

COMPANY REGISTRATION NUMBER: 03251011

CHARITY REGISTRATION NUMBER: 1074899

Osborne House Community Nursery Ltd

Company Limited by Guarantee

Unaudited Financial Statements

30 September 2023

Osborne House Community Nursery Ltd
Company Limited by Guarantee
Financial Statements
Year ended 30 September 2023

	Page
Trustees' annual report (incorporating the director's report)	1
Independent examiner's report to the trustees	6
Statement of financial activities (including income and expenditure account)	7
Statement of financial position	8
Notes to the financial statements	9

Osborne House Community Nursery Ltd

Company Limited by Guarantee

Trustees' Annual Report (Incorporating the Director's Report)

Year ended 30 September 2023

The trustees, who are also the directors for the purposes of company law, present their report and the unaudited financial statements of the charity for the year ended 30 September 2023 .

Reference and administrative details

Registered charity name	Osborne House Community Nursery Ltd		
Charity registration number			1074899
Company registration number			03251011
Principal office and registered office	5 Minto Road Sheffield S6 4GJ		
The trustees	A Willoughby S Wray J Nolan F Bursell (Appointed 1 November 2023) E Ochoa (Appointed 12 October 2023) A Wish (Appointed 12 October 2023)		
Company secretary	Woskow Brown		
Independent examiner	Stephen Allen ACA FCCA Omega Court 364-366 Cemetery Road Sheffield S11 8FT		

Structure, governance and management

Governing document

As a charity and company limited by guarantee we are governed by a Memorandum and Articles of Association.

Appointment of management committee

Members of the management committee shall be known as trustees for the purpose of charity law. There is no maximum number of trustees, but the minimum number required is 3. The board may appoint persons as members of the board either to fill a vacancy or as an additional member. The board will actively seek to recruit members from the local community as well as from parents of children attending the nursery.

Trustee induction and training

All trustees are encouraged to attend short training sessions to familiarise themselves with the charity and the context within which it operates. These cover

- The obligations of the board of trustees.
- The main documents which set out the operational framework of the charity including the Memorandum & Articles.
- The resourcing of funding, and the current financial position as set out in the latest published financial statements.
- Future plans and objectives.
- Safeguarding policy and OFSTED guidelines.

Risk management

The trustees actively review the major risks which the charity faces on a regular basis. The trustees are aware that the current level of reserves is insufficient, having been impacted by the recent COVID-19 pandemic. There is also a national crisis in the childcare sector, the shortage of qualified EYFS practitioners in the market means that churn and recruitment is a challenge. The trustees will monitor the impact of this on the setting and work with management to resolve on a sustainable solution. The trustees have also examined other operational and business risks faced by the charity and attempted to act swiftly to mitigate any significant risks.

Organisational structure

The board of trustees meet at regular intervals during the year and are responsible for the strategic direction and policy of the charity. Day to day responsibility for the provision of services rests with nursery manager, Andrea Young who is responsible for ensuring that the charity delivers the services specified and that key performance indicators are met. The manager also has responsibility for the day to day administrative and financial operation of the organisation including identifying, obtaining, and managing funding income.

Related parties

The trustees consider that there are no related party transactions in the year under review.

Objectives and activities

The principal activity of the charity in the year under review was to provide high quality care and education, in accordance with Ofsted regulations, for children aged 3 months to 5 years. By providing full day care provision located in the heart of the Hillsborough district in Sheffield we enable parents/carers to advance through further education or to seek paid employment, knowing that their children are safe and secure.

We have links with the local Children's Centre. This enables us to signpost parents/carers to activities within our locality e.g. breast feeding/baby massage clinics and numeracy and literacy classes for adults.

The objectives set out by the board of trustees for the year in question were:

- Continue to review the changing requirements of parents and caregivers.
- Continue being in surplus/balanced funds for another 12 months.
- Continue to monitor and further review our outgoings.
- Maintaining recruitment of new families.
- Continue improving our online presence and physical appearance.
- Recruit additional trustees.
- Address our staffing approach, so that we can run more efficiently and cost-effectively.
- Look for more innovative ways to fundraise and create revenue from the nursery buildings.
- Continue top-up of reserves account.
- Increase NLW and fees.

The Trustees have paid due regard to guidance issued by the Charity Commission's guidance on public benefit.

Achievements and performance

We have maintained stability and resilience during the last financial year. Our occupancy has reached capacity for much of the year and continues to thrive at the 65% per cent mark (especially important when pre-schoolers left in July/Aug 2023). We are now looking at ways of increasing our capacity and supporting this in the building.

Unfortunately, our finance manager left in 2022/3 and we have not yet fully replaced this role, however, the management team have shared related tasks in the interim and recruited the services of agency staff and our accountant to bring our accounts up to speed.

