

The Gateshead Jewish Nursery
Financial Statements
31 July 2022

HAFFNER HOFF LTD
Accountants & statutory auditor
2nd Floor - Parkgates
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The Gateshead Jewish Nursery

Financial Statements

Year ended 31 July 2022

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The Gateshead Jewish Nursery

Trustees' Annual Report

Year ended 31 July 2022

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

Reference and administrative details

Registered charity name The Gateshead Jewish Nursery

Charity registration number 511204

Principal office Alexandra Road
Gateshead
Tyne & Wear
NE8 1RB

The trustees

Mrs R Hirsch
Mrs A Katz

Auditor Haffner Hoff Ltd
Accountants & statutory auditor
2nd Floor - Parkgates
Bury New Road
Prestwich
Manchester
M25 0TL

Bankers Lloyds Bank plc
15 West Street
Gateshead
Tyne & Wear
NE8 1DP

The Gateshead Jewish Nursery

Trustees' Annual Report *(continued)*

Year ended 31 July 2022

Structure, governance and management

The Gateshead Jewish Nursery is constituted under a trust deed dated 04 December 1980. It is a registered charity and the charity number is 511204 and it was registered on 23 March 1981.

Trustee induction and training

New trustees undergo an orientation day to brief them on their legal obligations under the Charities Act, the committee, decision making processes, the business plan and the recent financial performance of the charity. Trustees are encouraged to attend appropriate external training events where these will facilitate the undertaking of their role.

Recruitment of trustees

Recruitment and appointment of new trustees is in line with the Memorandum and Articles of Association and with the consent of the trustees. The criteria set for the suitable candidate would be someone who is sensitive to the needs and demands of the organisation.

There is no chief executive officer. The day-to-day affairs are undertaken by Mrs E Rabinowitz on behalf of the trustees. All major decisions are taken collectively by the trustees and all the trustees give of their time freely. The trustees are unpaid and details of any related party transactions are disclosed as applicable in the notes to the accounts. The arrangements for setting the pay of the charity's employees are the sole domain of the trustees.

Organisational management

The trustees of the charity are legally responsible for the overall management and control of the charity and meet regularly. The day-to-day affairs are managed by the principal and her dedicated team who oversee the governance and management of the nursery. They report to the trustees on a regular basis.

Risk review

The Trustees have assessed the major risks to which the charity is exposed, in particular those related to the operations and finances of the Trust, and are satisfied that systems are in place to manage our exposure to the major risks.

The principal risks are financial including items such as reduction in student numbers and loss of grants receivable. The trustees plan to manage these risks by maintaining a high standard of education and governance of the nursery to ensure it is well run. Most grants receivable, are linked to the associated expenditure such that if the grants would cease to be payable then the associated costs would cease too.

The Gateshead Jewish Nursery

Trustees' Annual Report *(continued)*

Year ended 31 July 2022

Objectives and activities

The objects of the charity are the provision of nursery school facilities and facilities for Jewish religious education for Jewish children resident in the metropolitan borough of Gateshead.

Public benefit

The trustees confirm that they have referred to the guidance contained in the Charity Commission's general guidance on public benefit and in particular to its supplementary public benefit guidance on advancing education when reviewing the charity's aims and objectives and in planning future activities and setting grant making policy for the year.

Grant making policy

The charity is funded by fees, grants and donations. The charity provides education to children of nursery age in the Gateshead area.

The charity does not normally pay out any grants. If the charity would pay out any grants it would be in line with the objects as stated above.

Achievements and performance

The charity received £700,590 in grants from Gateshead MBC (2021: £731,729), £518,739 in fees charged (2021: £463,992) and no donations during the year (2021: £24,105). The charity also received grants totalling £50,580 relating to security of the school (2021: £46,824).

The charity also received £1,781 in JRS relating to Covid support (2021: £52,231).

The charity used the above income to fund the creche and nursery school operated by the charity. The amount spent on the creche and nursery including support costs during the year amounted to £1,266,987. The nursery caters for 277 children and for the latest OFSTED report dated May 2022 the nursery met all the independent schools' standards that were checked.

