

Registered number: 05925303
Charity number: 1092566

Home Farm Children's Nursery Limited
(A company limited by guarantee)

Trustees' report and financial statements

For the year ended 31 August 2024

Home Farm Children's Nursery Limited
(A company limited by guarantee)

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Home Farm Children's Nursery Limited
(A company limited by guarantee)

Reference and administrative details of the Company, its Trustees and advisers
For the year ended 31 August 2024

Trustees	M Seymour, Chair (resigned 23 August 2024) P Dodd, Vice Chair (resigned 23 August 2024) K Douglas, Secretary (resigned 23 August 2024) I H Brooks D Bailey (resigned 5 March 2025) S Williamson F Coombe (appointed 8 October 2024) Dr K Smith, Chair (appointed 8 October 2024) B Turner, Secretary (appointed 8 October 2024)
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Company registered number	05925303
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Charity registered number	1092566
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Registered office	Homewood School & Sixthform Ashford Road Tenterden Kent TN30 6LT
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Company secretary	B Turner
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Independent auditor	Kreston Reeves LLP Chartered Accountants Statutory Auditor Montague Place Quayside Chatham Maritime Chatham Kent ME4 4QU
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Home Farm Children's Nursery Limited
(A company limited by guarantee)

Trustees' report
For the year ended 31 August 2024

The Trustees present their annual report together with the audited financial statements of the Company for the 1 September 2023 to 31 August 2024. The Annual report serves the purposes of both a Trustees' report and a directors' report under company law. The Trustees confirm that the Annual report and financial statements of the charitable company comply with the current statutory requirements, the requirements of the charitable company's governing document and the provisions of the Statement of Recommended Practice (SORP) applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102) (effective 1 January 2019).

Since the Company qualifies as small under section 382 of the Companies Act 2006, the Strategic report required of medium and large companies under the Companies Act 2006 (Strategic Report and Directors' Report) Regulations 2013 has been omitted.

Objectives and activities

a. Policies and objectives

Home Farm Children's nursery is located within the grounds of Homewood School & Sixth Form Centre. This nursery offers full day and sessional care to children aged 6 months to 5 years.

St. Michael's pre-school operates within the grounds of St. Michael's Church of England Primary school and offers sessional care to children aged 2 to 5 (term time only).

In setting objectives and planning for activities, the Trustees have given due consideration to general guidance published by the Charity Commission relating to public benefit, including the guidance 'Public benefit: running a charity (PB2)'.

During 2023/24 year, the following objectives were achieved:

- Improved strategic governance that exemplified ethical standards in line with the Nolan Principles.
- Further improvements to the curriculum and environment at Home Farm nursery and a successful Ofsted inspection at St Michaels with overall effectiveness graded as 'Good' in all respects.
- A successful bid for funding and finalisation of plans to replace the temporary building used by the pre-school at St Michaels.
- This resulted in increased pupil numbers on roll at Home Farm nursery for 2024/25 including 68 (October 2024) to 73 (March 2025).

Achievements and performance

a. Main achievements

St. Michael's pre-school had an Ofsted visit in January 2024 and was awarded GOOD status. The unit is well managed and there is a strong and experienced team. It has a lovely ambiance and the children are clearly happy there.

Both settings now enjoy a GOOD Ofsted rating

The two sites share ideas and best practice which is a real positive. The Managers communicate well and this works well for the trust overall.

Tenterden Schools Trust was successful in winning a DfE Condition Improvement Fund bid for St. Michael's, securing £650k investment for a new pre-school building, set to open on the existing site in September 2025.

The new building will provide a clean, secure space for the pre-school and improved access for children and parents. This will enhance the environment for children attending the pre-school and encourage parents in the local community to send their children to the pre-school with a view to those children moving up to Reception in the primary school at age 5.

