

REGISTERED COMPANY NUMBER: 02324172 (England and Wales)  
REGISTERED CHARITY NUMBER: 1020319

Report of the Trustees and  
Audited Financial Statements for the Year Ended 31 March 2025  
for  
Highbury Community Nursery  
(A Company Limited by Guarantee)

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for the Year Ended 31 March 2025

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The trustees are pleased to present their annual directors' report together with the financial statements of the charity for the year ending 31 March 2025 which are also prepared to meet the requirements for a directors' report and accounts for Companies Act purposes.

The financial statements comply with the Charities Act 2011, 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) (effective 1 January 2019).

## **STATUS AND GOVERNING DOCUMENT**

Highbury Community Nursery is a registered charity (number 1020319) and a company limited by guarantee without share capital (company number 02324172).

The Nursery is governed by its memorandum and articles of association dated 1 December 1988 amended by special resolution passed 22 December 1992.

## **OBJECTIVES AND ACTIVITIES**

### **Objectives and aims**

The objectives of Highbury Community Nursery are:

- 1) To advance the education of children aged under five years in the London Borough of Islington by the provision of safe and satisfying group play.
- 2) To provide facilities in the interests of social welfare for the recreation and leisure time occupation with the object of improving the conditions of life for the said children.

The trustees have referred to the Charity Commission's general guidance on public benefit when reviewing its aim and objectives and in planning of future activities.

### **Organisation**

Management of Highbury Community Nursery is the responsibility of the Trustees, who are the directors to General Meeting. The Management Committee meets at least six times a year.

## **STRATEGIC REPORT**

### **Achievements and performance**

#### **Children**

We have welcomed some new families and many siblings into the nursery this year and the children are settling in and enjoying all the nursery experiences. The children have participated in many fun learning opportunities and outings such as Gillespie ecology centre, Woburn Safari Park, soft play and local parks. The school leavers enjoyed their graduation and trip to the restaurant. The older children continue to participate in sports school, yoga, phonics, maths sessions and wellbeing sessions 'peaceful kids' in sunshine unit with great success. The children have enjoyed opportunities to engage in Italian sessions carried out through fun songs and games. The children have also enjoyed some hands on learning experiences with a visit from Safari Pete and his interesting animals.

The children have also had some rich experiences learning about other cultures and traditions through celebrating festivals from around the world such as, Holi, Norwegian day, Eid, Diwali, Rosh Hashanah, Hungarian celebrations, Chinese New Year, Carnival, Brazilian Carnival and Black History celebrations, which were enjoyed by all.

This year's Holiday Club was a tremendous success, offering a fun-filled schedule of trips, engaging activities, and exciting learning experiences. We saw high attendance throughout the programme and received overwhelmingly positive feedback from both children and parents. Thank you to everyone who joined us and made it such a fun time.

## **STRATEGIC REPORT**

### **Achievements and performance**

#### **Staff/training**

This year we have welcomed some new staff to our nursery team who are sharing their skills with the children. We have said goodbye to some staff who have moved on to pastures new and we wish them success in their new ventures. This year the staff have completed various training including, supporting children's emotional wellbeing, safeguarding, SEN, First Aid. One staff has completed a level 3.

Various internal staff workshops have taken place enhancing valuable skills and updating our new staff with the nursery ethos and policies.

#### **Achievements**

The children are enjoying exploring their environment, and learning through planning in the moment.

We passed our Islington categorization inspection receiving a green rating (on the traffic light system).

We have retained our Millie's Mark award, by training our new staff to the required level of paediatric first aid and updating all practitioner skills to the necessary levels and with the help of our families now have a defibrillator onsite to ensure we can act fast in the event of an emergency.

The family services; baby massage, sign learn sessions and workshops have been very popular again this year with full classes.

Thanks to the generosity and support of our families, our Wish List an idea thoughtfully suggested by a parent was a great success. It has allowed us to enhance learning opportunities for the children through the addition of fantastic new resources. We were also able to develop a welcoming new meeting room, providing a dedicated space for families and staff to hold meetings in a comfortable environment.

We joined the supervised tooth brushing programme. The aim is to establish good life-long oral health habits of toothbrushing with a fluoride toothpaste to prevent tooth decay. The children have enjoyed taking part in this and it has seamlessly become part of our Sunshine routine.

#### **Fundraising**

Our raffle events throughout the year have raised valuable funds which we used towards resources and trips.

Families have played a key role in helping us raise valuable funds through Enjoy Benefits. These contributions have enabled us to organise some amazing trips, provide staff training, and invest in new resources to enhance our learning environment.

