

North Leeds Community Nursery

Charity number 1047355

A company limited by guarantee number 03046944

Annual Report and Financial Statements

for the year ended 31 May 2021



West Yorkshire Community Accounting Service

North Leeds Community Nursery

Annual Report and Financial Statements for the year ended 31 May 2021

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Prepared by West Yorkshire Community Accounting Service

North Leeds Community Nursery

Trustees' report for the year ended 31 May 2021

Reference and administrative details of the charity, its trustees and advisors

The trustees during the financial year and up to and including the date the report was approved were:

Name	Position	Dates
Simon Campbell-Skelling	Chair	until 25 November 2020
Nick McLoughlin	Treasurer	
Sarah Frost		Resigned 25 November 2020
Victoria Eustace	Chair	
Claire Eatough		
Robert Halstead	Secretary	
Elizabeth Austen		Appointed 25 November 2020
Claire Ewart		Appointed 25 November 2020
Charity number	1047355	Registered in England and Wales
Company number	03046944	Registered in England and Wales
Registered and principal address	Bankers	
Foxcroft Close	Virgin Money	Santander UK plc
Leeds	Bering House	2 Triton Square
West Yorkshire	Mariner Court	Regent's Place
LS6 3NT	Clydebank Business Park	London
	Clydebank. G81 2NR	NW1 3AN

Independent examiner

Simon Bostrom FCIE

West Yorkshire Community Accounting Service

Stringer House
34 Lupton Street
Leeds
LS10 2QW

Structure, governance and management

The charity is a company limited by guarantee and was incorporated on 18 April 1995. It is governed by a memorandum and articles of association. The liability of the members in the event of the company being wound up is limited to £1.

Method of recruitment and appointment of trustees

The trustees of the charity are also the directors for the purposes of company law and are appointed by the members at the AGM.

Objectives and activities

The charity's objects

a) To advance the education of children and in particular those children below compulsory school age from those areas of Leeds known as Burley, Headingley, and Woodhouse by the promotion and provision of day care facilities for such children which stimulate their growth and development through play;

b) In the interests of social welfare, to promote and provide recreational facilities and other leisure time activities for children so that their conditions of life may be improved.

The charity's main activities

The Charity operates a nursery for children under 7 years of age.

North Leeds Community Nursery

Trustees' report (continued) for the year ended 31 May 2021

Public benefit statement

In setting our objectives and planning our activities our Trustees have given serious consideration to the Charity Commission's general guidance on public benefit and in particular providing early years education and development.

Achievements and performance

OVERVIEW OF THE NURSERY YEAR

The year from June 2020 to May 2021 has as ever been a busy one but also a time of change, uncertainty and one that will never be forgotten.

Staffing- There have been small changes in the staffing structure, with recruitment needs relatively low. We had two permanent part time staff members leave the nursery to embark on new careers. To replace these members we recruited one new Senior staff member to work in the Sunshine room and an apprentice to work in the Rainbow room. We also recruited a new nursery cook.

In June the nursery re-opened after being closed for two months due to Covid-19. The nursery initially opened three days per week, working with a skeleton staff, gradually all children and staff returned and the nursery resumed full service by August.

Qualifications We continue to use Noodle Now the online learning platform. Courses over the year have been used to develop staff learning and knowledge in areas such as inclusion, equality and diversity, food safety and safeguarding children. Staff training days were utilised to catch up on observations, re-organising and updating the layout of the rooms and Inclusion and Equality webinars.

Improvements

The biggest improvements the nursery made this year was having the large trees in the back garden removed and installing three new sheds and having new fencing erected around the perimeter.

Because the sheds were more secure than the previous one we were able to invest in new outdoor resources, some of these being water trays, sand pits, and willow domes amongst others.

A new cooker, fridge and freezer were also purchased for the kitchen.

Social events and parental involvement

Unfortunately due to Covid-19 all social events were cancelled. We were able to conduct online Dancing Tots sessions where the parents and children were able to interact with one another. Family, the nursery online parental platform proved to be a valued tool in keeping parents informed of what their children were doing in the nursery and keeping parents updated about any Covid-19 changes etc.

