

Charity Registration No. 1079310

Company Registration No. 3871017 (England and Wales)

ELMSTEAD NURSERY LIMITED
ANNUAL REPORT AND UNAUDITED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020

ELMSTEAD NURSERY LIMITED

LEGAL AND ADMINISTRATIVE INFORMATION

Trustees	Mr I MacDonald Ms D L Bignell	(Appointed 3 February 2020)
Secretary	Ms C M Perkins	
Charity number	1079310	
Company number	3871017	
Registered office	Elmcroft Holly Way Elmstead Market Colchester CO7 7YQ	
Independent examiner	Rachel Skells BA FCA Whittle & Partners LLP The Old Exchange 64 West Stockwell Street Colchester Essex CO1 1HE	

ELMSTEAD NURSERY LIMITED

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ELMSTEAD NURSERY LIMITED

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT)

FOR THE YEAR ENDED 31 DECEMBER 2020

The trustees present their report and financial statements for the year ended 31 December 2020.

The financial statements have been prepared in accordance with the accounting policies set out in note 1 to the financial statements and comply with the charity's Memorandum and Articles of Association, the Companies Act 2006 and "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)".

Objectives and activities

We are committed to valuing every aspect of a child's education. We believe that intellectual, social, emotional and physical development are all interrelated and a child who is self assured will have the confidence to try new things and therefore extend their learning.

It is our aim that every child will experience a broad and balanced curriculum, in an environment that is happy, caring and stimulating.

The trustees have paid due regard to guidance issued by the Charity Commission in deciding what activities the charity should undertake.

The main activities undertaken by the charity to further its charitable purposes for the public benefit was the provision of pre-school education in the form of a nursery.

Achievements and performance

During the period under review the nursery was successful in developing the potential of the children at their own pace using a planned curriculum tailored to the needs of each child by means of developmentally appropriate play activities and a high level of adult input. The curriculum leads to nationally approved learning goals which prepares the children to progress with confidence to the National Curriculum when reaching school age.

Financial review

The nursery's reserves at the start of 2020 were £44,952 and £33,394 at the end of the year. This represents a loss of £11,558 which means the 2020 predictions of a loss was accurate. The nursery made a loss mainly due to COVID-19. The increase in cleaning costs, the loss of parental fees and continued payment of most staff wages at their standard hours made the biggest impact. The nursery had lower numbers of children on roll due to the pandemic as parents were reluctant to send their children to nursery or some chose to purposefully delay their start. Throughout this time, the nursery continued to remain open to children of keyworkers and vulnerable children. From the 1st June, we extended this to include July 2020 leavers. From September, we were open to all children. Essex County Council paid funding for children on roll but the nursery continued to lose revenue from fees usually obtained from parents for children's non-funded hours.

The nursery will continue to make a loss in 2021 due to COVID-19. Many parents chose to keep their children at home in the first half of the January term until the schools returned even though the nursery was open to all. Many of the service providers the nursery use have increased their prices. At this point the known increases come from Utilities, Accountancy fees, Website fees, Rental increase, and possibly more. To gain more control, the nursery has obtained a fixed rate on British Gas. This will begin November 2021 and last for 4 years.

ELMSTEAD NURSERY LIMITED

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

It is the policy of the charity that unrestricted funds which have not been designated for a specific use should be maintained at a level equivalent to between three and six month's expenditure. The trustees considers that reserves at this level will ensure that, in the event of a significant drop in funding, they will be able to continue the charity's current activities while consideration is given to ways in which additional funds may be raised. This level of reserves has not been maintained throughout the year due to the pandemic and a loss of income with continuing costs.

During the uncertainties and challenges presented by COVID 19, the trustees continue to be mindful of the potential further depletion of reserves and whilst reducing costs wherever possible, will treat the safety of the children, their families and the nursery staff as paramount.

The trustees have assessed the major risks to which the charity is exposed, and are satisfied that systems are in place to mitigate exposure to the major risks.

Structure, governance and management

The charity is a charitable company limited by guarantee, incorporated on 3 November 1999, as amended by special resolution on 17 January 2000. The charity was established under a Memorandum of Association which established the objects and powers of the charitable company and is governed under its Articles of Association. In the event of the company being wound up members are required to contribute an amount not exceeding £1.

The directors of the company are also charity trustees for the purposes of charity law.

Elmstead Nursery is managed by a committee drawn from the Governors and staff of Elmstead Primary School and includes several nursery parent representatives.

The trustees, who are also the directors for the purpose of company law, and who served during the year and up to the date of signature of the financial statements were:

Mr I MacDonald

Ms D L Bignell (Appointed 3 February 2020)

Mr Bryan Johnston (Resigned 3 February 2020)

New trustees are appointed if existing trustees retire. One trustee is the current head of Elmstead Primary School and the other a local representative.