Our first Christmas Grotto event last year was a great success, raising funds for the seasonal activities and outings enjoyed by everyone who attended.

#### **Parent/carer participation**

We would also like to thank our lovely parents for joining us and sharing their skills with the children throughout the year and taking on jobs which has greatly contributed to the smooth running of the nursery; Naomi, Will and Jordan for recycle runs, Nigel for helping carry heavy equipment, Alex for many odd jobs, Harry for fundraising support, Miriam for reading stories, Sam for playing music sessions, Emma and Henry for litter picking, and the many parents who supported our trips. The children always love when their family's come and join in, and it provides a great learning opportunity for our children. So please come along and share any skills or interests you have.

We would also like to thank the parents on the cover rota which enables of staff meeting each month.

We would like to thank Geir and the committee for their work throughout the year.

We would also like to thank Geir and the committee who have provided us with support throughout the year.

## **STRATEGIC REPORT**

### **Financial review**

#### **Financial position**

The principal financial objective for the year continues to be to provide a consistent and high standard of care for the children at our nursery at a reasonable cost, maintaining prudent reserves and managing resources to benefit our community.

In 2024/25 we generated a deficit of £212,284 (2023/24 £57,039) due to the increase in cost of living as well as our staffing costs being considerably higher compared the previous year. Unfortunately our admissions capacity was lower due to lack of staffing at certain times of the year therefore places could not be filled to its maximum.

Total expended resources £1,159,598 increased by 8.4% compared to the prior year at £1,069,875.

Staffing costs make up the majority of the nursery's expenses. The nursery continues to pay the London Living wage to all qualified staff, as well as running a pension plan. The nursery maintained the minimum required levels of staffing through the year. Overall staff costs increased this year by 14.4% by £105,485 (2023/24; £732,993).

Total incoming resources (excluding bank interest received) decreased by 6.3% compared to last year (2023/24 increased by 14%). Fee increases are determined by Islington Council each year. The mix of children attending the nursery also affects how the income varies.

The nursery continues to benefit from Islington Council's support through grants of £250,082 in the year (2023/24 we received £177,055)

The depreciation policy of capitalised building works is considered to be prudent and is held in a designated fund of £192,585 (2023/24; £211,757).

#### **Investment policy and objectives**

Investments are held in accordance with the Trustees' powers, which enable them to invest monies not required immediately for Highbury Community Nursery charitable objectives, as may be thought fit subject to any conditions required by law. The Trustees' investment policy is to select investments on a prudent and cautious basis, as these funds are required for the working capital for running the nursery.

The nursery benefits, as do individual and small companies, from the government's guarantee protection scheme of up to £85,000 per bank. The nursery currently holds a significant amount with one single bank and will review the benefits of diversifying its investment holdings to a number of banks in light of operational efficiency.

#### **Reserves policy**

In line with the Charities' Commission's recommendations for nurseries, the nursery maintained £383,822 of free reserves as at 31 March 2025. This amount exceeds three months' average operating expenses.

#### **Principal risks and uncertainties**

The board meet 11 times a year and regularly accesses risk. It maintains a Risk Register covering financial, health and safety, resourcing, and legal risks.

## **STRUCTURE, GOVERNANCE AND MANAGEMENT**

### **Governing document**

The charity is controlled by its governing document, a deed of trust, and constitutes a limited company, limited by guarantee, as defined by the Companies Act 2006.

### **Recruitment and appointment of new trustees**

Trustees are elected on an annual basis at the AGM. Trustees are select based on the relevant experience they have for the task they are appointed for. With the exception of the trustee who provides specialist educational and curriculum experience all trustees are parents of children attending the nursery.

## **STRUCTURE, GOVERNANCE AND MANAGEMENT**

### **Decision making**

The nursery management and committee regularly solicit and review suggestions from parents and staff for projects with a beneficial and lasting impact on the nursery which are discussed in the regular trustee meetings.

### **Fundraising**

The Nursery and its Management Committee are very pleased with fundraising efforts during the year. These were completed by Management and Development Committee members and were thus at no cost to the Nursery.

## **REFERENCE AND ADMINISTRATIVE DETAILS**

### **Registered Company number**

02324172 (England and Wales)

### **Registered Charity number**

1020319

### **Registered office**

15 Aubert Park  
London  
N5 1TL

### **Trustees**

The following Committee Members served during the year unless otherwise indicated:

### **MANAGEMENT COMMITTEE MEMBERS (TRUSTEES AND DIRECTORS)**

Geir Freysson	(Chair Person)	Appointed November 2015
Committee Members		
Shahar Avin	(Vice Chair)	Appointed January 2023
Edouard Carakehian	(Treasurer)	Appointed November 2022
Tom Ferguson	(Company Secretary)	Appointed December 2023
Anjli Rav	(Parent Participation)	Appointed November 2023
Claudia Headon	(Fundraising)	Appointed January 2024
Naomi Baster	(Minute Taker)	Appointed November 2023
Alison Slatter	(Garden Maintenance)	Appointed January 2023
Alexander Rook	(Fundraising)	Appointed February 2025

Management committee members are directors of the company for the purposes of the Companies Act 2006 and trustees for the purposes of the Charities Act 2011.

