

**REPORT OF THE TRUSTEES AND  
UNAUDITED FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2020  
FOR  
PENNINGTON NURSERY**

**PENNINGTON NURSERY**

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FOR THE YEAR ENDED 31 AUGUST 2020**

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**PENNINGTON NURSERY**  
**REPORT OF THE TRUSTEES**  
**FOR THE YEAR ENDED 31 AUGUST 2020**

The trustees present their report with the financial statements of the charity for the year ended 31 August 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**

**Aim**

The principle purpose of Pennington Nursery is to enhance the development and education of children under statutory school age by encouraging parents to understand and provide for the needs of their children through community groups and by:

- a) Offering appropriate play facilities and training courses, together with the right of parents to take responsibility for and to become involved in the activities of such groups, ensuring that such groups offer opportunities for all children, regardless of race, culture, religion, means or ability;
- b) Encouraging the study of the needs of such children and their families and promoting public interest in and recognition of such needs in the local area(s).

The charity is constituted as an unincorporated charity and is controlled by its governing document.

The Nursery serves the local community but does not apply any form of restriction, geographical or otherwise to allow access to its services. The Nursery's educational operations regulated by Ofsted and Cumbria County Council. The Nursery is currently rated as 'Good' by Ofsted.

The services offered by the Trustees of the Nursery are deemed to be beneficial by their nature and are available to a large section of the public.

**ACHIEVEMENT AND PERFORMANCE**

**Charitable activities**

This year has seen a year in which we have achieved a certain amount of stability. The numbers of children have grown steadily under the management of the Nursery Manager and Education Manager. The development of a babies' room has had a considerable impact on the space, resources, staffing ratios, finances, however the overall impact has been a positive one and demand has been high for this service.

The Nursery has achieved a higher community presence through the use of social media with staff providing a weekly update to families and friends about the activities at the Nursery. The Nursery continues to have regular discussions with Pennington School to achieve close co-ordination on a range of issues.

The move to a management-enabled structure (effective since 2009) continues to be a success. Both the Nursery Manager and Education Manager, who are responsible for the management and education respectively within the Nursery, have continued to run things very well. They have full delegated responsibility for operational decision making by the trustees, which they exercise with great judgment. The management team is strong and focused and staff turnover has remained low this year. There 15 people employed at the Nursery, mostly on a part time basis.

The trustees and the managers meet together once a term to report and discuss all aspects of the Nursery operations and develop future strategy.

The trustees have been focussed in the past 12 months on the plans for a new building to replace the current one. The relationship with the Landlord (Pennington Memorial Hall) continues to be good. Funds are now in place to place the order for a new building. Planning permission was secured earlier in 2020

Covid19 has placed a considerable strain on the Nursery this year, however, the diligence of staff and managers together with the understanding from the parents has ensured the Nursery has weathered it well.

**PENNINGTON NURSERY**  
**REPORT OF THE TRUSTEES**  
**FOR THE YEAR ENDED 31 AUGUST 2020**

**FINANCIAL REVIEW**

**Financial position**

The financial position of the Nursery is strong, with an upward trend in income from Nursery fees and grants. Both income streams providing a total income of £276K. Nursery expenses dropped to £235K, mainly due to reducing expenses. However, there was still a net surplus contribution to reserve of £41K.

The trustees are very confident about the ongoing financial strength of the Nursery

**Reserves policy**

The charity wishes to accumulate sufficient reserves in order to finance the construction of a new fit-for-purpose building on the existing site. The second aim for the reserve, in the longer term is also to provide for a foundation fund to cover the costs of childcare for parents to return to education, training or work.

**Going concern**

The purpose of the Nursery's reserves is to provide sufficient protection for the Nursery against changing financial circumstances and to support future business development to enable the Nursery to continue to fulfil its principal purpose. The level of general reserves as reflected in Note 10 to the financial statements is represented by tangible assets and net current assets and is considered sufficient for the Nursery to meet its short to medium term expenditure obligations. The Nursery's cash reserves significantly outweigh its short and long term liabilities.

The Trustees have a reasonable expectation that the Nursery has adequate resources to continue in operational existence for the foreseeable future. For this reason they continue to adopt the going concern basis in preparing the financial statements. Further details regarding the adoption of the going concern basis can be found in the Accounting Policies.

**Constitution**

The current constitution was created in October 1993 and amended in February 2001. This document is now no longer able to support the requirements of the Nursery and will be amended to allow greater flexibility of operation. A revised constitution will be lodged with the Charities Commission in due course.

