

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 2023



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COMMUNITY ACCOUNTING
WEST YORKSHIRE

North Leeds Community Nursery

Annual Report and Financial Statements for the year ended 31 May 2023

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Prepared by West Yorkshire Community Accountancy Service CIO

North Leeds Community Nursery

Trustees' report for the year ended 31 May 2023

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		
Nick McLoughlin	Treasurer	
Victoria Eustace	Chair	
Claire Eatough		Resigned 7 December 2022
Robert Halstead	Secretary	Resigned 7 December 2022
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 Par	London
	Clydebank. G81 2NR	NW1 3AN

Independent examiner

E J Beverley FCCA

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 formed 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 a sum not exceeding £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 2023

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 2022 to May 2023 has been a busy year, with changes implemented that strive to make the nursery the best it possibly can be.

Staffing- There have been very little changes to the staffing structure over the year. One full time staff member left the nursery due to continuous ill health in the Sunshine room. We were lucky enough to replace this staff member with a previous employee who left to go on maternity leave. This is on a part time basis. One staff member in the Sunshine room who worked part time completed her degree and signed a full-time contract. Recruitment is still very slow in the early years sector, with very little response to various advertising techniques.

Agency staff is still used on a regular basis, this is mainly to cover staff holidays as the nursery does not currently have additional staff to cover this. We are lucky enough to have a regular agency staff member, who is used to the nursery routine and has formed positive relationships with the children.

All current staff continue to work over their contracted hours to maintain the ratios that are required to safely operate the nursery.

Qualifications: Noodle Now is still a good resource that enables the staff to keep abreast with new developments and changes in the early years sector. This has been particularly useful as staff have not had to leave the setting to access training by other providers. Staff training days were utilised to catch up on observations, re-organising and updating the layout of the rooms and the days allowed us to continue our in-depth safeguarding discussions. A team building afternoon was organised with bowling and a meal. All the Rainbow staff and manager completed epilepsy training to support a child with a new diagnosis of epilepsy.

Improvements

The whole nursery was decorated internally. This was organised over a period of three weekends to ensure minimum impact to the day to day running of the nursery.

The nursery continues to buy resources that will improve children's outcomes. Items purchased were a large indoor sand tray and a large water tray with new water resources in the Rainbow room. A large wooden outdoor bridge for the Rainbow area. A large outdoor sandbox was purchased for the Sunshine room garden and new role play furniture.

Ofsted visited the nursery on the 20th March for their routine inspection. The nursery retained a rating of 'Good' with two recommendations to improve the nursery, which were to 'further expand on the younger children's curriculum' and 'make the children more aware of the importance of teeth brushing and being healthy'.

The nursery also received a visit from LCC food hygiene inspectors. We retained our five-star rating.

North Leeds Community Nursery

Trustees' report (continued) for the year ended 31 May 2023

Achievements and performance continued

Social events and parental involvement

The annual picnic at Kirkstall Abbey took place this year. We had a good turn out and the weather was on our side.

Lease of the Land

Communication with Leeds City Council with regards to the land we rent has not been as proactive as in previous years. The nursery would still like to pursue either a long-term lease or buy the land and construct a new purpose-built nursery.

Looking for other premises/land for sale that would make an alternative suitable location for the nursery has not been a priority over the last year.

Fee increase

A 3% 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. The increase was considerably lower than the current inflation.

Budgets

Monthly budgets remain in place for the rooms to access resources and materials. The budget amounts have not increased for some years, however this has not impacted on the rooms buying resources that are needed.

Our high standards of cleaning since covid-19 has remained in place, essential to prevent the spread of Covid-19 and other viruses that are presenting themselves since the pandemic.

Marketing and Publicity

The new website contact form remains an effective tool in booking visits and general enquiries.

Word of mouth is still the nurseries most effective advertising tool.

Fundraising and Charitable events.

Over the course of the year the Sunshine room supported the charity 'Sands' and raised an incredible £555.55. The Rainbow room supported 'Candle lighters' and raised an incredible £1,360.

Future for the nursery

The large outdoor area will need some attention over the next year. The soft surfacing is continuously shrinking especially in the heat, and the wood is beginning to rot on the timber trail. Minor fixes to the flooring and wood have taken place but this is only a temporary solution. Astro turf may be a more viable option as opposed to wet pour solutions. The timber trail could be replaced in sections to reduce large one-off financial outlays. Funding for these projects would be the ideal solution, however with only a small lease granted by the council funders may be reluctant to invest in a large project if we do not have long term security.

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 £8,784, increasing the charities free reserves, (excluding fixed assets) to £198,679.

There was an increase in income of £15,203 compared to the previous year. Nursery fee parent income decreased slightly by £1,739 but government funded income for the 2 and 3 year olds increased by £14,956.

North Leeds Community Nursery

Trustees' report (continued) for the year ended 31 May 2023

Financial review (continued)

Overall expense was £20,741 higher compared to the previous year. Staff related expense was £1,614 less and bad debt write off was £2,019 less. There was a significant increase in food due to the general cost of living increase (£4,593) and also resources/equipment (£4,613) as a new water boiler and Ipads were purchased. General premises expense was £3,994 higher due to the painting of the nursery and professional fees increased to fund the drama classes. Utilities were £8,544 more as the nursery was not charged the previous year.

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 2023/2024.

Reserves policy

The charity's free reserves, excluding fixed assets, at the year end were £198,679.

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 £169k based on the 2023/24 budgeted expenditure.

