

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 2022



West Yorkshire Community Accounting Service

North Leeds Community Nursery

Annual Report and Financial Statements for the year ended 31 May 2022

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Prepared by West Yorkshire Community Accountancy Service CIO

North Leeds Community Nursery

Trustees' report for the year ended 31 May 2022

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	
Victoria Eustace	Chair	
Claire Eatough		
Robert Halstead	Secretary	
Elizabeth Austen		
Claire Ewart		

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 Accountancy Service CIO

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.

North Leeds Community Nursery

Trustees' report (continued) for the year ended 31 May 2022

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.

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

The year from June 2021 to May 2022 has been a busy year, with changes implemented that strive to make the nursery the best it possibly can be.

Staffing

There have been small changes in the staffing structure. Three staff members left the nursery to embark on new careers. One staff member went on maternity leave and due to personal circumstances decided to move back to their home town. Recruitment in the childcare sector has been exceptionally hard this year. The nursery has been lucky enough to employ a bank staff member, however we are still trying to recruit two permanent full time staff members.

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 providing challenging activities, health and nutrition, safeguarding children. Staff training days were utilised to catch up on observations, re-organising and updating the layout of the rooms and in depth safeguarding discussions. The days were also used to discuss and implement the revised Early Years Foundation Stage.

Improvements

The biggest improvements the nursery made this year was having 'the secret garden' erected in the Sunshine Room. This is an additional outdoor space for the children to access, this also provides additional ventilation in the room which has been essential since Covid-19.

The Rainbow room purchased a variety of outdoor wheeled toys, ranging from scooters, trikes, balance bikes and go-carts, the children thoroughly enjoy whizzing around the garden on these.

The areas of provision the rooms offer the children are consistently being assessed to ensure the children are getting the best out of the areas they possibly can.

The nursery invested in a new website.

Social events and parental involvement

Due to the ongoing spread of infection of Covid-19 the annual BBQ did not go ahead. We were however able to have the nursery annual picnic at Kirkstall Abbey. This was a great turn out and it was lovely to see so many families in attendance.

North Leeds Community Nursery

Trustees' report (continued) for the year ended 31 May 2022

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 Beckett 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. Due to time constraints this year the nursery has not been as proactive in looking for alternative land as in previous years.

Fee increase

A 2% fee increase was implemented in September. We kept the increase as low as possible to ensure that we could support families in still being able to access affordable childcare.

Budgets

Monthly budgets remain in place for the rooms to access resources and materials.

Cleaning costs remained higher due to the ongoing additional cleaning of the nursery, essential to prevent the spread of Covid-19.

Marketing and Publicity

The new website went 'live' in November 21. The website has generated an increase in enquiries for the nursery, along with regular show rounds and uptake in places.

Fundraising and Charitable events.

Over the course of the year the nursery supported Mission Christmas, The British Heart Foundation and Dementia UK.

Future plans for the nursery

The future of the nursery looks promising in receiving regular enquiries and bookings for places within the nursery. The nursery continues to have a waiting list in place due to the high demand.

This year we would like to have the whole nursery decorated. This will need to be done in stages and on weekends to ensure we can continue to remain open whilst the works are being carried out.

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

The nursery achieved a net surplus of £14,322, increasing the charities unrestricted reserves to £186,013.

There was an increase in income of £21,247 compared to the previous year. Nursery fee parent income increased by £52,507 and government funded income for the 2 and 3 year olds decreased by £16,196. Grant funding and insurance claim income were less as they were specifically related to Covid in the previous year.

Overall expense was £17,628 higher compared to the previous year. There was a general increase in most areas, in particular staff, temporary staff, staff recruitment, food, rent and general repairs. (Nursery places were restricted and a lot lower at the beginning of the previous year due to Covid, reducing some of the costs).

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 2022/2023.

Reserves policy

The charity's free reserves, excluding fixed assets, at the year end were £186,013.

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. This would equate to approximately £160k.

North Leeds Community Nursery

Trustees' report (continued) for the year ended 31 May 2022

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.

Approved by 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 2022, which are set out on pages 7 to 12.

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 fellow 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 fellow 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 Accountancy Service CIO

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 2022

	Notes	2022 Total funds £	2021 Total funds £
Income from:			
Grants and donations	(2)	5,184	13,681
Government funded places		102,794	118,990
Private funded places		229,808	177,301
Donations and fundraising		101	376
Bank interest		-	109
Insurance		-	6,183
Total income		337,887	316,640
Expenditure on:			
Salaries and NIC	(3)	218,962	213,984
Rent and rates		12,840	10,645
Insurance and subscriptions		7,003	7,712
Utilities		(3,114)	6,050
Equipment and materials		7,809	8,560
General premises costs		8,703	6,363
Cleaning		11,589	10,482
Food and household		20,243	13,329
Legal and professional		23,598	19,766
Telephone and internet		1,114	891
Postage and other office costs		1,313	3,127
Training		1,105	629
Advertising and publicity		90	23
Bad debts written off		2,019	188
Other expenditure		100	10
Independent examination		1,273	1,248
Website		1,548	-
Depreciation		3,784	2,383
Recruitment		3,586	547
Total expenditure		323,565	305,937
Net income / (expenditure)		14,322	10,703
Transfers between funds		-	-
Net movement in funds		14,322	10,703
Fund balances brought forward		195,607	184,904
Fund balances carried forward		209,929	195,607

All incoming resources and resources expended derive from continuing activities.

