

**HARMONY COMMUNITY DAY NURSERY**  
**Trading under Harmony Neighbourhood Nursery**  
**(A company limited by guarantee)**

**REPORT AND FINANCIAL STATEMENTS**

**For the year ended 31st March 2022**



**Company Number: 4153660**  
**Charity Number: 1087071**

## **Harmony Community Day Nursery Company Information**

### **Status**

Harmony Community Day Nursery has charitable status and is a company limited by guarantee and not having a share capital.

### **Directors/Trustees**

Pat Bunche (Chair)

Richard Barnett - Treasurer/Secretary

### **Other Trustees**

Andy Sharpe

Solange Le Jeune

Ivana Jovanovic

Amelie Lardoux

Ciara Solmi

### **Secretary**

Jana Hassan

### **Registered Office**

Ark Swift Annex

Dorando Close

London W12 7QH

### **Bankers**

HSBC plc

16 Sheperds Bush Green

W12 8PT

CAF Bank Ltd

25 Kings Hill Avenue

Kings Hill

West Malling

Kent, ME19 4JQ

### **Auditors**

Brookfield & Co

18 Concanon Road

London

SW2 5TA

### **Registered number**

4153660

### **Charity Reference Number**

1087071

**Harmony Community Day Nursery****Registered number:** 4153660**Report of the trustees**

The trustees are pleased to present their annual directors' report together with the consolidated financial statements of the charity for the year ending 31 March 2022 which are also prepared to meet the requirements for a directors' report and accounts for Companies Acts purposes.

The financial statements comply with the Charities Act 2011, the Companies Act 2006, the Memorandum and Articles of Association, 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 2015).

**Chair's Report (Richard Barnett)**

Harmony was presented with significant challenges arising from the continuing Covid pandemic and associated staff absences, employee turnover, difficulties in recruiting suitably qualified staff, and ongoing adjustment to the Ark Swift site. Notwithstanding this, Harmony continued to provide high quality affordable childcare to local families, in accordance with its primary mission, throughout the year. In order to improve management structures, a new role of Co-Deputy Manager, and two Room Leader roles, were created, and recruitment was started to fill these positions.

We were informed that a temporary site on the redeveloped White City site would no longer be available for Harmony from summer 2023 as originally envisaged under the EdCity plan (prior to our move into a new permanent home in 2025). We commenced discussions with the London Borough of Hammersmith and Fulham with a view to finding a suitable alternative site for the nursery from mid-2023 to 2025, in order to provide continuity of service throughout this period.

**Our purposes and activities**

The aims and objectives of HCDN remain as stated in the last Annual Report and as set out in the company's Memorandum and Articles of Association.

HCDN has been set up mainly to advance the development and education of children aged five and under in West London, in particular the London Borough of Hammersmith and Fulham.

In shaping our objectives for the year and planning our activities, the trustees have considered the Charity Commission's guidance on public benefit, including the guidance 'public benefit: running a charity (PB2)'.

## **Harmony Community Day Nursery**

**Registered number:** 4153660

### **Report of the trustees**

#### **Organisational Structure**

HCDN is a company limited by guarantee incorporated on 4th October 2000 and governed by its Memorandum and Articles of Association. The company was registered as a charity on 20<sup>th</sup> June 2001.

HCDN is based on the White City Estate in the London Borough of Hammersmith & Fulham. HCDN continues to work in partnership with local organisations throughout the borough.

A voluntary Board of Trustees (Management Committee) are elected to govern the work of the charity as its decision-making body. These are skilled individuals who have an interest in its aims and objectives.

Parents and carers are invited to become members of the Management Committee, together with other individuals with knowledge and experience of childcare, education and general business management. If gaps in the knowledge of the Committee are identified, attempts are made to recruit appropriate candidates with relevant skills, via professional support services such as the Volunteer Development Agency (VDA) or Voluntary Sector Resource Agencies (VSRA). Furthermore, Peninsula Group Ltd were contracted to support us with advice regarding Human Resources.