Home Farm Children's Nursery Limited
(A company limited by guarantee)

Trustees' report (continued)
For the year ended 31 August 2024

Achievements and performance (continued)

b. Accommodation

The St. Michael's pre-school is based in a refurbished mobile unit (soon to be replaced with £650k investment through a CIF bid) which was considerably improved in summer 2022. Improvements have also been made at Home Farm where there have been changes in the set-up of various rooms and work undertaken in the outside area.

c. Staffing

There are currently 15 members of staff on roll at Home Farm and 9 at St. Michael's. Numbers of staff have fallen from last year at Home Farm and they are not planning to recruit to cover.

Once again, we closed the Home Farm nursery this year for one week over the summer. The St Michael's setting is term time only.

d. Factors relevant to achieve objectives

Numbers of children continued to increase post year end to 73 children on roll at Home Farm (March 2025) while numbers remain static at St Michael's with 37 registered (March 2025). Both units are virtually full in all areas with waiting lists and this is a result of less provision in the area. Many of our new placements have been through recommendations from other families, although some have found us via our websites which we continue to update on a regular basis.

Our parents/carers continue to use the 30-hour Government Funding, but many also top this up with additional hours/days. There are changes in the extension of the 30-hour funding over the next two years which will be very exciting for nursery settings.

e. Fundraising activities and income generation

All fundraising activities are undertaken by nurseries and individual schools as well as centrally by the parent company Tenterden Schools Trust

Financial review

a. Review of performance

The accounts for the year to 31 August 2024 show a much smaller in year deficit position of £11,211 (2023: £38,397). Improved financial practices and fee increases have reduced the size of the deficit this year.

The majority of the funding comes from government-funded nursery places providing parents with 15 hours of free childcare per week for children aged 9 months to 4 years and 30 hours per week for children aged 3 to 4 in eligible working families. For privately funded top up hours fee increases were put in place and all parents have been charged for consumables in line with government guidance.

Fundraising in the form of grants and community activities are planned for the coming year to pay for improvements to the outside areas of the nursery schools.

Home Farm Children's Nursery Limited
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Trustees' report (continued)
For the year ended 31 August 2024

b. Financial risk management

The Trustees have assessed the major risks to which the Company is exposed, in particular those related to the operations and finances of the Company, and are satisfied that systems and procedures are in place to mitigate exposure to the major risks.

With the appointment of a director of Tenterden Schools Trust as a director on the Home Farm Childrens Nursery board, the holding company has increased oversight of the financial position and management of the nursery schools. Going forward, management reports and cash flow forecasts will be scrutinised by the Finance and Resources committee of Tenterden Schools Trust at their regular meetings.

c. Going Concern

The trustees are determined to return the business to in-year surplus positions and to repay any debt to the holding company.

The trustees have increased fees for 2024-25 and 2025-26 to bring the settings in line with other local providers and costs savings will be planned and managed. Both nurseries have a good local reputation, and strong governance is provided by the relationship with Tenterden Schools Trust.

With both settings oversubscribed and a lack of pre-school provision in the area the Trustees have a reasonable expectation that the trust has adequate resources to continue in operational existence for the foreseeable future.

d. Reserves policy

The trust does not have a reserves policy in place but with the increases in fees mentioned above there is an expectation that the deficit will be reduced. The trust will set aside income for reserves at the point where a surplus is realised.

The parent company Tenterden Schools Trust has a reserves policy and is building reserves to 5% of the General Annual Grant (GAG) income over the next 4 years

Structure, governance and management

a. Constitution

Home Farm Childrens Nursery Limited is a company limited by guarantee and an exempt charity. The Memorandum and Articles of Association are its primary governing documents. The trustees of Home Farm Childrens Nursery Limited are also directors for the purposes of company law. It is a wholly owned subsidiary of Tenterden Schools Trust (Company Registration No. 07736448) which is the sole Member of the company.

Details of the trustees who served throughout the year except as noted are included in the Reference and Administrative details on page one.