None of the trustees has any beneficial interest in the company. All of the trustees are members of the company.

The Trustees' report was approved by the Board of Trustees.

Mr I MacDonald

Trustee

Dated: 5 July 2021

Ms D L Bignell

Trustee

Dated: 5 July 2021

ELMSTEAD NURSERY LIMITED

INDEPENDENT EXAMINER'S REPORT

TO THE TRUSTEES OF ELMSTEAD NURSERY LIMITED

I report to the trustees on my examination of the financial statements of Elmstead Nursery Limited (the charity) for the year ended 31 December 2020.

Responsibilities and basis of report

As the trustees of the charity (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 financial statements of the charity 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 financial statements carried out under section 145 of the Charities Act 2011 (the 2011 Act). In carrying out my examination I have followed all the applicable Directions given by the Charity Commission under section 145(5)(b) of the 2011 Act.

Independent examiner's statement

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 that in any material respect:

- 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 financial statements to be reached.

Rachel Skells BA FCA

Whittle & Partners LLP
The Old Exchange
64 West Stockwell Street
Colchester
Essex
CO1 1HE

Dated: 5 July 2021

ELMSTEAD NURSERY LIMITED

STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 DECEMBER 2020

	Notes	Unrestricted funds 2020 £	Unrestricted funds 2019 £
<u>Income from:</u>			
Grants received	3	2,215	-
Charitable activities	4	102,768	96,418
Other trading activities	5	451	231
Investments	6	1	1
Total income		105,435	96,650
<u>Expenditure on:</u>			
Charitable activities	7	117,296	109,303
Net expenditure for the year/ Net movement in funds		(11,861)	(12,653)
Fund balances at 1 January 2020		44,952	57,605
Fund balances at 31 December 2020		33,091	44,952

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

All income and expenditure derive from continuing activities.

The statement of financial activities also complies with the requirements for an income and expenditure account under the Companies Act 2006.

ELMSTEAD NURSERY LIMITED

BALANCE SHEET

AS AT 31 DECEMBER 2020

	Notes	2020 £	£	2019 £	£
Current assets					
Stocks	11	256		256	
Debtors	12	721		1,474	
Cash at bank and in hand		47,746		55,523	
		<u>48,723</u>		<u>57,253</u>	
Creditors: amounts falling due within one year	13	(15,632)		(12,301)	
Net current assets			33,091		44,952
Income funds					
Unrestricted funds			33,091		44,952
			<u>33,091</u>		<u>44,952</u>

The company is entitled to the exemption from the audit requirement contained in section 477 of the Companies Act 2006, for the year ended 31 December 2020.

The directors acknowledge their responsibilities for ensuring that the charity keeps accounting records which comply with section 386 of the Act and for preparing financial statements which give a true and fair view of the state of affairs of the company as at the end of the financial year and of its incoming resources and application of resources, including its income and expenditure, for the financial year in accordance with the requirements of sections 394 and 395 and which otherwise comply with the requirements of the Companies Act 2006 relating to financial statements, so far as applicable to the company.

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.

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

The financial statements were approved by the Trustees on 5 July 2021

Mr I MacDonald
Trustee

Ms D L Bignell
Trustee

Company Registration No. 3871017

ELMSTEAD NURSERY LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2020

1 Accounting policies

Charity information

Elmstead Nursery Limited is a private company limited by guarantee incorporated in England and Wales. The registered office is Elmcroft, Holly Way, Elmstead Market, Colchester, CO7 7YQ.

1.1 Accounting convention

The financial statements have been prepared in accordance with the charity's [governing document], the Companies Act 2006 and "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 charity is a Public Benefit Entity as defined by FRS 102.

The charity has taken advantage of the provisions in the SORP for charities applying FRS 102 Update Bulletin 1 not to prepare a Statement of Cash Flows.

The financial statements are prepared in sterling, which is the functional currency of the charity. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared under the historical cost convention. The principal accounting policies adopted are set out below.

1.2 Going concern

At the time of approving the financial statements, the trustees have a reasonable expectation that the charity has adequate resources to continue in operational existence for the foreseeable future, being 12 months from the date of signing the financial statements. Thus the trustees continue to adopt the going concern basis of accounting in preparing the financial statements. However, the trustees are aware of certain material uncertainties which may cause doubt on the company's ability to continue as a going concern. The ongoing effects of COVID 19 on the charity as detailed in the Trustees report under the Financial Review section mean that it is not yet possible to determine what the medium to long term future of the company is at this point in time.

1.3 Charitable funds

Unrestricted funds are available for use at the discretion of the trustees in furtherance of their charitable objectives.