## **KEY MANAGEMENT**

Ann Reid	Senior Leadership team, Admissions
Catherine Antink	Senior Leadership team, Family Liaison
Vanisha Patel	Senior Leadership team, HR and Finance

## **REFERENCE AND ADMINISTRATIVE DETAILS**

### **Auditors**

Nordens Audit Limited  
The Retreat  
406 Roding Lane South  
Woodford Green  
Essex  
IG8 8EY

### **Bankers**

CAF Bank Limited  
25 Kings Hill Avenue  
Kings Hill, West Malling  
Kent  
ME19 4JQ

## **STATEMENT OF TRUSTEES' RESPONSIBILITIES**

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

Company law requires the trustees to prepare financial statements for each financial year. Under that law, the trustees have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law).

Under company law the trustees must not approve the financial statements unless they are satisfied that they 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 those financial statements, the trustees 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;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

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

In so far as the trustees are aware:

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

## **AUDITORS**

Nordens Audit Limited have indicated their willingness to continue in office. A resolution proposing their re-appointment will be submitted at the forthcoming Annual General Meeting.

Highbury Community Nursery

Report of the Trustees  
for the Year Ended 31 March 2025

Report of the trustees, incorporating a strategic report, approved by order of the board of trustees, as the company directors, on ..... and signed on the board's behalf by:

*Edouard Carakehian*

.....  
E Carakehian - Trustee

### **Opinion**

We have audited the financial statements of Highbury Community Nursery (the 'charitable company') for the year ended 31 March 2025 which comprise the Statement of Financial Activities, the Balance Sheet, the Cash Flow Statement 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 (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 2025 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.

### **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 Auditors' 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 in 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.

### **Conclusions relating to going concern**

In auditing the financial statements, we have concluded that the trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the charitable company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the trustees with respect to going concern are described in the relevant sections of this report.

### **Other information**

The trustees are responsible for the other information. The other information comprises the information included in the Annual Report, other than the financial statements and our Report of the Independent Auditors 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.

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 this gives rise to a material misstatement in the financial statements themselves. 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 Report of the Trustees for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Report of the Trustees has been prepared in accordance with applicable legal requirements.

**Matters on which we are required to report by exception**

In the light of the 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 Report of the Trustees.

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

- adequate accounting records have not been kept or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

**Responsibilities of trustees**

As explained more fully in the Statement of Trustees' Responsibilities, the trustees (who are also the directors of the charitable company 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.

### **Our responsibilities for the audit of the financial statements**

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 a Report of the Independent Auditors 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.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

We obtained an understanding of the legal and regulatory frameworks that are applicable to the entity and determined that the most significant are those that:

- had a direct effect on the determination of material amounts and disclosures in the financial statements. These include but are not limited to the Companies Act 2006, GDPR, employment and Health & Safety legislation and tax legislation, and
- do not have a direct effect on the financial statements but compliance with which may be fundamental to the company's ability to operate or to avoid a material penalty. These include operational and employment laws and regulations including health and safety regulations, environmental regulations and GDPR.

We obtained an understanding of how the company are complying with those legal and regulatory frameworks by making enquiries with management and those responsible for legal and compliance frameworks. We corroborated our enquiries through review of correspondence with regulatory bodies and gaining an understanding of the entity level controls of the company in respect of these areas and the controls in place to reduce opportunity for fraudulent transactions.

We discussed among the audit engagement team including relevant internal tax specialists, regarding the opportunities and incentives, including management override of controls, that may exist within the organisation for fraud and how and where fraud might occur in the financial statements. We also communicated the applicable laws and regulations throughout our team and remained alert to any indications of non-compliance throughout the audit.

The risk of management override of controls is the area where the financial statements were most susceptible to material misstatement due to fraud. In addition, the key principal risks related to the existence of inappropriate journal entries to impact the profit for the year and management bias in accounting estimates.