Home Farm Children's Nursery Limited
(A company limited by guarantee)

Trustees' report (continued)
For the year ended 31 August 2024

Structure, governance and management (continued)

b. Methods of appointment or election of Trustees

Directors who are willing to be appointed may be elected at an Annual General Meeting provided they are proposed by the Member (Tenterden Schools Trust) giving the requisite notice. At every Annual General Meeting one-third of the directors must retire from office but shall be eligible for re-election.

The number of directors is not subject to a maximum but shall be not less than one. The directors have resolved that at least one director shall be a representative of Tenterden Schools Trust, and that additional directors shall include the person for the time being who has the responsibility for overseeing the management of the nursery schools within the trust; one or more parents of children attending the nurseries; and individuals who support the work of the trust with a background or interest in early years education or the community.

New Trustees are recruited via notices to parents and through community engagement.

New Trustees have an induction process that includes a discussion with a member of the Board and the director who represents Tenterden Schools Trust on the board and a tour of the nursery schools. The induction programme and resources are made available to new trustees on the Governor Hub portal.

Training needs are identified at the induction stage and through an annual skills audit.

There are close links with Tenterden Schools Trust and the primary schools within the Trust. Many of the children attending the nurseries move into Year R in the Trust primary schools.

c. Organisational structure and decision-making policies

The trustees are:

- . Mr. M Seymour – Chair resigned 23 August 2024
- . Miss P Dodd – Vice Chair resigned 23 August 2024
- . Mrs. K Douglas – Secretary resigned 23 August 2024
- . Mr. I Brooks
- . Mrs. D Bailey
- . Mrs. S Williamson – Resigned 31 December 2024

New appointments

Ms F Coombe – appointed 8 October 2024
Dr K Smith – Chair appointed 8 October 2024
Mrs Berna Turner – Secretary appointed 8 October 2024

Regular meetings took place throughout 2023-24.

d. Pay policy for key management personnel

The key management personnel of the charity are that of the parent Tenterden Schools Trust. The CEO was responsible for the overall management of the nursery schools and worked with the team for improvements. The CFO was responsible for the finances and the budget and the overall operations were driven by the decisions made by the Trust.

Home Farm Children's Nursery Limited
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Trustees' report (continued)
For the year ended 31 August 2024

Plans for future periods

Short Term Plans

- To replace the building at the St. Michael's pre-school..
- To update some of our resources at both sites.
- To improve the outside area at St. Michael's.

Medium Term Plans

- Replace the current kitchen at Home Farm.

Long Term Plans

- To further develop our links with the local primary schools in the Tenterden Schools Trust.
- Increase the amount of provision to meet future demand with bids for school-based nurseries at two of the primary schools within the Trust.
- To consider expansion of the business by adding further sites to strengthen the 0 – 5 provision. One such setting is Rolvenden pre-school which has applied to Ofsted to remove its separate registration in order to come within the Home Farm Children's Nursery Limited Umbrella.

Statement of Trustees' responsibilities

The Trustees (who are also the directors of the Company for the purposes of company law) are responsible for preparing the Trustees' report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the Trustees to prepare financial statements for each financial year. Under company law, the Trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of its incoming resources and application of resources, including its income and expenditure, for that period. In preparing these financial statements, the Trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles of the Charities SORP (FRS 102);
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards (FRS 102) have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The Trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the financial statements comply with the Companies Act 2006. They 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.

Disclosure of information to auditor

Each of the persons who are Trustees at the time when this Trustees' report is approved has confirmed that:

- so far as that Trustee is aware, there is no relevant audit information of which the charity's auditor is unaware, and
- that Trustee has taken all the steps that ought to have been taken as a Trustee in order to be aware of any relevant audit information and to establish that the charity's auditor is aware of that information.

Home Farm Children's Nursery Limited
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Trustees' report (continued)
For the year ended 31 August 2024

Auditor

The auditor, Kreston Reeves LLP, has indicated his willingness to continue in office. The designated Trustees will propose a motion reappointing the auditor at a meeting of the Trustees.

Approved by order of the members of the board of Trustees and signed on their behalf by:

A handwritten signature in black ink, appearing to read 'Katherine Smith', written in a cursive style.

