

THE LITTLE SUTTON CLUB AND NURSERY SCHOOL

ANNUAL REPORT AND ACCOUNTS

YEAR ENDED 31 AUGUST 2021

Charity No. 1047535

THE LITTLE SUTTON CLUB AND NURSERY SCHOOL

ANNUAL REPORT AND ACCOUNTS

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Report of the trustees for the year ended 31 August 2021

The trustees present their report and the accounts for the year ended 31 August 2021. The accounts comply with the Charities Act 2011, the charity's own governing document, the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102), and 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)' issued in October 2019.

Constitution and objects

The Little Sutton Club and Nursery School is an individual charity operating under a Pre-School Learning Alliance constitution, which was adopted on 24 April 1995. It was registered as a charity under number 1047535 on 27 June 1995.

The objects of the charity are to enhance the development and education of children primarily under statutory school age by encouraging parents to understand and provide for the needs of their children through community groups. The charity also provides childcare for children of primary school age before and after school hours and during the school holidays.

The charity's aims are to provide high quality childcare and education at a reasonable cost to parents in order to be accessible to children from a wide range of backgrounds, to help vulnerable families in the local community and to support parents, allowing them to pursue employment, training or other opportunities. To achieve this, the charity offers high quality care, play and learning facilities whilst fees are kept as low as possible and monitored regularly against those of other local facilities. The charity offers support and advice to parents, who are encouraged at all times to discuss their child's development with staff. Parents are also invited to become more actively involved in the running of the facilities by serving as trustees of the charity.

Trustees and governance

The charity is governed by a Board of Trustees, which is responsible for ensuring that it complies with its aims and is properly managed. The Board of Trustees meets several times a year with sub-committee meetings also held when considered appropriate. The charity's constitution requires that at least 60% of the trustees shall at the time of election be parents or guardians of children in groups run by the charity. Applications for trusteeship are sought by advertisement among existing parents and guardians. Trustees are appointed by the Board of Trustees and elected for one year at the Annual General Meeting. Retiring trustees are eligible for re-election unless they have already served for six consecutive years.

The day-to-day operations of the charity are delegated to a management team under the leadership of the setting manager, who attends trustees' meetings to update the trustees on operation and finance matters together with any developments and issues arising. The trustees retain responsibility for determining the strategic direction of the charity, the level of fees to be charged to parents and for reviewing and setting the salaries of the management team as well as the salary ranges applicable to other staff. Employee remuneration is reviewed annually by the trustees with reference to inflation indices and national minimum wage increases.

Report of the trustees for the year ended 31 August 2021

The trustees who served during the year were:

Mr M Moran	(Chair)
Mrs C Wiseman	(Secretary)
Mr H Morris	(Treasurer)
Mr A Smith	

Other names

The Little Sutton Club and Nursery School also operates under the name of Little Sutton Nursery and Kids Club. The facility for children up to the age of three operates under the name of Little Sutton Nursery Harvest Fields.

Other legal and administrative information

Charity registered number: 1047535

Addresses: Little Sutton Nursery and Kids Club
Worcester Lane
Four Oaks
Sutton Coldfield
West Midlands
B75 5NL

Little Sutton Nursery Harvest Fields
Harvest Fields Centre
Harvest Fields Way
Sutton Coldfield
West Midlands
B75 5TJ

Independent examiner: Adam Bexon MChem FCA
Harwoods Chartered Accountants
1 Trinity Place
Midland Drive
Sutton Coldfield
B72 1TX

Bankers: HSBC Bank plc
289 Lichfield Road
Four Oaks
Sutton Coldfield
West Midlands
B74 4BY

Report of the trustees for the year ended 31 August 2021 (*continued*)

Review of activities and financial review

The charity has continued to provide pre-school education and childcare as well as facilities and care for schoolchildren outside normal school hours. The group operates a pre-school nursery for 3 to 4-year-olds, a before and after school club during term-time and a holiday club which is open to 3 to 11-year-olds from the wider community, all operating from the unit at Little Sutton Primary School.

