

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

REPORT AND FINANCIAL STATEMENTS

For the year ended 31st March 2023



Company Number: 04153660
Charity Number: 1087071

MONDAY



ACI4ZD03

A13

11/12/2023

#67

COMPANIES HOUSE

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

Charlotte Dubois - Treasurer/Secretary

Ivana Jovanovic

Ciara Solmi

Mark Gilleran

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

04153660

Charity Reference Number

1087071

Report of the trustees for the year ending 31 March 2023

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 2023 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)

The EdCity redevelopment project has continued to present challenges for Harmony. The Ark Group decided to amalgamate Ark Swift Primary Academy (our former temporary location) with Ark Burlington Danes Primary School, meaning that we were obliged to seek alternative accommodation at short notice, pending completion of our new permanent premises. Following extensive negotiations with Ark and London Borough of Hammersmith & Fulham, we are expected to move into a section of Ark Burlington Danes (Secondary) Academy in July 2023. Because this location is less convenient for many of our parents, occupancy rates have fallen despite efforts to generate enrolments from new families.

Despite the difficulties described above, Harmony has continued to provide high quality affordable childcare to local families in accordance with our primary mission, and to develop our staff. To improve management structures, a new role of Co-Deputy Manager, and two Room Leader roles, were created, with recruitment from within the existing team. In addition, two of our practitioners gained further qualifications in the Early Years to Level 3 which made them eligible to apply for room leader positions.

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)'.

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 20th 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. 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 NDNA 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.

-

Nineteen 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.
- Eleven childcare staff.
- Finance Officer (part time)
- Administrative (part time).
- Two domestic staff (part time).
- Two Apprentices

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 long after Covid due to loss of hard-working qualified practitioners who have been long term employees at Harmony. Furthermore, the challenges in recruitment of qualified practitioners partly due to Brexit and the changes within Ofsted criteria, as well as the third move of the nursery. Therefore, we have taken more apprentices to train and support.

As we move forward, our curriculum remains play-based learning activities as we integrate play into education that align with each child's age and development. We believe that this approach not only makes learning more enjoyable but also more effective.

Our young children became engaged in nature activities fostering curiosity. Incorporating outdoor exploration, plant seeds, observe insects, and hatching project.

Finally, we deeply appreciate the unwavering support of our parents during challenging times in the nursery. Their commitment has made a significant impact, and we are grateful for the strong partnership we share in nurturing our children together.

We continue to work closely with children with Special Educational Needs, as currently we have 3 young children who have been assessed to show speech and language delay and traits of autism.

During 'the Autumn term, we celebrated with the children all the main festivals such as Thanksgiving, Diwali, 'Hanukkah' and Christmas.

SOCIAL EVENTS:

- During Christmas festival, the children performed pantomime in front of their families which was successful after two years of not able to invite parents in person to attend these festivals.
- Also, we were fortunate to have this year Mrs Claus to present the children with gifts and joy.
- We celebrated children's achievements for the school leavers by the end of July and social gathering for the parents.

STAFF TRAINING:

- 3 Early Years Practitioners gained their level 3 certificates in Early Years Education, Dian George, Elisa Monteverde and Lorelie De Guzman.
- Paediatric First aid was provided for all -staff in January 2023.
- Safeguarding training was provided in September 2022.

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 £478,661 and outgoings of £536,328. Our reserves as of 31st March 2023 stand as follows: Restricted Funds £257 and Unrestricted Funds £764,849, 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.

Harmony Community Day Nursery

Registered number: 4153660

Trustees

The full list of members below reflects this:

Richard Barnett - Chair/Director
Pat Bunche
Andy Sharpe
Charlotte Dubois - Treasurer/Secretary
Ivana Jovanovic
Ciara Solmi
Mark Gilleran

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.

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 to carry out this audit.

The Report was approved by the Board of Trustees and signed on their behalf.



Richard Barnett

30/11/23

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 2023 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

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 2023 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.

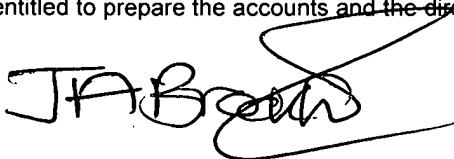
Opinion on other matters prescribed by the Companies Act 2006

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 2023

18 Concanon Road
London

SW2 5TA

Harmony Community Day Nursery
Statement of Financial Activities
for the year ended 31 March 2023

		Restricted Funds	Unrestricted Funds	Total Funds	Total Funds
	Notes	2023 £	2023 £	2023 £	2022 £
Incoming resources					
<i>Incoming resources from generated funds:</i>					
Nursery Fees		-	458,756	458,756	530,749
Voluntary Income - Grants and donations	3	1,582	16,583	18,165	27,603
Other Income		-	-	-	-
Investment income		-	1,740	1,740	1,754
Total Incoming Resources		1,582	477,079	478,661	560,106
Resources expended					
Costs of generating funds					
Charitable activities		1,974	532,204	534,178	546,687
Governance		-	2,150	2,150	2,120
Total resources expended	4	1,974	534,354	536,328	548,807
Net incoming resources expended for the Year		(392)	(57,275)	(57,667)	11,299
Transfers between funds		-	-	-	-
Funds brought forward		649	822,124	822,773	811,474
Total Funds carried forward		257	764,849	765,106	822,773

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 10 to 12 form part of these accounts.

