

**CAMDEN COMMUNITY NURSERIES LIMITED**

**(A company limited by guarantee)**

**UNAUDITED**

**TRUSTEES' REPORT AND FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 MARCH 2022**

**CAMDEN COMMUNITY NURSERIES LIMITED**  
**(A company limited by guarantee)**

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**CAMDEN COMMUNITY NURSERIES LIMITED**

**(A company limited by guarantee)**

**REFERENCE AND ADMINISTRATIVE DETAILS OF THE COMPANY, ITS TRUSTEES AND ADVISERS  
FOR THE YEAR ENDED 31 MARCH 2022**

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**Trustees**

Laurie Swan, Treasurer  
Paul McGhee  
Camilla Hollweck  
James Smith, Co-chair  
Isavella Theodosiou  
Ghislaine Halpenny, Co-chair

**Company registered number**

02575796

**Charity registered number**

1002534

**Registered office**

16 Acol Road  
London  
NW6 3AG

**Management team**

Reanne Thompson, Senior Nursery Manager  
Denize Bisset, Montpelier Nursery Manager  
Maryum Akhtar, Montpelier Deputy Nursery Manager  
Ramona Strattan, Sington and Acol Nursery Manager  
Simon Oltean, Sington Deputy Nursery Manager  
Jane McNally, Acol Deputy Nursery Manager

**Independent auditors**

Griffin Stone Moscrop & Co  
Chartered Accountants  
21-27 Lamb's Conduit Street  
London  
WC1N 3GS

## **CAMDEN COMMUNITY NURSERIES LIMITED**

**(A company limited by guarantee)**

### **TRUSTEES' REPORT FOR THE YEAR ENDED 31 MARCH 2022**

The Trustees, who are also directors of the charity for the purposes of the Companies Act, present their annual report together with the independently examined financial statements of Camden Community Nurseries Limited ("the charity") for the year ended 31 March 2022. The trustees confirm that the Annual report and financial statements of the charity comply with the current statutory requirements, the requirements of the charity's governing document and provisions of the Statement of Recommended Practice (SORP) "Accounting and Reporting by Charities" issued in March 2015.

Since the charity qualifies as small under section 383 of the Companies Act 2006, the strategic report required of medium and large companies under the Companies Act 2006 (strategic Report and Directors' Report) Regulations 2013 is not required.

#### **Objectives and Activities**

The charity's objective and principal activity is established as the advancement of the standard of education and care for pre-school children. This continues to be developed by Camden Community Nurseries (CCN) through adhering to the principles set out in the Early Years Foundation Stage and incorporating the seven areas of learning and development in the nurseries.

Our aim is to provide a community orientated nursery experience, which can be enjoyed by the children and parents alike, to as many beneficiaries as possible. Places are open to all, but targeted towards working parents, parents in further education, low-income families, refugee families, lone parent families and children with special needs.

CCN also supports students and unqualified staff to complete Early Years Education qualifications.

We strive to re-invest all proceeds from our charitable activities back into the charity whilst keeping mindful of ensuring the long term financial stability of the business.

CCN's primary source of income is fees charged for the provision of childcare in its nurseries. CCN uses a two tier fee structure to encourage a range of families to access high quality childcare. Additionally CCN continues to be part-funded by nursery education grants from the London Borough of Camden and occasionally other grant funders.

CCN does not undertake grant making activities, nor does it rely on contributions from volunteers.

#### **Achievements and performance**

The performance of the Charity for the financial year was not as good as originally forecast ending the year with a financial deficit of £84,016. Financially the charity strikes a balance between setting our fees at the lowest possible level for our disadvantaged beneficiaries and the need to maintain a financial buffer against future environmental changes. The financial year to 31 March 2022 was particularly difficult as support set up to assist businesses through the COVID crisis was no longer available however the after effects of the pandemic were still being widely felt by everyone including CCN.

Acol is our largest nursery with a total of 50 equivalent full time places. Montpelier has 24 places and Sington has 22. All nurseries continue to offer places for the 30-hour government funded childcare programme. In addition, all nurseries also offer places for the London Borough of Camden (LBC) funded 2 year old scheme.

At the year end the numbers of children on roll were as follows:

- Acol 47, including 5 on our lower income brackets and a further 9 receiving the additional 30-hour funding and 1 child on the 2 Year Old Scheme.
- Montpelier 18, including 2 on our lower income brackets, a further 3 receiving the additional 30-hour funding and 1 child on the 2 Year old Scheme.
- Sington 22, including 4 on our lowest income bracket and a further 2 receiving the additional 30-hour funding, 1 children on the 2 Year old Scheme and 1 SEN child with additional funding.

The average occupancy across CCN for the year to 31 March 2022 was 67% (2021: 54%), with average

**CAMDEN COMMUNITY NURSERIES LIMITED****(A company limited by guarantee)****TRUSTEES' REPORT (CONTINUED)  
FOR THE YEAR ENDED 31 MARCH 2022**

occupancy levels of 75% for Acol (2021: 54%), 62% for Montpelier (2021: 59%), and 63% for Sington (2021: 50%). All nurseries have a target occupancy level of 75%. The increase in occupancy for the year to 31 March 2022 reflects the fluctuations due to COVID-19 including changes of circumstances (such as working patterns) for parents. It should be noted that the levels of occupancy for the year are well below pre-pandemic levels and budget.

In normal times CCN generally has higher occupancy in the winter and spring, with lower occupancy levels in the summer and in the academic changeover period (September/October). We continue to work hard to increase occupancy through our communications activity, which includes community events organised through each of the nurseries.

