

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 2024



North Leeds Community Nursery

Annual Report and Financial Statements for the year ended 31 May 2024

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Prepared by West Yorkshire Community Accountancy Service CIO

North Leeds Community Nursery

Trustees' report for the year ended 31 May 2024

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	Vice Chair	
Elizabeth Austen		
Claire Ewart	Chair	
Sarah Gill		Appointed 5 December 2023
Leah Michell		Appointed 5 December 2023
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

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 2024

Objectives and activities

The charity's objects

- a) To advance the education of children and in particular of those children below compulsory school age 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

Staffing

There have been various changes to the staffing structure over the year.

We received two requests for flexible working. These requests were to support a working family / life balance.

One staff member began their maternity leave in March and will be taking their full SMP entitlement. It is hoped they will return in December 24.

We successfully recruited one member of staff to join the Sunshine Room. This was initially on a part time basis, however the needs of the room increased and therefore we offered the staff member a full-time contract. The staff member is currently working towards their Early Years Educator level three qualification with Eden training.

Agency staff are 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 and staff in the Sunshine Room.

The past financial year has been a challenging one with regards to the nursery's finances, in particular the use of agency and temporary staff. These were taking a toll on the nursery's income. We have been very mindful of this and have limited how much agency we use utilising the Manager more in the rooms and the kitchen when needed and offering more overtime to the staff.

Qualifications: The staff team accessed SEND training in March. The training focussed on developing strategies to support children with autism. This was particularly beneficial in supporting some of the children who currently attend our nursery who are waiting for a diagnosis of autism.

All the staff attended paediatric first aid training in November. The qualification will last for three years.

Noodle now is still used for all the staff. This remains a useful resource in supporting staff to update their knowledge of safeguarding, food safety, allergies, child development and many more.

Improvements

We made a collective decision to be mindful of our spending over the last year given the financial position the nursery was facing. Therefore, we refrained from buying any large pieces of equipment and kept any improvements to a minimum. The rooms continued to buy resources and provisions to enhance the children's learning and development over the year using the budgets they had been allocated. Most expenditure was set against the curriculum and the activities provided to the children.

This year due to bad weather, the canopy in the front garden ripped and was not repairable. We decided not to replace this and look at alternative ways we could decorate the poles.

North Leeds Community Nursery

Trustees' report (continued) for the year ended 31 May 2024

Achievements and performance continued

Various changes and updates to the Early Years Foundation Stage (EYFS) were made this year and implemented throughout the nursery.

We made various improvements to the menu and food we offer the children. Along with the help of a parent we looked at improving our meals and snacks that were more processed and replaced some of these foods with more pure ingredients such as sour dough products, ciabatta, full fat soft cheese etc.

We booked 'Go Wild Outdoors' to deliver forest school sessions to the children once a month. The children enjoyed the activities provided which were based on seasonal events.

The nursery has seen a significant financial impact on parents deferring their children's start dates, along with decreasing the number of sessions originally booked over the course of the year. Therefore, we made several changes to our waiting list terms and conditions.

We also made changes to any new parents joining the nursery in that they would need to book a minimum of two days, and half day sessions were no longer an option.

Social events and parental involvement

This year we decided to plan for a summer fun day on Saturday the 5th August with activities such as 'hook a duck', 'coconut shy' etc. The date this was planned for was forecast for very heavy rain and we took the decision to postpone the event.

We changed the venue for the Annual General Meeting and decided to hold it at the Kirkstall Bridge pub. Attendance the year before had been very poor at the nursery, and we felt that the pub may be a more comfortable place for parents to attend. We were successful in two new parents signing up to join the committee.

In February we invited parents to join us for a paediatric first aid course. The take up for this was good and the parents who attended found the course very beneficial. This will be organised again in 2025.

Lease of the Land

The lease of the land is currently being looked at and we now have a contact who is taking responsibility for this within Leeds City Council (LCC).

It is still our desire to obtain a long-term lease. By having a long-term lease, it would help the nursery in obtaining funding that can be used to update the outdoor area which needs re-surfacing.

