax purposes and is therefore considered exempt.

m) *Trustee Remuneration and Related Party Transactions*

The trustees all give freely their time and expertise without any form of remuneration or other benefit in cash or kind (2019 – nil). No expenses were paid to trustees in the current or previous year in respect of travel expenses.

SIMPLY PLAY

STATEMENT OF FINANCIAL ACTIVITIES (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2020

2. Legal Status of the Charity

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

3. Going Concern

At the date of approval of the accounts, the Trustees are aware of the potential impact on the Charity of the COVID-19. Whilst the charity remains open, government advice to 'work from home' has resulted in a significant reduction in demand for childcare. The charity is currently considering consolidating services with its parent company, Family and Community Development West Lothian as a means of reducing costs and are assessing funding requirements for the next 12 months. The Trustees believe there is a reasonable expectation that the Charity will have sufficient cash reserves to continue in operational existence for a period of not less than 12 months and as such, they continue to adopt the going concern basis of accounting in preparing the financial statements.

However, because not all future events or conditions can be predicted, this statement is not a guarantee as to the charity's ability to continue as a going concern. The current situation with COVID-19 is still ongoing and it is difficult to evaluate the potential longer-term implications on the demand for the charity's services and the wider economy.

4. Net incoming resources for period

This is stated after charging:

	2020 £	2019 £
Depreciation - owned assets	3,884	3,411
Auditor's remuneration	5,136	5,054
	<hr/>	<hr/>

5. Grants Received – Current Financial Year

	Unrestricted Funds £	Restricted Funds £	Total 2020 £
IS Thrive Outdoors Funding	-	6,099	6,099
	<hr/>	<hr/>	<hr/>
	-	6,099	6,099
	<hr/>	<hr/>	<hr/>

Grants Received – Prior Financial Year

	As Restated Unrestricted Funds £	As Restated Restricted Funds £	Total 2019 £
IS Thrive Outdoors Funding	-	10,672	10,672
	<hr/>	<hr/>	<hr/>
	-	10,672	10,672
	<hr/>	<hr/>	<hr/>

SIMPLY PLAY

STATEMENT OF FINANCIAL ACTIVITIES (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2020

6. Income from Charitable Activities – Current Financial Year

	Unrestricted Funds £	Restricted Funds £	Total 2020 £
Out of School Care fees	816,107	-	816,107
	<u>816,107</u>	<u>-</u>	<u>816,107</u>

Income from Charitable Activities – Prior Financial Year

	Unrestricted Funds £	Restricted Funds £	Total 2019 £
Out of School Care fees	854,244	-	854,244
	<u>854,244</u>	<u>-</u>	<u>854,244</u>

7. Income from Other Trading Activities – Current Financial Year

	Unrestricted Funds £	Restricted Funds £	Total 2020 £
Events and trips	4,503	-	4,503
Other Income	9,019	-	9,019
Fundraising events	6,502	-	6,502
	<u>20,024</u>	<u>-</u>	<u>20,024</u>

Income from Other Trading Activities – Prior Financial Year

	Unrestricted Funds £	Restricted Funds £	Total 2019 £
Events and trips	5,656	-	5,656
Other Income	7,867	-	7,867
Fundraising events	3,562	-	3,562
	<u>17,085</u>	<u>-</u>	<u>17,085</u>

SIMPLY PLAY

STATEMENT OF FINANCIAL ACTIVITIES (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2020

8. Charitable Expenditure

	Childcare Provision £	Total 2020 £	Total 2019 £
Staff costs (Note 10)	658,491	658,491	659,603
Snacks	21,728	21,728	23,579
Club activities	28,017	28,017	42,239
Operating costs	31,128	31,128	25,924
Support costs (Note 9)	114,390	114,390	195,940
Governance costs (Note 9)	5,136	5,136	5,054
	<u>858,890</u>	<u>858,890</u>	<u>952,339</u>

9. Analysis of Governance and Support Costs

The charity initially identifies the costs of its support functions. It then identifies those costs which relate to the governance function. Having identified its governance costs, the remaining support costs together with the governance costs are apportioned between its key charitable activities undertaken (see Note 9) in the year. Refer to the table below for the basis for apportionment and the analysis of support and governance costs

Current financial year

	Support Costs £	Governance Costs £	Total 2020 £
Staff costs (Note 10)	65,112	-	65,112
Premises costs	34,564	-	34,564
General expenses	10,830	-	10,830
Depreciation	3,884	-	3,884
Audit fees	-	5,136	5,136
	<u>114,390</u>	<u>5,136</u>	<u>119,526</u>

Prior financial year

	Support Costs £	Governance Costs £	Total 2019 £
Staff costs (Note 10)	82,415	-	82,415
Premises costs	39,495	-	39,495
General expenses	70,619	-	70,619
Depreciation	3,411	-	3,411
Audit fees	-	5,054	5,054
	<u>195,940</u>	<u>5,054</u>	<u>200,994</u>

All costs are allocated to activities on a direct basis, with the exception of staff costs which are allocated on the basis of time spent.