All three of CCN's nurseries are currently rated 'Good' by Ofsted. The dates of the latest Ofsted inspections are as follows. Acol was inspected by Ofsted on 12 February 2019, Sington was inspected on 12 September 2018 and Montpelier was inspected on the 9 March 2018.

CCN has not undertaken any large-scale fundraising activities with all fundraising effectively suspended during the pandemic. CCN has only returned to run small scale fundraising in the financial year to 31 March 2022. Where nursery fundraising takes place at each nursery all funds generated are directly re-invested in the relevant nursery.

**Financial Review**

The Statement of Financial Activities shows income for the year of £972,845 and total expenditure of £1,056,861 resulting in net expenditure for the year of £84,016. Total reserves at the end of the March 2022 were £551,395, £550,449 being unrestricted funds.

Significant points to note on the Statement of Financial Activities are outlined below:

- Income from charitable activities, wholly derived from fees charged to parents, has increased by £202,937 from £543,087 to £746,024 due to higher levels of occupancy.
- Resources expended on charitable activities have increased by £116,556 to £1,058,277. This increase is due to a rise in direct costs of £116,556 from £939,721 principally resulting from higher salary costs, which is our most significant expense. Staff costs for the year to 31 March 2022 were £850,862, an increase of £50,915 from £799,947, reflecting higher staffing required in the post pandemic period, although COVID-19 is still impacting our occupancy.

CCN continues to experience financial pressures, caused by a number of factors (excluding COVID-19 issues covered separately), including:

- rent costs
- salary costs including pension and NI
- utilities
- an unchanged funding rate (last increased by 3p to £6.57 per hour in September 2019) as CCN provides childcare to parents on the basis of hours.

## **CAMDEN COMMUNITY NURSERIES LIMITED**

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### **TRUSTEES' REPORT (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2022**

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#### **Principal Risks & Uncertainties facing the Charity**

CCN's principal risks and strategies for mitigation are set out below:

##### Risk 1 - Loss of key personnel, including both staff and Trustees

This risk is mitigated by:

- Focus on staff development and regular training with internal promotion of staff where appropriate
- Each nursery has a staff association and regular staff meetings to allow staff feedback
- Trusted agency contacts are maintained by the Senior Manager
- Continuous recruitment of Trustees through parent meetings and CCN events

##### Risk 2 - External factors place increased financial strain on CCN, leading to going concern issues

This risk is mitigated by:

- Regular review of financial performance against budget
- Long term financial forecasting which informs decisions taken by trustees such as fee increases
- Ongoing monitoring of debt
- Maintaining levels of occupancy in excess of a minimum 70% with a target of 75% average over the year

##### Risk 3 - Reduction in occupancy, leading to reduction in income

This risk is mitigated by:

- Fees remain highly competitive through regular benchmarking exercise
- Focus on high quality childcare, including investment in staff
- Marketing and community events at each nursery

##### Risk 4 - Results of future Ofsted inspections impact reputation of CCN nurseries

This risk is mitigated by:

- All staff undergo regular training
- Safeguarding policy in place and regularly reviewed
- All staff DBS checked
- All buildings secure with door entry procedures
- Regular fire evacuation checks
- Crisis communication plan in place

#### **Principal Funding Sources**

CCN's primary source of income is fees charged for the provision of childcare in its nurseries. CCN uses a two-tier fee structure designed to enable a range of families to access quality childcare. As a not for profit organisation, CCN offers very competitive fee rates and discounted places for those on lower incomes.

CCN continues to receive nursery education grants from Camden Council and occasionally other grant funders. In particular the 2 year old funding scheme allows CCN to offer part time fully funded places to eligible 2 year olds. CCN also provides the universal funded places and the 30 hour places to eligible 3 & 4 year olds. It is important to note that this funding from the LBC results in lower fees being charged to the parents.

#### **COVID-19 Impact & Assessment**

Occupancy has been severely hit by the crisis not only due to enforced closures (prior year) but also parent circumstances and requirements have been changing. Throughout the year and since the year end occupancy continues to fluctuate more and has been harder to maintain.

As funding and government benefits have been removed the financial year to 31st March 2022 has been very difficult but CCN remains positive that we can continue to operate in the current climate.

**CAMDEN COMMUNITY NURSERIES LIMITED**

**(A company limited by guarantee)**

**TRUSTEES' REPORT (CONTINUED)  
FOR THE YEAR ENDED 31 MARCH 2022**

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**Reserves policy & Going concern**

The charity had net assets at the balance sheet date of £551,395 of which £946 are restricted (net assets of £603,411 at 31 March 2021). It is the policy for the Board to maintain a level of unrestricted reserves as a buffer against changes in the economic climate that might impact the donors and supporters of the charity.

The current financial year to 31 March 2022 has been very challenging. In conjunction with other nurseries CCN has struggled to recruit qualified staff and has had to deal with fluctuating occupancy. However, the Trustees consider the present level of reserves and funding committed to by third parties, is adequate to support the charity for at least twelve months.

**Plans for the future**

At the core of our future plans is our commitment to providing affordable nursery places to the local community and to be the first choice for parents in the local area. CCN will continue to promote the nurseries to maintain and increase occupancy. We intend to continue offering as many funded places (2 year old scheme, 30 hour funding and 15 hour universal funding) and lower income places as possible.