Lease of the Land

We continue to talk with Leeds City Council with regards to the land we rent. Our ideal option is to stay situated on the site of Becketts Park, buy the land and construct a new purpose built nursery. We continue to look for other premises/land for sale that would make a suitable location for the nursery.

Fee increase

Due to the circumstances of the year it was agreed by the Management and Committee that a fee increase would not be implemented.

Budgets

Monthly budgets remained in place for the rooms to access resources and materials. The nursery did invest in further resources to support the 'Bubbles' that had been created in the Rainbow room and cleaning costs increased due to higher cleaning routines that needed to be implemented.

Marketing and Publicity

Our main source of advertising during the year was by word of mouth. It was agreed by the management and committee a new website would be devised in 2021.

North Leeds Community Nursery

Trustees' report (continued) for the year ended 31 May 2021

Achievements and performance (continued)

Fundraising and Charitable events

Fundraising events were limited this year and the focus was to raise funds for other charities as opposed to the nursery. The Rainbow room raised a staggering (£2,500) to support Prostate Cancer. The children took part in various sporting events to achieve their fundraising goals.

Future plans for the nursery

The future of the nursery looks promising in receiving regular enquiries and bookings for places within the nursery.

The front garden will soon need some attention to it in regards to new planters and a repaint.

We continue to discuss at committee meetings the desire to purchase the land we currently rent. We would like to build our own purpose built, eco friendly nursery.

Financial review

It has been another successful financial year for the nursery, despite various disruptions caused by the Coronavirus. The nursery achieved a net surplus of £10,703, increasing the charities unrestricted reserves to £172,137.

Nursery fee parent income increased by £12,617 compared to 2019/2020 (the nursery was closed for 2 months in 2019/2020 due to the Coronavirus). There were fewer 2 & 3 year funded places in 20/21 reducing the government funding for funded places by £7,958 compared to the previous year. The nursery was again successful in securing a government grant from the furlough scheme for staff costs and in addition, funding from Leeds City Council's Discretionary fund and income from the nursery's insurers for loss of income due to the Coronavirus.

Overall expense was £16,050 more in 2020/2021 compared to the previous year. Although savings were made in staffing (£4,439), and food costs (£7,318), there was an increase in temporary staff costs, (reflected in the increase in professional fees), equipment and materials and cleaning costs to meet additional Coronavirus measures implemented.

The Committee has assessed the nursery's financial position going forward and do not foresee any material impact on the organisation. They are confident the nursery can be treated as a going concern. The Committee look forward to achieving another successful financial year in 2021/2022.

Reserves policy

The charity's free reserves, excluding fixed assets, at the year end were £172,137.

The Trustees have examined the charity's requirements for reserves whilst considering the main risks to the organisation. It has established a policy whereby the reserve fund should cover six months of annual expenditure.

North Leeds Community Nursery

Trustees' report (continued) for the year ended 31 May 2021

Statement of trustees' responsibilities

The trustees (who are also the directors for the purposes of company law) are responsible for preparing the Trustees report and the financial statements in accordance with the applicable law and UK Accounting Standards.

Company law requires the trustees to prepare financial accounts for each financial year which 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 the year. In preparing these financial statements, the trustees are required to:

- select suitable accounting policies and apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the accounts on a going concern basis unless it is inappropriate to presume that the charitable company will continue in operation.

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 accounts comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

This report has been prepared in accordance with the Statement of Recommended Practice: Accounting and Reporting by Charities (Charities SORP (FRS102)), and in accordance with the special provisions of the Companies Act 2006 relating to small companies.

Signed on behalf of the board of trustees on

Signed: (Trustee)

Name:

North Leeds Community Nursery

Independent examiner's report to the trustees of North Leeds Community Nursery

I report to the charity trustees on my examination of the accounts of the charitable company for the year ended 31 May 2021, which are set out on pages 7 to 13.

Responsibilities and basis of report

As the charity's trustees of the charitable company (and also its directors for the purposes of company law) you are responsible for the preparation of the accounts in accordance with the requirements of the Companies Act 2006 ('the 2006 Act').

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

Independent examiner's statement

Since the charitable company's gross income exceeded £250,000 your examiner must be a member of a body listed in section 145 of the 2011 Act.