The Board of Trustees are elected at the company's Annual General Meeting. New members are subject to an induction process, and training is provided where necessary through VSRA, VDA and the Local Authority. The Pre-School Learning Alliance induction pack "The Role of the Management Committee as Employers" has also been adopted. The Board of Trustees meets at least six times per annum.

Twenty-three members are employed by HCDN as follows:

- Nursery Manager – responsible for the overall day-to-day management of the charity. Reports directly to the Management Committee.
- Assistant Manager – responsible for line management of childcare staff and the lead on the curriculum and Special Needs.
- Thirteen childcare staff.
- Finance Officer (part time).
- Administrative (part time).
- Two domestic staff (part time).
- One Apprentice.

### **The educational programme**

Harmony's inclusive Teaching and Learning is based through Play Principles and in line with the Early Years Foundation Stage guidance (EYFS) and the Special Educational Needs and Disability Code of Practice. Our practice is to ensure that we meet both genders' needs through a non-sexist curriculum. We continue to provide Speech & Language (SLT) group sessions, for all age group on a weekly basis. These sessions have proved instrumental in supporting and identifying children with speech delays and when progress is slow to help us with making referrals. Furthermore, we continue the work and ethos of 'Every Child A Talker' (ECAT) project (government programme), to further enhance children's language, and supports their concentration and listening skills. Hence working in partnership with our parents, has proven to further children's development. Therefore, we provide chatter boxes and books to take home. These additional activities, especially the chatter boxes are based on children's interests which provide children and parents with quality time together

### **Review of Activities/ Teaching & Learning**

As our chairperson highlighted, that Harmony faced many challenges due to Covid, but thankfully we learnt many things from these experiences.

During the Government enforced lockdown, April & May, we provided parents online activities based on age-appropriate themes. After re-opening, Health & Safety and Hygiene were one of the main priorities as we put more rigorous infection control measures making children and staff aware of how to reduce the risk of spreading the infection. Many of the staff and parents' experienced anxiety and stress. Due to the procedures implemented and the reassurance, after a while it eased the anxiety.

We have noticed upon the return of the children; they were eager to come back to resume some normality. Some of the activities such as sensory, had to be compromised, however, the children spent more of their time outdoors playing in the mud kitchen, planting and enjoying the nature. They were fascinated when observing some of the natural phenomena such as hatching of the chicks and the life cycle of the butterfly.

All face-to-face activities and meetings with the parents were conducted via Zoom.

### **Based on the development plan of the nursery and the adjustment due to the pandemic and the move of premises we continue making changes and improving our practice as of the following:**

- ❖ Mindfulness sessions are continuing, as it has proven successful, and it was in great need mainly during Covid. Part of the benefit is to support children's self-control, increase positive moods, improve emotional regulation skills and lower anxiety and stress.
- ❖ We developed further our music sessions, as music ignites all areas of child development and skills. It helps them learn the sounds and meanings of words and creates more pathways in their brains. Therefore, training was provided to empower staff to gain confidence in delivering higher quality music sessions.
- ❖ We continue to work closely with children with Special Educational Needs, as currently we have four young children who have been assessed to show speech and language delay and traits of autism. Another two children have speech delay. We are working closely with the children and their families providing implementing strategies and evaluating progress.
- ❖ Outings were put on hold due to the pandemic as following DFE's and Government guidance. During 'the Autumn term, we celebrated with the children all the main festivals such as Thanksgiving, Diwali, 'Hanukkah' and Christmas.

## Harmony Community Day Nursery

Registered number: 4153660

### Report of the trustees

#### SOCIAL EVENTS:

Parents social events were also compromised and had to be put on hold. until further notice

During Christmas festival, the pantomime was recorded and shared with the parents through a link

We celebrated children's achievements for the school leavers by the end of July with some of the parents (following Covid Guidance, by wearing face masks and 2-meter distance outdoors).