In order to do this we will perform a financial and strategic review of the business every 6 months. In particular, the Trustees will continue to review and benchmark fee levels to ensure that the right balance is found between providing value for money for parents and ensuring the financial sustainability of the charity. A fee rise of 10% was implemented from 1 September 2022. This was a significant rise which the board felt had to be made to allow for a pay rise and to deal with rising costs particularly energy costs. CCN gave the staff a 5% pay rise from 1 September 2022.

The Board continues to provide the strategic direction of the charity. The Board has an ongoing commitment to ensuring that CCN's fundraising, finance and accounting policies are in line with best practice, and to focussing business planning on supporting our vision and mission. We believe we have the skills and expertise within the team and Board of Trustees to fulfil this commitment.

## **CAMDEN COMMUNITY NURSERIES LIMITED**

**(A company limited by guarantee)**

### **TRUSTEES' REPORT (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2022**

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#### **Structure, Governance and Management**

The charity is constituted as a company limited by guarantee and is therefore governed by a Memorandum and Articles of Association, and also registered with the Charity Commission. The Memorandum and Articles of Association were updated during the 2014/15 financial year and adopted by the Board of Trustees. No further revisions have taken place.

#### **Method of appointment, induction and training of Trustees**

All parents are offered membership and are invited to attend the AGM. Parents are advised about which Trustees are resigning, and are invited to consider standing for election as Trustees themselves, which they can do via an application process. The majority of Trustees are parents but the Board will also co-opt non-parent Trustees where appropriate giving due regard to the requirement for any specialist skills needed.

New trustees undergo an induction to brief them on their legal obligations under charity and company law, the content of the Memorandum and Articles of Association, the committee and decision-making processes, the business plan and the recent financial performance of the charity. Trustees are encouraged to consult a wide range of guidance available from relevant bodies such as the Charities Commission and undertake external training opportunities.

#### **Organisation**

In normal circumstances the Board meets bi-annually in person and quarterly by conference call. In addition specific meetings may be convened as deemed necessary. Since April 2020 the Board has been meeting via video conference call on a near monthly basis. We are not currently running sub-committees as all members of the Board need to be fully aware of all issues. Since the financial year end Board meetings are continuing to occur online but have reduced in frequency and are currently being held at least quarterly.

A Senior Nursery Manager has responsibility (as delegated by the Board) for the day-to-day operation of all three nurseries (Acol, Sington & Montpelier), which constitute Camden Community Nurseries (CCN). This includes operational expenditure, staff management and recruitment, as well as ensuring best practice across all three nurseries.

Each individual nursery has a Manager and Deputy Manager who report to the Senior Nursery Manager and are responsible for the early years' education within their nurseries and for the line management of the nursery staff. Day to day support is provided to the Senior Nursery Manager by three part time members of staff (Admin Officer, Marketing Officer and Finance Officer). Furthermore, the organisation has access to a pool of specialists for specific work on an ad hoc basis, for example on the strategic direction of CCN, fundraising and HR.

The Board is responsible for all strategic decision making including

- o setting the fee structure and levels
- o significant investment in any of the nurseries, such as garden re-development
- o pay rises for staff and pay levels of key management personnel

#### **Public Benefit**

We have referred to the Charity Commissions general guidance on public benefit when reviewing our aims and objectives and in planning our future services. In particular the board of trustees consider how our planned services will contribute to the aims and objectives they have set.

#### **Audit exemption**

The government have set the income threshold requiring an audit at £1,000,000. Under these rules CCN is only required to have its 31 March 2022 accounts independently examined. The Trustees have appointed the firm of auditors, GSM & Co, to perform the independent examination.



**CAMDEN COMMUNITY NURSERIES LIMITED**

**(A company limited by guarantee)**

**TRUSTEES' REPORT (CONTINUED)  
FOR THE YEAR ENDED 31 MARCH 2022**

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**Trustees' responsibilities statement**

The trustees (who are also the directors of Camden Community Nurseries Limited for the purposes of company law) are responsible for preparing the Trustees' Annual Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the Trustees to prepare financial statements for each financial year. Under company law must not approve the financial statements unless they are satisfied that they 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 that period. 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 Charities SORP;
- make judgements and accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in operation.

The Trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the charitable company's transactions and disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Approved by order of the members of the board of Trustees and signed on their behalf by:



.....  
**Laurie Swan**

(Trustee)

Date: 22 November 2022

**CAMDEN COMMUNITY NURSERIES LIMITED**

**(A company limited by guarantee)**

**INDEPENDENT EXAMINER'S REPORT  
FOR THE YEAR ENDED 31 MARCH 2022**

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**Independent examiner's report to the Trustees of Camden Community Nurseries Limited ('the Company')**

I report to the charity Trustees on my examination of the accounts of the Company for the year ended 31 March 2022.

**Responsibilities and basis of report**

As the Trustees of the Company (and 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 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 the Company's accounts carried out under section 145 of the Charities Act 2011 ('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 Company's gross income exceeded £250,000 your examiner must be a member of a body listed in section 145 of the 2011 Act. I confirm that I am qualified to undertake the examination because I am a member of ICAEW, which is one of the listed bodies.

I have completed my examination. I confirm that no matters have come to my attention in connection with the examination giving me cause to believe:

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.

This report is made solely to the Company's Trustees, as a body, in accordance with Part 4 of the Charities (Accounts and Reports) Regulations 2008. My work has been undertaken so that I might state to the Company's Trustees those matters I am required to state to them in an Independent examiner's report and for no other purpose. To the fullest extent permitted by law, I do not accept or assume responsibility to anyone other than the Company and the Company's Trustees as a body, for my work or for this report.