The group also runs a unit in the nearby Harvest Fields Centre for the provision of childcare for up to 21 children up to the age of 3, operating under the name of Little Sutton Nursery Harvest Fields. This facility is very much needed in the local area and children are able to progress smoothly from here into the long-established nursery premises at Little Sutton Primary School.

The group has maintained its close liaison with Little Sutton Primary School during the year. This relationship facilitates the transition from nursery to school and assists the group in supporting families of children in the school who use the group's services.

The charity's principal sources of income are fees from parents and Early Education Entitlement (EEE) funding from Birmingham City Council. The emergence of coronavirus in early 2020 had a significant impact on operations in the second half of last year. Wider opening of the facilities has been achieved this year, although social distancing measures have meant operating with a reduced capacity. Although total income for the year of £409,634 (2020 - £455,058), all of which is considered to be unrestricted income, represents a decrease of 10% over the previous year, if receipts under the Coronavirus Job Retention Scheme are ignored, income of £406,819 is comparable with 2020 income of £411,335 but remains approximately 28% below the income of 2019, the last pre-pandemic year.

The deficit for the year of £42,785 is not reflective of the charity's ongoing operational performance as expenditure during the year includes significant non-recurring costs such as one-off professional fees of approximately £30,000 in relation to HR and employment matters and approximately £9,000 in respect of previously identified projects. It is not therefore indicative of any going concern issues as forecast operational income exceeds normal ongoing operational costs.

In view of this and the restrictions on operations in existence during the year, the trustees are satisfied with the financial performance of the charity and its financial position at the end of the year.

The trustees and staff are proud to have maintained the very high standard of care that has always been provided for all age groups, and the success of the group is underpinned by the determination that this quality should never be compromised.

Public benefit

The trustees have complied with their duty under section 17(5) of the Charities Act to have due regard to the guidance on public benefit published by the Charity Commission in carrying out their duties.

Report of the trustees for the year ended 31 August 2021 (*continued*)

The Little Sutton Club and Nursery School provides huge public benefit to both children and families of Little Sutton Primary School and the wider community, enhanced by the under-3s facility being the only such facility on or near a large housing estate. The before and after school club enables parents to work beyond school hours knowing their children are safe and well cared-for on the school site. The facility has provided invaluable services to enable families to take up employment to get them through the current difficult economic climate. The group also performs a significant role within the local child support network, working with other professionals to provide services and support for families in need in the Four Oaks area.

The group offers a number of free places to families in crisis and works closely with local health professionals to take children in care or at risk. The wider community benefits from the holiday club which caters for children up to 11 years of age with the unique advantage of young male as well as female members of staff who organise sporting and other activities.

The not-for-profit status of the group enables all the above to be offered at a very competitive cost to ensure all local families can access such quality care.

Reserves policy

It is the policy of the charity to maintain reserves at a level that would allow it to respond to emergency situations such as the need for temporary relocation of operations in the event of unforeseen loss of the premises from which the charity operates. Reserves also need to be held to cover repairing obligations and potential dilapidations liabilities in respect of the group's leasehold premises and to ensure that the group is able to continue in the event of a temporary fall in numbers of children attending. The trustees believe that an adequate level of reserves has been maintained during the year for such measures to be achievable if they had proved necessary. In the light of the group's current activities, the current economic climate and the dependency of many people on the group, the trustees consider an ideal level of reserves to be around £175,000, representing approximately four months' staff costs, temporary rent of alternative premises, other costs likely to be incurred as a result of such relocation and provision for dilapidations. Excess reserves are used to enhance the facilities and equipment available to the children in the groups run by the charity and are invested in interest-earning bank accounts until required.

Readily realisable reserves, i.e. excluding fixed assets, stock and prepaid expenses, amounted to £293,414 at 31 August 2021. This excess over the desired level arose over several years whilst the trustees were renegotiating the lease of the group's premises at Little Sutton Primary School and an increase in rent and/or service charge remained uncertain.