Procedures performed to address these were as follows:

- Walkthrough testing was carried out to identify and assess the design effectiveness of controls, management have in place to prevent and detect fraud, including known or suspected instances or non-compliance with laws and regulations and fraud,
- Understanding how those charged with governance considered and addressed the potential for override of controls or other inappropriate influence over the financial reporting process,
- Using analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatements due to fraud,
- Assessing the appropriateness of accounting estimates and challenging any significant assumptions or judgements made by management,
- Incorporating testing of manual journal entries that were posted throughout the year. In particular, we focused on material journal entries, journal entries posted with unusual account combinations, and journal entries crediting revenue or cash. These were scrutinised for evidence of unusual entries,

Report of the Independent Auditors to the Members of  
Highbury Community Nursery

- Selecting specific revenue transactions based on risk criteria and obtaining supporting documentation including sales invoice and corresponding purchase documentations to ensure revenue was appropriately recorded,
- Reviewing specific cost of sale transactions based on risk criteria and reviewing invoice documentation to ensure the expense was appropriately recorded,
- Evaluated the business rationale of any significant transactions that are unusual or outside the normal course of business.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

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](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our Report of the Independent Auditors.

**Use of our report**

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

Lorraine Curtis  
Nordens Audit Limited  
The Retreat  
406 Roding Lane South  
Woodford Green  
Essex  
IG8 8EY

Date: .....

Statement of Financial Activities  
for the Year Ended 31 March 2025

	Notes	Unrestricted fund £	Restricted fund £	Designated Fund £	31.3.25 Total funds £	31.3.24 Total funds £
<b>INCOME AND ENDOWMENTS FROM</b>						
Donations and grants	2	85,618	200,778	-	286,396	182,643
Fees charged	3	656,404	-	-	656,404	823,042
Investment Income	4	4,514	-	-	4,514	7,151
<b>Total</b>		<b>746,536</b>	<b>200,778</b>	<b>-</b>	<b>947,314</b>	<b>1,012,836</b>
<b>EXPENDITURE ON Charitable activities</b>						
Cost of charitable activities	5	939,648	200,778	19,172	1,159,598	1,069,875
<b>NET INCOME/(EXPENDITURE)</b>						
Transfers between funds	16	(193,112)	-	(19,172)	(212,284)	(57,039)
		1,798	(1,798)	-	-	-
<b>Net movement in funds</b>		<b>(191,314)</b>	<b>(1,798)</b>	<b>(19,172)</b>	<b>(212,284)</b>	<b>(57,039)</b>
<b>RECONCILIATION OF FUNDS</b>						
Total funds brought forward		382,551	1,798	211,757	596,106	653,145
<b>TOTAL FUNDS CARRIED FORWARD</b>		<b>191,237</b>	<b>-</b>	<b>192,585</b>	<b>383,822</b>	<b>596,106</b>

The notes form part of these financial statements

Highbury Community Nursery

Balance Sheet  
31 March 2025

	Notes	Unrestricted fund £	Restricted fund £	Designated Fund £	31.3.25 Total funds £	31.3.24 Total funds £
<b>FIXED ASSETS</b>						
Tangible assets	12	5,285	-	192,585	197,870	213,245
<b>CURRENT ASSETS</b>						
Debtors	13	27,547	-	-	27,547	17,254
Cash at bank and in hand		<u>338,112</u>	<u>-</u>	<u>-</u>	<u>338,112</u>	<u>491,549</u>
		365,659	-	-	365,659	508,803
<b>CREDITORS</b>						
Amounts falling due within one year	14	(179,707)	-	-	(179,707)	(125,942)
		<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>NET CURRENT ASSETS</b>		<u>185,952</u>	<u>-</u>	<u>-</u>	<u>185,952</u>	<u>382,861</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<u>191,237</u>	<u>-</u>	<u>192,585</u>	<u>383,822</u>	<u>596,106</u>
<b>NET ASSETS</b>		<u>191,237</u>	<u>-</u>	<u>192,585</u>	<u>383,822</u>	<u>596,106</u>
<b>FUNDS</b>						
Unrestricted funds	16				191,237	382,551
Restricted funds					-	1,798
Endowment funds					<u>192,585</u>	<u>211,757</u>
<b>TOTAL FUNDS</b>					<u>383,822</u>	<u>596,106</u>

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

*Edouard Carakehian*

.....  
E Carakehian - Trustee

## 1. ACCOUNTING POLICIES

### **Basis of preparing the financial statements**

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 2019) - (Charities SORP (FRS 102)), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

Highbury Community Nursery meets the definition of a public interest entity under FRS102.

The financial statements have been prepared in sterling which is the functional currency of the charity.

Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy note(s).

