

Charity registration number 1015045 (England and Wales)

Company registration number 02581092

HAWKS ROAD COMMUNITY NURSERY LTD
ANNUAL REPORT AND UNAUDITED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2025

HAWKS ROAD COMMUNITY NURSERY LTD

LEGAL AND ADMINISTRATIVE INFORMATION

Trustees	F Milburn A Miller
Charity number (England and Wales)	1015045
Company number	02581092
Registered office	Hawks Road Community Nursery The Boulevard Holmes Drive Gateshead Tyne & Wear NE10 0DJ
Independent examiner	RMT Accountants & Business Advisors Ltd Finchale House Belmont Business Park Durham DH1 1TW

HAWKS ROAD COMMUNITY NURSERY LTD

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2025

Financial review

Principal funding sources

The key funders of the operations undertaken by the charity are central and local government under their childcare initiatives. The contributions from these bodies are augmented by parental contributions, have historically averaged around a 2:1 split. As a result of an ever-changing demographic in the locality that split in 2024/25 moved towards 3:1.

Financial Position

As above, this report covers a 12-month financial period to 31 August 2025. The immediately preceding period represented a 17-month financial period to 31 August 2024. In 2024/25 direct comparisons with previous periods are therefore difficult. But broadly;

Total incoming resources in the 12-month period to 31 August 2025 amounted to £765,655, of which £22,739 represented bank interest (£27,704 in the previous 17-month period) and £20,830 represented restricted funding relating to Additional Needs children. That represents a pro-rata increase versus the previous 17-month period of around 27%.

Parent contributions paid directly represented 25% charitable activity income (2023/24; 39%) versus 75% local Government contributions (2023/24; 61%).

Whilst that overall increase in incoming resources is pleasing, it has been more than offset by an increase in the cost/overhead base.

Expenditure on raising funds/charitable activities in the 12-month period totalled £803,141 (17 month period to 31 August 2024; £910,256). That represents a proportionate increase versus the previous period of around 25%. That was mainly driven by an increase in the wages (and associated employers' national insurance and workplace pension costs) of child carers not least as a result of minimum wage/living wage increases. Gross wages of childcare providers increased by 30.8% in addition to relief/temporary staff costs of £12,284 (2023/24; £nil). In addition, and in line with economic/cost of living increases generally, there were significant uplifts in the costs of insurance, utilities, water etc. It should be remembered that of the total overhead amount in the 12-month period, £38,807 represented depreciation in respect of the equipment, furnishings and premises, which is a non cash cost (£52,158 in the previous 17 month period).

Furthermore, non-overhead support costs – representing the wages and associated employers NI and workplace pension contributions of office staff – also increased in the period (total £52,622 versus £63,697 in the previous 17-month period) by 17% pro rata.

After deducting the costs of the Independent Examination of the accounts, the charity returned an overall loss in the 12-month period of £37,486 (versus a loss in the previous 17 month period to 31 August 2024 of £60,788). However, given that of that loss £38,807 related to non-cash depreciation, the commercial reality of the position/cash flow was closer to break even in cash terms.

As a result of the loss, total funds of the charity reduced from £1,438,292 at 31 August 2024 to 1,400,806. Much of that reduction however relates to the fall in book value of the property held on long leasehold. Current assets – that is, the value of cash and other liquid assets held at 31 August 2025 – less current liabilities – that is, the value of deferred income and other debts at that date – amounted to £487,535, only slightly lower than one year earlier (£491,218).

Within overall total funds of £1,400,806, £874,818 represented Unrestricted Funds and the remainder related to the Endowment Fund (£517,254) and Restricted income fund (£8,734).

The financial position of the charity at the balance sheet date is therefore healthy.

HAWKS ROAD COMMUNITY NURSERY LTD

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2025

Achievements and performance

The trustees have complied with their duty in' Section 4 of the 2006 Charities Act and have due regard to guidance published by the Charity Commission.

In summary:

We offer free nursery education for 9 months - 5 year olds who now receive 30 hours of free childcare per week, as required by current government policy.

We additionally offer up to 15 hours per week free nursery education for 2 – 5 year olds with non-working parents.