The Trustees are once again in the process of renegotiating leases for both premises, therefore major expenditure is on hold pending their finalisation. Some smaller projects have been undertaken in the current year at a total cost of around £9,000. Funds have been set aside by the trustees for several projects once the leases have been finalised, including the replacement of equipment for all of the childcare groups operated, bathroom renovations at Little Sutton, as well as advancement of the use of computer technology within the group, with a particular emphasis on ensuring continued GDPR compliance. Further expenditure of approximately £100,000 has been estimated for these projects, following completion of which reserves are expected to settle close to the desired level.

Report of the trustees for the year ended 31 August 2021 (*continued*)

Risk management

The trustees regularly examine the major risks to which the charity is exposed and believe that adequate systems have been established to enable regular reports to be produced so that the necessary steps can be taken to mitigate these risks. Principal areas of risk to the group comprise child safety and welfare, staff employment matters, financial sustainability and issues relating to property leases. The trustees believe that the maintenance of reserves described above will provide sufficient resources in the event of adverse conditions.

Trustees' responsibilities statement

The trustees are responsible for preparing the Trustees' Annual Report and the accounts in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

The law applicable to charities in England & Wales requires the trustees to prepare accounts for each financial 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. In preparing these accounts, the trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP 2019 (FRS 102);
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the accounts;
- prepare the accounts on the going concern basis unless it is inappropriate to presume that the charity will continue in operation.

The trustees are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the charity and enable them to ensure that the accounts comply with the Charities Act 2011, the Charities (Accounts and Reports) Regulations 2008 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 are responsible for the maintenance and integrity of the charity and financial information included on the charity's website. Legislation in the United Kingdom governing the preparation and dissemination of accounts may differ from legislation in other jurisdictions.

Approved by the trustees and signed on their behalf by:

Mr M Moran
Chair

23 November 2021

Mrs C Wiseman
Secretary

23 November 2021

Independent Examiner's Report to the Trustees

I report to the trustees of The Little Sutton Club and Nursery School on my examination of the accounts of the charity for the year ended 31 August 2021 which are set out on pages 9 to 16.

Responsibilities and basis of report

As the charity's trustees you are responsible for the preparation of the accounts in accordance with the Charities Act 2011 ('the Act').

I report in respect of my examination of the charity's accounts carried out under section 145 of the Act and in carrying out my examination I have followed all the applicable Directions given by the Charity Commission under section 145(5)(b) of the Act.

Independent examiner's statement

I confirm that I am qualified to undertake the examination because I am a member of the Institute of Chartered Accountants in England and Wales, which is one of the listed bodies.

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

1. accounting records were not kept in respect of the charity as required by section 130 of the Act; or
2. the accounts do not accord with those records; or
3. the accounts do not comply with the applicable requirements concerning the form and content of accounts set out in the Charities (Accounts and Reports) Regulations 2008 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.

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.

Adam Bexon MChem FCA
Harwoods Chartered Accountants
1 Trinity Place
Midland Drive
Sutton Coldfield
B72 1TX

26 November 2021

The Little Sutton Club and Nursery School
Charity Commission Registered Number 1047535

Statement of financial activities for the year ended 31 August 2021

	Notes	Unrestricted funds 2021 £	Unrestricted funds 2020 £
INCOME			
Nursery fees		120,615	143,222
Before/after school care fees		58,364	68,973
Holiday club fees		12,275	9,878
Nursery education funding		208,774	186,905
Coronavirus Job Retention Scheme grants		2,815	43,723
Other income		6,791	2,357
		<hr/>	<hr/>
TOTAL INCOME		409,634	455,058
EXPENDITURE			
Wages, salaries, national insurance and pension costs	2	331,481	355,836
Agency staff costs		-	1,172
Rent, rates, service charges and insurance		33,272	29,627
Dinner money and refreshments		21,893	24,020
Equipment, craft and activities		13,115	13,613
Telephone and internet		3,238	2,808
Computer costs		4,326	7,258
Printing, stationery and advertising		3,695	3,693
Cleaning and hygiene		5,550	14,640
Professional fees		31,582	1,370
Miscellaneous expenses		3,478	5,701
Repairs, renewals and maintenance		789	7,497
		<hr/>	<hr/>
TOTAL EXPENDITURE		452,419	467,235
		<hr/>	<hr/>
NET MOVEMENT IN FUNDS		(42,785)	(12,177)
		<hr/>	<hr/>
TOTAL FUNDS BROUGHT FORWARD		343,287	355,464
		<hr/>	<hr/>
TOTAL FUNDS CARRIED FORWARD		300,502	343,287
		<hr/>	<hr/>

The notes on pages 12 to 16 form part of these accounts.