### **Financial reporting standard 102 - reduced disclosure exemptions**

The charitable company has taken advantage of the following disclosure exemptions in preparing these financial statements, as permitted by FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland':

- the requirements of Section 7 Statement of Cash Flows;
- the requirements of paragraphs 11.42, 11.44, 11.45, 11.47, 11.48(a)(iii), 11.48(a)(iv), 11.48(b) and 11.48(c);
- the requirements of paragraphs 12.26, 12.27, 12.29(a), 12.29(b) and 12.29A.

### **Critical accounting judgements and key sources of estimation uncertainty**

Accounting estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The following judgements (apart from those involving estimates) have been made in the process of applying the above accounting policies that have had the most significant effect on amounts recognised in the financial statements:

### **Useful economic lives of tangible assets**

The annual depreciation charge for tangible assets is sensitive to changes in the estimated useful economic lives and residual values of the assets. The useful economic lives and residual values are re-assessed annually. They are amended when necessary to reflect current estimates, based on technological advancement, future investments, economic utilisation and the physical condition of the assets. See note 13 for the carrying amount of the plant and equipment and page 14 for the useful economic lives for each class of assets.

### **Contributions in kind**

The value of the contributions in kind 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.

There are no key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

### **Income**

Income is recognised when the charity has entitlement to the funds, any performance conditions attached to the item(s) of income have been met, it is probable that the income will be received, and the amount can be measured reliably.

**1. ACCOUNTING POLICIES - continued**

**Income**

Income from government and other grants, whether 'capital' grants or 'revenue' 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.

For legacies, entitlement is taken as the earlier of the date on which either: the charity is aware that probate has been granted, the estate has been finalised and notification has been made by the executor(s) to the Trust that a distribution will be made, or when a distribution is received from the estate. Receipt of a legacy, in whole or in part, is only considered probable when the amount can be measured reliably, and the charity has been notified of the executor's intention to make a distribution. Where legacies have been notified to the charity, or the charity is aware of the granting of probate, and the criteria for income recognition have not been met, then the legacy is treated as a contingent asset and disclosed if material.

Income received in advance is deferred until the criteria for income recognition are met.

**Expenditure**

Expenditure is recognised once there is a legal or constructive obligation to make a payment to a third party, it is probable that settlement will be required and the amount of the obligation can be measured reliably.

Expenditure is classified under the following activity headings:

- Costs of raising funds comprise materials for fund raising events.
- Expenditure on charitable activities includes the costs of activities undertaken to further the purposes of the charity and their associated support costs.
- Other expenditure represents those items not falling into any other heading.

Irrecoverable VAT is charged as a cost against the activity for which the expenditure was incurred.

**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 back office costs, finance, personnel, payroll and governance costs which support the charity's activities.

These costs have been allocated between cost of raising funds and expenditure on charitable activities.

**Tangible fixed assets**

Individual fixed assets costing are capitalised at cost and are depreciated over their estimated useful economic lives on a straight line basis as follows:

The rates used during the year were as follows:

Office Equipment	<b>25% Straight Line</b>
Building Development works	<b>lower of the estimated useful life and the remaining terms of the lease, no longer than 20 years</b>

The lease on 15 Aubert Park runs to 2038.

**Taxation**

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

**Fund accounting**

Unrestricted funds are available to spend on activities that further any of the purposes of charity. Designated funds are unrestricted funds of the charity which the trustees have decided at their discretion to set aside to use for a specific purpose. Restricted funds are grants and donations which the donor has specified are to be solely used for particular areas of the charity's work or for specific projects being undertaken by the charity.

Notes to the Financial Statements - continued  
for the Year Ended 31 March 2025

**1. ACCOUNTING POLICIES - continued**

**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 trade discounts due.

**Employee benefits**

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

**- Short term benefits**

Short term benefits including holiday pay are recognised as an expense in the period in which the service is received.

**- Employee termination benefits**

Termination benefits are accounted for on an accrual basis and in line with FRS 102.

**Cash at bank and in hand**

Cash at bank and cash in hand includes cash and short term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

**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 with the exception of bank loans which are subsequently measured at amortised cost using the effective interest method.

**2. DONATIONS AND GRANTS**

	Unrestricted Fund	Restricted Fund	Total	Total
	2025	2025	2025	2024
	£	£	£	£
Income from fundraising events	3,061	-	3,061	1,278
Donations	1,079	-	1,079	2,924
London Borough of Islington:				
Main Grant	81,478	-	81,478	34,216
Nursery Education Grant over 3's	-	59,888	59,888	128,241
2 Years	-	32,174	-	-
Other LBI Grants	-	-	-	11,206
SEN/Mentor Fee	-	-	-	3,392
Under 2's	-	1,200	1,200	-
Early Years	-	67,200	67,200	-
Working Parent Entitlement	-	40,316	40,316	-
	<u>85,618</u>	<u>200,778</u>	<u>286,396</u>	<u>182,643</u>

In 2025, all income from fundraising was attributable to the general fund.