Dr K Smith
Chairperson

Date: 12/05/2025

Home Farm Children's Nursery Limited
(A company limited by guarantee)

Independent auditor's report to the Members of Home Farm Children's Nursery Limited

Opinion

We have audited the financial statements of Home Farm Children's Nursery Limited (the 'charitable company') for the year ended 31 August 2024 which comprise the Statement of financial activities, the Balance sheet, the Statement of cash flows and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 August 2024 and of its incoming resources and application of resources, including its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the United Kingdom, including the Financial Reporting Council's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the Trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the charitable company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the Trustees with respect to going concern are described in the relevant sections of this report.

Home Farm Children's Nursery Limited
(A company limited by guarantee)

Independent auditor's report to the Members of Home Farm Children's Nursery Limited (continued)

Other information

The other information comprises the information included in the Annual report other than the financial statements and our Auditor's report thereon. The Trustees are responsible for the other information contained within the Annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinion on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Trustees' report for the financial year for which the financial statements are prepared is consistent with the financial statements.
- the Trustees' report has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of our knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Trustees' report.

We have nothing to report in respect of the following matters in relation to which 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 financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of Trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the Trustees were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemptions in preparing the Trustees' report and from the requirement to prepare a Strategic report.

Responsibilities of trustees

As explained more fully in the Trustees' responsibilities statement, the Trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Trustees are responsible for assessing the charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Trustees either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.

Independent auditor's report to the Members of Home Farm Children's Nursery Limited (continued)

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an Auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

Capability of the audit in detecting irregularities, including fraud

Based on our understanding of the charity and the sector as a whole, and through discussion with the Trustees and other management (as required by auditing standards), we identified that the principal risks of non-compliance with laws and regulations related to health and safety and employment law. We considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the preparation of the financial statements such as the Charities SORP (FRS 102) Second Edition (released October 2019), the Companies Act 2006, taxation and pension legislation. We communicated identified laws and regulations throughout our team and remained alert to any indications of non-compliance throughout the audit. We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls), and determined that the principal risks were related to posting inappropriate journal entries and management bias in accounting estimates and judgemental areas of the financial statements. Audit procedures performed by the engagement team included:

- Discussions with management and assessment of known or suspected instances of non-compliance with laws and regulations (including health and safety) and fraud; and
- Assessment of identified fraud risk factors; and
- Review of expenditure to confirm no evidence of personal benefit; and
- Identifying and assessing the design effectiveness of controls that management has in place to prevent and detect fraud; and
- Performing analytical procedures to identify any unusual or unexpected relationships, including related party transactions, that may indicate risks of material misstatement due to fraud; and
- Confirmation of related parties with management, and review of transactions throughout the period to identify any previously undisclosed transactions with related parties outside the normal course of business; and
- Reading minutes of meetings of those charged with governance; and
- Review of significant and unusual transactions and evaluation of the underlying financial rationale supporting the transactions; and
- Identifying and testing journal entries, in particular any manual entries made at the year end for financial statement preparation.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

Home Farm Children's Nursery Limited
(A company limited by guarantee)

Independent auditor's report to the Members of Home Farm Children's Nursery Limited (continued)

As part of an audit in accordance with ISAs (UK), we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion of the effectiveness of the charitable company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Trustees.
- Conclude on the appropriateness of the Trustees' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the charitable company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in my Auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of my Auditor's report. However, future events or conditions may cause the charitable company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Use of our report

This report is made solely to the charitable 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 charitable company's members those matters we are required to state to them in an Auditor's 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 charitable company and its members, as a body, for our audit work, for this report, or for the opinions we have formed.