Signed: *Richard Hill*

Richard Hill

Dated: 30/11/2022

FCA

**Griffin Stone Moscrop & Co**

Chartered Accountants

21-27 Lamb's Conduit Street

London

WC1N 3GS

**CAMDEN COMMUNITY NURSERIES LIMITED****(A company limited by guarantee)****STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING INCOME AND EXPENDITURE ACCOUNT)  
FOR THE YEAR ENDED 31 MARCH 2022**

	<b>Note</b>	<b>Restricted funds 2022 £</b>	<b>Unrestricted funds 2022 £</b>	<b>Total funds 2022 £</b>	<b>Total funds 2021 £</b>
<b>Income from:</b>					
Donations and legacies	2	224,328	1,670	225,998	403,616
Charitable activities	3	-	746,024	746,024	543,087
Fundraising activities		-	757	757	-
Investments	4	-	66	66	351
<b>Total income</b>		<b>224,328</b>	<b>748,517</b>	<b>972,845</b>	<b>947,054</b>
<b>Expenditure on:</b>					
Raising funds		-	584	584	516
Charitable activities	5	226,528	829,749	1,056,277	939,721
<b>Total expenditure</b>		<b>226,528</b>	<b>830,333</b>	<b>1,056,861</b>	<b>940,237</b>
<b>Net movement in funds before other recognised gains</b>		<b>(2,200)</b>	<b>(81,816)</b>	<b>(84,016)</b>	<b>6,817</b>
<b>Other recognised gains:</b>					
Actuarial gains on defined benefit pension schemes	19	-	32,000	32,000	51,000
<b>Net movement in funds</b>		<b>(2,200)</b>	<b>(49,816)</b>	<b>(52,016)</b>	<b>57,817</b>
<b>Reconciliation of funds:</b>					
Total funds brought forward		3,146	600,265	603,411	545,594
Net movement in funds		(2,200)	(49,816)	(52,016)	57,817
<b>Total funds carried forward</b>		<b>946</b>	<b>550,449</b>	<b>551,395</b>	<b>603,411</b>

The Statement of financial activities includes all gains and losses recognised in the year.

The notes on pages 13 to 30 form part of these financial statements.

**CAMDEN COMMUNITY NURSERIES LIMITED****(A company limited by guarantee)****REGISTERED NUMBER: 02575796****BALANCE SHEET  
AS AT 31 MARCH 2022**

	Note	2022 £	2021 £
<b>Fixed assets</b>			
Tangible assets	10	1,464	2,785
		<u>1,464</u>	<u>2,785</u>
<b>Current assets</b>			
Debtors	11	15,155	18,074
Cash at bank and in hand		568,028	647,550
		<u>583,183</u>	<u>665,624</u>
Creditors: amounts falling due within one year	12	(56,252)	(56,998)
<b>Net current assets</b>		<u>526,931</u>	<u>608,626</u>
<b>Total assets less current liabilities</b>		<u>528,395</u>	<u>611,411</u>
<b>Net assets excluding pension asset / liability</b>		<u>528,395</u>	<u>611,411</u>
Defined benefit pension scheme asset / liability	19	23,000	(8,000)
<b>Total net assets</b>		<u><u>551,395</u></u>	<u><u>603,411</u></u>
<b>Charity funds</b>			
Restricted funds	13	946	3,146
Unrestricted funds	13	550,449	600,265
<b>Total funds</b>		<u><u>551,395</u></u>	<u><u>603,411</u></u>

**CAMDEN COMMUNITY NURSERIES LIMITED**  
**(A company limited by guarantee)**

**BALANCE SHEET (CONTINUED)**  
**AS AT 31 MARCH 2022**

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The Company was entitled to exemption from audit under section 477 of the Companies Act 2006.

The members have not required the company to obtain an audit for the year in question in accordance with section 476 of Companies Act 2006.

The Trustees acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and preparation of financial statements.

The financial statements have been prepared in accordance with the provisions applicable to entities subject to the small companies regime.

The financial statements were approved and authorised for issue by the Trustees and signed on their behalf by:



.....  
**Laurie Swan**  
(Trustee)  
Date: 22 November 2022

The notes on pages 13 to 30 form part of these financial statements.

**CAMDEN COMMUNITY NURSERIES LIMITED**  
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**STATEMENT OF CASH FLOWS**  
**FOR THE YEAR ENDED 31 MARCH 2022**

	2022 £	2021 £
<b>Cash flows from operating activities</b>		
Net cash used in operating activities	<b>(79,588)</b>	7,592
<b>Cash flows from investing activities</b>		
Dividends, interests and rents from investments	<b>66</b>	351
<b>Net cash provided by investing activities</b>	<b>66</b>	<b>351</b>
<b>Cash flows from financing activities</b>		
<b>Net cash provided by financing activities</b>	<b>-</b>	<b>-</b>
<b>Change in cash and cash equivalents in the year</b>	<b>(79,522)</b>	<b>7,943</b>
Cash and cash equivalents at the beginning of the year	<b>647,550</b>	639,607
<b>Cash and cash equivalents at the end of the year</b>	<b>568,028</b>	647,550

The notes on pages 13 to 30 form part of these financial statements

**CAMDEN COMMUNITY NURSERIES LIMITED**  
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2022**

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**1. Accounting policies**

**1.1 Basis of preparation of financial statements**

The financial statements have been prepared in accordance with the Charities SORP (FRS 102) - Accounting and Reporting by Charities: 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) (effective 1 January 2019), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

Camden Community Nurseries Limited meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy.