#### STAFF TRAINING:

Harmony ran a comprehensive programme of Staff training in the 2021-22 year.

Three members of the staff studied for Level 3 for Early Years and two were enrolled on Level 2 Childcare courses. Many members of staff completed Ofsted standard training for first aid, health & safety, food hygiene and safeguarding. 3 employees completed manager training continuing professional development and many other staff members also had early years service training for continuing professional development. Four members of staff also completed Special Educational Needs courses.

#### Financial Results

HCDN received most of its funding from fees charged to parents. This income is devoted to core funding and is sufficient to cover the overheads and administration costs of the nursery.

The Income and Expenditure Accounts disclose incoming resources for the financial year of £560,106 and outgoings of £548,807. Our reserves as of 31<sup>st</sup> March 2022 stand as follows: Restricted Funds £649 and Unrestricted Funds £822,124, of which £250,000 has been designated as noted below.

#### Reserves Policy

The Trustees of HCDN consider that accumulating reserve funds to enable the organisation to cope with specific unforeseen events, contingencies and opportunities is an essential part of carrying out their duties in the overall management of the nursery's affairs.

#### The Designated Reserve:

Contingency reserve is intended to enable the nursery to cope with the unforeseen, and contains sufficient funds to cope with a worst-case scenario i.e. a sudden cessation of all funding or another move of premises, which is expected in 2023. In this circumstance the fund should be large enough to enable:

the nursery to continue to operate for a period of 3 months, this being a reasonable period to complete on-going work and make arrangements for winding down. £90,000 has been set aside for this eventuality.

- To cover any costs involved in winding down, e.g., legal fees (£20,000) and redundancy costs (£55,000).
- At the discretion of the Trustees, to enable the Nursery to continue operating where there is a temporary or partial cessation of funding.
- The nursery to comply with employment law and provide for maternity/paternity pay and unforeseen staffing situations when we need to temporarily cover the replacement of key workers (£25,000).
- Refurbishment of essential nursery equipment as well as expenditure related to the move to the temporary new premises. (£50,000).
- Coverage of 3% of workplace pensions, taking account of additional staff employed for new building. (£10,000).

### **Tangible Fixed Assets for use by the Charity**

HCDN has no fixed assets in the form of property.

### **Risk Management**

HCDN undertook a full risk assessment in 2019-2020. The existing reserves policy is designed to ensure that HCDN can continue in an emergency. As far as projects are concerned the risks are outlined in monitoring and evaluation plans for each of the projects, which has been submitted to donors. The projects are also subject to individual and ongoing agreements between HCDN and project partners.

### **Trustees**

The full list of members below reflects this:

Pat Bunche (Director / Chair)  
Richard Barnett - Treasurer/Secretary  
Andy Sharpe  
Amelie Lardoux  
Ivana Jovanovic  
Solange Le Jeune  
Ciara Solmi

### **Statement of Trustees' Responsibilities**

Company Law requires the Management Committee to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the company and of the surplus or deficit of the company for that period.

In preparing those financial statements, the Management Committee is required to:

- select suitable accounting policies and then apply them consistently.
- make judgements and estimates that are reasonable and prudent.
- state whether applicable accounting standards and statements of recommended practice have been followed subject to any departures disclosed and explained in the financial statements; and
- Prepare the financial statements on a going concern basis unless it is inappropriate to assume that the company will continue in business.

**Harmony Community Day Nursery****Registered number:** 4153660**Report of the trustees**

The Trustees are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and to enable them to ensure that the financial statements comply with the Companies Act 2006.

**The Trustees are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities**

**Relationship with Funders**

No trustee has any relationship with any of the main funders except as a Trustee of HCDN.

**Volunteers**

HCDN uses volunteers whenever necessary. They are always supervised, and references and enhanced DBS checks are taken up.