We offer these hours flexibly in order to support those parents wishing to return to work or higher education.

We use the funding streams available to us to improve the personal and professional development of all of our staff and continue to implement a rigorous and tailored programme of staff training.

Under the guidance of OFSTED and the Self Evaluation procedure our staff continue to reflect on the service we offer to ensure best practice. Our Special Educational Needs Co-ordinators continue to work closely with the Early Years Inclusion and Child Development Teams to improve outcomes for the children in our care who require additional support.

The most recent Ofsted inspection (March 2025) resulted in an assessment of "Good".

This report covers the 12-month financial period to 31 August 2025 (and, for comparison, the 17-month financial period 1 April 2023 – 31 August 2024).

During that period, we continued our policy of upgrading and refurbishing the nursery on a phased basis with expenditure on equipment for the children being prioritised. We undertook a significant refurbishment/resurfacing of the outside play area in the period as well as numerous other repairs, upkeep and replacement of the hot water system. This has undoubtedly been a factor in our ability to attract new children despite competition from local nurseries.

Future levels of activity will depend on the usual factors: trends in birth rates locally; competition for pre-school children; and the numbers of student parents attending the local college.

We will continue to seek to employ well-qualified, caring staff and will intensify staff training as an essential part of our plans for the future. The investment in well-motivated staff can only have a positive impact on the level of care and education that the nurseries provide and the manner in which it is delivered.

HAWKS ROAD COMMUNITY NURSERY LTD

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT)

FOR THE YEAR ENDED 31 AUGUST 2025

The trustees present their annual report and financial statements for the year ended 31 August 2025.

The financial statements have been prepared in accordance with the accounting policies set out in note 1 to the financial statements and comply with the charity's governing document, the Companies Act 2006, FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" and the Charities SORP "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

Hawks Road Community Nursery Limited operates a community nursery in East Gateshead known as "TIK-TOK". The company was established in May 1991 gaining charitable status in 1992. A second Nursery at Hertfordshire House, Pelaw was opened in June 2015 and closed in December 2021 following a strategic review of operations.

The objects of the charity – as set out in the Memorandum and Articles of Association of 8 February 1991 and as updated from time to time such as on 11 December 2024 - are to provide facilities for the day care, recreation and education of children under the age of 5 whose parents or guardians work in the metropolitan area of Gateshead or elsewhere in the counties of Durham, Tyne and Wear and Northumberland.

The Charity continues to fulfil its objectives given that TIK-TOK provides high quality affordable childcare to the local community, supporting those parents who wish to either return to work or continue with their education. Its aim is to work in partnership with parents to promote a stimulating and exciting environment where children can progress at their own rate. The purpose-built buildings, funded with substantial support from public sector sources, provide us with the opportunity to realise these aspirations. The Company's Memorandum provides for operating as has been described above - it would need to be amended if the Company sought to introduce significant diversity.

Public benefit

The trustees have complied with the duty in section 17(5) of the 2011 Charities Act to have due regard to guidance published by the Charity Commission with regard to public benefit statements. Public benefit is inherent in the objects of the Charity. The Trustees have paid due regard to guidance issued by the Charity Commission in deciding what activities the company should undertake.

HAWKS ROAD COMMUNITY NURSERY LTD

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HAWKS ROAD COMMUNITY NURSERY LTD

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2025

Reserves policy

It continues to be the policy of the charitable company to maintain unrestricted funds, which are our free reserves, at a level sufficient to cover fluctuations in income based on projection relating to child numbers on a term by term basis. The amount of such reserves at 31 August 2025 was £874,818 as above. Of that, net current/liquid assets amounted to £487,535.

Investment policy and objectives

Funds that are not immediately required are invested in suitable deposits, attempting to maximise the return, with relatively low risk.

Significant future activities

At this time, we do not envisage any significant future activities other than continuous expenditure on the upkeep of the property.

Unfortunately we have to report the death of our long standing trustee and ex-chairman, Bob Richardson, who passed away in October 2025 (subsequent to the year end of the accounts). We would place on record our sincere thanks and gratitude for all his work and input into the nursery over many years and he will be greatly missed by all staff and fellow trustees.