The trustees would like to record their appreciation for all financial support received from benefactors during the course of the year.

During the year the charity incurred other governance costs comprising professional fees.

There were no investments made during the year.

There were no material fundraising costs during the year.

Related party transactions are recorded as applicable in the notes to the accounts.

There was an overall net income of £4,703 but due to an unrealised revaluation reducing the value of the property amounting to £83,000, there was a negative net movement in funds of £78,297. This compares to 2021 where there was overall net income and net movement in funds for the year amounting to £189,429.

The Gateshead Jewish Nursery

Trustees' Annual Report *(continued)*

Year ended 31 July 2022

Financial review

The trustees feel that the activity reflects the profile and standing within the local community. The impact for future years' expenditure is self-evident and the trustees would like to record their appreciation for all the financial support received from benefactors during the course of the year.

Reserves policy

The trustees and management meet on a regular basis to review the reserves and future requirements of the charity. All future needs are considered together with any risks or contingencies that may exist. The trustees are confident that sufficient reserves will be generated to achieve the objectives of the charity.

The unrestricted fund represents the unrestricted funds arising from past operating results. It represents the reserves of the charity. The Trustees are satisfied that the balance of the Fund is satisfactory given the nature of revenue receipts against charitable activity and other costs.

The free reserves, represented by the net current assets of the charity stand at £300,626 all of which are unrestricted.

True and fair override

The financial statements have been prepared in accordance with the accounting policies set out in notes to the accounts and comply with the charities governing document, The Charities Act 2011 and the relevant version of the Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102).

Plans for future periods

The trustees plan to continue raising funds for projects in line with the Trust Deed and pursue those objectives and projects with all the resources available to the charity.

Trustees' responsibilities statement

The trustees are responsible for preparing the trustees' report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

The law applicable to charities in England and Wales requires the charity trustees to prepare financial statements for each year which give a true and fair view of the state of affairs of the charity and of the incoming resources and application of resources, of the charity for that period.

The Gateshead Jewish Nursery

Trustees' Annual Report *(continued)*

Year ended 31 July 2022

In preparing these financial statements, the trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the applicable Charities SORP;
- make judgments and accounting 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 financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in business.

The trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the charity's transactions and disclose with reasonable accuracy at any time the financial position of the charity and enable them to ensure that the financial statements comply with the Charities Act 2011, the applicable Charities (Accounts and Reports) Regulations, and the provisions of the Trust Deed. 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.

The trustees' annual report was approved on 31 May 2023 and signed on behalf of the board of trustees by:

Mrs A Katz
Trustee

The Gateshead Jewish Nursery

Independent Auditor's Report to the Trustees of The Gateshead Jewish Nursery

Year ended 31 July 2022

Opinion

We have audited the financial statements of The Gateshead Jewish Nursery (the 'charity') for the year ended 31 July 2022 which comprise the statement of financial activities, statement of financial position, statement of cash flows and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the charity's affairs as at 31 July 2022 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- have been prepared in accordance with the requirements of the Charities Act 2011.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the charity in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the charity's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the trustees with respect to going concern are described in the relevant sections of this report.

The Gateshead Jewish Nursery

Independent Auditor's Report to the Trustees of The Gateshead Jewish Nursery *(continued)*

Year ended 31 July 2022

Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the charity and its environment obtained in the course of the audit, we have not identified material misstatements in the trustees' report.

We have nothing to report in respect of the following matters in relation to which the Charities Act 2011 requires us to report to you if, in our opinion:

- the information given in the trustees' report is inconsistent in any material respect with the financial statements; or
- adequate accounting records have not been kept; or
- the financial statements are not in agreement with the accounting records and returns; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of trustees

As explained more fully in the trustees' responsibilities statement, the trustees are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the charity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the charity or to cease operations, or have no realistic alternative but to do so.