**Auditors**

The auditors, Brookfield & Co were appointed at the Annual General Meeting on 9<sup>th</sup> July 2022 to carry out this audit.

The Report was approved by the Board of Trustees on 5<sup>th</sup> October 2022 and signed on their behalf.

.....  
**Richard Barnett**  
**Director**



**Harmony Community Day Nursery**  
**Independent auditors' report**  
**to the shareholders of Harmony Community Day Nursery**

We have audited the accounts of Harmony Community Day Nursery for the year ended 31 March 2022 which comprise the Profit and Loss Account, the Balance Sheet and the related notes. The accounting conventions that have been applied are the Statement of Recommended Practice "Accounting and Reporting by Charities" (SORP) and the Companies Act 2006 and in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102) effective 1 January 2015.

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

**Respective responsibilities of directors and auditors**

As explained more fully in the Statement of Directors' Responsibilities, the directors are responsible for the preparation of the accounts and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the accounts in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors.

In accordance with the exemption provided by APB Ethical Standard - Provisions Available for Smaller Entities (Revised), we have prepared and submitted the company's returns to the tax authorities and assisted with the preparation of the accounts.

**Scope of the audit of the accounts**

A description of the scope of an audit of financial statements is provided on the APB's website at [www.frc.org.uk/apb/scope/private.cfm](http://www.frc.org.uk/apb/scope/private.cfm)

**Opinion on the accounts**

In our opinion the accounts:

- give a true and fair view of the state of the company's affairs as at 31 March 2022 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice applicable to Smaller Entities; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

**Opinion on other matters prescribed by the Companies Act 2006**

In our opinion the information given in the Directors' Report for the financial year for which the accounts are prepared is consistent with the accounts.

**Matters on which we are required to report by exception**

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the accounts are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the directors were not entitled to prepare the accounts and the directors' report in accordance with the small companies regime.

J A Brookfield  
(Senior Statutory Auditor)  
for and on behalf of  
Brookfield & Co  
Accountants and Statutory Auditors  
30 November 2022

18 Concanon Road  
London

SW2 5TA

**Harmony Community Day Nursery**  
**Statement of Financial Activities**  
**for the year ended 31 March 2022**

		<b>Restricted Funds</b>	<b>Unrestricted Funds</b>	<b>Total Funds</b>	<b>Total Funds</b>
	<b>Notes</b>	<b>2022 £</b>	<b>2022 £</b>	<b>2022 £</b>	<b>2021 £</b>
<b>Incoming resources</b>					
<i>Incoming resources from generated funds:</i>					
<i>Nursery Fees</i>		-	530,749	530,749	408,915
Voluntary Income - Grants and donations	3	2,400	25,203	27,603	87,109
Other Income		-	-	-	382
Investment income		-	1,754	1,754	2,132
<b>Total Incoming Resources</b>		<b>2,400</b>	<b>557,706</b>	<b>560,106</b>	<b>498,538</b>
<b>Resources expended</b>					
Costs of generating funds					
Charitable activities		-	546,687	546,687	490,287
Governance		-	2,120	2,120	1,886
<b>Total resources expended</b>	4	<b>-</b>	<b>548,807</b>	<b>548,807</b>	<b>492,173</b>
Net incoming resources expended for the Year		2,400	8,899	11,299	6,365
Transfers between funds		(6,451)	6,451	-	
Funds brought forward		4,700	806,774	811,474	805,109
<b>Total Funds carried forward</b>		<b>649</b>	<b>822,124</b>	<b>822,773</b>	<b>811,474</b>

All of the above results derive from continuing charitable grants and activities and there were no recognised gains or losses other than the above results

The notes on pages 11 to 13 form part of these accounts.