**1.2 Going concern**

After making appropriate enquiries, the Trustees have a reasonable expectation that the charity has adequate resources to continue in operational existence for the next twelve months. For this reason they continue to adopt the going concern basis in preparing the financial statements.

**1.3 Company status**

The charity is a company limited by guarantee. The members of the company are the Trustees named on page 1. In the event of the charity being wound up, the liability in respect of the guarantee is limited to £1 per member of the charity.

**1.4 Income**

All income is recognised once the Company has entitlement to the income, it is probable that the income will be received and the amount of income receivable can be measured reliably.

Grants are included in the Statement of financial activities on a receivable basis. The balance of income received for specific purposes but not expended during the period is shown in the relevant funds on the Balance sheet. Where income is received in advance of entitlement of receipt, its recognition is deferred and included in creditors as deferred income. Where entitlement occurs before income is received, the income is accrued.

Donated facilities are included at the value to the charity where this can be quantified and a third party is bearing the cost. No amounts are included in the financial statements for services donated by volunteers.

The principal sources of income for the charity are fees receivable which are recognised on an accruals basis and grants which are recognised on receipt unless there is a contractual arrangement to specify that the income relates to a specified period.

If donors specify that income must be used in future accounting periods or donors' conditions have not been fulfilled, then the income is deferred.

**CAMDEN COMMUNITY NURSERIES LIMITED**  
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2022**

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**1. Accounting policies (continued)**

**1.5 Expenditure**

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. Expenditure is classified by activity. The costs of each activity are made up of the total of direct costs and shared costs, including support costs involved in undertaking each activity.

Support costs are those costs incurred in a support or administrative role rather than those spent in directly delivering the organisation's principal charitable activity of providing nursery care.

Governance costs are those incurred in connection with compliance with constitutional and statutory requirements.

Costs of generating funds are costs incurred in attracting voluntary income, and those incurred in trading activities that raise funds.

Charitable activities and Governance costs are costs incurred on the charity's operations, including support costs and costs relating to the governance of the charity apportioned to charitable activities.

All expenditure is inclusive of irrecoverable VAT.

**1.6 Interest receivable**

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the charity; this is normally upon notification of the interest paid or payable by the Bank.

**1.7 Tangible fixed assets and depreciation**

Tangible fixed assets costing £1,000 or more are capitalised and recognised when future economic benefits are probable and the cost or value of the asset can be measured reliably.

Tangible fixed assets are initially recognised at cost. After recognition, under the cost model, tangible fixed assets are measured at cost less accumulated depreciation and any accumulated impairment losses. All costs incurred to bring a tangible fixed asset into its intended working condition should be included in the measurement of cost.

A review for impairment of a fixed asset is carried out if events or changes in circumstances indicate that the carrying value of any fixed asset may not be recoverable. Shortfalls between the carrying value of fixed assets and their recoverable amounts are recognised as impairments. Impairment losses are recognised in the Statement of financial activities incorporating income and expenditure account.

Depreciation is charged so as to allocate the cost of tangible fixed assets less their residual value over their estimated useful lives, using the following bases:

Garden improvements	- 20% straight line
Fixtures and fittings	- 20% reducing balance
Computer equipment	- 33% straight line



**CAMDEN COMMUNITY NURSERIES LIMITED**  
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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2022**

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**1. Accounting policies (continued)**

**1.8 Operating leases**

Rentals under operating leases are shown in the Statement of financial activities for the Montpelier and Sington nurseries and printers. A donation in kind and an equivalent expense has been recognised in the accounts for the two properties, where there were signed agreements in place at 31 March 2020, to reflect the rent relief received from London Borough of Camden.

There is a draft lease under discussion for the Acol Nursery as at 31 March 2022.

Rentals under operating lease for printers are charged to the statement of financial activities on a straight line basis over the lease term.

**1.9 Debtors**

Trade and other debtors are recognised at the settlement amount after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due.

**1.10 Cash at bank and in hand**

Cash at bank and in hand includes cash and short-term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

**1.11 Liabilities and provisions**

Liabilities and provisions are recognised when there is an obligation at the Balance sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably.

Liabilities are recognised at the amount that the Company anticipates it will pay to settle the debt or the amount it has received as advanced payments for the goods or services it must provide.

Provisions are measured at the best estimate of the amounts required to settle the obligation. Where the effect of the time value of money is material, the provision is based on the present value of those amounts, discounted at the pre-tax discount rate that reflects the risks specific to the liability. The unwinding of the discount is recognised within interest payable and similar charges.

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**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 MARCH 2022**

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**1. Accounting policies (continued)**

**1.12 Pensions**

The Company operates a defined contribution pension scheme and the pension charge represents the amounts payable by the Company to the fund in respect of the year.

The charity operates a defined benefits pension scheme and the pension charge is based on a full actuarial valuation dated 31 March 2022.

In respect of this scheme the appointed actuaries have calculated the net present value of the future liabilities payable to the members of the scheme at the balance sheet date. Accordingly, a liability is reflected in the Balance sheet as at 31 March 2022 and 2021.

**1.13 Fund accounting**

General funds are unrestricted funds which are available for use at the discretion of the Trustees in furtherance of the general objectives of the Company and which have not been designated for other purposes.

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by donors or which have been raised by the Company for particular purposes. The costs of raising and administering such funds are charged against the specific fund. The aim and use of each restricted fund is set out in the notes to the financial statements.