North Leeds Community Nursery

Trustees' report (continued) for the year ended 31 May 2023

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 2023, which are set out on pages 8 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 ACCA 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: E J Beverley FCCA

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 2023

	Notes	2023 Total funds £	2022 Total funds £
Income from:			
Grants and donations	(2)	5,000	5,184
Government funded places		117,750	102,794
Private funded places		228,069	229,808
Bank interest		2,271	101
Total income		<u>353,090</u>	<u>337,887</u>
Expenditure on:			
Salaries and NIC	(3)	209,440	218,962
Temporary staff		27,631	19,723
Rent and rates		13,795	12,840
Insurance and subscriptions		6,594	7,003
Utilities		5,430	(3,114)
Equipment and materials		12,422	7,809
General premises costs		12,697	8,703
Cleaning		12,496	11,589
Food and household		24,836	20,243
Legal and professional		5,279	3,875
Telephone and internet		1,309	1,114
Postage and other office costs		1,697	1,313
Training and travel costs		1,433	1,105
Advertising and publicity		115	90
Bad debts written off		-	2,019
Other expenditure		550	100
Independent examination		1,518	1,273
Website		-	1,548
Depreciation		3,881	3,784
Recruitment		3,183	3,586
Total expenditure		<u>344,306</u>	<u>323,565</u>
Net income / (expenditure)		<u>8,784</u>	<u>14,322</u>
Fund balances brought forward		<u>209,929</u>	<u>195,607</u>
Fund balances carried forward		<u>218,713</u>	<u>209,929</u>

All incoming resources and resources expended derive from continuing activities.

North Leeds Community Nursery
Balance sheet
as at 31 May 2023

		2023 Total £	2022 Total £
Fixed assets			
Tangible assets	(4)	<u>20,034</u>	<u>23,916</u>
Total fixed assets		<u>20,034</u>	<u>23,916</u>
Current assets			
Debtors and prepayments	(5)	10,047	6,469
Cash at bank and in hand		<u>221,474</u>	<u>202,067</u>
Total current assets		<u>231,521</u>	<u>208,536</u>
Current liabilities:			
amounts falling due within one year			
Creditors and accruals	(6)	<u>32,842</u>	<u>22,523</u>
Total current liabilities		<u>32,842</u>	<u>22,523</u>
Net current assets / (liabilities)		<u>198,679</u>	<u>186,013</u>
Net assets		<u>218,713</u>	<u>209,929</u>
Funds			
Unrestricted funds		<u>218,713</u>	<u>209,929</u>
Total funds		<u>218,713</u>	<u>209,929</u>

For the year ending 31 May 2023 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 are 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 2023

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, if 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.

Fund accounting

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

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.

North Leeds Community Nursery
Notes to the accounts continued
for the year ended 31 May 2023

2 Grants and donations	2023	2022
	Total	Total
	funds	funds
	£	£
Conflux Digital	5,000	5,000
Other donations	-	184
	<u>5,000</u>	<u>5,184</u>

3 Staff costs and numbers	2023	2022
	£	£
Gross salaries	198,276	205,096
Social security costs	13,321	14,911
Employment allowance	(5,094)	(4,000)
Pensions	<u>2,937</u>	<u>2,955</u>
	<u>209,440</u>	<u>218,962</u>

The average number of employees during the year was 10.1, being an average of 9 full time equivalent (2022: 10.9, 10 FTE). There were no employees with emoluments above £60,000.

Defined contribution pension scheme	2023	2022
	£	£
Costs of the scheme to the charity for the year	2,937	2,955
Amount of any contributions outstanding at the year end	545	472

4 Tangible assets	Furniture & Fittings	Office equipment	Total
	£	£	£
<u>Cost</u>			
At 1 June 2022	12,392	51,769	64,161
Disposals	-	(1,469)	(1,469)
At 31 May 2023	<u>12,392</u>	<u>50,300</u>	<u>62,692</u>
<u>Depreciation</u>			
At 1 June 2022	1,953	38,292	40,245
Depn reversed re. disposals	-	(1,122)	(1,122)
Charge for year	1,566	1,969	3,535
At 31 May 2023	<u>3,519</u>	<u>39,139</u>	<u>42,658</u>
<u>Net book value</u>			
At 31 May 2023	<u>8,873</u>	<u>11,161</u>	<u>20,034</u>
At 31 May 2022	<u>10,439</u>	<u>13,477</u>	<u>23,916</u>

North Leeds Community Nursery
Notes to the accounts continued
for the year ended 31 May 2023

5 Debtors and prepayments	2023	2022
	£	£
Debtors	7,371	3,815
Prepayments	2,676	2,654
	<u>10,047</u>	<u>6,469</u>

6 Creditors and accruals	2023	2022
	£	£
Bank loans and overdrafts	2,630	2,421
Creditors	13,565	8,684
Accruals	7,621	2,209
Taxation and social security	1,847	2,012
Other creditors	7,179	7,197
	<u>32,842</u>	<u>22,523</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.

Remuneration and benefits received by key management personnel

The total employee benefits received by key management personnel were £26,109 (previous year: £24,950).

8 Operating leases

Expected future minimum lease payments over the remaining life of the lease, analysed into the period in which the commitment falls due:	2023	2022
	£	£
Within one year	475	475
In the second to fifth years inclusive	752	1,227
Over five years from the balance sheet date	-	-
	<u>1,227</u>	<u>1,702</u>