The Gateshead Jewish Nursery

Independent Auditor's Report to the Trustees of The Gateshead Jewish Nursery *(continued)*

Year ended 31 July 2022

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

We identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and then design and perform audit procedures responsive to those risks, including obtaining audit evidence that is sufficient and appropriate to provide a basis for our opinion.

In identifying and assessing risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, we considered the following:

the nature of the industry and sector, control environment and business performance;

results of our enquiries of management about their own identification and assessment of the risks of irregularities;

any matters we identified having obtained and reviewed the company's documentation of their policies and procedures relating to (a) identifying, evaluating and complying with laws and regulations and whether they were aware of any instances of non-compliance; (b) detecting and responding to the risks of fraud and whether they have knowledge of any actual, suspected or alleged fraud; (c) the internal controls established to mitigate risks of fraud or non-compliance with laws and regulations; (d) the matters identified as to how and where fraud might occur in the financial statements and any potential indicators of fraud.

In common with all audits under ISAS (UK), we are also required to perform specific procedures to respond to the risk of management override.

We also obtained an understanding of the legal and regulatory frameworks that the company operates in, focusing on provisions of those laws and regulations that had a direct effect on the determination of material amounts and disclosures in the financial statements. The key laws and regulations we considered in this context included the UK Companies Act, UK Corporate Governance Code, UK tax legislation and UK Charity Act.

In addition, we considered provisions of other laws and regulations that do not have a direct effect on the financial statements but compliance with which may be fundamental to the company's ability to operate or to avoid a material penalty.

As a result of performing the above, we identified no key audit matters relating to the potential risk of fraud.

Our procedures to respond to risks identified included the following:

reviewing the financial statement disclosures and testing to supporting documentation to assess

The Gateshead Jewish Nursery

Independent Auditor's Report to the Trustees of The Gateshead Jewish Nursery *(continued)*

Year ended 31 July 2022

compliance with provisions of relevant laws and regulations described as having a direct effect on the financial statements;

enquiring of management concerning actual and potential litigation and claims;

performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud;

obtaining an understanding of provisions and holding discussions with management to understand the basis of recognition or non-recognition of tax provisions; and

in addressing the risk of fraud through management override of controls, testing the appropriateness of journal entries and other adjustments; assessing whether the judgements made in making accounting estimates are indicative of a potential bias; and evaluating the business rationale of any significant transactions that are unusual or outside the normal course of business.

We remained alert to any indications of fraud or noncompliance with laws and regulations throughout the audit.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at www.frc.org.uk/auditorsresponsibilities. This description forms part of our Report of the Auditors.

As part of an audit in accordance with ISAs (UK), we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the trustees.
- Conclude on the appropriateness of the trustees' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the charity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the charity to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

The Gateshead Jewish Nursery

Independent Auditor's Report to the Trustees of The Gateshead Jewish Nursery *(continued)*

Year ended 31 July 2022

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

The firm is eligible for appointment as auditor of the charity by virtue of its eligibility for appointment as auditor of a company under Section 1212 of The Companies Act 2006.

Use of our report

This report is made solely to the charity's trustees, as a body, in accordance with section 144 of the Charities Act 2011 and regulations made under section 154 of that Act. Our audit work has been undertaken so that we might state to the charity's trustees those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charity and the charity's trustees as a body, for our audit work, for this report, or for the opinions we have formed.