I confirm that I am qualified to undertake the examination because I am a member of ACIE 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 company as required by section 386 of the 2006 Act; or
- 2 the accounts do not accord with those records; or
- 3 the accounts do not comply with the accounting requirements of section 396 of the 2006 Act 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; or
- 4 the accounts 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 accounts 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 accounts to be reached.

Signed:

Name: Simon Bostrom FCIE

Date:

West Yorkshire Community Accounting Service

Stringer House
34 Lupton Street
Leeds
LS10 2QW

North Leeds Community Nursery
Statement of Financial Activities
(including summary income and expenditure account)
for the year ended 31 May 2021

	Notes	2021 Unrestricted funds £	2021 Restricted funds £	2021 Total funds £	2020 Total funds £
Income from:					
Government funded places		118,990	-	118,990	126,948
Private funded places		177,301	-	177,301	164,684
Grants	(2)	5,000	8,681	13,681	21,521
Donations and fundraising		376	-	376	4,730
Bank interest		109	-	109	470
Sales		-	-	-	502
Insurance		6,183	-	6,183	-
Total income		307,959	8,681	316,640	318,855
Expenditure on:					
Salaries and NIC	(3)	206,303	7,681	213,984	218,423
Rent and rates		10,645	-	10,645	9,699
Insurance and subscriptions		7,712	-	7,712	7,154
Utilities		6,050	-	6,050	(2,835)
Equipment and materials		7,560	1,000	8,560	4,915
General premises costs		6,363	-	6,363	7,066
Cleaning		10,482	-	10,482	6,627
Food and household		13,329	-	13,329	20,647
Legal and professional		19,766	-	19,766	6,954
Telephone and internet		891	-	891	895
Postage and other office costs		3,127	-	3,127	2,616
Training		629	-	629	991
Advertising and publicity		23	-	23	640
Bad debts written off		188	-	188	759
Other expenditure		10	-	10	301
Independent examination		1,248	-	1,248	1,224
Depreciation		2,383	-	2,383	2,684
Recruitment		547	-	547	1,127
Total expenditure		297,256	8,681	305,937	289,887
Net income / (expenditure)		10,703	-	10,703	28,968
Fund balances brought forward		184,904	-	184,904	155,936
Fund balances carried forward	(4)	195,607	-	195,607	184,904

All incoming resources and resources expended derive from continuing activities.

North Leeds Community Nursery

Balance sheet

as at 31 May 2021

	2021	2021	2021	2020
	Unrestricted	Restricted	Total	Total
	£	£	£	£
Fixed assets				
Tangible assets	(5) 23,470	-	23,470	13,673
Total fixed assets	<u>23,470</u>	<u>-</u>	<u>23,470</u>	<u>13,673</u>
Current assets				
Debtors and prepayments	(6) 9,802	-	9,802	9,273
Cash at bank and in hand	192,779	-	192,779	177,850
Total current assets	<u>202,581</u>	<u>-</u>	<u>202,581</u>	<u>187,123</u>
Current liabilities:				
amounts falling due within one year				
Creditors and accruals	(7) 30,444	-	30,444	15,892
Total current liabilities	<u>30,444</u>	<u>-</u>	<u>30,444</u>	<u>15,892</u>
Net current assets / (liabilities)	<u>172,137</u>	<u>-</u>	<u>172,137</u>	<u>171,231</u>
Net assets	<u>195,607</u>	<u>-</u>	<u>195,607</u>	<u>184,904</u>
Funds				
Unrestricted funds	195,607	-	195,607	184,904
Restricted funds	-	-	-	-
Total funds	<u>195,607</u>	<u>-</u>	<u>195,607</u>	<u>184,904</u>

For the year ending 31 May 2021 the charitable company was entitled to exemption from audit under section 477 of the Companies Act 2006 relating to small companies.

The members have not required the charitable company to obtain an audit of its accounts for the year in question in accordance with section 476. The trustees (who also the directors for the purposes of company law) acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and the preparation of accounts.

These accounts have been prepared in accordance with the provisions applicable to companies subject to the small companies' regime and with FRS 102 (effective January 2019).