Investment income, gains and losses are allocated to the appropriate fund.

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**2. Income from donations and legacies**

	Restricted funds 2022 £	Unrestricted funds 2022 £	Total funds 2022 £
<b>Grants</b>			
LB of Camden - 2 yr old grant	21,750	-	21,750
Nursery Education (DfEE) - 3 yr old grant	190,915	-	190,915
LB of Camden - support workers	11,663	-	11,663
Furlough grant	-	1,470	1,470
<b>Subtotal detailed disclosure</b>	224,328	1,470	225,798
Donations	-	200	200
<b>Subtotal</b>	-	200	200
	224,328	1,670	225,998

	Restricted funds 2021 £	Unrestricted funds 2021 £	Total funds 2021 £
<b>Grants</b>			
LB of Camden - 2 yr old grant	46,537	-	46,537
Nursery Education (DfEE) - 3 yr old grant	293,181	-	293,181
LB of Camden - support workers	15,040	-	15,040
Furlough grant	-	45,805	45,805
<b>Subtotal detailed disclosure</b>	354,758	45,805	400,563
Donations	-	3,053	3,053
Grants	-	-	-
<b>Subtotal</b>	-	3,053	3,053
	354,758	48,858	403,616

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**3. Income from charitable activities**

	<b>Unrestricted funds 2022 £</b>	<b>Total funds 2022 £</b>
Fees receivable	746,024	<b>746,024</b>

	<b>Unrestricted funds 2021 £</b>	<b>Total funds 2021 £</b>
Fees receivable	543,087	543,087

**4. Interest received**

	<b>Unrestricted funds 2022 £</b>	<b>Total funds 2022 £</b>
Bank interest	66	<b>66</b>

	<b>Unrestricted funds 2021 £</b>	<b>Total funds 2021 £</b>
Bank interest	342	342
Other interest	9	9
	<u>351</u>	<u>351</u>

**CAMDEN COMMUNITY NURSERIES LIMITED**  
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**NOTES TO THE FINANCIAL STATEMENTS  
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**5. Analysis of expenditure on charitable activities**

**Summary by fund type**

	<b>Restricted funds 2022 £</b>	<b>Unrestricted funds 2022 £</b>	<b>Total funds 2022 £</b>
Nursery costs	226,528	829,749	<b>1,056,277</b>

	<b>Restricted funds 2021 £</b>	<b>Unrestricted funds 2021 £</b>	<b>Total funds 2021 £</b>
Nursery costs	355,163	584,558	939,721

**6. Analysis of expenditure by activities**

	<b>Activities undertaken directly 2022 £</b>	<b>Support costs 2022 £</b>	<b>Total funds 2022 £</b>
Nursery costs	979,543	76,735	<b>1,056,278</b>

	<b>Activities undertaken directly 2021 £</b>	<b>Support costs 2021 £</b>	<b>Total funds 2021 £</b>
Nursery costs	870,086	69,635	939,721

**CAMDEN COMMUNITY NURSERIES LIMITED****(A company limited by guarantee)****NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2022****6. Analysis of expenditure by activities (continued)****Analysis of direct costs**

	<b>Nursery costs 2022 £</b>	<b>Total funds 2022 £</b>
Staff costs	796,856	<b>796,856</b>
Depreciation	1,321	<b>1,321</b>
Rent and services	19,600	<b>19,600</b>
Rates and property service charge	11,393	<b>11,393</b>
Light and heat	16,731	<b>16,731</b>
Repairs and maintenance	16,802	<b>16,802</b>
Insurance	4,683	<b>4,683</b>
Other building costs	22,290	<b>22,290</b>
Telephone	4,204	<b>4,204</b>
Other office costs	17,748	<b>17,748</b>
Food costs	31,187	<b>31,187</b>
Materials and toys	11,701	<b>11,701</b>
Recruitment and training	7,509	<b>7,509</b>
Agency staff cover	4,223	<b>4,223</b>
Other costs	12,295	<b>12,295</b>
Net interest cost on defined benefit scheme	1,000	<b>1,000</b>
	<b>979,543</b>	<b>979,543</b>

**CAMDEN COMMUNITY NURSERIES LIMITED**  
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**NOTES TO THE FINANCIAL STATEMENTS**  
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**6. Analysis of expenditure by activities (continued)**

**Analysis of direct costs (continued)**

	Nursery costs 2021 £	Total funds 2021 £
Staff costs	748,009	748,009
Depreciation	1,341	1,341
Rent and services	12,086	12,086
Rates and property service charge	1,416	1,416
Light and heat	15,542	15,542
Repairs and maintenance	8,435	8,435
Insurance	4,477	4,477
Other building costs	6,542	6,542
Staff travel	36	36
Telephone	5,352	5,352
Other office costs	17,658	17,658
Food costs	24,355	24,355
Materials and toys	7,377	7,377
Recruitment and training	4,290	4,290
Other costs	11,170	11,170
Net interest cost on defined benefit scheme	2,000	2,000
	<u>870,086</u>	<u>870,086</u>

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2022**

**6. Analysis of expenditure by activities (continued)**

**Analysis of support costs**

	<b>Nursery costs 2022 £</b>	<b>Total funds 2022 £</b>
Staff costs	54,006	<b>54,006</b>
Professional fees	4,844	<b>4,844</b>
Agency staff	11,105	<b>11,105</b>
Governance costs (see note 7)	6,780	<b>6,780</b>
	<u>76,735</u>	<u><b>76,735</b></u>