We will now seek replacement trustees in the current year.

Going concern

Given the level of net assets held at 31 August 2025, the trustees consider the charity to be a going concern.

Indemnity

A qualifying third-party indemnity is in force for the benefit of the Trustees.

Structure, governance and management

Hawks Road Community Nursery Limited is a company limited by guarantee, and a registered charity. It operates under the name of TIK - TOK and is governed by its Memorandum and Articles of Association. The Memorandum established the objectives and owners of the charitable company.

Charity No. 1015045. Company Registration No. 02581092

Trustees

Hawks Road Community Nursery Limited adheres to guidelines issued by the Charity Commission for the induction and training of Trustees.

Trustees are elected by the membership at the Annual General Meeting.

All new trustees are given an induction pack detailing the Charity's constitution, strategic plans, recent annual report and accounts and the Charity Commission leaflet - cc3 (a).

Details of the trustees (who are also the directors for the purpose of company law) who served during the year and up to the date of signature of the financial statements are set out below.

The trustees, who are also the directors for the purpose of company law, and who served during the year and up to the date of signature of the financial statements were:

F Milburn

A Miller

R Richardson

(Deceased 21 October 2025)

HAWKS ROAD COMMUNITY NURSERY LTD

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2025

Organisational structure

The day to day management of the nursery is delegated to a fully qualified Manager, Ms K Harker, who are supported by five deputy managers and nursery staff working both full and part time. All other decisions are made by agreement of the Trustees at management committee meetings. In-house financial systems are in place and are supervised by a qualified member of staff.

TIK-TOK is registered with Gateshead Social Services working closely to the local authority Guidelines. The nursery is inspected on a regular basis by OFSTED.

The registered office of the charity is :

The Boulevard

Holmes Drive

Gateshead

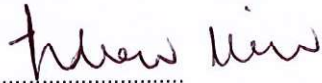
NE10 0DJ

Risk management

The Trustees are aware of their responsibilities under current Charity legalisation, and the need for a robust and creditable risks policy.

Internal risks are minimised by the implementation of procedures for authorisation of all transactions and projects. Systems have been established to ensure that risks are reviewed on a regular basis and findings reported to the Board.

The trustees' report was approved by the Board of Trustees.



.....
A Miller
Trustee

Date: 16/01/26

HAWKS ROAD COMMUNITY NURSERY LTD

INDEPENDENT EXAMINER'S REPORT

TO THE TRUSTEES OF HAWKS ROAD COMMUNITY NURSERY LTD

I report to the trustees on my examination of the financial statements of Hawks Road Community Nursery Ltd (the charity) for the year ended 31 August 2025.

Responsibilities and basis of report

As the trustees of the charity (and also its directors for the purposes of company law), you are responsible for the preparation of the financial statements in accordance with the requirements of the Companies Act 2006.

Having satisfied myself that the financial statements of the charity are not required to be audited under Part 16 of the Companies Act 2006 and are eligible for independent examination, I report in respect of my examination of the charity's financial statements carried out under section 145 of the Charities Act 2011. In carrying out my examination I have followed the Directions given by the Charity Commission under section 145(5)(b) of the Charities Act 2011.

Independent examiner's statement

Since the charity's gross income exceeded £250,000, the independent examiner must be a member of a body listed in section 145 of the Charities Act 2011. I confirm that I am qualified to undertake the examination because I am a member of the Institute of Chartered Accountants in England and Wales, which is one of the listed bodies.

I have completed my examination. I confirm that no matters have come to my attention in connection with the examination giving me cause to believe that in any material respect:

- 1 accounting records were not kept in respect of the charity as required by section 386 of the Companies Act 2006.
- 2 the financial statements do not accord with those records; or
- 3 the financial statements do not comply with the accounting requirements of section 396 of the Companies Act 2006 other than any requirement that the financial statements give a true and fair view, which is not a matter considered as part of an independent examination; or
- 4 the financial statements have not been prepared in accordance with the methods and principles of the Statement of Recommended Practice for accounting and reporting by charities applicable to charities preparing their financial statements in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102).