2nd Floor - Parkgates
Bury New Road
Prestwich
Manchester
M25 0TL

Haffner Hoff Ltd
Accountants & statutory auditor

31 May 2023

The Gateshead Jewish Nursery

Statement of Financial Activities

Year ended 31 July 2022

		Unrestricted funds	2022 Restricted funds	Total funds	2021 Total funds
	Note	£	£	£	£
Income and endowments					
Donations and legacies	4	8,639	43,722	52,361	123,160
Charitable activities	5	1,219,329	–	1,219,329	1,195,721
Total income		<u>1,227,968</u>	<u>43,722</u>	<u>1,271,690</u>	<u>1,318,881</u>
Expenditure					
Expenditure on charitable activities	6,7	1,223,265	43,722	1,266,987	1,129,452
Total expenditure		<u>1,223,265</u>	<u>43,722</u>	<u>1,266,987</u>	<u>1,129,452</u>
Net income		<u>4,703</u>	<u>–</u>	<u>4,703</u>	<u>189,429</u>
Other recognised gains and losses					
Losses from revaluation of fixed assets		(83,000)	–	(83,000)	–
Net movement in funds		<u>(78,297)</u>	<u>–</u>	<u>(78,297)</u>	<u>189,429</u>
Reconciliation of funds					
Total funds brought forward		1,553,128	–	1,553,128	1,363,699
Total funds carried forward		<u>1,474,831</u>	<u>–</u>	<u>1,474,831</u>	<u>1,553,128</u>

The statement of financial activities includes all gains and losses recognised in the year.
All income and expenditure derive from continuing activities.

The notes on pages 14 to 23 form part of these financial statements.

The Gateshead Jewish Nursery

Statement of Financial Position

31 July 2022

	Note	2022 £	£	2021 £
Fixed assets				
Tangible fixed assets	14		1,471,508	1,545,532
Current assets				
Stocks	15	2,850		3,200
Debtors	16	37,461		19,200
Cash at bank and in hand		378,793		426,131
		<u>419,104</u>		<u>448,531</u>
Creditors: amounts falling due within one year	17	<u>118,478</u>		<u>119,532</u>
Net current assets			<u>300,626</u>	<u>328,999</u>
Total assets less current liabilities			<u>1,772,134</u>	<u>1,874,531</u>
Creditors: amounts falling due after more than one year	18		<u>297,303</u>	<u>321,403</u>
Net assets			<u>1,474,831</u>	<u>1,553,128</u>
Funds of the charity				
Unrestricted funds:				
Revaluation reserve		89,182		172,182
Other unrestricted income funds		1,385,649		1,380,946
Total unrestricted funds		<u>1,474,831</u>		<u>1,553,128</u>
Total charity funds	21		<u>1,474,831</u>	<u>1,553,128</u>

These financial statements were approved by the board of trustees and authorised for issue on 31 May 2023, and are signed on behalf of the board by:

Mrs A Katz
Trustee

The notes on pages 14 to 23 form part of these financial statements.

The Gateshead Jewish Nursery

Statement of Cash Flows

Year ended 31 July 2022

	2022	2021
	£	£
Cash flows from operating activities		
Net income	4,703	189,429
<i>Adjustments for:</i>		
Depreciation of tangible fixed assets	4,836	1,844
Interest payable and similar charges	10,930	11,609
Accrued (income)/expenses	(4,816)	11,561
<i>Changes in:</i>		
Stocks	350	1,800
Trade and other debtors	(18,261)	82,343
Trade and other creditors	3,469	1,132
Cash generated from operations	<u>1,211</u>	<u>299,718</u>
Interest paid	(10,930)	(11,609)
Net cash (used in)/from operating activities	<u>(9,719)</u>	<u>288,109</u>
Cash flows from investing activities		
Purchase of tangible assets	(13,812)	(7,243)
Net cash used in investing activities	<u>(13,812)</u>	<u>(7,243)</u>
Cash flows from financing activities		
Proceeds from borrowings	(22,891)	(22,595)
Payments of finance lease liabilities	(916)	3,188
Net cash used in financing activities	<u>(23,807)</u>	<u>(19,407)</u>
Net (decrease)/increase in cash and cash equivalents	(47,338)	261,459
Cash and cash equivalents at beginning of year	426,131	164,672
Cash and cash equivalents at end of year	<u>378,793</u>	<u>426,131</u>

The notes on pages 14 to 23 form part of these financial statements.

The Gateshead Jewish Nursery

Notes to the Financial Statements

Year ended 31 July 2022

1. General information

The charity is a public benefit entity and a registered charity in England and Wales and is unincorporated. The address of the principal office is Alexandra Road, Gateshead, Tyne & Wear, NE8 1RB.