**FUTURE PLANS**

The main objective of the trustees for the forthcoming period is the provision of new accommodation for the purposes of the Nursery. The complete contract value is likely to be about £350,000 - £360,000. The trustees have sufficient funds in reserves to pay for the full rebuild in 2021.

The Nursery intends to focus efforts in future years on the renewed and development of the outside play areas. The Nursery intends to adopt the policy of becoming a National Living Wage Employer at its next AGM.

**STRUCTURE, GOVERNANCE AND MANAGEMENT**

**Governing document**

The charity is controlled by its governing document, a deed of trust and constitutes an unincorporated charity.

**REFERENCE AND ADMINISTRATIVE DETAILS**

**Registered Charity number**

1028638

**Principal address**

Portacabins  
Memorial Hall Grounds  
Cross - A - Moor  
Ulverston  
Cumbria  
LA12 0RT

**PENNINGTON NURSERY**  
**REPORT OF THE TRUSTEES**  
**FOR THE YEAR ENDED 31 AUGUST 2020**

**Trustees**

Mr A Turner  
Mrs S Turner  
Mrs S R Menzies-Runciman Treasurer (resigned 8.10.19)  
Mrs C Humphreys  
Mr O Collar  
Mrs L Collar

**Independent Examiner**

Mr J F Hornby, FCA  
J F Hornby & Co  
Chartered Accountants  
The Tower  
Daltongate Business Centre  
Daltongate  
Ulverston  
Cumbria  
LA12 7AJ

**Bankers**

Lloyds Bank plc  
121-135 Dalton Road  
Barrow-in-Furness  
Cumbria  
LA12 0RT

Approved by order of the board of trustees on 16 December 2020 and signed on its behalf by:

Mrs C Humphreys - Trustee

**INDEPENDENT EXAMINER'S REPORT TO THE TRUSTEES OF  
PENNINGTON NURSERY**

**Independent examiner's report to the trustees of Pennington Nursery**

I report to the charity trustees on my examination of the accounts of Pennington Nursery (the Trust) for the year ended 31 August 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**

Since your charity's gross income exceeded £250,000 your examiner must be a member of a listed body. I can confirm that I am qualified to undertake the examination because I am a registered member of \_ which is one of the listed bodies.

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.

Mr J F Hornby, FCA  
J F Hornby & Co  
Chartered Accountants  
The Tower  
Daltongate Business Centre  
Daltongate  
Ulverston  
Cumbria  
LA12 7AJ

16 December 2020

PENNINGTON NURSERY

STATEMENT OF FINANCIAL ACTIVITIES  
FOR THE YEAR ENDED 31 AUGUST 2020

	Notes	Unrestricted funds £	Restricted funds £	31.8.20 Total funds £	31.8.19 Total funds £
<b>INCOME AND ENDOWMENTS FROM</b>					
<b>Charitable activities</b>					
Nursery		275,933	-	275,933	271,622
Other trading activities	2	-	-	-	2,130
Investment income	3	191	-	191	202
<b>Total</b>		<u>276,124</u>	<u>-</u>	<u>276,124</u>	<u>273,954</u>
<b>EXPENDITURE ON</b>					
<b>Charitable activities</b>					
Nursery		234,745	-	234,745	243,426
<b>NET INCOME</b>		<u>41,379</u>	<u>-</u>	<u>41,379</u>	<u>30,528</u>
<b>RECONCILIATION OF FUNDS</b>					
<b>Total funds brought forward</b>		295,517	-	295,517	264,989
<b>TOTAL FUNDS CARRIED FORWARD</b>		<u><u>336,896</u></u>	<u><u>-</u></u>	<u><u>336,896</u></u>	<u><u>295,517</u></u>

The notes form part of these financial statements

**PENNINGTON NURSERY**

**BALANCE SHEET  
31 AUGUST 2020**

	Notes	Unrestricted funds £	Restricted funds £	31.8.20 Total funds £	31.8.19 Total funds £
<b>FIXED ASSETS</b>					
Tangible assets	7	2,886	-	2,886	4,329
<b>CURRENT ASSETS</b>					
Debtors	8	3,173	-	3,173	2,175
Cash in hand		388,840	-	388,840	290,125
		<u>392,013</u>	-	<u>392,013</u>	<u>292,300</u>
<b>CREDITORS</b>					
Amounts falling due within one year	9	(8,003)	-	(8,003)	(1,112)
<b>NET CURRENT ASSETS</b>					
		<u>384,010</u>	-	<u>384,010</u>	<u>291,188</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>					
		386,896	-	386,896	295,517
<b>CREDITORS</b>					
Amounts falling due after more than one year	10	(50,000)	-	(50,000)	-
<b>NET ASSETS</b>					
		<u>336,896</u>	-	<u>336,896</u>	<u>295,517</u>
<b>FUNDS</b>					
Unrestricted funds	12			<u>336,896</u>	<u>295,517</u>
<b>TOTAL FUNDS</b>					
				<u>336,896</u>	<u>295,517</u>