Notes to the Financial Statements - continued  
for the Year Ended 31 March 2025

**3. FEES CHARGED**

	<b>31.3.25</b>	<b>31.3.24</b>
	£	£
Fees charged	<u>656,404</u>	<u>823,042</u>

**4. INVESTMENT INCOME**

	<b>31.3.25</b>	<b>31.3.24</b>
	£	£
Investment income	<u>4,514</u>	<u>7,151</u>

**5. CHARITABLE ACTIVITIES COSTS**

	<b>Direct Costs</b>	<b>Support costs (see note 6)</b>	<b>Totals</b>
	£	£	£
Cost of charitable activities	<u>936,565</u>	<u>223,033</u>	<u>1,159,598</u>

**6. SUPPORT COSTS**

	<b>Management</b>	<b>Finance</b>	<b>Governance costs</b>	<b>Totals</b>
	£	£	£	£
Cost of charitable activities	<u>167,913</u>	<u>9,804</u>	<u>45,316</u>	<u>223,033</u>

**7. NET INCOME/(EXPENDITURE)**

Net income/(expenditure) is stated after charging/(crediting):

	<b>31.3.25</b>	<b>31.3.24</b>
	£	£
Audit	11,520	11,520
Depreciation - owned assets	<u>18,856</u>	<u>19,996</u>

**8. TRUSTEES' REMUNERATION AND BENEFITS**

There were no employees with emoluments above £60,000 (2024: nil)

The key management personnel comprise the trustees, the nursery manager, the financial manager, the family liaison co-ordinator and the nursery administrator. The total employee remuneration of the charity's key management personnel was £151,201 (2024: £156,651).

The charity trustees were not paid, did not receive any other benefits from employment nor payment of expenses from the charity in the year (2024: £nil).

**Trustees' expenses**

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

Notes to the Financial Statements - continued  
for the Year Ended 31 March 2025

**9. STAFF COSTS**

	<b>31.3.25</b>	<b>31.3.24</b>
	<b>£</b>	<b>£</b>
Wages and salaries	<b>772,306</b>	678,687
Social security costs	<b>66,172</b>	54,306
Other pension costs	<b>15,469</b>	13,266
	<b><u>853,947</u></b>	<b><u>746,259</u></b>

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

	<b>31.3.25</b>	<b>31.3.24</b>
Average number of staff	<b><u>34</u></b>	<b><u>30</u></b>

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

**10. COMPARATIVES FOR THE STATEMENT OF FINANCIAL ACTIVITIES**

	<b>Unrestricted fund £</b>	<b>Restricted fund £</b>	<b>Designated Fund £</b>	<b>Total funds £</b>
<b>INCOME AND ENDOWMENTS FROM</b>				
Donations and grants	38,419	144,224	-	182,643
Fees charged	823,042	-	-	823,042
Investment Income	<u>7,151</u>	<u>-</u>	<u>-</u>	<u>7,151</u>
<b>Total</b>	<b><u>868,612</u></b>	<b><u>144,224</u></b>	<b><u>-</u></b>	<b><u>1,012,836</u></b>
<b>EXPENDITURE ON</b>				
<b>Charitable activities</b>				
Cost of charitable activities	<u>905,655</u>	<u>144,224</u>	<u>19,996</u>	<u>1,069,875</u>
<b>NET INCOME/(EXPENDITURE)</b>	<b>(37,043)</b>	<b>-</b>	<b>(19,996)</b>	<b>(57,039)</b>
<b>RECONCILIATION OF FUNDS</b>				
Total funds brought forward	<u>419,594</u>	<u>1,798</u>	<u>231,753</u>	<u>653,145</u>
<b>TOTAL FUNDS CARRIED FORWARD</b>	<b><u>382,551</u></b>	<b><u>1,798</u></b>	<b><u>211,757</u></b>	<b><u>596,106</u></b>

Notes to the Financial Statements - continued  
for the Year Ended 31 March 2025

**11. TAXATION**

The charity is exempt from tax on income and gains falling within section 505 of the Taxes Act 1988 or section 252 of the Taxation of Chargeable Gains Act 1992 to the extent that these are applied to its charitable objects.

