

Report of the Trustees and
Financial Statements
for the Year Ended 31 December 2020
for
Middle Rasen Nursery

Middle Rasen Nursery

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for the Year Ended 31 December 2020**

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Middle Rasen Nursery

Report of the Trustees **for the Year Ended 31 December 2020**

The trustees present their report with the financial statements of the charity for the year ended 31 December 2020. 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 2019).

OBJECTIVES AND ACTIVITIES

Objectives and aims

The Principal aim of the charity is to advance the education of children, primarily but not exclusively below compulsory school age by;

- Providing safe and satisfying group play and planned educational activities
- Encouraging other charitable activities through which parents may help the children

Public benefit

The trustees have regard to the Charity Commission's general guidance on public benefit and always ensure that activities which we undertake are in line with our charitable objects and aims.

Volunteers

The charity actively encourages the use of volunteers to support them with delivering the charitable aims. Volunteers presently come from within the pool of members who are parents of those children enrolled with the nursery.

ACHIEVEMENT AND PERFORMANCE

Charitable activities

The past year has been one where the charity was impacted significantly by Covid-19. The government announced the first lockdown on 23 March 2020, and the nursery provisions had to be put on hold from this date. Whilst the nursery was able to open to the children of key workers this was on very limited numbers and as such several staff members were asked to work from home. The government introduced a Coronavirus Job Retention Scheme, however the senior members of the previous committee decided not to tap into this resource owing to the fact the charity is already partially government funded.

The nursery reopened on 1 June 2020 at first just for pre school children and then breakfast club and after school club opened shortly after in line with Middle Rasen Primary schools partial reopening.

Following another successful year of holiday club the Nursery opened its doors to increased numbers in September 2020. The influx of children increased considerably over the remainder of the year with the charity adding a further 2 staff members to the team.

The Charity is grateful for the continued support of the John Wilkinson Trust for their contributions to various activities throughout the year. Also to Market Rasen Tesco for their support with breakfast club and snacks throughout the year.

Fundraising activities

Unfortunately due to the impact of Covid-19 Fundraising opportunities have not been possible during the past year, however the Committee are looking to rectify this and along with the team of employees are looking to finance some additional capital assets in the coming years.

Middle Rasen Nursery

Report of the Trustees **for the Year Ended 31 December 2020**

FINANCIAL REVIEW

Financial position

Middle Rasen Nursery remains in a healthy financial position despite another loss making year. The charity has a strong list of children that are engaged with the nursery and a waiting list as well.

Covid-19 had an impact upon the charity with regards to its operating capacity with numbers begin greatly reduced at times throughout the year. Fortunately the charity was able to acquire a small business grant amounting to £10,000, however did not make use of the Coronavirus job retention scheme.

A new board was appointed in October 2020 and with a significant debtor position being inherited a decision was taken to write off these balances. The total cost to the charity was £13,199, the new board have now implemented stringent checks across debtors to ensure this situation does not manifest once more.

Reserves policy

The Committee have established a policy whereby the free reserves, that being the unrestricted funds not committed or invested in tangible fixed assets, held by the charity, should be equivalent to approximately 3 months resources expended, which equates to £35,000 in general funds. At this level, the Management Committee feel that they would be able to continue running the organisation in the event of a loss of all funding sources. At 31 December 2020 the free reserves were £46,865 and as such above the expected level, however the committee continue to monitor funds available.

Going concern

The trustees consider the charity to be a going concern despite recording a further loss this year. The charity navigated the Covid-19 obstacles in the current year and subsequent to the year end have continued to go from strength to strength. There is now a waiting list for people wanting to use the nursery and the charity is anticipating a surplus in the coming year.

FUTURE PLANS

A new board was appointed in October 2020, one of the key focusses of the board was and continues to be, to improve the communication between the staff of the Nursery and install a collective effort. As part of this process the board are working on ideas to improve staff welfare including the provision of a new staff room.

The future plans in the main though centre around the core aims which is to enhance the education of children. The nursery continues to look for the very best team to lead this provision, and has appointed a number of people since the year end who have enhanced an already great team.