Fee increase

The annual fee increase this year was more complex than it had been in previous years. Given that the nursery would be making a significant financial loss we had to ensure that this fee increase would be enough to make the nursery financially viable as well as being mindful of the impact a significant increase could have on our families. The nursery was also faced with the challenges of the current inflation rate and the increase in the national living wage.

The Governments plans to introduce additional funding for children of 9 months, and 2 years also had a significant impact on the decisions we needed to make to ensure the nursery remained viable.

Budgets

Monthly budgets remained in place for the rooms to access resources and materials. The budget amounts have only increased by current inflation; however, this has not impacted on the rooms buying resources that are needed.

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

North Leeds Community Nursery

Trustees' report (continued) for the year ended 31 May 2024

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.

We advertised with North Leeds Mumbler to generate more enquiries, however after monitoring the impact of the advertisement it was decided this was not an effective advertising tool for us.

We gave out leaflets for parents to disseminate in the local area to generate more interest in the nursery.

Fundraising and Charitable events.

Over the course of the year the Rainbow Room supported 'Epilepsy Action' and raised an incredible £1,538. The Sunshine Room fundraiser was planned for a little later in the year.

Future for the nursery

We are confident that the nursery remains a viable business and that the recent changes we have put in place with regards to fee increases and session changes will enable it to flourish.

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.

The large outdoor area still needs 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. When the nursery can develop the outdoor area, 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. We plan to apply for funding for these projects to improve and develop the outside areas.

The main doors will need to be replaced at some point as these become warped in the winter months. PVC doors would be a better option.

Financial review

The net expenditure for the year was £19,825, all unrestricted in nature, decreasing the charity's free reserves (excluding fixed assets) to £181,895.

There was a decrease in income of £16,603 compared to the previous year as the occupancy for the nursery decreased from the Summer of 2023 due to a high number of children leaving to attend school. As a result, nursery fee parent income decreased slightly by £3,326 and government funded income for the 2 and 3 year olds decreased by £10,837. Grant and donation income was £4,712 higher in the previous year.

Overall expense was £12,006 higher compared to the previous year. Staff related expense was £10,041 higher but Rent and Rates and Food expenses remained the same. Accountancy and Bookkeeping costs were higher due to time reviewing and calculating forecasts with new fees and government rates. There was an increase in Insurance and Subscriptions partly due to the annual fee for the nursery management information system increasing (Famly). The nursery was successful in reducing costs relating to Equipment and Materials, General Premises costs, Travel, Training, Legal and Professional and Staff Recruitment. There was a slight increase in Cleaning costs (£1,910) which was in line with the budget. Legal and Professional Fees were lower as the external drama classes ended. Other external classes/activities for the children are due to commence next year. Utilities were £7,170 higher as the nursery was not charged the full amount in 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 a successful financial year in 2024/2025.

North Leeds Community Nursery

Trustees' report (continued) for the year ended 31 May 2024

Reserves policy

The charity's free reserves, excluding fixed assets, at the year end were £181,895.

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 £200k based on the 2024/25 budgeted expenditure.

North Leeds Community Nursery

Trustees' report (continued) for the year ended 31 May 2024

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 2024, which are set out on pages 9 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 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 2024

	Notes	2024 Total funds £	2023 Total funds £
Income from:			
Grants and donations	(2)	288	5,000
Government funded places		106,913	117,750
Private funded places		224,743	228,069
Bank interest		4,496	2,271
Other income		47	-
Total income		336,487	353,090
Expenditure on:			
Salaries and NIC	(3)	232,949	209,440
Temporary staff		14,163	27,631
Rent and rates		13,696	13,795
Insurance and subscriptions		8,156	6,594
Utilities		12,600	5,430
Equipment and materials		7,462	12,422
General premises costs		8,588	12,697
Cleaning		14,406	12,496
Food and household		24,851	24,836
Legal and professional		576	1,410
Telephone and internet		1,807	1,309
Postage and other office costs		1,669	1,697
Training and travel costs		994	1,433
Advertising and publicity		281	115
Other expenditure		1,805	550
Independent examination		1,518	1,518
Depreciation		3,041	3,881
Recruitment		1,873	3,183
Accountancy and bookkeeping		5,877	3,869
Total expenditure		356,312	344,306
Net income / (expenditure)		(19,825)	8,784
Fund balances brought forward		218,713	209,929
Fund balances carried forward		198,888	218,713

All incoming resources and resources expended derive from continuing activities.