2. Statement of compliance

The accounts (financial statements) have been prepared in accordance with the relevant version of the Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and The Financial Reporting Standard applicable in the UK and the Republic of Ireland (FRS 102) and the Charities Act 2011 and UK Generally Accepted Accounting Practice.

The accounts (financial statements) have been prepared to give a 'true and fair' view and have departed from the Charities (Accounts and Reports) Regulations 2008 only to the extent required to provide a 'true and fair' view. This departure has involved following the relevant version of the Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) rather than the Accounting and Reporting by Charities: Statement of Recommended Practice effective from 1 April 2005 which has since been withdrawn.

3. Accounting policies

Basis of preparation

The financial statements have been prepared on the historical cost basis.

Going concern

There are no material uncertainties about the charity's ability to continue.

Judgements and key sources of estimation uncertainty

The preparation of the financial statements did not require management to make judgements, estimates or assumptions that affect the amounts reported.

Fund accounting

Restricted funds are subjected to restrictions on their expenditure declared by the donor or through the terms of an appeal, and fall into one of two sub-classes: restricted income funds or endowment funds. Unrestricted funds held by the charity are funds that can be used in accordance with the charitable objects at the discretion of the trustees.

The Gateshead Jewish Nursery

Notes to the Financial Statements *(continued)*

Year ended 31 July 2022

3. Accounting policies *(continued)*

Incoming resources

All incoming resources are included in the statement of financial activities when entitlement has passed to the charity; it is probable that the economic benefits associated with the transaction will flow to the charity and the amount can be reliably measured. The following specific policies are applied to particular categories of income:

- income from donations or grants is recognised when there is evidence of entitlement to the gift, receipt is probable and its amount can be measured reliably.
- legacy income is recognised when receipt is probable and entitlement is established.
- income from donated goods is measured at the fair value of the goods unless this is impractical to measure reliably, in which case the value is derived from the cost to the donor or the estimated resale value. Donated facilities and services are recognised in the accounts when received if the value can be reliably measured. No amounts are included for the contribution of general volunteers.
- income from contracts for the supply of services is recognised with the delivery of the contracted service. This is classified as unrestricted funds unless there is a contractual requirement for it to be spent on a particular purpose and returned if unspent, in which case it may be regarded as restricted.

Resources expended

Expenditure is recognised on an accruals basis as a liability is incurred. Expenditure includes any VAT which cannot be fully recovered, and is classified under headings of the statement of financial activities to which it relates:

- expenditure on raising funds includes the costs of all fundraising activities, events, non-charitable trading activities, and the sale of donated goods.
- expenditure on charitable activities includes all costs incurred by a charity in undertaking activities that further its charitable aims for the benefit of its beneficiaries, including those support costs and costs relating to the governance of the charity apportioned to charitable activities.
- other expenditure includes all expenditure that is neither related to raising funds for the charity nor part of its expenditure on charitable activities.

All costs are allocated to expenditure categories reflecting the use of the resource. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs are apportioned between the activities they contribute to on a reasonable, justifiable and consistent basis.

The Gateshead Jewish Nursery

Notes to the Financial Statements *(continued)*

Year ended 31 July 2022

3. Accounting policies *(continued)*

Tangible assets

All fixed assets are initially recorded at cost and subsequently stated at cost less accumulated depreciation and impairment losses.

Land and buildings have not been depreciated this year as they have been enhanced and kept to a high standard. This departure from the Companies Act 2006 requirement has been necessary to ensure a true and fair view.

Depreciation

Depreciation is calculated so as to write off the cost or valuation of an asset, less its residual value, over the useful economic life of that asset as follows:

Fixtures & fittings	-	25% straight line
Equipment	-	25% straight line

Impairment of fixed assets

A review for indicators of impairment is carried out at each reporting date, with the recoverable amount being estimated where such indicators exist. Where the carrying value exceeds the recoverable amount, the asset is impaired accordingly. Prior impairments are also reviewed for possible reversal at each reporting date. For the purposes of impairment testing, when it is not possible to estimate the recoverable amount of an individual asset, an estimate is made of the recoverable amount of the cash-generating unit to which the asset belongs. The cash-generating unit is the smallest identifiable group of assets that includes the asset and generates cash inflows that largely independent of the cash inflows from other assets or groups of assets.