**12. TANGIBLE FIXED ASSETS**

	Plant and machinery £	Fixtures and fittings £	Totals £
<b>COST</b>			
At 1 April 2024	931,214	95,754	1,026,968
Additions	<u>-</u>	<u>3,801</u>	<u>3,801</u>
At 31 March 2025	<u>931,214</u>	<u>99,555</u>	<u>1,030,769</u>
<b>DEPRECIATION</b>			
At 1 April 2024	721,092	92,631	813,723
Charge for year	15,819	3,037	18,856
Reclassification/transfer	<u>-</u>	<u>320</u>	<u>320</u>
At 31 March 2025	<u>736,911</u>	<u>95,988</u>	<u>832,899</u>
<b>NET BOOK VALUE</b>			
At 31 March 2025	<u>194,303</u>	<u>3,567</u>	<u>197,870</u>
At 31 March 2024	<u>210,122</u>	<u>3,123</u>	<u>213,245</u>

**13. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	<b>31.3.25</b>	<b>31.3.24</b>
	£	£
Nursery fees	25,633	12,100
Other debtors	<u>1,914</u>	<u>5,154</u>
	<u>27,547</u>	<u>17,254</u>

Notes to the Financial Statements - continued  
for the Year Ended 31 March 2025

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

	<b>31.3.25</b>	<b>31.3.24</b>
	<b>£</b>	<b>£</b>
Bank loans and overdrafts (see note 15)	<b>26,737</b>	-
Parents deposits	<b>73,664</b>	69,905
Trade creditors	<b>38,426</b>	29,921
Social security and other taxes	<b>16,159</b>	14,596
Other creditors	<b>13,201</b>	-
Accrued expenses	<b>11,520</b>	11,520
	<b><u>179,707</u></b>	<b><u>125,942</u></b>

**15. LOANS**

An analysis of the maturity of loans is given below:

	<b>31.3.25</b>	<b>31.3.24</b>
	<b>£</b>	<b>£</b>
Amounts falling due within one year on demand:		
Bank overdrafts	<b><u>26,737</u></b>	<u>-</u>

**16. MOVEMENT IN FUNDS**

	<b>At 1.4.24</b>	<b>Net movement in funds</b>	<b>Transfers between funds</b>	<b>At 31.3.25</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
<b>Unrestricted funds</b>				
General fund	<b>382,551</b>	<b>(193,112)</b>	<b>1,798</b>	<b>191,237</b>
<b>Restricted funds</b>				
Restricted	<b>1,798</b>	-	<b>(1,798)</b>	-
<b>Endowment funds</b>				
Designated Fund	<b>211,757</b>	<b>(19,172)</b>	-	<b>192,585</b>
	<b><u>596,106</u></b>	<b><u>(212,284)</u></b>	<b><u>-</u></b>	<b><u>383,822</u></b>

Notes to the Financial Statements - continued  
for the Year Ended 31 March 2025

**16. MOVEMENT IN FUNDS - continued**

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

	Incoming resources £	Resources expended £	Movement in funds £
<b>Unrestricted funds</b>			
General fund	746,536	(939,648)	(193,112)
<b>Restricted funds</b>			
Restricted	200,778	(200,778)	-
<b>Endowment funds</b>			
Designated Fund	-	(19,172)	(19,172)
	<hr/>	<hr/>	<hr/>
<b>TOTAL FUNDS</b>	<b><u>947,314</u></b>	<b><u>(1,159,598)</u></b>	<b><u>(212,284)</u></b>

**Comparatives for movement in funds**

	At 1.4.23 £	Net movement in funds £	At 31.3.24 £
<b>Unrestricted funds</b>			
General fund	419,594	(37,043)	382,551
<b>Restricted funds</b>			
Restricted	1,798	-	1,798
<b>Endowment funds</b>			
Designated Fund	231,753	(19,996)	211,757
	<hr/>	<hr/>	<hr/>
<b>TOTAL FUNDS</b>	<b><u>653,145</u></b>	<b><u>(57,039)</u></b>	<b><u>596,106</u></b>

Notes to the Financial Statements - continued  
for the Year Ended 31 March 2025

**16. MOVEMENT IN FUNDS - continued**

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

	<b>Incoming resources £</b>	<b>Resources expended £</b>	<b>Movement in funds £</b>
<b>Unrestricted funds</b>			
General fund	868,612	(905,655)	(37,043)
<b>Restricted funds</b>			
Restricted	144,224	(144,224)	-
<b>Endowment funds</b>			
Designated Fund	-	(19,996)	(19,996)
	<hr/>	<hr/>	<hr/>
<b>TOTAL FUNDS</b>	<u>1,012,836</u>	<u>(1,069,875)</u>	<u>(57,039)</u>