SIMPLY PLAY

STATEMENT OF FINANCIAL ACTIVITIES (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2020

10. Analysis of Staff Costs, and Trustee and Key Management Remuneration and Expenses

	2020	2019
Average number of employees during the year:		
Core service	27	27
Management and administration	5	5
	32	32
	£	£
Aggregate remuneration and associated costs of the charity:		
Wages & salaries	689,321	711,971
Social security costs	27,503	26,064
Pension costs	6,779	3,983
	723,603	742,018

No employee received emoluments in excess of £60,000 during the year (2019 : nil).

The total amount of employee benefits received by key management personnel of the charity is £112,361 (2019 : £106,292). The charity considers its key management personnel comprise the Senior Management Team.

11. Tangible Fixed Assets

	Office Equip- ment £	Furniture & Fixtures £	Software £	Play Equip- ment £	Motor Vehicles £	Lease- hold Improv- ements	Total £
<i>Cost</i>							
At 1 April 2019	4,640	232	9,040	1,620	12,563	-	28,095
Additions	-	-	-	-	-	2,900	2,900
At 31 March 2020	4,640	232	9,040	1,620	12,563	2,900	30,995
<i>Depreciation</i>							
At 1 April 2019	4,640	232	9,040	270	4,711	-	18,893
Charge for the Year	-	-	-	405	3,141	338	3,884
At 31 March 2020	4,640	232	9,040	675	7,852	338	22,777
<i>Net Book Value</i>							
At 31 March 2020	-	-	-	945	4,711	2,562	8,218
At 31 March 2019	-	-	-	1,350	7,852	-	9,202

SIMPLY PLAY

**STATEMENT OF FINANCIAL ACTIVITIES (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2020**

12. Debtors

	2020 £	2019 £
Trade debtors & accrued income	12,355	21,936
Other debtors and prepayments	5,461	3,157
	<u>17,816</u>	<u>25,093</u>

13. Creditors Falling Due Within One Year

	2020 £	2019 £
Trade creditors	86,296	82,481
Due to parent charity	12,495	18,909
Taxation and social security	-	20,738
Other creditors & accruals	8,574	7,951
Advanced funding	66,969	114
	<u>174,334</u>	<u>130,193</u>

14. Movements in Funds

Current financial year

	Balance at 01/04/2019 £	Movement in Resources		Transfers £	Balance at 31/03/2020 £
		Incoming £	Outgoing £		
Restricted Funds					
IS Thrive Outdoors	-	6,099	6,099	-	-
Unrestricted Funds					
General Fund	125,984	837,254	852,791	-	110,447
Total Funds	<u>125,984</u>	<u>843,353</u>	<u>858,890</u>	-	<u>110,447</u>

SIMPLY PLAY

**STATEMENT OF FINANCIAL ACTIVITIES (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2020**

Prior financial year

	Balance at 01/04/2018 £	As Restated Movement in Resources		Transfers £	Balance at 31/03/2019 £
		Incoming £	Outgoing £		
Restricted Funds					
IS Thrive Outdoors	-	10,672	10,672	-	-
Unrestricted Funds					
General Fund	194,180	873,471	941,667	-	125,984
Total Funds	194,180	884,143	952,339	-	125,984

15. Purpose of Restricted Funds

IS Thrive Outdoors	Funding to deliver outdoor early learning and childcare in deprived communities.
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16. Analysis of Net Assets Between Funds

Current financial year

	Unrestricted Funds £	Restricted Funds £	Total 2020 £
Tangible fixed assets	8,218	-	8,218
Current assets	17,816	-	17,816
Bank	192,569	66,178	258,747
Current liabilities	(108,156)	(66,178)	(174,334)
	110,447	-	110,447

Prior financial year

	As Restated Unrestricted Funds £	As Restated Restricted Funds £	Total 2019 £
Tangible fixed assets	9,202	-	9,202
Current assets	25,093	-	25,093
Bank	221,882	-	221,882
Current liabilities	(130,193)	-	(130,193)
	125,984	-	125,984

SIMPLY PLAY

STATEMENT OF FINANCIAL ACTIVITIES (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2020

17. Ultimate controlling party

The only member of Simply Play is Family and Community Development West Lothian and the Directors consider them to be the ultimate controlling party.

18. Related Party Transactions

There is a contract between the company and its parent company, Family and Community Development West Lothian, for the sharing of facilities. The amount paid in this respect was £nil (2019 : £63,582) and is included within General Expenses. A balance of £12,495 (2019 : £18,909) remains outstanding at the year end.

18. Cash Generated by Operations

	2020 £	2019 £
Net movement in funds	(15,537)	(68,196)
Adjustments for:		
Depreciation charges	3,884	3,411
Interest income shown in investing activities	(1,123)	(2,116)
(Increase)/Decrease in debtors	7,277	(2,578)
Increase/(Decrease) in creditors	44,141	17,523
	<u>38,642</u>	<u>(51,956)</u>

19. Operating Leases

As at the year-end date the company had outstanding commitments for future minimum lease payments under non-cancellable operating leases, which fall due as follows:

	2020 £	2019 £
Due within one year	5,000	5,000
Due within two to five years	10,000	15,000
	<u>15,000</u>	<u>20,000</u>

19. Fund Allocation – Prior Period Adjustment

The financial statements have been restated to amend a misclassification of the IS Thrive Outdoors funding which was previously disclosed within unrestricted funds rather than restricted funds. This has no impact on the deficit reported or the closing position on the restricted and unrestricted funds.