North Leeds Community Nursery

Balance sheet

as at 31 May 2022

		2022	2021
		Total	Total
		£	£
Fixed assets			
Tangible assets	(4)	<u>23,916</u>	<u>23,474</u>
Total fixed assets		<u>23,916</u>	<u>23,474</u>
Current assets			
Debtors and prepayments	(5)	6,469	9,802
Cash at bank and in hand		<u>202,067</u>	<u>192,779</u>
Total current assets		<u>208,536</u>	<u>202,581</u>
Current liabilities:			
amounts falling due within one year			
Creditors and accruals	(6)	<u>22,523</u>	<u>30,444</u>
Total current liabilities		<u>22,523</u>	<u>30,444</u>
Net current assets / (liabilities)		<u>186,013</u>	<u>172,137</u>
Net assets		<u>209,929</u>	<u>195,611</u>
Funds			
Unrestricted funds		<u>209,929</u>	<u>195,607</u>
Total funds		<u>209,929</u>	<u>195,607</u>

For the year ending 31 May 2022 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 2022

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 receipt.

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 2022

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 and donations	2022	2021
	Total	Total
	funds	funds
	£	£
Conflux Digital	5,000	
Job Retention Scheme	-	7,681
Leeds City Council (LCC)	-	5,000
Seedlings Foundation	-	1,000
Other donations	184	
	<u>5,184</u>	<u>13,681</u>

3 Staff costs and numbers	2022	2021
	£	£
Gross salaries	205,096	201,598
Social security costs	14,911	8,839
Employment allowance	(4,000)	-
Pensions	2,955	3,547
	<u>218,962</u>	<u>213,984</u>

The average number of employees during the year was 11.9, being an average of 11 full time equivalent (2021: 10.2, 9.2 FTE). There were no employees with emoluments above £60,000.

Defined contribution pension scheme	2022	2021
	£	£
Costs of the scheme to the charity for the year	2,955	3,547
Amount of any contributions outstanding at the year end	472	665

North Leeds Community Nursery
Notes to the accounts continued
for the year ended 31 May 2022

4 Tangible assets	Furniture & Fittings	Office equipment	Total
<u>Cost</u>	£	£	£
At 1 June 2021	10,392	49,543	59,935
Additions	2,000	2,226	4,226
At 31 May 2022	<u>12,392</u>	<u>51,769</u>	<u>64,161</u>
<u>Depreciation</u>			
At 1 June 2021	286	36,175	36,461
Charge for year	1,667	2,117	3,784
At 31 May 2022	<u>1,953</u>	<u>38,292</u>	<u>40,245</u>
<u>Net book value</u>			
At 31 May 2022	<u>10,439</u>	<u>13,477</u>	<u>23,916</u>
At 31 May 2021	<u>10,106</u>	<u>13,368</u>	<u>23,474</u>

5 Debtors and prepayments	2022	2021
	£	£
Debtors	3,815	6,031
Prepayments	2,654	2,637
Other debtors	-	1,134
	<u>6,469</u>	<u>9,802</u>

6 Creditors and accruals	2022	2021
	£	£
Creditors	8,684	8,815
Accruals	2,209	9,799
Deferred income (see note below for analysis)	-	2,224
Taxation and social security	2,012	1,908
Credit Card	2,421	1,873
Other creditors	7,197	5,825
	<u>22,523</u>	<u>30,444</u>

7 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.

8 Operating leases

Expected future minimum lease payments over the remaining life of the	2022	2021
	£	£
Within one year	-	8,330
In the second to fifth years inclusive	-	-
Over five years from the balance sheet date	-	-
	<u>-</u>	<u>8,330</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 2022

	2022 Unrestricted funds £	2021 Unrestricted funds £	2022 Restricted funds £	2021 Restricted funds £	2022 Total funds £	2021 Total funds £
Income						
Grants and donations	5,184	5,000	-	8,681	5,184	13,681
Government funded places	102,794	118,990	-	-	102,794	118,990
Private funded places	229,808	177,301	-	-	229,808	177,301
Donations and fundraising	101	376	-	-	101	376
Bank interest	-	109	-	-	-	109
Insurance	-	6,183	-	-	-	6,183
Total income	337,887	307,959	-	8,681	337,887	316,640
Expenditure						
Salaries and NIC	218,962	206,303	-	7,681	218,962	213,984
Rent and rates	12,840	10,645	-	-	12,840	10,645
Insurance and subscriptions	7,003	7,712	-	-	7,003	7,712
Utilities	(3,114)	6,050	-	-	(3,114)	6,050
Equipment and materials	7,809	7,560	-	1,000	7,809	8,560
General premises costs	8,703	6,363	-	-	8,703	6,363
Cleaning	11,589	10,482	-	-	11,589	10,482
Food and household	20,243	13,329	-	-	20,243	13,329
Legal and professional	23,598	19,766	-	-	23,598	19,766
Telephone and internet	1,114	891	-	-	1,114	891
Postage and other office costs	1,313	3,127	-	-	1,313	3,127
Training	1,105	629	-	-	1,105	629
Advertising and publicity	90	23	-	-	90	23
Bad debts written off	2,019	188	-	-	2,019	188
Other expenditure	100	10	-	-	100	10
Independent examination	1,273	1,248	-	-	1,273	1,248
Website	1,548	-	-	-	1,548	-
Depreciation	3,784	2,383	-	-	3,784	2,383
Recruitment	3,586	547	-	-	3,586	547
Total expenditure	323,565	297,256	-	8,681	323,565	305,937
Net income / (expenditure)	14,322	10,703	-	-	14,322	10,703
Fund balances brought forward	195,607	184,904	-	-	195,607	184,904
Fund balances carried forward	209,929	195,607	-	-	209,929	195,607