The charity continues to explore the possibility of expanding its provision in order to eliminate the waiting list it currently has.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Governing document

The charity is controlled by its constitution and represents an unincorporated charity.

Recruitment and appointment of new trustees

New trustees are recruited from the membership pool, that being parents of the children the nursery cares for. In addition to this the board are always keen to speak with external parties who are interested in bringing their expertise to enhance the board.

Middle Rasen Nursery

Report of the Trustees
for the Year Ended 31 December 2020

REFERENCE AND ADMINISTRATIVE DETAILS

Registered Charity number

1003253

Principal address

North Street
Middle Rasen
MARKET RASEN
Lincolnshire
LN8 3TS

Trustees

Mrs R Moreton
Mrs C Shaw (appointed 29.9.20) (resigned 14.10.20)
Mrs V Coulby (appointed 29.9.20)
Mrs K James (appointed 29.9.20)
Mrs K E Priestley
Mrs G Berry (appointed 29.9.20)
Mr S Bunney (appointed 27.1.20) (resigned 18.10.21)
Mrs A Mason (resigned 29.9.20)
Mr J McNeill (resigned 29.9.20)
Mrs C Snell (appointed 27.9.21)

Independent Examiner

Nicholsons
Chartered Accountants
Newland House
The Point
Weaver Road
LINCOLN
Lincolnshire
LN6 3QN

Approved by order of the board of trustees on 29 October 2021 and signed on its behalf by:

Mrs K James - Trustee

**Independent Examiner's Report to the Trustees of
Middle Rasen Nursery**

Independent examiner's report to the trustees of Middle Rasen Nursery

I report to the charity trustees on my examination of the accounts of Middle Rasen Nursery (the Trust) for the year ended 31 December 2020.

Responsibilities and basis of report

As the charity trustees of the Trust you are responsible for the preparation of the accounts in accordance with the requirements of the Charities Act 2011 ('the Act').

I report in respect of my examination of the Trust's accounts carried out under section 145 of the Act and in carrying out my examination I have followed all applicable Directions given by the Charity Commission under section 145(5)(b) of the Act.

Independent examiner's statement

I have completed my examination. I confirm that no material 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 Trust as required by section 130 of the Act; or
2. the accounts do not accord with those records; or
3. the accounts do not comply with the applicable requirements concerning the form and content of accounts set out in the Charities (Accounts and Reports) Regulations 2008 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.

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.

Emma Murray FCA
Nicholsons
Chartered Accountants
Newland House
The Point
Weaver Road
LINCOLN
Lincolnshire
LN6 3QN

29 October 2021

Middle Rasen Nursery

Statement of Financial Activities
for the Year Ended 31 December 2020

	Notes	31/12/20 Unrestricted fund £	31/12/19 Total funds £
INCOME AND ENDOWMENTS FROM			
Donations and legacies		3,580	257
Charitable activities	4		
Nursery Provision		134,694	143,002
Other trading activities	2	18	641
Investment income	3	33	87
Total		<u>138,325</u>	<u>143,987</u>
EXPENDITURE ON			
Charitable activities			
Nursery Provision		148,361	157,059
NET INCOME/(EXPENDITURE)		<u>(10,036)</u>	<u>(13,072)</u>
RECONCILIATION OF FUNDS			
Total funds brought forward		64,125	77,197
TOTAL FUNDS CARRIED FORWARD		<u><u>54,089</u></u>	<u><u>64,125</u></u>