**Harmony Community Day Nursery**  
**Balance Sheet**  
**as at 31 March 2022**

	Notes	2022 £	2021 £
<b>Current assets</b>			
Debtors	6	2,730	1,833
Investments held as current assets		-	-
Cash at bank and in hand		838,464	831,286
		<u>841,194</u>	<u>833,119</u>
<b>Creditors: amounts falling due within one year</b>	7	(18,421)	(21,645)
<b>Net current assets</b>		<u>822,773</u>	<u>811,474</u>
<b>Net assets</b>		<u>822,773</u>	<u>811,474</u>
<b>Funds of the Charity</b>			
Restricted Funds	9	649	4,700
General Funds	9	822,124	811,474
<b>Total Funds</b>	9	<u>822,773</u>	<u>811,474</u>

The notes on pages 11 to 13 form part of these accounts

Richard Barnett  
 Director  
 Approved by the board on 30 November 2022

## **1. Basis of accounting and accounting policies**

### **a) Accounting Conventions**

The financial statements have been prepared under the historical cost convention, in accordance with the Statement of Recommended Practice "Accounting and Reporting by Charities" (SORP) and the Companies Act 2006 and in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102) effective 1 January 2015. The company constitutes a public benefit entity as defined by FRS 102.

There has been no change to the accounting policies (valuation rules and methods of accounting) since last year.

### **b) Incoming resources**

Incoming resources are included in the SOFA when the charity becomes entitled to the resources, the Trustees are virtually certain they will receive the resources and the monetary value can be measured with sufficient certainty. Where incoming resources have related expenditure (as with fundraising for contract income), the incoming resources and related expenditure are stated gross in the SOFA. Grants and donations are only included in the SOFA when the charity has unconditional entitlement to the funds. The value of any volunteer help received is not included in the accounts, but is described in the Trustee's annual report. Investment income is included when receivable.

### **c) Resources Expended**

Liabilities are recognised as soon as there is a legal or constructive obligation committing the charity to pay out resources. Resources expended include attributable VAT which cannot be recovered. Governance costs include costs on the preparation and examination of statutory accounts, the costs of Trustee meetings and costs of any legal advice to the Trustees on governance or constitutional matters. Support costs include central functions and have been allocated to activity cost categories on a basis consistent with the use of the resources e.g. Staff costs by the time spent and other costs by their usage.

### **d) Restricted and Unrestricted Funds**

The accounts distinguish between restricted and unrestricted funds. Restricted funds are received from donors and are subject to restrictions on the purposes for which they may be used. Unrestricted funds are those where there are no externally imposed restrictions and are available for use at the discretion of the Trustees in furtherance of the general objectives of the charity.

### **e) Debtors**

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

### **f) Cash at bank and in hand**

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

### **g) Creditors and provisions**

Creditors and provisions are recognised where the charity has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors and provisions are normally recognised at their settlement amount after allowing for any trade discounts due.

### **h) Pensions**

Contributions to employee pension schemes are in line with government legislation.

### **i) Legal status of the Trust**

The trust is a company limited by guarantee and has no share capital. The liability of each member in the event of winding up is limited to £1.

**Harmony Community Day Nursery**  
**Notes to the Accounts**  
**for the year ended 31 March 2022**

	2022 £	2021 £
<b>2 Net Income for the year is stated after charging:</b>		
Auditors' Remuneration - Brookfield & Co	2,120	1,874

**3 Voluntary Income - Grants and donations**

	Restricted £	Unrestricted £	2022 £	2021 £
Enjoy Benefits Grant	2,400	-	2,400	2,700
Furlough Payroll support	-	7,463	7,463	78,799
SEN support	-	17,740	17,740	3,410
Support for moving costs	-	-	-	2,200
	<u>2,400</u>	<u>25,203</u>	<u>27,603</u>	<u>87,109</u>