I have no concerns and have come across no other matters in connection with the examination to which attention should be drawn in this report in order to enable a proper understanding of the financial statements to be reached.

Ribchester

ROBERT RIBCHESTER, FCA (ICAEW), MA for and on behalf of:

RMT Accountants & Business Advisors Ltd
Finchale House
Belmont Business Park
Durham
DH1 1TW

Date: *26th January 2026.*

HAWKS ROAD COMMUNITY NURSERY LTD

STATEMENT OF FINANCIAL ACTIVITIES

FOR THE YEAR ENDED 31 AUGUST 2025

	Notes	Unrestricted funds 2025	Restricted funds 2025	Endowment funds 2025	Total 2025	Unrestricted funds Period 01/04/23 to 31/08/24	Endowment funds Period 01/04/23 to 31/08/24	Total Period 01/04/23 to 31/08/24
		£	£	£	£	£	£	£
Income from:								
Charitable activities	3	722,086	20,830	-	742,916	821,764	-	821,764
Investments	4	22,739	-	-	22,739	27,704	-	27,704
Total income		744,825	20,830	-	765,655	849,468	-	849,468
Expenditure on:								
Raising funds	5	-	-	32,760	32,760	-	46,420	46,420
Charitable activities	6	758,285	12,096	-	770,381	863,836	-	863,836
Total expenditure		758,285	12,096	32,760	803,141	863,836	46,420	910,256
Net income/(expenditure) and movement in funds		(13,460)	8,734	(32,760)	(37,486)	(14,368)	(46,420)	(60,788)
Reconciliation of funds:								
Fund balances at 1 September 2024		888,278	-	550,014	1,438,292	902,646	596,434	1,499,080
Fund balances at 31 August 2025		874,818	8,734	517,254	1,400,806	888,278	550,014	1,438,292

The statement of financial activities includes all gains and losses recognised in the year. All income and expenditure derive from continuing activities.

HAWKS ROAD COMMUNITY NURSERY LTD

BALANCE SHEET

AS AT 31 AUGUST 2025

	Notes	2025		2024	
		£	£	£	£
Fixed assets					
Tangible assets	12		913,271		947,074
Current assets					
Debtors	13	43,327		16,920	
Cash at bank and in hand		472,051		612,610	
		515,378		629,530	
Creditors: amounts falling due within one year	14	(27,843)		(138,312)	
Net current assets			487,535		491,218
Total assets less current liabilities			1,400,806		1,438,292
The funds of the charity					
Endowment funds	17		517,254		550,014
Restricted income funds	18		8,734		-
Unrestricted funds	19		874,818		888,278
			1,400,806		1,438,292

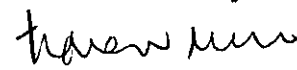
The company is entitled to the exemption from the audit requirement contained in section 477 of the Companies Act 2006, for the year ended 31 August 2025.

The directors acknowledge their responsibilities for complying with the requirements of the Companies Act 2006 with respect to accounting records and the preparation of financial statements.

The members have not required the company to obtain an audit of its financial statements for the year in question in accordance with section 476.

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

The financial statements were approved by the trustees on 16/01/26



A Miller
Trustee

Company registration number 02581092 (England and Wales)

HAWKS ROAD COMMUNITY NURSERY LTD

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 AUGUST 2025

	Notes	2025 £	£	2024 £	£
Cash flows from operating activities					
Cash (absorbed by)/generated from operations	22		(158,294)		55,231
Investing activities					
Purchase of tangible fixed assets		(5,004)		(1,742)	
Investment income received		22,739		27,704	
Net cash generated from investing activities			17,735		25,962
Net cash generated from financing activities			-		-
Net (decrease)/increase in cash and cash equivalents			(140,559)		81,193
Cash and cash equivalents at beginning of year			612,610		531,417
Cash and cash equivalents at end of year			472,051		612,610

HAWKS ROAD COMMUNITY NURSERY LTD

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2025

1 Accounting policies

Charity information

Hawks Road Community Nursery Ltd is a private company limited by guarantee incorporated in England and Wales. The registered office is Hawks Road Community Nursery, The Boulevard, Holmes Drive, Gateshead, Tyne & Wear, NE10 0DJ.