The notes form part of these financial statements

Middle Rasen Nursery

Statement of Financial Position
31 December 2020

		31/12/20 Unrestricted fund £	31/12/19 Total funds £
FIXED ASSETS	Notes		
Tangible assets	7	7,224	7,935
CURRENT ASSETS			
Debtors	8	4,112	14,304
Cash at bank and in hand		60,842	51,634
		<u>64,954</u>	<u>65,938</u>
CREDITORS			
Amounts falling due within one year	9	(18,089)	(9,748)
		<u>46,865</u>	<u>56,190</u>
NET CURRENT ASSETS			
		<u>54,089</u>	64,125
TOTAL ASSETS LESS CURRENT LIABILITIES			
		<u>54,089</u>	<u>64,125</u>
NET ASSETS		<u>54,089</u>	<u>64,125</u>
FUNDS	10		
Unrestricted funds		54,089	64,125
TOTAL FUNDS		<u>54,089</u>	<u>64,125</u>

The financial statements were approved by the Board of Trustees and authorised for issue on 29 October 2021 and were signed on its behalf by:

Mrs K James - Trustee

Middle Rasen Nursery

Notes to the Financial Statements **for the Year Ended 31 December 2020**

1. ACCOUNTING POLICIES

Basis of preparing the financial statements

The financial statements of the charity, 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 2019)', Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and the Charities Act 2011. The financial statements have been prepared under the historical cost convention.

Income

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

Donated services and facilities:

Donated services and donated facilities are recognised as income when the charity has control over the item, any conditions associated with the donated item have been met, the receipt of economic benefit from the use by the charity of the item is probable and that economic benefit can be measured reliably.

On receipt, donated services and donated facilities are recognised on the basis of the value of the gift to the charity which is the amount the charity would have been willing to pay to obtain services or facilities of equivalent economic benefit on the open market; a corresponding amount is then recognised in expenditure in the period of receipt.

Grants:

Income from grants, is 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.

Expenditure

Liabilities are recognised as expenditure as soon as there is a legal or constructive obligation committing the charity to that expenditure, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. Expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all cost related to the category. Where costs cannot be directly attributed to particular headings they have been allocated to activities on a basis consistent with the use of resources.

Tangible fixed assets

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life.

Freehold property	- 20% on reducing balance
Plant and machinery	- 20% on reducing balance
Fixtures and fittings	- 20% on reducing balance
Computer equipment	- 20% on reducing balance

Taxation

The charity is exempt from tax and VAT on its charitable activities.

Middle Rasen Nursery

Notes to the Financial Statements - continued for the Year Ended 31 December 2020

1. ACCOUNTING POLICIES - continued

Fund accounting

Unrestricted funds can be used in accordance with the charitable objectives at the discretion of the trustees.

Restricted funds can only be used for particular restricted purposes within the objects of the charity. Restrictions arise when specified by the donor or when funds are raised for particular restricted purposes.

Pension costs and other post-retirement benefits

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

Going concern

The charity's main source of income is from the provision of childcare services, both funded and non funded. The trustees confirm that they are not aware of any circumstances which indicate there will be any cessation of the provision of these services. Furthermore the charity continues to strive to generate additional funding where possible, and as such the financial statements are prepared on a going concern basis.

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.

2. OTHER TRADING ACTIVITIES

	31/12/20	31/12/19
	£	£
Fundraising events	18	641
	<u> </u>	<u> </u>

3. INVESTMENT INCOME

	31/12/20	31/12/19
	£	£
Deposit account interest	33	87
	<u> </u>	<u> </u>

Middle Rasen Nursery

Notes to the Financial Statements - continued for the Year Ended 31 December 2020

4. INCOME FROM CHARITABLE ACTIVITIES

		31/12/20	31/12/19
	Activity	£	£
Childcare services	Nursery Provision	124,694	143,002
Council grant	Nursery Provision	10,000	-
		<u>134,694</u>	<u>143,002</u>

5. TRUSTEES' REMUNERATION AND BENEFITS

There were no trustees' remuneration or other benefits for the year ended 31 December 2020 nor for the year ended 31 December 2019.

Trustees' expenses

There were no trustees' expenses paid for the year ended 31 December 2020 nor for the year ended 31 December 2019.