North Leeds Community Nursery
Balance sheet
as at 31 May 2024

		2024	2023
		Total	Total
		£	£
Fixed assets			
Tangible assets	(4)	<u>16,993</u>	<u>20,034</u>
Total fixed assets		<u>16,993</u>	<u>20,034</u>
Current assets			
Debtors and prepayments	(5)	8,497	10,047
Cash at bank		<u>215,791</u>	<u>221,474</u>
Total current assets		<u>224,288</u>	<u>231,521</u>
Current liabilities:			
amounts falling due within one year			
Creditors and accruals	(6)	<u>42,393</u>	<u>32,842</u>
Total current liabilities		<u>42,393</u>	<u>32,842</u>
Net current assets / (liabilities)		<u>181,895</u>	<u>198,679</u>
Net assets		<u>198,888</u>	<u>218,713</u>
Funds			
Unrestricted funds		<u>198,888</u>	<u>218,713</u>
Total funds		<u>198,888</u>	<u>218,713</u>

For the year ending 31 May 2024 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 2024

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 2024

2 Grants and donations	2024 Total funds £	2023 Total funds £
Conflux Digital	-	5,000
Other donations	288	-
	<u>288</u>	<u>5,000</u>

3 Staff costs and numbers	2024 £	2023 £
Gross salaries	220,617	198,276
Social security costs	14,830	13,321
Employment allowance	(5,433)	(5,094)
Pensions	2,935	2,937
	<u>232,949</u>	<u>209,440</u>

The average number of employees during the year was 10.3, being an average of 8.3 full time equivalent (2023: 10.1, 9 FTE). There were no employees with emoluments above £60,000.

Defined contribution pension scheme	2024 £	2023 £
Costs of the scheme to the charity for the year	2,935	2,937
Amount of any contributions outstanding at the year end	624	545

4 Tangible assets	Furniture & Fittings £	Office equipment £	Total £
<u>Cost</u>			
At 1 June 2023	12,392	50,300	62,692
Additions	-	-	-
Disposals	-	(340)	(340)
At 31 May 2024	<u>12,392</u>	<u>49,960</u>	<u>62,352</u>
<u>Depreciation</u>			
At 1 June 2023	3,519	39,139	42,658
Depreciation reversed on disposals	-	(299)	(299)
Charge for year	1,331	1,669	3,000
At 31 May 2024	<u>4,850</u>	<u>40,509</u>	<u>45,359</u>
<u>Net book value</u>			
At 31 May 2024	<u>7,542</u>	<u>9,451</u>	<u>16,993</u>
At 31 May 2023	<u>8,873</u>	<u>11,161</u>	<u>20,034</u>

North Leeds Community Nursery
Notes to the accounts continued
for the year ended 31 May 2024

5 Debtors and prepayments	2024	2023
	£	£
Debtors	5,478	7,371
Prepayments	3,019	2,676
	<u>8,497</u>	<u>10,047</u>

6 Creditors and accruals	2024	2023
	£	£
Credit card	2,757	2,630
Creditors	10,029	13,565
Accruals	19,484	7,621
Fees paid in advance	1,643	-
Taxation and social security	1,431	1,847
Other creditors	7,049	7,179
	<u>42,393</u>	<u>32,842</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 £34,228 (previous year: £26,109).

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:	2024	2023
	£	£
Within one year	475	475
In the second to fifth years inclusive	277	752
Over five years from the balance sheet date	-	-
	<u>752</u>	<u>1,227</u>