1.1 Basis of preparation

The financial statements have been prepared in accordance with the charity's governing document, the Companies Act 2006, FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" and the Charities SORP "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)". The charity is a Public Benefit Entity as defined by FRS 102.

The financial statements are prepared in sterling, which is the functional currency of the charity. Monetary amounts in these financial statements are rounded to the nearest £1.

The financial statements have been prepared under the historical cost convention. The principal accounting policies adopted are set out below.

1.2 Going concern

At the time of approving the financial statements, the trustees have a reasonable expectation that the charity has adequate resources to continue in operational existence for the foreseeable future. Thus the trustees continue to adopt the going concern basis of accounting in preparing the financial statements.

1.3 Charitable funds

Unrestricted funds are available for use at the discretion of the trustees in furtherance of their charitable objectives.

Restricted funds are subject to specific conditions by donors or grantors as to how they may be used. The purposes and uses of the restricted funds are set out in the notes to the financial statements.

Endowment funds are subject to specific conditions by donors that the capital must be maintained by the charity.

1.4 Income

Income is recognised when the charity is legally entitled to it after any performance conditions have been met, the amounts can be measured reliably, and it is probable that income will be received.

Grants of a revenue nature are credited to the period to which they relate. Any income received in advance is presented within deferred income at the balance sheet date.

Interest income is recognised on an accruals basis when economic benefits are probable and the amount can be measured reliably. Interest is allocated to the appropriate funds in accordance with any restrictions.

1.5 Expenditure

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, 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.

HAWKS ROAD COMMUNITY NURSERY LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2025

1 Accounting policies

(Continued)

1.6 Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Leasehold land and buildings	2% on cost and 5% on cost
Plant and equipment	10% on cost and 20% on cost

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is recognised in the statement of financial activities.

1.7 Impairment of fixed assets

At each reporting end date, the charity reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any).

1.8 Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

1.9 Financial instruments

The charity has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the charity's balance sheet when the charity becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Basic financial assets

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

HAWKS ROAD COMMUNITY NURSERY LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2025

1 Accounting policies

(Continued)

Basic financial liabilities

Basic financial liabilities, including creditors and bank loans are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of operations from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

Derecognition of financial liabilities

Financial liabilities are derecognised when the charity's contractual obligations expire or are discharged or cancelled.

Non-comparability of financial statements

The prior year covered an extended reporting period of 17 months following a change to the charity's year end. The current year reflects a 12-month period only. Consequently, the income, expenditure and fund movements presented in the SOFA for the current year are not directly comparable to those of the prior year.

1.10 Pension costs and other post-retirement benefits

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

2 Critical accounting estimates and judgements

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

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

3 Income from charitable activities

	Unrestricted funds 2025 £	Restricted funds 2025 £	Total 2025 £	Unrestricted funds 2024 £	Restricted funds 2024 £	Total 2024 £
Charitable activities						
Nursery fees	181,832	-	181,832	325,750	-	325,750
Grants received	540,254	20,830	561,084	496,014	-	496,014
	<u>722,086</u>	<u>20,830</u>	<u>742,916</u>	<u>821,764</u>	<u>-</u>	<u>821,764</u>

HAWKS ROAD COMMUNITY NURSERY LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2025

3 Income from charitable activities (Continued)

Grants received analysis

	Charitable activities 2025 £	Charitable activities 2024 £
Gateshead Council	560,584	496,014
Eden Training Solutions	500	-
	<u>561,084</u>	<u>496,014</u>

4 Income from investments

	Unrestricted funds 2025 £	Unrestricted funds 2024 £
Interest receivable	<u>22,739</u>	<u>27,704</u>

5 Expenditure on raising funds

	Endowment funds 2025 £	Endowment funds 2024 £
Fundraising and publicity		
Depreciation	<u>32,760</u>	<u>46,420</u>

HAWKS ROAD COMMUNITY NURSERY LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2025