The management team have also recruited a new deputy, Abbie Stirling and together they are a really strong team at the helm of Osborne House. We have also successfully appointed 3 new trustees. This is all great for the continued growth of the nursery.

In 2023, the government announced plans to provide funding for under 2's, which comes into play in April 2024. We will need to keep an eye on this and how it affects the funding the nursery will receive to support this initiative. In the meantime, we have been able to top up reserves over the last year, which will ultimately improve the nursery's financial profile going forward. In line with inflation we raised wages in April 2023 by (10.5%) in a competitive marketplace where recruitment is difficult and the cost of living is not getting easier, this decision should hopefully help us keep up with a realistic market value. We will look to review this again this April.

In the last 14 months, Osborne House has put focus on the appearance and facilities, by continuing with volunteer-led clean-up sessions, chopping the trees back and generally getting on top of the outside space.

We are continuing to monitor and review our financial outlook in order to break even or make a profit for 2-3 years before we will be considered for other mortgage products (as in taking out a loan against a more up-to-date valuation of the building.) This leaves us with some decisions to make in the coming years around paying off the remaining amount. The playback of this review is available in a separate document.

We have taken practical steps to streamline outgoings, making fair and informed decisions in relation to fees and staff management, in what continue to be unprecedented times. The cost-of-living increase and period of recession has seen some careful consideration around hiring and replacing staff

We updated our business plan during Q1 2023, with goals and objectives which enable us to continue to work on areas of improvement and grow the business.

In April 2023 we increased fees by 10% in order to fund wage increases in line with the National Living Wage.

Financial review

The results for the year ended 30 September 2023 are summarised in the statement of financial activities on page 9. The net surplus for the year is £17,832 (2022: surplus of £25,101) and unrestricted reserves stood at £266,486 (2022: £248,654) of which £167,531 is in respect of a pre-FRS102 revaluation of the freehold property.

Principal funding sources

The principal funding sources for the charity, apart from fees for services, is currently grant income from Sheffield City Council.

Reserve policy

It is the policy of the charity to build up the unrestricted funds to a level which equates to approximately 3 months unrestricted expenditure. This provides sufficient funds to cover management and administration and support costs. For the year to 30 September 2023, the target for unrestricted reserves was £92,400 and actual reserves were £266,486, which gives an excess of £6,555 after allowing £167,531 for the revaluation reserve (pre FRS102).

Plans for future periods

Our aim for 2023/2024 is to further reduce the deficit in running costs, to increase the existing levels of reserves and to increase occupancy levels. We aim to do this by:

- To continue monitoring business running costs, reducing where necessary.
- To continue building our general reserve to the recommended level.
- To maintain an average 65% occupancy
- Work towards increasing occupancy available by updating planning permission.
- To continue strengthening the current team and staff retention.
- To recruit additional trustees.
- To create additional fund-raising opportunities.
- To maintain our outward-facing approach.
- To progress the potential financial gain from the property.
- To ensure that future plans for government-funded nursery places are reviewed on a regular basis in order to maintain viable and sustainable profitability for the business.
- Run another parent satisfaction survey.

Events after the end of the reporting period

Since the balance sheet date, the UK will have reflected upon a reported short recession and the government are expected to call an upcoming election which may affect the rollout and continued provision of FEL funding for early years settings. We will review the impact of these events separately. The company has some cash reserves to act as a cushion against any deterioration in the trading position in the short to medium term and efforts continue to reduce costs wherever possible.

Small company provisions

This report has been prepared in accordance with the provisions applicable to companies entitled to the small companies exemption.

The trustees' annual report was approved on 21 June 2024 and signed on behalf of the board of trustees by:

A Willoughby

Trustee

Osborne House Community Nursery Ltd

Company Limited by Guarantee

Independent Examiner's Report to the Trustees of Osborne House Community Nursery Ltd

Year ended 30 September 2023

I report to the trustees on my examination of the financial statements of Osborne House Community Nursery Ltd ('the charity') for the year ended 30 September 2023.

Responsibilities and basis of report

As the trustees of the company (and also its directors for the purposes of company law) you are responsible for the preparation of the financial statements 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 charity's accounts as 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 charity'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 the Institute of Chartered Accountants in England and Wales (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 charity as required by section 386 of the 2006 Act; or
2. the financial statements do not accord with those records; or
3. the financial statements 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 financial statements 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.