The Little Sutton Club and Nursery School
Charity Commission Registered Number 1047535

Balance sheet at 31 August 2021

	Notes	2021 £	2021 £	2020 £	2020 £
FIXED ASSETS					
Tangible fixed assets	6		-		-
CURRENT ASSETS					
Stock		1,713		933	
Debtors	7	7,939		19,675	
Cash at bank and in hand		357,456		381,456	
		<u>367,108</u>		<u>402,064</u>	
TOTAL CURRENT ASSETS					
CURRENT LIABILITIES					
Creditors – amounts falling due within one year	8	(66,606)		(58,777)	
		<u></u>		<u></u>	
NET CURRENT ASSETS					
			300,502		343,287
NET ASSETS					
			<u>300,502</u>		<u>343,287</u>
FUNDS					
Unrestricted funds	9		300,502		343,287
			<u>300,502</u>		<u>343,287</u>
TOTAL CHARITY FUNDS					
			<u>300,502</u>		<u>343,287</u>

Approved by the trustees and signed on their behalf by:

Mr M Moran
Chair

23 November 2021

Mrs C Wiseman
Secretary

23 November 2021

The notes on pages 12 to 16 form part of these accounts.

Cash flow statement for the year ended 31 August 2021

	Notes	2021 £	2020 £
NET CASH FLOW FROM OPERATING ACTIVITIES	12	(24,125)	(15,519)
CASH FLOW FROM INVESTING ACTIVITIES			
Interest received		125	596
NET DECREASE IN CASH BALANCES		(24,000)	(14,923)
CASH BALANCES BROUGHT FORWARD		381,456	396,379
CASH BALANCES CARRIED FORWARD		357,456	381,456
 Cash balances consist of:			
Cash at bank and in hand		357,456	381,456

The notes on pages 12 to 16 form part of these accounts.

Notes to the accounts for the year ended 31 August 2021 (*continued*)

1. Summary of significant accounting policies

General information and basis of preparation

The Little Sutton Club and Nursery School is a charity registered in England and Wales. The address of the registered office is given in the other legal and administrative information on page 4 of these accounts. The nature of the charity's operations and its principal activities are given on page 3.

These accounts have been prepared on a going concern basis and under the historical cost convention with items recognised at cost or transaction value unless otherwise stated in the relevant notes to these accounts. The accounts have been prepared in accordance with the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102), 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)' issued in October 2019, with the Charities Act 2011 and with UK generally accepted accounting practice.

The charity constitutes a public benefit entity as defined by FRS 102.

The accounts are presented in sterling which is the functional currency of the charity and rounded to the nearest £1.

The significant accounting policies applied in the preparation of these accounts are set out below. These policies have been consistently applied to all years presented unless otherwise stated.

Going concern

The accounts have been prepared on a going concern basis as the trustees believe that there are no material uncertainties about the charity's ability to continue as a going concern for at least 12 months from the approval of these accounts.

Fund accounting

All funds held are considered to be unrestricted funds. Unrestricted funds are general funds that are available for use at the trustees' discretion in furtherance of the objectives of the charity.

Offsetting

There has been no offsetting of income and expenditure or assets and liabilities unless required or permitted by the FRS 102 SORP or FRS 102.

Income

All fees, revenue grants, interest and voluntary income are accounted for gross once the charity has become entitled to the income, it is probable that the income will be received and the income is capable of reliable financial measurement.

Notes to the accounts for the year ended 31 August 2021 (*continued*)

1. Summary of significant accounting policies (*continued*)

Expenditure

All expenditure is accounted for gross on an accruals basis. Irrecoverable VAT is allocated as part of the expenditure to which it relates. Liabilities are recognised where it is more likely than not that there is a legal or constructive obligation committing the charity to pay out resources and the amount of the obligation can be measured with reasonable certainty.