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

	<b>At 1.4.23 £</b>	<b>Net movement in funds £</b>	<b>Transfers between funds £</b>	<b>At 31.3.25 £</b>
<b>Unrestricted funds</b>				
General fund	419,594	(230,155)	1,798	191,237
<b>Restricted funds</b>				
Restricted	1,798	-	(1,798)	-
<b>Endowment funds</b>				
Designated Fund	231,753	(39,168)	-	192,585
	<hr/>	<hr/>	<hr/>	<hr/>
<b>TOTAL FUNDS</b>	<u>653,145</u>	<u>(269,323)</u>	<u>-</u>	<u>383,822</u>

Notes to the Financial Statements - continued  
for the Year Ended 31 March 2025

**16. MOVEMENT IN FUNDS - continued**

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 £
<b>Unrestricted funds</b>			
General fund	1,615,148	(1,845,303)	(230,155)
<b>Restricted funds</b>			
Restricted	345,002	(345,002)	-
<b>Endowment funds</b>			
Designated Fund	-	(39,168)	(39,168)
	<hr/>	<hr/>	<hr/>
<b>TOTAL FUNDS</b>	<u>1,960,150</u>	<u>(2,229,473)</u>	<u>(269,323)</u>

Name of restricted fund	Description, nature and purposes of the fund
London Borough of Islington:	
Main Grant	<b>Finance received for all subsidised children in the setting, providing for their care and education</b>
Rebate Grant	<b>Reimbursements received for siblings and disabled children and all balance of grant from one term to the next</b>
Two-year-old Grant	<b>Finance received for 2-year-olds who qualify for this funding</b>
Other LBI Grants	<b>Graduate leader fund and training fund</b>

**17. RELATED PARTY DISCLOSURES**

The trustees did not receive remuneration in the year.

Trustees must be parents of the Nursery under the constitution. As parents the trustees paid fees in respect of their children. These fees are calculated in the same way as for other parents. No amounts were written off in respect of these fees due to non-payment or for any other reason.

Highbury Community Nursery

Detailed Statement of Financial Activities  
for the Year Ended 31 March 2025

	<b>31.3.25</b>	<b>31.3.24</b>
	<b>£</b>	<b>£</b>
<b>INCOME AND ENDOWMENTS</b>		
<b>Donations and grants</b>		
Donations	1,079	2,924
Fundraising	3,061	1,279
Grants	<u>282,256</u>	<u>178,440</u>
	<b>286,396</b>	182,643
<b>Fees charged</b>		
Fees charged	<b>656,404</b>	823,042
<b>Investment Income</b>		
Investment income	<u>4,514</u>	<u>7,151</u>
<b>Total incoming resources</b>	<b>947,314</b>	1,012,836
<b>EXPENDITURE</b>		
<b>Charitable activities</b>		
Wages	772,306	678,687
Social security	66,172	54,306
Pensions	15,469	13,266
Fundraising	1,508	129
Recruitment	8,121	11,073
Food and Milk	30,455	30,292
Curriculum	6,270	6,570
Nappies	3,939	5,355
Toys and Learning Materials	2,157	14,501
Travel and Outings	6,242	6,021
Staff training & welfare	<u>23,926</u>	<u>24,016</u>
	<b>936,565</b>	844,216
<b>Support costs</b>		
<b>Management</b>		
Rates and water	3,407	8,486
Insurance	592	572
Light and heat	16,263	14,229
Telephone	22,067	12,791
Postage and stationery	16,013	13,660
Cleaning	30,199	24,282
Subscriptions	4,169	2,392
Office equipment and software	17,680	27,762
Repairs & maintenance	38,348	30,975
Legal Fees	-	3,698
Carried forward	<b>148,738</b>	138,847

This page does not form part of the statutory financial statements

Highbury Community Nursery

Detailed Statement of Financial Activities  
for the Year Ended 31 March 2025

	<b>31.3.25</b>	<b>31.3.24</b>
	<b>£</b>	<b>£</b>
<b>Management</b>		
Brought forward	<b>148,738</b>	138,847
Consulting	-	7,247
Depreciation of tangible asset s	<u><b>19,175</b></u>	<u>19,996</u>
	<b>167,913</b>	166,090
<b>Finance</b>		
Sundries	<b>4,369</b>	28,536
Bank charges	<u><b>5,435</b></u>	<u>8,834</u>
	<b>9,804</b>	37,370
<b>Governance costs</b>		
Auditors' remuneration	<b>11,520</b>	11,520
Payroll and accounting services	<u><b>33,796</b></u>	<u>10,679</u>
	<u><b>45,316</b></u>	<u>22,199</u>
Total resources expended	<u><b>1,159,598</b></u>	<u>1,069,875</u>
<b>Net expenditure</b>	<u><b>(212,284)</b></u>	<u>(57,039)</u>