	<b>Nursery costs 2021 £</b>	<b>Total funds 2021 £</b>
Staff costs	51,938	51,938
Professional fees	4,674	4,674
Agency staff	7,383	7,383
Governance costs (see note 7)	5,640	5,640
	<u>69,635</u>	<u>69,635</u>

**7. Governance costs**

	<b>2022 £</b>	<b>2021 £</b>
Fees payable for the independent examination of the Company's annual accounts	<b>4,050</b>	3,360
Other governance costs:		
Other financial costs	<b>1,557</b>	1,011
Subscription and licence fees	<b>1,173</b>	1,269
	<u><b>1,173</b></u>	<u>1,269</u>



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**8. Staff costs**

	<b>2022</b>	2021
	<b>£</b>	<b>£</b>
Wages and salaries	<b>772,031</b>	726,832
Social security costs	<b>46,394</b>	42,791
Contribution to defined contribution pension schemes	<b>32,437</b>	30,324
	<u><b>850,862</b></u>	<u>799,947</u>

The average number of persons employed by the Company during the year was as follows:

	<b>2022</b>	2021
	<b>No.</b>	<b>No.</b>
Number of administrative staff	<b>2</b>	2
Number of other staff	<b>49</b>	47
	<u><b>51</b></u>	<u>49</u>

No employee received remuneration amounting to more than £60,000 in either year.

The key management personnel comprise the Senior Manager and Finance Officer. The total employee benefits of these 2 key management personnel of the charity amounts to £68,833 (2021 - £70,701).

The average number of employees employed during the year were 51 (2021 - 49) comprising 20 full time and 31 part time employees (2021 - 22 full time, 27 part time).

**9. Trustees' remuneration and expenses**

During the year, no Trustees received any remuneration or other benefits (2021 - £NIL).

During the year ended 31 March 2022, no Trustee expenses have been incurred (2021 - £NIL).

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**NOTES TO THE FINANCIAL STATEMENTS  
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**10. Tangible fixed assets**

	Long-term leasehold property £	Fixtures and fittings £	Computer equipment £	Total £
<b>Cost or valuation</b>				
At 1 April 2021	27,610	4,727	1,110	33,447
At 31 March 2022	27,610	4,727	1,110	33,447
<b>Depreciation</b>				
At 1 April 2021	25,150	4,402	1,110	30,662
Charge for the year	1,260	61	-	1,321
At 31 March 2022	26,410	4,463	1,110	31,983
<b>Net book value</b>				
At 31 March 2022	1,200	264	-	1,464
At 31 March 2021	2,460	325	-	2,785

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**NOTES TO THE FINANCIAL STATEMENTS  
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**11. Debtors**

	2022 £	2021 £
<b>Due within one year</b>		
Other debtors	11,473	13,637
Prepayments and accrued income	3,682	4,437
	<u>15,155</u>	<u>18,074</u>

**12. Creditors: Amounts falling due within one year**

	2022 £	2021 £
Other creditors	28,491	24,431
Accruals and deferred income	27,761	32,567
	<u>56,252</u>	<u>56,998</u>

**13. Statement of funds**

**Statement of funds - current year**

	Balance at 1 April 2021 £	Income £	Expenditure £	Gains/ (Losses) £	Balance at 31 March 2022 £
<b>Unrestricted funds</b>					
General Funds - all funds	600,265	748,517	(830,333)	32,000	550,449
<b>Restricted funds</b>					
LBC 2yr olds	-	21,750	(21,750)	-	-
NEF 3yr olds	-	190,915	(190,915)	-	-
LBC: support workers	-	11,663	(11,663)	-	-
Sustainability grant	3,146	-	(2,200)	-	946
	<u>3,146</u>	<u>224,328</u>	<u>(226,528)</u>	<u>-</u>	<u>946</u>
<b>Total of funds</b>	<u>603,411</u>	<u>972,845</u>	<u>(1,056,861)</u>	<u>32,000</u>	<u>551,395</u>

**CAMDEN COMMUNITY NURSERIES LIMITED**  
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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2022**

**14. Summary of funds**

**Summary of funds - current year**

	Balance at 1 April 2021 £	Income £	Expenditure £	Gains/ (Losses) £	Balance at 31 March 2022 £
General funds	600,265	748,517	(830,333)	32,000	550,449
Restricted funds	3,146	224,328	(226,528)	-	946
	<u>603,411</u>	<u>972,845</u>	<u>(1,056,861)</u>	<u>32,000</u>	<u>551,395</u>

**15. Analysis of net assets between funds**

**Analysis of net assets between funds - current year**

	Restricted funds 2022 £	Unrestricted funds 2022 £	Total funds 2022 £
Tangible fixed assets	-	1,464	1,464
Current assets	946	582,237	583,183
Creditors due within one year	-	(56,252)	(56,252)
Provisions for liabilities and charges	-	23,000	23,000
<b>Total</b>	<u>946</u>	<u>550,449</u>	<u>551,395</u>

**Analysis of net assets between funds - prior year**

	Restricted funds 2021 £	Unrestricted funds 2021 £	Total funds 2021 £
Tangible fixed assets	-	2,785	2,785
Current assets	3,146	662,478	665,624
Creditors due within one year	-	(56,998)	(56,998)
Provisions for liabilities and charges	-	(8,000)	(8,000)
<b>Total</b>	<u>3,146</u>	<u>600,265</u>	<u>603,411</u>