**4 Resources Expended**

	Restricted Funds £	Unrestricted Funds £	2022 £ Total	2021 £ Total
<b>Costs of generating funds</b>	-	-	-	-
<b>Charitable Expenditure</b>				
Equipment renewals	-	5,627	5,627	6,324
Food and consumables	-	36,358	36,358	11,873
Staff Costs including payroll taxes	-	484,220	484,220	450,405
Activities, outings and other direct expenses	-	1,731	1,731	1,090
Publicity and recruitment	-	195	195	786
Training and other staff costs	-	2,314	2,314	-
Premises expenses	-	8,977	8,977	10,173
Repairs and Refurbishment costs	-	2,143	2,143	4,327
Communications	-	619	619	460
Insurance	-	1,081	1,081	1,476
Consultancy fees	-	3,203	3,203	3,193
Bad Debt	-	-	-	-
Bank Charges	-	219	219	192
<b>Governance Costs</b>				
Audit and accountancy	-	2,120	2,120	1,874
AGM Costs	-	-	-	-
	<u>-</u>	<u>548,807</u>	<u>548,807</u>	<u>492,173</u>

	2022 £ Total	2021 £ Total
<b>5 Employees</b>		
Staff costs were as follow;		
Salaries and other staff costs	452,479	420,268
Social security Costs	31,741	30,137
	<u>484,220</u>	<u>450,405</u>
The average number of staff during the year were as follows;		
Full time	17	15
Part time	6	6

	2022 £	2021 £
<b>6 Debtors</b>		
Fees receivable	2,730	752
Other debtors and prepayments	-	1,081
	<u>2,730</u>	<u>1,833</u>

	2022 £	2021 £
<b>7 Creditors: amounts falling due within one year</b>		
Trade creditors	13,798	9,822
Other accruals and deferred Income	2,520	1,800
Other taxes and social security costs	2,103	10,023
	<u>18,421</u>	<u>21,645</u>

**8 Analysis of net assets between funds**

	Restricted Funds £	Unrestricted Funds £	Total Funds Funds £
Tangible fixed assets	-	-	-
Current Assets	649	840,545	841,194
Current Liabilities	-	(18,421)	(18,421)
	<u>649</u>	<u>822,124</u>	<u>822,773</u>

**Harmony Community Day Nursery**  
**Notes to the Accounts**  
**for the year ended 31 March 2022**

**9 Analysis of net assets between funds**

	At 1/4/21	Incoming Resources	Outgoing Resources	Transfers	At 31/3/22
<b>Restricted Funds:</b>					
Enjoy Benefits Grant	4,700	2,400	-	(6,451)	649
<b>Total Restricted Funds</b>	<u>4,700</u>	<u>2,400</u>	<u>-</u>	<u>(6,451)</u>	<u>649</u>
<b>Unrestricted Funds:</b>					
<b>Designated Contingency Funds</b>					
Provisions re potential loss of funding					
3 months operation costs	90,000	-	-	-	90,000
Legal fees	10,000	-	-	10,000	20,000
Redundancy costs	45,000	-	-	10,000	55,000
Employment Obligations	21,000	-	-	4,000	25,000
Workplace Pensions	10,000	-	-	-	10,000
Reburbishing Nursery Equipment	100,000	-	-	(50,000)	50,000
	<u>276,000</u>	<u>-</u>	<u>-</u>	<u>(26,000)</u>	<u>250,000</u>
General Funds	530,774	557,706	(548,807)	32,451	572,124
<b>Total Unrestricted Funds</b>	<u>806,774</u>	<u>557,706</u>	<u>(548,807)</u>	<u>6,451</u>	<u>822,124</u>
<b>Total Funds</b>	<u>811,474</u>	<u>560,106</u>	<u>(548,807)</u>	<u>-</u>	<u>822,773</u>

**Restricted Funds:**

Enjoy Benefits Grant

Funding towards resources and activities for qualifying children

**10 Related party transactions and trustees' remuneration**

**Trustees' Remuneration**

Trustees received no remuneration in respect of their services as Trustees (2021 £nil). Travel expenses of £Nil were paid in the period (2021 £Nil).

**Related Party Transactions**

No Trustees or other person related to the charity had any personal interest in any contract or transaction entered into by the charity (2021 None)