The financial statements were approved by the board of trustees on

Signed: (Trustee)

Name:

North Leeds Community Nursery

Notes to the accounts

for the year ended 31 May 2021

1 Accounting policies

Basis of accounting

These accounts have been prepared under the historical cost convention with items recognised at cost or transaction value unless otherwise stated in the relevant note(s) to these accounts. The financial statements have been prepared in accordance with the Statement of Recommended Practice: Accounting and Reporting by 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) and with the Charities Act 2011.

The charity constitutes a public benefit entity as defined by FRS 102.

There has been no change to the accounting policies since last year.

No changes have been made to the accounts for previous years.

Going concern

The trustees are satisfied that there are no material uncertainties about the charity's ability to continue.

Incoming resources

All incoming resources are included in the Statement of Financial Activities (SOFA) when the charity becomes entitled to the resources, it is more likely than not that the trustees will receive the resources and the monetary value can be measured with sufficient reliability.

Grants and donations

Grants and donations are only included in the SOFA when the charity has unconditional entitlement to the resources.

Where grants are related to performance and specific deliverables, they are accounted for as the charity earns the right to consideration by its performance.

Expenditure and liabilities

Expenditure is recognised on an accrual basis as a liability is incurred. Liabilities are recognised where it is more likely than not that there is a legal or constructive obligation committing the charity to pay out the resources and the amount of the obligation can be measured with reasonable certainty.

Taxation

As a charity the organisation benefits from rates relief and is generally exempt from income tax and capital gains tax but not from VAT. Irrecoverable VAT is included in the cost of those items to which it relates.

Tangible fixed assets

Tangible fixed assets with an economic life more than one year are capitalised and included at cost including any incidental expenses of acquisition. Gifted assets are shown at the value to the charity on Depreciation is provided on all tangible fixed assets at rates calculated to write off the cost on a reducing balance basis at 15% per annum.

Pensions

The charity operates a defined contribution scheme for the benefit of its employees. The costs of contributions are recognised in the year they are payable.

North Leeds Community Nursery

Notes to the accounts continued

for the year ended 31 May 2021

1 Accounting policies (continued)

Fund accounting

Unrestricted funds are available for use at the discretion of the trustees in furtherance of the general objectives of the charity.

Restricted funds are subjected to restrictions on their expenditure imposed by the donor or through the terms of an appeal.

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

Leases

Rents under operating leases are charged on a straight line basis over the lease term or to an earlier date if the lease can be determined without financial penalty.

2 Grants

	2021 Unrestricted funds £	2021 Restricted funds £	2021 Total funds £	2020 Total funds £
Leeds City Council (LCC)	5,000	-	5,000	500
Seedlings Foundation	-	1,000	1,000	-
Job Retention Scheme	-	7,681	7,681	21,021
	<u>5,000</u>	<u>8,681</u>	<u>13,681</u>	<u>21,521</u>

3 Staff costs and numbers

	2021 £	2020 £
Gross salaries	201,598	212,862
Social security costs	8,839	2,045
Pensions	3,547	3,516
	<u>213,984</u>	<u>218,423</u>

The average number employees during the year was 11.8, being an average of 10.5 full time equivalent (2020: 13.8, 12.4 FTE). There were no employees with emoluments above £60,000.

Defined contribution pension scheme

	2021 £	2020 £
Costs of the scheme to the charity for the year	3,547	3,516
Amount of any contributions outstanding at the year end	665	653

4 Restricted funds

	Balance b/f £	Incoming £	Outgoing £	Transfers £	Balance c/f £
Seedlings Foundation	-	1,000	1,000	-	-
Job Retention Scheme	-	7,681	7,681	-	-
	<u>-</u>	<u>8,681</u>	<u>8,681</u>	<u>-</u>	<u>-</u>

Fund name

Purpose of restriction

Seedlings Foundation	Initially to match fund an interactive table, funder agreed alteration of purpose to use for outdoor play equipment
Job Retention Scheme	Towards salary costs of furloughed staff

North Leeds Community Nursery
Notes to the accounts continued
for the year ended 31 May 2021