6. STAFF COSTS

	31/12/20	31/12/19
	£	£
Wages and salaries	111,972	119,228
Social security costs	1,746	3,128
Other pension costs	1,483	1,620
	<u>115,201</u>	<u>123,976</u>

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

	31/12/20	31/12/19
Nursery practitioners	7	7
Administration	1	-
	<u>8</u>	<u>7</u>

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

Middle Rasen Nursery

**Notes to the Financial Statements - continued
for the Year Ended 31 December 2020**

7. TANGIBLE FIXED ASSETS

	Freehold property £	Plant and machinery £	Fixtures and fittings £	Computer equipment £	Totals £
COST					
At 1 January 2020	7,850	9,992	12,645	5,289	35,776
Additions	-	125	249	667	1,041
Reclassification	(7,850)	7,850	-	-	-
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
At 31 December 2020	-	17,967	12,894	5,956	36,817
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
DEPRECIATION					
At 1 January 2020	6,533	7,896	9,605	3,807	27,841
Charge for year	-	687	649	416	1,752
Reclassification/transfer	(6,533)	6,533	-	-	-
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
At 31 December 2020	-	15,116	10,254	4,223	29,593
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
NET BOOK VALUE					
At 31 December 2020	-	2,851	2,640	1,733	7,224
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
At 31 December 2019	1,317	2,096	3,040	1,482	7,935
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>

8. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	31/12/20 £	31/12/19 £
Trade debtors	4,112	14,304
	<u> </u>	<u> </u>

9. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	31/12/20 £	31/12/19 £
Trade creditors	2,150	2,032
Social security and other taxes	1,697	1,820
Other creditors	357	5,416
Accruals and deferred income	13,885	480
	<u> </u>	<u> </u>
	18,089	9,748
	<u> </u>	<u> </u>

Middle Rasen Nursery

Notes to the Financial Statements - continued
for the Year Ended 31 December 2020

10. MOVEMENT IN FUNDS

	At 1.1.20 £	Net movement in funds £	At 31.12.20 £
Unrestricted funds			
General fund	64,125	(10,036)	54,089
	<hr/>	<hr/>	<hr/>
TOTAL FUNDS	<u>64,125</u>	<u>(10,036)</u>	<u>54,089</u>

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

	Incoming resources £	Resources expended £	Movement in funds £
Unrestricted funds			
General fund	138,325	(148,361)	(10,036)
	<hr/>	<hr/>	<hr/>
TOTAL FUNDS	<u>138,325</u>	<u>(148,361)</u>	<u>(10,036)</u>

Comparatives for movement in funds

	At 1.1.19 £	Net movement in funds £	At 31.12.19 £
Unrestricted funds			
General fund	77,197	(13,072)	64,125
	<hr/>	<hr/>	<hr/>
TOTAL FUNDS	<u>77,197</u>	<u>(13,072)</u>	<u>64,125</u>

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

	Incoming resources £	Resources expended £	Movement in funds £
Unrestricted funds			
General fund	143,987	(157,059)	(13,072)
	<hr/>	<hr/>	<hr/>
TOTAL FUNDS	<u>143,987</u>	<u>(157,059)</u>	<u>(13,072)</u>

Middle Rasen Nursery

Notes to the Financial Statements - continued for the Year Ended 31 December 2020

10. MOVEMENT IN FUNDS - continued

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

	At 1.1.19 £	Net movement in funds £	At 31.12.20 £
Unrestricted funds			
General fund	77,197	(23,108)	54,089
	<hr/>	<hr/>	<hr/>
TOTAL FUNDS	<u>77,197</u>	<u>(23,108)</u>	<u>54,089</u>

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

	Incoming resources £	Resources expended £	Movement in funds £
Unrestricted funds			
General fund	282,312	(305,420)	(23,108)
	<hr/>	<hr/>	<hr/>
TOTAL FUNDS	<u>282,312</u>	<u>(305,420)</u>	<u>(23,108)</u>

11. RELATED PARTY DISCLOSURES

Various members of the board utilised the nursery provisions throughout the year, this was done so on normal commercial terms and at the same rates as other members.

During the year there were 2 trustees who were paid for roles within the charity other than their trusteeship, these amounted to £3,935 (2019 : £7,079).