1.4 Incoming resources

Income is recognised when the charity is legally entitled to it after any performance conditions have been met, the amounts can be measured reliably, and it is probable that income will be received.

Cash donations are recognised on receipt. Other donations are recognised once the charity has been notified of the donation, unless performance conditions require deferral of the amount.

Grants from the government and other agencies have been included as incoming resources from charitable activities where these amount to a contract for services.

ELMSTEAD NURSERY LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

1 Accounting policies (Continued)

1.5 Resources expended

All expenditure is accounted for on an accruals basis and is recognised when there is a legal or constructive obligation to pay. Expenditure has been classified under headings that aggregate all costs related to the category.

Resources expended include attributable VAT, which cannot be recovered.

1.6 Stocks

Stocks are stated at the lower of cost and net realisable value.

1.7 Financial instruments

Basic financial instruments are initially recognised at transaction value and subsequently measured at amortised cost. Financial assets comprise cash at bank and in hand, together with trade and other debtors. A specific provision is made for debts for which recoverability is in doubt. Cash at bank and in hand is defined as all cash held in instant access bank accounts and used as working capital. Financial liabilities held at amortised cost comprise all creditors except social security and other taxes, deferred income and provisions.

1.8 Employee benefits

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

1.9 Retirement benefits

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

2 Critical accounting estimates and judgements

In the application of the charity's accounting policies, the trustees are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

3 Grants received

	Unrestricted funds	Total
	2020	2019
	£	£
Coronavirus job retention scheme	2,215	-
	<u> </u>	<u> </u>

ELMSTEAD NURSERY LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

4 Charitable activities

	Income from charitable activities 2020 £	Income from charitable activities 2019 £
Sales within charitable activities	100,493	92,326
Other income	2,275	4,092
	<u>102,768</u>	<u>96,418</u>

5 Other trading activities

	Unrestricted funds 2020 £	Unrestricted funds 2019 £
Fundraising	451	231
	<u>451</u>	<u>231</u>

6 Investments

	Unrestricted funds 2020 £	Unrestricted funds 2019 £
Interest receivable	1	1
	<u>1</u>	<u>1</u>

ELMSTEAD NURSERY LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

7 Charitable activities

	Charitable activities 2020 £	Charitable activities 2019 £
Staff costs	98,624	89,342
Rent & rates	1,623	2,081
Snacks for children	584	1,021
Insurance	986	910
Light & heat	1,917	2,086
Repairs & maintenance	3,570	2,493
Printing, postage & stationery	1,855	989
Telephone & fax	1,105	903
Hot dinners	1,161	2,566
Travelling expenses	71	226
Subscriptions	176	422
Activity fees	1,353	1,710
Sundry expenses	1,381	1,958
	<u>114,406</u>	<u>106,707</u>
Share of governance costs (see note 8)	2,890	2,596
	<u>117,296</u>	<u>109,303</u>

8 Governance costs

	Governance costs £	2020 £	2019 £	Basis of allocation
Accountancy	2,890	2,890	2,596	Governance
	<u>2,890</u>	<u>2,890</u>	<u>2,596</u>	
Analysed between Charitable activities	2,890	2,890	2,596	

The accountancy fees include £1,604 (2019: £1,600) for accounts production and independent examination fees and £1,286 (2019: £996) for other services provided.

ELMSTEAD NURSERY LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

9 Trustees

None of the trustees (or any persons connected with them) received any remuneration, benefits or expenses from the charity during the year.

10 Employees

Number of employees

The average monthly number of employees during the year was:

	2020 Number	2019 Number
	11	10
	=====	=====

Employment costs

	2020 £	2019 £
Wages and salaries	96,316	87,397
Social security costs	1,060	873
Other pension costs	1,248	1,072
	=====	=====
	98,624	89,342
	=====	=====

No employees received total employee benefits of more than £60,000.

11 Stocks

	2020 £	2019 £
Finished goods and goods for resale	256	256
	=====	=====

12 Debtors

	2020 £	2019 £
Amounts falling due within one year:		
Trade debtors	490	868
Prepayments and accrued income	231	606
	=====	=====
	721	1,474
	=====	=====

ELMSTEAD NURSERY LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

13 Creditors: amounts falling due within one year

	Notes	2020 £	2019 £
Other taxation and social security		1,515	-
Deferred income	14	10,214	9,387
Other creditors		3,903	2,914
		<u>15,632</u>	<u>12,301</u>

14 Deferred income

	2020 £	2019 £
Other deferred income	10,214	9,387
	<u>10,214</u>	<u>9,387</u>

Deferred income relates to fee income received in the year relating to future accounting periods.

15 Related party transactions

There were no disclosable related party transactions during the year (2019- none).