Stephen Allen ACA FCCA Independent Examiner

Omega Court 364-366 Cemetery Road Sheffield S11 8FT

21 June 2024

Osborne House Community Nursery Ltd
Company Limited by Guarantee
Statement of Financial Activities
(including income and expenditure account)
Year ended 30 September 2023

		2023		2022
		Unrestricted	Total funds	Total funds
	Note	funds		
		£	£	£
Income and endowments				
Donations and legacies	5	83,307	83,307	91,443
Charitable activities	6	303,514	303,514	256,300
Investment income	7	472	472	27
		-----	-----	-----
Total income		387,293	387,293	347,770
		-----	-----	-----
Expenditure				
Expenditure on charitable activities	8,9	369,461	369,461	322,669
		-----	-----	-----
Total expenditure		369,461	369,461	322,669
		-----	-----	-----
Net income and net movement in funds		17,832	17,832	25,101
		-----	-----	-----
Reconciliation of funds				
Total funds brought forward		248,654	248,654	223,553
		-----	-----	-----
Total funds carried forward		266,486	266,486	248,654
		-----	-----	-----

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

Osborne House Community Nursery Ltd

Company Limited by Guarantee

Statement of Financial Position

30 September 2023

	Note	2023 £	2022 £
Fixed assets			
Tangible fixed assets	14	294,466	295,962
Current assets			
Debtors	15	331	16,995
Cash at bank and in hand		96,100	73,483
		96,431	90,478
Creditors: amounts falling due within one year	16	20,284	33,706
Net current assets		76,147	56,772
Total assets less current liabilities		370,613	352,734
Creditors: amounts falling due after more than one year	17	104,127	104,080
Net assets		266,486	248,654
Funds of the charity			
Unrestricted funds		266,486	248,654
Total charity funds	19	266,486	248,654

For the year ending 30 September 2023 the charity was entitled to exemption from audit under section 477 of the Companies Act 2006 relating to small companies.

Directors' responsibilities:

- The members have not required the company to obtain an audit of its financial statements for the year in question in accordance with section 476 ;
- The directors acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and the preparation of financial statements .

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

These financial statements were approved by the board of trustees and authorised for issue on 21 June 2024 , and are signed on behalf of the board by:

A Willoughby

Trustee

Osborne House Community Nursery Ltd

Company Limited by Guarantee

Notes to the Financial Statements

Year ended 30 September 2023

1. General information

The charity is a public benefit entity and a private company limited by guarantee, registered in England and Wales and a registered charity in England and Wales. The address of the registered office is 5 Minto Road, Sheffield, S6 4GJ.

2. Statement of compliance

These financial statements have been prepared in compliance with FRS 102, 'The Financial Reporting Standard applicable in the UK and the Republic of Ireland', 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) (Charities SORP (FRS 102)) and the Companies Act 2006.

3. Accounting policies

Basis of preparation

The financial statements have been prepared on the historical cost basis, as modified by the revaluation of certain financial assets and liabilities and investment properties measured at fair value through income or expenditure.

The financial statements are prepared in sterling, which is the functional currency of the entity.

Going concern

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

Disclosure exemptions

In line with the Charities SORP (FRS102) Update Bulletin 1: (a) No cash flow statement has been presented for the company.

Judgements and key sources of estimation uncertainty

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported. These estimates and judgements are continually reviewed and are based on experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Fund accounting

Unrestricted funds are available for use at the discretion of the trustees to further any of the charity's purposes. Designated funds are unrestricted funds earmarked by the trustees for particular future project or commitment. 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.

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.

Tangible assets

The trustees agreed that the market value of the land and property remained at £290,000 as at 30 September 2023.

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:

Office Equipment	-	25% reducing balance
Toys & other equipment	-	25% reducing balance

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. For impairment testing of goodwill, the goodwill acquired in a business combination is, from the acquisition date, allocated to each of the cash-generating units that are expected to benefit from the synergies of the combination, irrespective of whether other assets or liabilities of the charity are assigned to those units.

Financial instruments

A financial asset or a financial liability is recognised only when the entity 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, unless the arrangement constitutes a financing transaction, where it is recognised at the present value of the future payments discounted at a market rate of interest for a similar debt instrument. Current assets and current liabilities are subsequently measured at the cash or other consideration expected to be paid or received and not discounted.

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. Limited by guarantee

The company is limited by guarantee and as such has no share capital. The members of the company are the trustees whose liability is a maximum of £1 each.