The financial statements were approved by the Board of Trustees and authorised for issue on 16 December 2020 and were signed on its behalf by:

Mr A Turner - Trustee

Mrs C Humphreys - Trustee

## PENNINGTON NURSERY

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 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.

##### **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.

Improvements to property - 20% on cost

##### **Taxation**

The charity is exempt from tax on its charitable activities.

##### **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.

Further explanation of the nature and purpose of each fund is included in the notes to the financial statements.

##### **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.

#### 2. OTHER TRADING ACTIVITIES

	31.8.20	31.8.19
	£	£
Fundraising events	-	2,130
	<u>          </u>	<u>          </u>

PENNINGTON NURSERY

NOTES TO THE FINANCIAL STATEMENTS - continued  
FOR THE YEAR ENDED 31 AUGUST 2020

3. INVESTMENT INCOME

	31.8.20	31.8.19
	£	£
Bank interest	191	202
	<u>191</u>	<u>202</u>

4. TRUSTEES' REMUNERATION AND BENEFITS

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

**Trustees' expenses**

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

5. STAFF COSTS

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

	31.8.20	31.8.19
Nursery Staff	13	13
Manager	2	2
	<u>15</u>	<u>15</u>

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

6. COMPARATIVES FOR THE STATEMENT OF FINANCIAL ACTIVITIES

	Unrestricted funds £	Restricted funds £	Total funds £
<b>INCOME AND ENDOWMENTS FROM</b>			
<b>Charitable activities</b>			
Nursery	271,622	-	271,622
Other trading activities	2,130	-	2,130
Investment income	202	-	202
<b>Total</b>	<u>273,954</u>	<u>-</u>	<u>273,954</u>
<b>EXPENDITURE ON</b>			
<b>Charitable activities</b>			
Nursery	243,426	-	243,426
<b>NET INCOME</b>	<u>30,528</u>	<u>-</u>	<u>30,528</u>
<b>RECONCILIATION OF FUNDS</b>			
<b>Total funds brought forward</b>	<u>264,989</u>	<u>-</u>	<u>264,989</u>
<b>TOTAL FUNDS CARRIED FORWARD</b>	<u>295,517</u>	<u>-</u>	<u>295,517</u>

PENNINGTON NURSERY

NOTES TO THE FINANCIAL STATEMENTS - continued  
FOR THE YEAR ENDED 31 AUGUST 2020

7. TANGIBLE FIXED ASSETS

Improvements  
to  
property  
£

**COST**

At 1 September 2019 and 31 August 2020

7,215

**DEPRECIATION**

At 1 September 2019

2,886

Charge for year

1,443

At 31 August 2020

4,329

**NET BOOK VALUE**

At 31 August 2020

2,886

At 31 August 2019

4,329

8. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

31.8.20

31.8.19

£

£

Debtors

3,173

2,175

9. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

31.8.20

31.8.19

£

£

Taxation and social security

1,851

110

Other creditors

6,152

1,002

8,003

1,112

10. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

31.8.20

31.8.19

£

£

Bank loans (see note 11)

50,000

-

11. LOANS

An analysis of the maturity of loans is given below:

31.8.20

31.8.19

£

£

Amounts falling between one and two years:

Bank loans - 1-2 years

9,506

-

Amounts falling due between two and five years:

Bank loans - 2-5 years

29,988

-

Amounts falling due in more than five years:

Repayable otherwise than by instalments:

Bank loans more 5 yrs non-inst

10,506

-

PENNINGTON NURSERY

NOTES TO THE FINANCIAL STATEMENTS - continued  
FOR THE YEAR ENDED 31 AUGUST 2020

12. MOVEMENT IN FUNDS

	At 1.9.19 £	Net movement in funds £	At 31.8.20 £
<b>Unrestricted funds</b>			
General fund	295,517	41,379	336,896
<b>TOTAL FUNDS</b>	<u>295,517</u>	<u>41,379</u>	<u>336,896</u>