Stocks

Stocks are measured at the lower of cost and estimated value in use. Cost includes all costs of purchase, costs of conversion and other costs incurred in bringing the stock to its present location and condition.

Financial instruments

A financial asset or a financial liability is recognised only when the charity becomes a party to the contractual provisions of the instrument.

Basic financial instruments are initially recognised at the amount receivable or payable including any related transaction costs.

Current assets and current liabilities are subsequently measured at the cash or other consideration expected to be paid or received and not discounted.

Debt instruments are subsequently measured at amortised cost.

The Gateshead Jewish Nursery

Notes to the Financial Statements *(continued)*

Year ended 31 July 2022

3. Accounting policies *(continued)*

Financial instruments *(continued)*

Where investments in shares are publicly traded or their fair value can otherwise be measured reliably, the investment is subsequently measured at fair value with changes in fair value recognised in income and expenditure. All other such investments are subsequently measured at cost less impairment.

Other financial instruments, including derivatives, are initially recognised at fair value, unless payment for an asset is deferred beyond normal business terms or financed at a rate of interest that is not a market rate, in which case the asset is measured at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

Other financial instruments are subsequently measured at fair value, with any changes recognised in the statement of financial activities, with the exception of hedging instruments in a designated hedging relationship.

Financial assets that are measured at cost or amortised cost are reviewed for objective evidence of impairment at the end of each reporting date. If there is objective evidence of impairment, an impairment loss is recognised under the appropriate heading in the statement of financial activities in which the initial gain was recognised.

For all equity instruments regardless of significance, and other financial assets that are individually significant, these are assessed individually for impairment. Other financial assets are either assessed individually or grouped on the basis of similar credit risk characteristics.

Any reversals of impairment are recognised immediately, to the extent that the reversal does not result in a carrying amount of the financial asset that exceeds what the carrying amount would have been had the impairment not previously been recognised.

Defined contribution plans

Contributions to defined contribution plans are recognised as an expense in the period in which the related service is provided. Prepaid contributions are recognised as an asset to the extent that the prepayment will lead to a reduction in future payments or a cash refund.

When contributions are not expected to be settled wholly within 12 months of the end of the reporting date in which the employees render the related service, the liability is measured on a discounted present value basis. The unwinding of the discount is recognised as an expense in the period in which it arises.

4. Donations and legacies

	Unrestricted Funds £	Restricted Funds £	Total Funds 2022 £
Donations			
Donations	–	–	–

The Gateshead Jewish Nursery

Notes to the Financial Statements *(continued)*

Year ended 31 July 2022

4. Donations and legacies *(continued)*

	Unrestricted Funds £	Restricted Funds £	Total Funds 2022 £
Grants			
Security grants	6,858	43,722	50,580
JRS Scheme	1,781	–	1,781
	<u>8,639</u>	<u>43,722</u>	<u>52,361</u>
	Unrestricted Funds £	Restricted Funds £	Total Funds 2021 £
Donations			
Donations	24,105	–	24,105
Grants			
Security grants	–	46,824	46,824
JRS Scheme	52,231	–	52,231
	<u>76,336</u>	<u>46,824</u>	<u>123,160</u>

5. Charitable activities

	Unrestricted Funds £	Total Funds 2022 £	Unrestricted Funds £	Total Funds 2021 £
Payments from governments or public authorities in the normal course of trading	700,590	700,590	731,729	731,729
Voluntary contributions	518,739	518,739	463,992	463,992
	<u>1,219,329</u>	<u>1,219,329</u>	<u>1,195,721</u>	<u>1,195,721</u>