5 Tangible assets

	Furniture and fittings	Office equipment	Total
	£	£	£
<u>Cost</u>			
At 1 June 2020	-	47,751	47,751
Additions	10,392	1,788	12,180
At 31 May 2021	<u>10,392</u>	<u>49,539</u>	<u>59,931</u>
<u>Depreciation</u>			
At 1 June 2020	-	34,078	34,078
Depn reversed re. disposals	-	-	-
Charge for year	286	2,097	2,383
At 31 May 2021	<u>286</u>	<u>36,175</u>	<u>36,461</u>
<u>Net book value</u>			
At 31 May 2021	<u>10,106</u>	<u>13,364</u>	<u>23,470</u>
At 31 May 2020	<u>-</u>	<u>13,673</u>	<u>13,673</u>

6 Debtors and prepayments

	2021	2020
	£	£
Debtors	7,165	6,854
Prepayments	2,637	2,419
	<u>9,802</u>	<u>9,273</u>

7 Creditors and accruals

	2021	2020
	£	£
Deferred income	2,224	1,000
Creditors	10,723	1,609
Deposits held	5,825	6,425
Accruals	9,799	6,858
Credit card	1,873	-
	<u>30,444</u>	<u>15,892</u>

North Leeds Community Nursery
Notes to the accounts continued
for the year ended 31 May 2021

8 Related party transactions

Trustee expenses

No trustee received any expenses during this year or the previous year.

Trustee remuneration and benefits

No trustee received any remuneration or benefit during this or the previous year.

Remuneration and benefits received by key management personnel

The key management personnel of the charity include the trustees and Chief Officer. The total employee benefits received by the Chief Officer were £24,769 (previous year: £24,880).

No trustee received any remuneration or benefit in this capacity during this or the previous year.

9 Operating leases

Expected future minimum lease payments over the remaining life of the lease, analysed into the period in which the commitment falls due:

	2021	2020
	£	£
Within one year	8,330	10,667
In the second to fifth years inclusive	-	8,000
	<u>8,330</u>	<u>18,667</u>

North Leeds Community Nursery

Statement of Financial Activities including comparatives for all funds (including summary income and expenditure account) for the year ended 31 May 2021

	2021 Unrestricted funds £	2020 Unrestricted funds £	2021 Restricted funds £	2020 Restricted funds £	2021 Total funds £	2020 Total funds £
Income						
Government funded places	118,990	126,948	-	-	118,990	126,948
Private funded places	177,301	164,684	-	-	177,301	164,684
Grants	5,000	-	8,681	21,521	13,681	21,521
Donations and fundraising	376	4,730	-	-	376	4,730
Bank interest	109	470	-	-	109	470
Sales	-	502	-	-	-	502
Insurance	6,183	-	-	-	6,183	-
Total income	307,959	297,334	8,681	21,521	316,640	318,855
Expenditure						
Salaries and NIC	206,303	197,402	7,681	21,021	213,984	218,423
Rent and rates	10,645	9,699	-	-	10,645	9,699
Insurance and subscriptions	7,712	7,154	-	-	7,712	7,154
Utilities	6,050	(2,835)	-	-	6,050	(2,835)
Equipment and materials	7,560	4,915	1,000	-	8,560	4,915
General premises costs	6,363	7,066	-	-	6,363	7,066
Cleaning	10,482	6,627	-	-	10,482	6,627
Food and household	13,329	20,147	-	500	13,329	20,647
Legal and professional	19,766	6,954	-	-	19,766	6,954
Telephone and internet	891	895	-	-	891	895
Postage and other office costs	3,127	2,616	-	-	3,127	2,616
Training	629	991	-	-	629	991
Advertising and publicity	23	640	-	-	23	640
Bank charges	-	-	-	-	-	-
Bad debts written off	188	759	-	-	188	759
Other expenditure	10	301	-	-	10	301
Independent examination	1,248	1,224	-	-	1,248	1,224
Depreciation	2,383	2,684	-	-	2,383	2,684
Recruitment	547	1,127	-	-	547	1,127
Total expenditure	297,256	268,366	8,681	21,521	305,937	289,887
Net income / (expenditure)	10,703	28,968	-	-	10,703	28,968
Fund balances brought forward	184,904	155,936	-	-	184,904	155,936
Fund balances carried forward	195,607	184,904	-	-	195,607	184,904