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

	Incoming resources £	Resources expended £	Movement in funds £
<b>Unrestricted funds</b>			
General fund	276,124	(234,745)	41,379
<b>TOTAL FUNDS</b>	<u>276,124</u>	<u>(234,745)</u>	<u>41,379</u>

Comparatives for movement in funds

	At 1.9.18 £	Net movement in funds £	At 31.8.19 £
<b>Unrestricted funds</b>			
General fund	84,989	30,528	115,517
Designated fund	180,000	-	180,000
	<u>264,989</u>	<u>30,528</u>	<u>295,517</u>
<b>TOTAL FUNDS</b>	<u>264,989</u>	<u>30,528</u>	<u>295,517</u>

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

	Incoming resources £	Resources expended £	Movement in funds £
<b>Unrestricted funds</b>			
General fund	273,954	(243,426)	30,528
<b>TOTAL FUNDS</b>	<u>273,954</u>	<u>(243,426)</u>	<u>30,528</u>

PENNINGTON NURSERY

NOTES TO THE FINANCIAL STATEMENTS - continued  
FOR THE YEAR ENDED 31 AUGUST 2020

12. MOVEMENT IN FUNDS - continued

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

	At 1.9.18 £	Net movement in funds £	At 31.8.20 £
<b>Unrestricted funds</b>			
General fund	84,989	71,907	156,896
Designated fund	180,000	-	180,000
	<u>264,989</u>	<u>71,907</u>	<u>336,896</u>
<b>TOTAL FUNDS</b>	<u>264,989</u>	<u>71,907</u>	<u>336,896</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 £
<b>Unrestricted funds</b>			
General fund	550,078	(478,171)	71,907
	<u>550,078</u>	<u>(478,171)</u>	<u>71,907</u>
<b>TOTAL FUNDS</b>	<u>550,078</u>	<u>(478,171)</u>	<u>71,907</u>

13. RELATED PARTY DISCLOSURES

There were no related party transactions for the year ended 31 August 2020.

14. DESIGNATED FUNDS

All of the unrestricted funds of the charity are designated funds which have been set aside by the trustees for specific purpose of the new build until such time as the debt for the new build has been cleared:

Fund	Balance at 1 September 2019	Incoming Resources	Outgoing Resources	Transfers	Balance at 31 August 2020
New building fund	295,517	41,379	-	-	336,896
Total	<u>295,517</u>	<u>41,379</u>	<u>-</u>	<u>-</u>	<u>336,896</u>

PENNINGTON NURSERY

DETAILED STATEMENT OF FINANCIAL ACTIVITIES  
FOR THE YEAR ENDED 31 AUGUST 2020

	31.8.20 £	31.8.19 £
<b>INCOME AND ENDOWMENTS</b>		
<b>Other trading activities</b>		
Fundraising events	-	2,130
<b>Investment income</b>		
Bank interest	191	202
<b>Charitable activities</b>		
Fees	123,753	146,737
Grants	152,180	124,885
	<u>275,933</u>	<u>271,622</u>
<b>Total incoming resources</b>	<b>276,124</b>	<b>273,954</b>
 <b>EXPENDITURE</b>		
<b>Support costs</b>		
<b>Management</b>		
Wages	195,491	192,351
Social security	6,142	7,445
Pensions	3,811	3,921
Rates	490	968
Insurance	911	887
Light and heat	556	344
Telephone	1,508	1,686
Rent	1,950	3,510
Sundries	486	617
Water rates	406	385
Postage & stationery	2,723	2,378
Food & snacks	5,772	7,093
Trips	-	1,033
Repairs & maintenance	1,952	4,556
Legal & professional	1,345	1,459
Building fund	-	(4,400)
Supplies	5,806	8,744
Uniforms	-	733
Outside play area	-	3,351
Computer expenses	-	670
Training	908	690
Waste removal	1,272	1,251
	<u>231,529</u>	<u>239,672</u>
<b>Finance</b>		
Improvements to property	1,443	1,443
<b>Governance costs</b>		
Accountancy and legal fees	1,773	2,311

This page does not form part of the statutory financial statements

PENNINGTON NURSERY

DETAILED STATEMENT OF FINANCIAL ACTIVITIES  
FOR THE YEAR ENDED 31 AUGUST 2020

	31.8.20	31.8.19
	£	£
Total resources expended	<u>234,745</u>	<u>243,426</u>
<b>Net income</b>	<u><u>41,379</u></u>	<u><u>30,528</u></u>

This page does not form part of the statutory financial statements