Operating leases

Rentals payable under operating leases are charged in the Statement of Financial Activities as they are incurred over the period of the leases.

Pension costs

Pension costs represent the cost of contributing to employee defined contribution schemes and are charged in the Statement of Financial Activities in the period in which they occur.

Tangible fixed assets

Individual fixed assets costing more than £1,000 are capitalised as fixed assets at cost and depreciated from the date they are brought into use on a straight-line basis over their estimated useful lives as follows:

Computer hardware	25% per annum
Computer software	50% per annum
Leasehold improvements	over period of lease

Stock

Stock is included at the lower of cost or net realisable value.

Debtors

Debtors are measured on initial recognition at settlement amount. Subsequently they are measured at the cash or consideration expected to be received.

Cash at bank and in hand

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

Creditors

Creditors are recognised at settlement amounts less any trade discounts.

Notes to the accounts for the year ended 31 August 2021 (*continued*)

2. Employees

	2021	2020
	£	£
Employee costs comprise:		
Gross wages and salaries	310,955	334,848
Employer's national insurance costs	15,719	15,560
Pension costs	4,807	5,428
	<hr/> 331,481 <hr/>	<hr/> 355,836 <hr/>
Number of employees:	Number	Number
Average number of employees during the year	<hr/> 21 <hr/>	<hr/> 27 <hr/>
Average number of full-time equivalent employees	<hr/> 17 <hr/>	<hr/> 19 <hr/>

No employee received emoluments in excess of £60,000 (2020 – none).

3. Trustees' remuneration

The trustees neither received nor waived any emoluments during the year (2020 – nil). The charity deems the key management personnel to be the trustees, therefore the remuneration of the key management personnel was nil (2020 – nil).

No trustee incurred or was reimbursed for any out-of-pocket expenses during the year (2020 – nil).

4. Independent examiner's remuneration

The independent examiner's remuneration amounts to £1,418 (2020 - £1,370).

5. Taxation

The Little Sutton Club and Nursery School is a registered charity and accordingly is exempt from taxation on its income where it is applied for charitable purposes.

Notes to the accounts for the year ended 31 August 2021 (*continued*)

6. Tangible fixed assets

	Computer equipment £	Leasehold improvements £	Total £
Cost			
At 1 September 2020 and At 31 August 2021	13,247	139,912	153,159
Depreciation			
At 1 September 2020 and At 31 August 2021	13,247	139,912	153,159
Net book value			
At 31 August 2021	-	-	-
At 31 August 2020	-	-	-

7. Debtors

	2021 £	2020 £
Trade debtors	2,564	2,576
Prepayments and accrued income	5,375	17,099
	7,939	19,675

8. Creditors – amounts falling due within one year

	2021 £	2020 £
Taxation and social security	3,203	4,608
Other creditors	934	1,119
Accruals and deferred income	62,469	53,050
	66,606	58,777

Notes to the accounts for the year ended 31 August 2021 (*continued*)

9. Unrestricted funds

	2021	2020
	£	£
At 1 September 2020	343,287	355,464
Deficit for the year	(42,785)	(12,177)
	<hr/>	<hr/>
At 31 August 2021	300,502	343,287
	<hr/>	<hr/>

10. Commitments under operating leases

At the balance sheet date the charity had future minimum lease commitments under non-cancellable operating leases:

	2021	2020
	£	£
No later than one year	1,351	-
Later than one year and not later than five years	5,066	-
	<hr/>	<hr/>
	6,417	-
	<hr/>	<hr/>

11. Related party transactions

There have been no related party transactions during the year that require disclosure.

12. Reconciliation of net movement in funds to net cash flow from operating activities

	2021	2020
	£	£
Net movement in funds	(42,785)	(12,177)
Depreciation charged	-	-
Interest received	(125)	(596)
(Increase) decrease in stocks	(780)	554
(Increase) decrease in debtors	11,736	(3,331)
Increase (decrease) in creditors	7,829	31
	<hr/>	<hr/>
Net cash flow from operating activities	(24,125)	(15,519)
	<hr/>	<hr/>