Harmony Community Day Nursery
Balance Sheet
as at 31 March 2023

	Notes	2023 £	2022 £
Current assets			
Debtors	6	7,959	2,730
Investments held as current assets		-	-
Cash at bank and in hand		<u>782,759</u>	<u>838,464</u>
		790,718	841,194
Creditors: amounts falling due within one year	7	(25,612)	(18,421)
Net current assets		<u>765,106</u>	<u>822,773</u>
Net assets		<u>765,106</u>	<u>822,773</u>
Funds of the Charity			
Restricted Funds	9	257	4,700
General Funds	9	764,849	822,773
Total Funds	9	<u>765,106</u>	<u>822,773</u>

The notes on pages 10 to 12 form part of these accounts

R.W. Barnett

Richard Barnett
 Director

Approved by the board on 30 November 2023

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 2023

	2023 £	2022 £
2 Net Income for the year is stated after charging: Auditors' Remuneration - Brookfield & Co	<u>2,150</u>	<u>2,120</u>

3 Voluntary Income - Grants and donations

	Restricted £	Unrestricted £	2023 £	2022 £
Enjoy Benefits Grant	1,582	-	1,582	2,700
Furlough Payroll support	-	-	-	78,799
SEN support	-	16,583	16,583	3,410
Support for moving costs	-	-	-	2,200
	<u>1,582</u>	<u>16,583</u>	<u>18,165</u>	<u>87,109</u>

4 Resources Expended

	Restricted Funds	Unrestricted Funds	2023 £ Total	2022 £ Total
Costs of generating funds	-	-	-	-
Charitable Expenditure				
Equipment renewals	-	1,719	1,719	5,627
Food and consumables	-	40,368	40,368	36,358
Staff Costs including payroll taxes and staff cover	-	465,824	465,824	484,220
Activities, outings and other direct expenses	-	578	578	1,731
Publicity and recruitment	-	-	-	195
Training and other staff costs	1,227	2,116	3,343	2,314
Premises expenses	-	13,507	13,507	8,977
Repairs and Refurbishment costs	747	2,804	3,551	2,143
Communications	-	757	757	619
Insurance	-	1,106	1,106	1,081
Consultancy fees	-	2,957	2,957	3,203
Bad Debt	-	302	302	-
Bank Charges	-	166	166	219
Governance Costs				
Audit and accountancy	-	2,150	2,150	2,120
AGM Costs	-	-	-	-
	<u>1,974</u>	<u>534,354</u>	<u>536,328</u>	<u>548,807</u>

5 Employees

	2023 £ Total	2022 £ Total
Staff costs were as follow;		
Salaries and other staff costs	433,145	452,479
Social security Costs	<u>32,679</u>	<u>31,741</u>
	<u>465,824</u>	<u>484,220</u>
The average number of staff during the year were as follows;		
Full time	13	17
Part time	6	6

6 Debtors

	2023 £	2022 £
Fees receivable	7,959	2,730
Other debtors and prepayments	-	-
	<u>7,959</u>	<u>2,730</u>

7 Creditors: amounts falling due within one year

	2023 £	2022 £
Trade creditors	14,054	13,798
Other accruals and deferred Income	4,150	2,520
Other taxes and social security costs	<u>7,408</u>	<u>2,103</u>
	<u>25,612</u>	<u>18,421</u>

8 Analysis of net assets between funds

	Restricted Funds £	Unrestricted Funds £	Total Funds £
Tangible fixed assets	-	-	-
Current Assets	257	790,461	790,718
Current Liabilities	-	(25,612)	(25,612)
	<u>257</u>	<u>764,849</u>	<u>765,106</u>

Harmony Community Day Nursery
Notes to the Accounts
for the year ended 31 March 2023

9 Analysis of net assets between funds

	At 1/4/22	Incoming Resources	Outgoing Resources	Transfers	At 31/3/23
Restricted Funds:					
Enjoy Benefits Grant	649	1,582	(1,974)		257
Total Restricted Funds	<u>649</u>	<u>1,582</u>	<u>(1,974)</u>	<u>-</u>	<u>257</u>
Unrestricted Funds:					
Designated Contingency Funds					
Provisions re potential loss of funding					
3 months operation costs	90,000	-	-	-	90,000
Legal fees	20,000	-	-	-	20,000
Redundancy costs	55,000	-	-	-	55,000
Employment Obligations	25,000	-	-	-	25,000
Workplace Pensions	10,000	-	-	-	10,000
Reburbishing Nursery Equipment	50,000	-	-	-	50,000
	<u>250,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>250,000</u>
General Funds	572,124	477,079	(534,354)	-	514,849
Total Unrestricted Funds	<u>822,124</u>	<u>477,079</u>	<u>(534,354)</u>	<u>-</u>	<u>764,849</u>
Total Funds	<u>822,773</u>	<u>478,661</u>	<u>(536,328)</u>	<u>-</u>	<u>765,106</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 (2022 £nil). Travel expenses of £Nil were paid in the period (2022 £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 (2022 None)