

**REPORT OF THE TRUSTEES AND
UNAUDITED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2022
FOR
PENNINGTON NURSERY**

PENNINGTON NURSERY

**CONTENTS OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2022**

	Page
Report of the Trustees	1 to 3
Independent Examiner's Report	4
Statement of Financial Activities	5
Balance Sheet	6
Notes to the Financial Statements	7 to 12
Detailed Statement of Financial Activities	13 to 14

PENNINGTON NURSERY

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 AUGUST 2022

The trustees present their report with the financial statements of the charity for the year ended 31 August 2022. 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

Following the completion of the new nursery building in September 2021, the children and staff at Pennington Nursery have enjoyed the purpose built environment to its full. Demand remains high for nursery places, including the baby room, as well as for the after school and holiday club. The Nursery has continued its close links with Pennington School, with a shared trustee and Link Governor.

The continued restrictions for part of the financial year meant that there were periods when the Nursery closed due to an outbreak but otherwise the staff coped very well. The trustees are mindful of the impact on staff wellbeing of the pandemic and seek to provide support and assistance where and when appropriate. The pandemic however has particularly impacted on staff recruitment and retention, which was challenging throughout the 2021-2022 financial year. The trustees continue to address this through above inflation pay increases and an objective to become a Living Wage Foundation accredited employer within the next few years.

Both the Nursery Manager and Education Manager are responsible for the management and education respectively within the Nursery and have continued to run things very well. They have full delegated responsibility for operational decision making from the trustees who meet as a body on a regular basis to receive reports from the Nursery managers.

FINANCIAL REVIEW

Financial position

The financial position of the Nursery remains strong, with income from Nursery fees and grants providing a total income of £395K and expenditure on charitable activities of £342K. This has resulted in a net surplus contribution to reserve of £53K. The reduction in the cash position relates entirely to the commissioning of the new building.

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 ensure its future financial security in order to maintain its charitable activities and meet the needs of its key stakeholders.

PENNINGTON NURSERY

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 AUGUST 2022

FINANCIAL REVIEW

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 11 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 charity is governed by a constitution created in October 1993 and amended in February 2001.

FUTURE PLANS

Following the completion of the new building, the main objective of the trustees for the forth coming period is the consolidation of its position as a recognised quality provider of nursery and early years educational services. The trustees wish to establish the Nursery as the provider of choice for parents and carers as well as an employer of choice people wishing to work in the sector.

In addition, the Nursery intends to focus efforts in future years on the renewed and development of the outside play areas.

In order to consolidate its statutory position, the charity intends to become an incorporated body and a charitable company limited by guarantee.

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

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

Trustees

Mr A Turner (resigned 1.9.21)
Mrs S Turner (resigned 8.2.23)
Mrs C Humphreys
Mr O Collar
Mrs L Collar
Mr D White (appointed 1.9.21)
Mr R Greenfield (appointed 1.9.21)
Mrs K Newby (appointed 1.10.21)

PENNINGTON NURSERY

**REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 AUGUST 2022**

REFERENCE AND ADMINISTRATIVE DETAILS

Independent Examiner

Mr J F Hornby, FCA
ICAEW
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
LA14 1HZ

Approved by order of the board of trustees on 2 March 2023 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 2022.

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

3 March 2023

PENNINGTON NURSERY

**STATEMENT OF FINANCIAL ACTIVITIES
FOR THE YEAR ENDED 31 AUGUST 2022**

	Notes	Unrestricted funds £	Restricted funds £	31.8.22 Total funds £	31.8.21 Total funds £
INCOME AND ENDOWMENTS FROM					
Donations and legacies		-	-	-	1,185
Charitable activities					
Nursery		394,423	-	394,423	322,445
Other trading activities	2	790	-	790	-
Investment income	3	20	-	20	38
Other income		-	-	-	18,272
Total		<u>395,233</u>	<u>-</u>	<u>395,233</u>	<u>341,940</u>
 EXPENDITURE ON					
Raising funds		311	-	311	-
Charitable activities					
Nursery		<u>341,822</u>	<u>-</u>	<u>341,822</u>	<u>254,044</u>
Total		<u>342,133</u>	<u>-</u>	<u>342,133</u>	<u>254,044</u>
 NET INCOME		 53,100	 -	 53,100	 87,896
 RECONCILIATION OF FUNDS					
Total funds brought forward		<u>424,792</u>	<u>-</u>	<u>424,792</u>	<u>336,896</u>
 TOTAL FUNDS CARRIED FORWARD		 <u><u>477,892</u></u>	 <u><u>-</u></u>	 <u><u>477,892</u></u>	 <u><u>424,792</u></u>