5. Donations and legacies

	Unrestricted Funds £	Total Funds 2023 £	Unrestricted Funds £	Total Funds 2022 £
Donations				
Milk subsidy	1,275	1,275	1,021	1,021
Sundry income	—	—	(404)	(404)
Grants				
Grants for nursery services	82,032	82,032	81,314	81,314
Other grants	—	—	9,512	9,512
	83,307	83,307	91,443	91,443

6. Charitable activities

	Unrestricted Funds	Total Funds 2023	Unrestricted Funds	Total Funds 2022
	£	£	£	£
Fees for nursery services	303,514	303,514	256,300	256,300
	-----	-----	-----	-----

7. Investment income

	Unrestricted Funds	Total Funds 2023	Unrestricted Funds	Total Funds 2022
	£	£	£	£
Interest received	472	472	27	27
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8. Expenditure on charitable activities by fund type

	Unrestricted Funds	Total Funds 2023	Unrestricted Funds	Total Funds 2022
	£	£	£	£
Charitable activities	320,876	320,876	286,706	286,706
Support costs	48,585	48,585	35,963	35,963
	-----	-----	-----	-----
	369,461	369,461	322,669	322,669
	-----	-----	-----	-----

9. Expenditure on charitable activities by activity type

	Activities undertaken directly	Support costs	Total funds 2023	Total fund 2022
	£	£	£	£
Charitable activities	320,876	44,332	365,208	318,239
Governance costs	—	4,253	4,253	4,430
	-----	-----	-----	-----
	320,876	48,585	369,461	322,669
	-----	-----	-----	-----

10. Net income

Net income is stated after charging/(crediting):

	2023	2022
	£	£
Depreciation of tangible fixed assets	1,496	1,991
	-----	-----

11. Independent examination fees

	2023	2022
	£	£
Fees payable to the independent examiner for:		
Independent examination of the financial statements	2,250	2,250
	-----	-----

12. Staff costs

The total staff costs and employee benefits for the reporting period are analysed as follows:

	2023	2022
	£	£
Wages and salaries	281,676	254,561
Social security costs	10,250	8,071
Employer contributions to pension plans	3,789	3,103
	-----	-----
	295,715	265,735
	-----	-----

The average head count of employees during the year was 19 (2022: 20). The average number of full-time equivalent employees during the year is analysed as follows:

	2023	2022
	No.	No.
Number of staff	19	20
	----	----

No employee received employee benefits of more than £60,000 during the year (2022: Nil).

13. Trustee remuneration and expenses

No remuneration was paid to trustees in the period (2022: Nil) nor were any expenses reimbursed to them (2022: Nil).

14. Tangible fixed assets

	Freehold property	Toys & other equipment	Office equipment	Total
	£	£	£	£
Cost				
At 1 Oct 2022 and 30 Sep 2023	290,000	76,262	16,859	383,121
	-----	-----	-----	-----
Depreciation				
At 1 Oct 2022	—	74,482	12,677	87,159
Charge for the year	—	450	1,046	1,496
	-----	-----	-----	-----
At 30 Sep 2023	—	74,932	13,723	88,655
	-----	-----	-----	-----
Carrying amount				
At 30 Sep 2023	290,000	1,330	3,136	294,466
	-----	-----	-----	-----
At 30 Sep 2022	290,000	1,780	4,182	295,962
	-----	-----	-----	-----

15. Debtors

	2023	2022
	£	£
Trade debtors	—	16,842
Other debtors	331	153
	----	----
	331	16,995
	----	----

16. Creditors: amounts falling due within one year

	2023	2022
	£	£
Trade creditors	3,602	—
Accruals and deferred income	2,364	2,364
Social security and other taxes	—	1,177
Other creditors	14,318	30,165
	-----	-----
	20,284	33,706
	-----	-----

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

	2023	2022
	£	£
Bank loans and overdrafts	104,127	104,080
	-----	-----

During the year interest of £6,736 (2022: £3,573) was paid on the bank loan. The bank loan is secured on the property.

18. 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 £ 3,789 (2022: £ 3,103).

19. Analysis of charitable funds

Unrestricted funds

	At 1 Oct 2022	Income	Expenditure	At 30 Sep 2023
	£	£	£	£
General funds	248,654	387,293	(369,461)	266,486
	-----	-----	-----	-----
	At 1 Oct 2021	Income	Expenditure	At 30 Sep 2022
	£	£	£	£
General funds	223,553	347,770	(322,669)	248,654
	-----	-----	-----	-----

20. Analysis of net assets between funds

	Unrestricted Funds	Total Funds 2023
	£	£
Tangible fixed assets	294,466	294,466
Current assets	96,431	96,431
Creditors less than 1 year	(20,284)	(20,284)
Creditors greater than 1 year	(104,127)	(104,127)
	-----	-----
Net assets	266,486	266,486
	-----	-----
	Unrestricted Funds	Total Funds 2022
	£	£
Tangible fixed assets	295,962	295,962
Current assets	90,478	90,478
Creditors less than 1 year	(33,706)	(33,706)
Creditors greater than 1 year	(104,080)	(104,080)
	-----	-----
Net assets	248,654	248,654
	-----	-----

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