6 Expenditure on charitable activities

	Charitable activities 2025 £	Charitable activities 2024 £
Direct costs		
Staff costs	553,808	599,654
Depreciation and impairment	6,047	5,738
Rates and water	7,814	10,128
Insurance	10,421	14,039
Light and heat	17,684	22,080
Telephone	1,067	1,383
Postage and stationery	2,970	3,315
Sundries	12,259	11,254
Food costs	13,063	15,451
Play materials & equipment	15,835	26,871
Repairs & maintenance	48,868	76,802
Professional fees	4,682	1,153
Travel	-	38
Bookkeeping costs	7,140	9,500
Bank charges	102	136
Subcontractors	12,284	-
	<u>714,044</u>	<u>797,542</u>
Share of support and governance costs (see note 7)		
Support	52,622	63,697
Governance	3,715	2,597
	<u>770,381</u>	<u>863,836</u>
Analysis by fund		
Unrestricted funds	758,285	863,836
Restricted funds	12,096	-
	<u>770,381</u>	<u>863,836</u>

7 Support costs allocated to activities

	2025 £	2024 £
Staff costs	52,622	63,697
Governance costs	3,715	2,597
	<u>56,337</u>	<u>66,294</u>
Analysed between:		
Charitable activities	<u>56,337</u>	<u>66,294</u>

HAWKS ROAD COMMUNITY NURSERY LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2025

8 Net movement in funds	2025	2024
	£	£
The net movement in funds is stated after charging/(crediting):		
Fees payable for the independent examination of the charity's financial statements	3,715	2,597
Depreciation of owned tangible fixed assets	38,807	52,158
	<u> </u>	<u> </u>

9 Trustees

None of the trustees (or any persons connected with them) received any remuneration or benefits from the charity during the year or during the prior period.

There were no trustees' expenses paid for the year ended 31 August 2025 nor for the period ended 31 August 2024.

10 Employees

The average monthly number of employees during the year was:

	2025	2024
	Number	Number
Core staff	2	2
Nursery staff	26	23
Total	<u>28</u>	<u>25</u>

Employment costs

	2025	2024
	£	£
Wages and salaries	554,946	621,301
Social security costs	38,121	27,802
Other pension costs	13,363	14,248
	<u>606,430</u>	<u>663,351</u>

There were no employees whose annual remuneration was more than £60,000.

11 Taxation

The charity is exempt from taxation on its activities because all its income is applied for charitable purposes.

HAWKS ROAD COMMUNITY NURSERY LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2025

12 Tangible fixed assets

	Leasehold land and buildings £	Plant and equipment £	Total £
Cost			
At 1 September 2024	1,682,315	58,409	1,740,724
Additions	-	5,004	5,004
At 31 August 2025	<u>1,682,315</u>	<u>63,413</u>	<u>1,745,728</u>
Depreciation and impairment			
At 1 September 2024	746,009	47,641	793,650
Depreciation charged in the year	34,976	3,831	38,807
At 31 August 2025	<u>780,985</u>	<u>51,472</u>	<u>832,457</u>
Carrying amount			
At 31 August 2025	<u>901,330</u>	<u>11,941</u>	<u>913,271</u>
At 31 August 2024	<u>936,306</u>	<u>10,768</u>	<u>947,074</u>

13 Debtors

	2025 £	2024 £
Amounts falling due within one year:		
Trade debtors	3,285	-
Other debtors	2,545	-
Prepayments and accrued income	37,497	16,920
	<u>43,327</u>	<u>16,920</u>

14 Creditors: amounts falling due within one year

	Notes	2025 £	2024 £
Other taxation and social security		10,305	5,504
Deferred income	15	3,014	117,894
Trade creditors		692	3,662
Other creditors		8,374	6,919
Accruals		5,458	4,333
		<u>27,843</u>	<u>138,312</u>

HAWKS ROAD COMMUNITY NURSERY LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2025

15 Deferred income	2025	2024
	£	£
Arising from Income received in advance	<u>3,014</u>	<u>117,894</u>
Deferred income is included in the financial statements as follows:		
	2025	2024
	£	£
Deferred income is included within:		
Current liabilities	<u>3,014</u>	<u>117,894</u>
Movements in the year:		
Deferred income at 1 September 2024	117,894	27,606
Released from previous periods	(117,894)	(27,606)
Resources deferred in the year	<u>3,014</u>	<u>117,894</u>
Deferred income at 31 August 2025	<u>3,014</u>	<u>117,894</u>

16 Retirement benefit schemes	2025	2024
	£	£
Defined contribution schemes		
Charge to profit or loss in respect of defined contribution schemes	<u>13,363</u>	<u>14,248</u>

The charity operates a defined contribution pension scheme for all qualifying employees. The assets of the scheme are held separately from those of the charity in an independently administered fund.