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**NOTES TO THE FINANCIAL STATEMENTS  
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**16. Reconciliation of net movement in funds to net cash flow from operating activities**

	<b>2022</b> £	2021 £
Net income/expenditure for the year (as per Statement of Financial Activities)	<b>(84,016)</b>	6,817
<b>Adjustments for:</b>		
Depreciation charges	<b>1,321</b>	1,342
Dividends, interests and rents from investments	<b>(66)</b>	(351)
Decrease/(increase) in debtors	<b>2,919</b>	(4,354)
Increase/(decrease) in creditors	<b>(746)</b>	4,138
Increase in provision within expenditure on charitable activities	<b>1,000</b>	-
<b>Net cash provided by/(used in) operating activities</b>	<b>(79,588)</b>	7,592

**17. Analysis of cash and cash equivalents**

	<b>2022</b> £	2021 £
Cash in hand	<b>568,028</b>	647,550
<b>Total cash and cash equivalents</b>	<b>568,028</b>	647,550

**18. Analysis of changes in net debt**

	<b>At 1 April 2021</b> £	<b>Cash flows</b> £	<b>At 31 March 2022</b> £
Cash at bank and in hand	<b>647,550</b>	<b>(79,522)</b>	<b>568,028</b>
	<b>647,550</b>	<b>(79,522)</b>	<b>568,028</b>

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**NOTES TO THE FINANCIAL STATEMENTS  
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**19. Pension commitments**

The charity operated a defined benefit scheme (DBS) which is now closed and operates a defined contribution scheme (DCS).

The DCS is operated by the Pensions Trust. The number of staff in the defined contribution scheme at the year end was 38 (2021 - 35)

The charity operated a defined benefit scheme, which is part of a multi-employer scheme operated by the Local Government Pension Scheme (LGPS), on behalf of Camden Community Nurseries.

The number of staff in the defined benefit scheme is 3 (2021 - 3).

FRS 102 Disclosure

The LGPS undertakes a triennial actuarial review to establish the value of the fund and if necessary adjust the contributions paid by employers accordingly.

The pension cost and provision for the year ending 31 March 2022 are based on the advice of a professionally qualified actuary, Hymans Robertson LLP. The most recent formal valuation is dated 31 March 2022.

The Company operates a defined benefit pension scheme.

Principal actuarial assumptions at the Balance sheet date (expressed as weighted averages):

	<b>At 31 March 2022 %</b>	At 31 March 2021 %
Discount rate	<b>2.7</b>	1.95
Expected return on scheme assets	<b>7.0</b>	31.0
Future salary increases	<b>3.7</b>	3.25
Future pension increases	<b>3.3</b>	2.85
	<hr/>	<hr/>
	<b>At 31 March 2022 Years</b>	At 31 March 2021 Years
Mortality rates (in years)		
- for a male aged 65 now	<b>21.8</b>	22
- at 65 for a male aged 45 now	<b>23.2</b>	23.4
- for a female aged 65 now	<b>24.1</b>	24.3
- at 65 for a female aged 45 now	<b>25.9</b>	26.1
	<hr/>	<hr/>

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2022**

**19. Pension commitments (continued)**

The major categories of scheme assets as a percentage of total scheme assets are as follows:

	<b>2022</b> %	2021 %
Equities	<b>63</b>	80
Bonds	<b>15</b>	9
Property	<b>15</b>	8
Cash	<b>7</b>	3
	<u><b>7</b></u>	<u><b>3</b></u>

The Company's share of the assets in the scheme was:

	<b>At 31 March 2022</b> £	At 31 March 2021 £
Total market value of assets	<b>400,000</b>	396,000
	<u><b>400,000</b></u>	<u><b>396,000</b></u>

The actual return on scheme assets was £7,000 (2021 - £7,000).

The amounts recognised in the Statement of financial activities are as follows:

Movements in the present value of the defined benefit obligation were as follows:

	<b>2022</b> £
Opening defined benefit obligation	<b>404,000</b>
Interest cost	<b>8,000</b>
Actuarial (gains)/losses	<b>(12,000)</b>
Benefits paid	<b>(23,000)</b>
<b>Closing defined benefit obligation</b>	<u><b>377,000</b></u>

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**19. Pension commitments (continued)**

Movements in the fair value of the Company's share of scheme assets were as follows:

	<b>2022</b> <b>£</b>
Opening fair value of scheme assets	<b>396,000</b>
Actuarial gains	<b>20,000</b>
Net interest	<b>8,000</b>
Expected return on assets	<b>(1,000)</b>
Benefits paid	<b>(23,000)</b>
<b>Closing fair value of scheme assets</b>	<b>400,000</b>

**20. Operating lease commitments**

The charity is provided with the use of three properties by the London Borough of Camden, known as Sington, Montpelier and Acol nurseries.

There is a signed lease in place for the Montpelier and Sington nurseries. There is a draft lease under discussion for the Acol Nursery, however until such time as this is agreed and signed, no commitment is disclosed for this property.

In 2020, the charity signed an operating lease agreement in respect of four printers for the period of five years.

Accordingly, the commitments below detail the future minimum lease payments per these agreements.

At 31 March 2022 the total of the Charity's future minimum lease payments under operating leases as follows:

	<b>2022</b> <b>£</b>	2021 <b>£</b>
Not later than 1 year	<b>20,464</b>	20,464
Later than 1 year and not later than 5 years	<b>79,264</b>	80,128
Later than 5 years	<b>132,400</b>	152,000
	<b>232,128</b>	252,592