6. Expenditure on charitable activities by fund type

	Unrestricted Funds £	Restricted Funds £	Total Funds 2022 £
Provision of nursery education	1,125,608	43,722	1,169,330
Support costs	97,657	–	97,657
	<u>1,223,265</u>	<u>43,722</u>	<u>1,266,987</u>
	Unrestricted Funds £	Restricted Funds £	Total Funds 2021 £
Provision of nursery education	998,155	46,824	1,044,979
Support costs	84,473	–	84,473
	<u>1,082,628</u>	<u>46,824</u>	<u>1,129,452</u>

The Gateshead Jewish Nursery

Notes to the Financial Statements (continued)

Year ended 31 July 2022

7. Expenditure on charitable activities by activity type

	Activities undertaken directly £	Grant funding of activities £	Support costs £	Total funds 2022 £	Total fund 2021 £
Provision of nursery education	1,158,882	10,448	88,057	1,257,387	1,121,953
Governance costs	–	–	9,600	9,600	7,499
	<u>1,158,882</u>	<u>10,448</u>	<u>97,657</u>	<u>1,266,987</u>	<u>1,129,452</u>

8. Analysis of support costs

	Analysis of support costs £	Total 2022 £	Total 2021 £
Staff costs	56,054	56,054	50,819
General office	21,073	21,073	14,546
Finance costs	10,930	10,930	11,608
Governance costs	9,600	9,600	7,500
	<u>97,657</u>	<u>97,657</u>	<u>84,473</u>

9. Analysis of grants

	2022 £	2021 £
Grants to institutions		
North London Welfare	10,448	–
Total grants	<u>10,448</u>	<u>–</u>

10. Net income

Net income is stated after charging/(crediting):	2022 £	2021 £
Depreciation of tangible fixed assets	<u>4,836</u>	<u>1,844</u>

11. Auditors' remuneration

	2022 £	2021 £
Fees payable for the audit of the financial statements	<u>4,800</u>	<u>3,600</u>
Fees payable to the charity's auditor and its associates for other services: Other non-audit services	<u>4,800</u>	<u>3,900</u>

12. Staff costs

The Gateshead Jewish Nursery

Notes to the Financial Statements *(continued)*

Year ended 31 July 2022

12. Staff costs *(continued)*

The average head count of employees during the year was 127 (2021: 115). The average number of full-time equivalent employees during the year is analysed as follows:

	2022	2021
	No.	No.
Number of administrative staff	4	4
Number of teaching and other staff	78	70
	<u>82</u>	<u>74</u>

No employee received employee benefits of more than £60,000 during the year (2021: Nil).

13. Trustee remuneration and expenses

No remuneration or other benefits from employment with the charity or a related entity were received or expenses reimbursed by the trustees.

14. Tangible fixed assets

	Land and buildings £	Fixtures and fittings £	Equipment £	Total £
Cost				
At 1 August 2021	1,540,000	54,877	7,758	1,602,635
Additions	–	13,812	–	13,812
Revaluations	(83,000)	–	–	(83,000)
At 31 July 2022	<u>1,457,000</u>	<u>68,689</u>	<u>7,758</u>	<u>1,533,447</u>
Depreciation				
At 1 August 2021	–	52,158	4,945	57,103
Charge for the year	–	4,133	703	4,836
At 31 July 2022	<u>–</u>	<u>56,291</u>	<u>5,648</u>	<u>61,939</u>
Carrying amount				
At 31 July 2022	<u>1,457,000</u>	<u>12,398</u>	<u>2,110</u>	<u>1,471,508</u>
At 31 July 2021	<u>1,540,000</u>	<u>2,719</u>	<u>2,813</u>	<u>1,545,532</u>

15. Stocks

	2022	2021
	£	£
Raw materials and consumables	<u>2,850</u>	<u>3,200</u>

16. Debtors

	2022	2021
	£	£
Other debtors	<u>37,461</u>	<u>19,200</u>

The Gateshead Jewish Nursery

Notes to the Financial Statements *(continued)*

Year ended 31 July 2022

17. Creditors: amounts falling due within one year

	2022	2021
	£	£
Bank loans and overdrafts	22,890	22,597
Accruals and deferred income	17,950	22,766
Social security and other taxes	–	2,494
Obligations under finance leases and hire purchase contracts	750	750
Other creditors	76,888	70,925
	<u>118,478</u>	<u>119,532</u>

18. Creditors: amounts falling due after more than one year

	2022	2021
	£	£
Bank loans and overdrafts	295,781	318,965
Obligations under finance leases and hire purchase contracts	1,522	2,438
	<u>297,303</u>	<u>321,403</u>

The bank loans are secured on the property of the charity.

