

Charity registration number 1079310

Company registration number 3871017 (England and Wales)

ELMSTEAD NURSERY LIMITED
ANNUAL REPORT AND UNAUDITED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021

ELMSTEAD NURSERY LIMITED

LEGAL AND ADMINISTRATIVE INFORMATION

Trustees	Mr I MacDonald Ms D L Bignell
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 2021

The trustees present their annual report and financial statements for the year ended 31 December 2021.

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 2021 were £33,091 (01/01/2021) and at the year-end £33,497(31/12/2021). This represents a very small surplus of £406. The Nursery managed to break even due to an increase in child sessions. The continued increase in cleaning costs and the increase of the minimum wage, which affects staff wages along with a rent increase made the biggest impact on costs.

The Nursery is expected to make a loss in 2022 due to the rent increase of 233% and many service providers will be increasing their prices – Utilities, Accountancy fees, Website fees and possibly more. To gain some control, the Nursery has obtained a fixed rate on British Gas. This began Nov 2021 and will last for four years. The Nursery increased their rates by 50p (to £5 per hour, September 2021) and will be increasing the rates again in September 2022 (3 year olds £5.50 and 2 years olds £6.00). The Nursery has been running at full occupancy, with a waiting list since January 2022 which is anticipated to continue for the foreseeable future.

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 rise in continuing costs.

ELMSTEAD NURSERY LIMITED

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

FOR THE YEAR ENDED 31 DECEMBER 2021

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

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

12 July 2022

Ms D L Bignell

Trustee

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 2021.

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: 12 July 2022

ELMSTEAD NURSERY LIMITED

STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT FOR THE YEAR ENDED 31 DECEMBER 2021

		Unrestricted funds 2021 £	Unrestricted funds 2020 £
	Notes		
<u>Income from:</u>			
Grants received	2	-	2,215
Charitable activities	3	123,279	102,768
Other trading activities	4	498	451
Investments	5	-	1
Total income		123,777	105,435
<u>Expenditure on:</u>			
Charitable activities	6	123,371	117,296
Net income/(expenditure) for the year/ Net movement in funds		406	(11,861)
Fund balances at 1 January 2021		33,091	44,952
Fund balances at 31 December 2021		33,497	33,091

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 2021

	Notes	2021 £	£	2020 £	£
Current assets					
Stocks	10	222		256	
Debtors	11	1,565		721	
Cash at bank and in hand		38,056		47,746	
		<u>39,843</u>		<u>48,723</u>	
Creditors: amounts falling due within one year	12	<u>(6,346)</u>		<u>(15,632)</u>	
Net current assets			33,497		33,091
			<u>33,497</u>		<u>33,091</u>
Income funds					
Unrestricted funds			33,497		33,091
			<u>33,497</u>		<u>33,091</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 2021.

The directors acknowledge their responsibilities for complying with the requirements of the Companies Act 2006 with respect to accounting records and the preparation of financial statements.

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 12 July 2022

Mr I MacDonald
Trustee

Ms D L Bignell
Trustee

Company registration number 3871017

ELMSTEAD NURSERY LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2021

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 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)". 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 effects of COVID 19 and the cost of living crisis 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 2021

1 Accounting policies

(Continued)

1.5 Resources expended

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. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs which contribute to more than one activity and support costs which are not attributable to a single activity are apportioned between those activities on a basis consistent with the use of resources. Central staff costs are allocated on the basis of time spent, and depreciation charges are allocated on the portion of the asset's use.

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 Grants received

	Total	Unrestricted funds
	2021	2020
	£	£
Coronavirus job retention scheme	-	2,215
	==	==

ELMSTEAD NURSERY LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

3 Charitable activities

	Income from charitable activities 2021 £	Income from charitable activities 2020 £
Sales within charitable activities	120,842	100,493
Other income	2,437	2,275
	<u>123,279</u>	<u>102,768</u>

4 Other trading activities

	Unrestricted funds 2021 £	Unrestricted funds 2020 £
Fundraising	498	451
	<u>498</u>	<u>451</u>

5 Investments

	Total 2021 £	Unrestricted funds 2020 £
Interest receivable	-	1
	<u>-</u>	<u>1</u>

ELMSTEAD NURSERY LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

6 Charitable activities

	Charitable activities 2021 £	Charitable activities 2020 £
Staff costs	103,418	98,624
Rent & rates	4,238	1,623
Snacks for children	983	584
Insurance	1,002	986
Light & heat	2,118	1,917
Repairs & maintenance	1,469	3,570
Printing, postage & stationery	1,501	1,855
Telephone & fax	856	1,105
Hot dinners	1,249	1,161
Travelling expenses	-	71
Subscriptions	310	176
Activity fees	1,832	1,353
Sundry expenses	1,575	1,381
	<u>120,551</u>	<u>114,406</u>
Share of governance costs (see note 7)	2,820	2,890
	<u>123,371</u>	<u>117,296</u>

7 Governance costs

	Governance costs £	2021 £	2020 £	Basis of allocation
Accountancy	2,820	2,820	2,890	Governance
	<u>2,820</u>	<u>2,820</u>	<u>2,890</u>	
Analysed between Charitable activities	2,820	2,820	2,890	
	<u>2,820</u>	<u>2,820</u>	<u>2,890</u>	

The accountancy fees include £1,680 (2020: £1,604) for accounts production and independent examination fees and £1,140 (2020: £1,286) for other services provided.

ELMSTEAD NURSERY LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

8 Trustees

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

9 Employees

Number of employees

The average monthly number of employees during the year was:

	2021 Number	2020 Number
	9	11
	=====	=====

Employment costs

	2021 £	2020 £
Wages and salaries	101,598	96,316
Social security costs	317	1,060
Other pension costs	1,503	1,248
	=====	=====
	103,418	98,624
	=====	=====

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

10 Stocks

	2021 £	2020 £
Finished goods and goods for resale	222	256
	=====	=====

11 Debtors

	2021 £	2020 £
Amounts falling due within one year:		
Trade debtors	1,333	490
Prepayments and accrued income	232	231
	=====	=====
	1,565	721
	=====	=====

ELMSTEAD NURSERY LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

12 Creditors: amounts falling due within one year

	Notes	2021 £	2020 £
Other taxation and social security		1,473	1,515
Deferred income	13	-	10,214
Other creditors		4,873	3,903
		<u>6,346</u>	<u>15,632</u>

13 Deferred income

	2021 £	2020 £
Other deferred income	-	10,214
	<u>-</u>	<u>10,214</u>

Deferred income is included in the financial statements as follows:

	2021 £	2020 £
Deferred income is included within:		
Current liabilities	-	10,214
	<u>-</u>	<u>10,214</u>
Movements in the year:		
Deferred income at 1 January 2021	10,214	-
Released from previous periods	(10,214)	-
Resources deferred in the year	-	10,214
	<u>-</u>	<u>10,214</u>
Deferred income at 31 December 2021	-	10,214
	<u>-</u>	<u>10,214</u>

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

14 Related party transactions

There were no disclosable related party transactions during the year (2020- none).