17 Endowment funds

Endowment funds represent assets which must be held permanently by the charity. Income arising on the endowment funds can be used in accordance with the objects of the charity and is included as unrestricted income. Any capital gains or losses arising on the assets form part of the fund.

	At 1 September 2024	Resources expended	At 31 August 2025
	£	£	£
Permanent endowments	<u>550,014</u>	<u>(32,760)</u>	<u>517,254</u>

HAWKS ROAD COMMUNITY NURSERY LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2025

17 Endowment funds (Continued)

Previous Period started 1 April 2023:

At 1 September 2023	Resources expended	At 31 August 2024
£	£	£

Permanent endowments

596,434	(46,420)	550,014
<u>596,434</u>	<u>(46,420)</u>	<u>550,014</u>

18 Restricted funds

The restricted funds of the charity comprise the unexpended balances of donations and grants held on trust subject to specific conditions by donors as to how they may be used.

At 1 September 2024	Incoming resources	Resources expended	At 31 August 2025
£	£	£	£

SEN and Inclusion Funds

-	20,830	(12,096)	8,734
<u>-</u>	<u>20,830</u>	<u>(12,096)</u>	<u>8,734</u>

Restricted funds comprises funds received from Gateshead Council to facilitate the support of children with additional needs within the Nursery.

19 Unrestricted funds

The unrestricted funds of the charity comprise the unexpended balances of donations and grants which are not subject to specific conditions by donors and grantors as to how they may be used. These include designated funds which have been set aside out of unrestricted funds by the trustees for specific purposes.

At 1 September 2024	Incoming resources	Resources expended	At 31 August 2025
£	£	£	£

General funds

888,278	744,825	(758,285)	874,818
<u>888,278</u>	<u>744,825</u>	<u>(758,285)</u>	<u>874,818</u>

Previous Period started 1 April 2023:

At 1 September 2023	Incoming resources	Resources expended	At 31 August 2024
£	£	£	£

General funds

902,646	849,468	(863,836)	888,278
<u>902,646</u>	<u>849,468</u>	<u>(863,836)</u>	<u>888,278</u>

HAWKS ROAD COMMUNITY NURSERY LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2025

20 Analysis of net assets between funds

	Unrestricted funds 2025 £	Restricted funds 2025 £	Endowment funds 2025 £	Total 2025 £
At 31 August 2025:				
Tangible assets	396,017	-	517,254	913,271
Current assets/(liabilities)	478,801	8,734	-	487,535
	<u>874,818</u>	<u>8,734</u>	<u>517,254</u>	<u>1,400,806</u>
	Unrestricted funds 2024 £	Restricted funds 2024 £	Endowment funds 2024 £	Total 2024 £
At 31 August 2024:				
Tangible assets	397,060	-	550,014	947,074
Current assets/(liabilities)	491,218	-	-	491,218
	<u>888,278</u>	<u>-</u>	<u>550,014</u>	<u>1,438,292</u>

21 Related party transactions

There were no disclosable related party transactions during the year (2024 - none).

22 Cash (absorbed by)/generated from operations

	2025 £	2024 £
Deficit for the year	(37,486)	(60,788)
Adjustments for:		
Investment income recognised in statement of financial activities	(22,739)	(27,704)
Depreciation and impairment of tangible fixed assets	38,807	52,158
Movements in working capital:		
(Increase) in debtors	(26,407)	(6,142)
Increase in creditors	4,411	7,419
(Decrease)/increase in deferred income	(114,880)	90,288
Cash (absorbed by)/generated from operations	<u>(158,294)</u>	<u>55,231</u>

23 Analysis of changes in net funds

The charity had no material debt during the year.