19. Finance leases and hire purchase contracts

The total future minimum lease payments under finance leases and hire purchase contracts are as follows:

	2022	2021
	£	£
Not later than 1 year	750	750
Later than 1 year and not later than 5 years	1,522	2,438
	<u>2,272</u>	<u>3,188</u>

20. Pensions and other post retirement benefits

Defined contribution plans

The amount recognised in income or expenditure as an expense in relation to defined contribution plans was £(7,164) (2021: £3,118).

The Gateshead Jewish Nursery

Notes to the Financial Statements *(continued)*

Year ended 31 July 2022

21. Analysis of charitable funds

Unrestricted funds

	At 01 Aug 2021 £	Income £	Expenditure £	Gains and losses £	At 31 Jul 2022 £
General funds	1,380,946	1,227,968	(1,223,265)	–	1,385,649
Revaluation reserve	172,182	–	–	(83,000)	89,182
	<u>1,553,128</u>	<u>1,227,968</u>	<u>(1,223,265)</u>	<u>(83,000)</u>	<u>1,474,831</u>

	At 01 Aug 2020 £	Income £	Expenditure £	Gains and losses £	At 31 Jul 2021 £
General funds	1,191,517	1,272,057	(1,082,628)	–	1,380,946
Revaluation reserve	172,182	–	–	–	172,182
	<u>1,363,699</u>	<u>1,272,057</u>	<u>(1,082,628)</u>	<u>–</u>	<u>1,553,128</u>

Restricted funds

	At 01 Aug 2021 £	Income £	Expenditure £	Gains and losses £	At 31 Jul 2022 £
Restricted fund - security grants	–	43,722	(43,722)	–	–
	<u>–</u>	<u>43,722</u>	<u>(43,722)</u>	<u>–</u>	<u>–</u>

	At 01 Aug 2020 £	Income £	Expenditure £	Gains and losses £	At 31 Jul 2021 £
Restricted fund - security grants	–	46,824	(46,824)	–	–
	<u>–</u>	<u>46,824</u>	<u>(46,824)</u>	<u>–</u>	<u>–</u>

The Gateshead Jewish Nursery

Notes to the Financial Statements *(continued)*

Year ended 31 July 2022

22. Analysis of net assets between funds

	Unrestricted Funds £	Total Funds 2022 £
Tangible fixed assets	1,471,508	1,471,508
Current assets	419,104	419,104
Creditors less than 1 year	(118,478)	(118,478)
Creditors greater than 1 year	(297,303)	(297,303)
Net assets	1,474,831	1,474,831

	Unrestricted Funds £	Total Funds 2021 £
Tangible fixed assets	1,545,532	1,545,532
Current assets	448,531	448,531
Creditors less than 1 year	(119,532)	(119,532)
Creditors greater than 1 year	(321,403)	(321,403)
Net assets	1,553,128	1,553,128

23. Analysis of changes in net debt

	At 1 Aug 2021 £	Cash flows £	At 31 Jul 2022 £
Cash at bank and in hand	426,131	(47,338)	378,793
Debt due within one year	(23,347)	(293)	(23,640)
Debt due after one year	(321,403)	24,100	(297,303)
	81,381	(23,531)	57,850

24. Related parties

There were no related party transactions during the year and no related party balances at the year end.

25. Taxation

The Gateshead Jewish Nursery is a registered charity and therefore is not liable to income tax or corporation tax on income derived from its charitable activities, as it falls within the various exemptions available to registered charities.

26. Subsequent events

On 1st September 2022 the charity bought all the shares in Shoshanim Ltd for £87,500. Shoshanim Ltd is a nursery based in the Gateshead area.