The notes form part of these financial statements

PENNINGTON NURSERY

**BALANCE SHEET
31 AUGUST 2022**

	Notes	Unrestricted funds £	Restricted funds £	31.8.22 Total funds £	31.8.21 Total funds £
FIXED ASSETS					
Tangible assets	7	362,897	-	362,897	369,127
CURRENT ASSETS					
Debtors	8	3,172	-	3,172	2,539
Cash in hand		143,079	-	143,079	172,421
		<u>146,251</u>	-	<u>146,251</u>	<u>174,960</u>
CREDITORS					
Amounts falling due within one year	9	(6,227)	-	(6,227)	(75,880)
NET CURRENT ASSETS					
		<u>140,024</u>	-	<u>140,024</u>	<u>99,080</u>
TOTAL ASSETS LESS CURRENT LIABILITIES					
		502,921	-	502,921	468,207
CREDITORS					
Amounts falling due after more than one year	10	(25,029)	-	(25,029)	(43,415)
NET ASSETS					
		<u>477,892</u>	-	<u>477,892</u>	<u>424,792</u>
FUNDS					
Unrestricted funds	12			<u>477,892</u>	<u>424,792</u>
TOTAL FUNDS					
				<u>477,892</u>	<u>424,792</u>

The financial statements were approved by the Board of Trustees and authorised for issue on 2 March 2023 and were signed on its behalf by:

Mrs C Humphreys - Trustee

Mr O Collar - Trustee

PENNINGTON NURSERY

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2022

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.

Long leasehold	- 3% on cost
Plant and machinery	- 20% on cost
Computer equipment	- 33% 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.

Grants

Grants received are credited to profit and loss account in the financial period in which they are received.

PENNINGTON NURSERY

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 AUGUST 2022**

2. OTHER TRADING ACTIVITIES

	31.8.22	31.8.21
	£	£
Fundraising events	790	-
	<u> </u>	<u> </u>

3. INVESTMENT INCOME

	31.8.22	31.8.21
	£	£
Bank interest	20	38
	<u> </u>	<u> </u>

4. TRUSTEES' REMUNERATION AND BENEFITS

There were no trustees' remuneration or other benefits for the year ended 31 August 2022 nor for the year ended 31 August 2021.

Trustees' expenses

There were no trustees' expenses paid for the year ended 31 August 2022 nor for the year ended 31 August 2021.

5. STAFF COSTS

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

	31.8.22	31.8.21
Nursery Staff	15	13
Manager	2	2
	<u> </u>	<u> </u>
	<u> </u>	<u> </u>
	17	15
	<u> </u>	<u> </u>

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

6. COMPARATIVES FOR THE STATEMENT OF FINANCIAL ACTIVITIES

	Unrestricted funds £	Restricted funds £	Total funds £
INCOME AND ENDOWMENTS FROM			
Donations and legacies	1,185	-	1,185
Charitable activities			
Nursery	322,445	-	322,445
Investment income	38	-	38
Other income	18,272	-	18,272
	<u> </u>	<u> </u>	<u> </u>
Total	<u>341,940</u>	<u> </u>	<u>341,940</u>
EXPENDITURE ON			
Charitable activities			
Nursery	254,044	-	254,044
	<u> </u>	<u> </u>	<u> </u>
NET INCOME	87,896	-	87,896

PENNINGTON NURSERY

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 AUGUST 2022

6. COMPARATIVES FOR THE STATEMENT OF FINANCIAL ACTIVITIES - continued

	Unrestricted funds £	Restricted funds £	Total funds £
RECONCILIATION OF FUNDS			
Total funds brought forward	336,896	-	336,896
TOTAL FUNDS CARRIED FORWARD	<u>424,792</u>	<u>-</u>	<u>424,792</u>

7. TANGIBLE FIXED ASSETS

	Long leasehold £	Plant and machinery £	Computer equipment £	Totals £
COST				
At 1 September 2021	365,492	4,012	635	370,139
Additions	501	7,032	423	7,956
At 31 August 2022	<u>365,993</u>	<u>11,044</u>	<u>1,058</u>	<u>378,095</u>
DEPRECIATION				
At 1 September 2021	-	802	210	1,012
Charge for year	10,980	2,799	407	14,186
At 31 August 2022	<u>10,980</u>	<u>3,601</u>	<u>617</u>	<u>15,198</u>
NET BOOK VALUE				
At 31 August 2022	<u>355,013</u>	<u>7,443</u>	<u>441</u>	<u>362,897</u>
At 31 August 2021	<u>365,492</u>	<u>3,210</u>	<u>425</u>	<u>369,127</u>

8. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	31.8.22 £	31.8.21 £
Debtors	3,172	1,786
Prepayments	-	753
	<u>3,172</u>	<u>2,539</u>

PENNINGTON NURSERY

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 AUGUST 2022

9. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	31.8.22	31.8.21
	£	£
Bank loans and overdrafts (see note 11)	3,772	5,660
Taxation and social security	817	1,452
Other creditors	1,638	68,768
	<u>6,227</u>	<u>75,880</u>

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

	31.8.22	31.8.21
	£	£
Bank loans (see note 11)	25,029	43,415
	<u>25,029</u>	<u>43,415</u>

11. LOANS

An analysis of the maturity of loans is given below:

	31.8.22	31.8.21
	£	£
Amounts falling due within one year on demand:		
Bank loans	<u>3,772</u>	<u>5,660</u>
Amounts falling between one and two years:		
Bank loans - 1-2 years	<u>3,868</u>	<u>5,804</u>
Amounts falling due between two and five years:		
Bank loans - 2-5 years	<u>21,161</u>	<u>37,611</u>

12. MOVEMENT IN FUNDS

	At 1.9.21	Net movement in funds	At 31.8.22
	£	£	£
Unrestricted funds			
General fund	424,792	53,100	477,892
	<u>424,792</u>	<u>53,100</u>	<u>477,892</u>
TOTAL FUNDS	<u>424,792</u>	<u>53,100</u>	<u>477,892</u>

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

	Incoming resources	Resources expended	Movement in funds
	£	£	£
Unrestricted funds			
General fund	395,233	(342,133)	53,100
	<u>395,233</u>	<u>(342,133)</u>	<u>53,100</u>
TOTAL FUNDS	<u>395,233</u>	<u>(342,133)</u>	<u>53,100</u>

PENNINGTON NURSERY

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 AUGUST 2022

12. MOVEMENT IN FUNDS - continued

Comparatives for movement in funds

	At 1.9.20 £	Net movement in funds £	At 31.8.21 £
Unrestricted funds			
General fund	336,896	87,896	424,792
TOTAL FUNDS	<u>336,896</u>	<u>87,896</u>	<u>424,792</u>

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

	Incoming resources £	Resources expended £	Movement in funds £
Unrestricted funds			
General fund	341,940	(254,044)	87,896
TOTAL FUNDS	<u>341,940</u>	<u>(254,044)</u>	<u>87,896</u>

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

	At 1.9.20 £	Net movement in funds £	At 31.8.22 £
Unrestricted funds			
General fund	336,896	140,996	477,892
TOTAL FUNDS	<u>336,896</u>	<u>140,996</u>	<u>477,892</u>

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

	Incoming resources £	Resources expended £	Movement in funds £
Unrestricted funds			
General fund	737,173	(596,177)	140,996
TOTAL FUNDS	<u>737,173</u>	<u>(596,177)</u>	<u>140,996</u>

PENNINGTON NURSERY

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 AUGUST 2022**

13. RELATED PARTY DISCLOSURES

There were no related party transactions for the year ended 31 August 2022.

14. DESIGNATED FUNDS

In the prior year funds had been set aside by the trustees for the specific purpose of the new build. This project is now complete and the debt cleared.

Fund	Balance at 1 September 2021	Incoming Resources	Outgoing Resources	Transfers	Balance at 31 August 2022
New building fund	365,492	-	-	(365,492)	-
Total	365,492	-	-	(365,492)	-

PENNINGTON NURSERY

DETAILED STATEMENT OF FINANCIAL ACTIVITIES
FOR THE YEAR ENDED 31 AUGUST 2022

	31.8.22 £	31.8.21 £
INCOME AND ENDOWMENTS		
Donations and legacies		
Donations	-	1,185
Other trading activities		
Fundraising events	790	-
Investment income		
Bank interest	20	38
Charitable activities		
Fees	206,690	143,041
Grants	187,733	179,404
	<hr/>	<hr/>
	394,423	322,445
Other income		
Insurance claim	-	18,272
	<hr/>	<hr/>
Total incoming resources	395,233	341,940
 EXPENDITURE		
Raising donations and legacies		
Fundraising	311	-
Support costs		
Management		
Wages	262,717	213,933
Social security	9,266	1,576
Pensions	5,433	3,730
Insurance	1,959	1,730
Light and heat	684	489
Telephone	1,676	1,697
Rent	2,700	3,600
Advertising	98	-
Sundries	2,583	1,183
Water rates	1,034	400
Postage & stationery	847	528
Food & snacks	7,141	4,862
Repairs & maintenance	3,757	1,459
Supplies	13,922	7,702
Uniforms	1,384	-
Computer expenses	1,502	594
Training	1,805	449
Waste removal	1,881	1,467
PPE	-	2,435
Temporary Staff	2,016	-
Carried forward	322,405	247,834

This page does not form part of the statutory financial statements

PENNINGTON NURSERY

**DETAILED STATEMENT OF FINANCIAL ACTIVITIES
FOR THE YEAR ENDED 31 AUGUST 2022**

	31.8.22	31.8.21
	£	£
Management		
Brought forward	322,405	247,834
Bank interest payable	1,100	205
	<u>323,505</u>	<u>248,039</u>
 Finance		
Long leasehold	10,980	-
Plant and machinery	2,798	802
Computer equipment	408	210
Loss on sale of tangible fixed assets	-	2,886
	<u>14,186</u>	<u>3,898</u>
 Governance costs		
Accountancy and legal fees	4,131	2,107
	<u>4,131</u>	<u>2,107</u>
 Total resources expended	<u>342,133</u>	<u>254,044</u>
 Net income	<u><u>53,100</u></u>	<u><u>87,896</u></u>

This page does not form part of the statutory financial statements