Kelly Goodwin BA(hons) ACA (Senior statutory auditor)

for and on behalf of

Kreston Reeves LLP

Chartered Accountants

Statutory Auditor

Chatham Maritime

Date:

Home Farm Children's Nursery Limited
(A company limited by guarantee)

Statement of financial activities (incorporating income and expenditure account)
For the year ended 31 August 2024

	Note	Unrestricted funds 2024 £	Total funds 2024 £	Total funds 2023 £
Income from:				
Charitable activities	3	531,911	531,911	473,601
Other trading activities		(3,103)	(3,103)	6,979
Investments	4	4	4	4
Total income		528,812	528,812	480,584
Expenditure on:				
Charitable activities		540,023	540,023	518,981
Total expenditure		540,023	540,023	518,981
Net movement in funds		(11,211)	(11,211)	(38,397)
Reconciliation of funds:				
Total funds brought forward		(11,644)	(11,644)	26,753
Net movement in funds		(11,211)	(11,211)	(38,397)
Total funds carried forward		(22,855)	(22,855)	(11,644)

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

The notes on pages 14 to 19 form part of these financial statements.

Home Farm Children's Nursery Limited
(A company limited by guarantee)
Registered number: 05925303

Balance sheet
As at 31 August 2024

	Note	2024 £	2023 £
Fixed assets			
Tangible assets	8	1,973	8,324
		<u>1,973</u>	<u>8,324</u>
Current assets			
Debtors	9	1,994	1,222
Cash at bank and in hand		9,545	6,020
		<u>11,539</u>	<u>7,242</u>
Creditors: amounts falling due within one year	10	(36,367)	(27,210)
Net current liabilities		<u>(24,828)</u>	<u>(19,968)</u>
Total net assets		<u><u>(22,855)</u></u>	<u><u>(11,644)</u></u>
Charity funds			
Unrestricted funds	11	(22,855)	(11,644)
Total funds		<u><u>(22,855)</u></u>	<u><u>(11,644)</u></u>

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

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

The financial statements were approved and authorised for issue by the Trustees and signed on their behalf by:



Dr K Smith
Chairperson

Date: 12/05/2025

The notes on pages 14 to 19 form part of these financial statements.

Home Farm Children's Nursery Limited
(A company limited by guarantee)

Notes to the financial statements
For the year ended 31 August 2024

1. General information

Home Farm Children's Nursery Ltd is a charitable private company limited by guarantee, incorporated in England and Wales. The liability of each member in the event of a winding up is limited to £1. The registered office is Home Farm Childrens Nursery Ltd, Homewood School & Sixth Form, Ashford Road, tenterden, Kent, TN30 6LT.

The principal activity of the Charity is to provide nursery school services to its attendees.

2. Accounting policies

2.1 Basis of preparation of financial statements

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

Home Farm Children's Nursery Limited meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy.

2.2 Going concern

The Trustees assess whether the use of going concern is appropriate i.e. whether there are any material uncertainties related to events or conditions that may cast significant doubt on the ability of the Company to continue as a going concern. The Trustees make this assessment in respect of a period of at least one year from the date of authorisation for issue of the financial statements and have concluded that the Company has adequate resources to continue in operational existence for the foreseeable future and there are no material uncertainties about the Company's ability to continue as a going concern, thus they continue to adopt the going concern basis of accounting in preparing the financial statements.

For more information see Trustee report page 4.

2.3 Income

All income is recognised once the Company has entitlement to the income, it is probable that the income will be received and the amount of income receivable can be measured reliably.

2.4 Expenditure

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 allocated on the portion of the asset's use.

Expenditure on charitable activities is incurred on directly undertaking the activities which further the Company's objectives, as well as any associated support costs.

Notes to the financial statements
For the year ended 31 August 2024

2. Accounting policies (continued)

2.5 Taxation

The Company is considered to pass the tests set out in Paragraph 1 Schedule 6 of the Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes. Accordingly, the Company is potentially exempt from taxation in respect of income or capital gains received within categories covered by Chapter 3 Part 11 of the Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

2.6 Tangible fixed assets and depreciation

Tangible fixed assets costing £500 or more are capitalised and recognised when future economic benefits are probable and the cost or value of the asset can be measured reliably.

Tangible fixed assets are initially recognised at cost. After recognition, under the cost model, tangible fixed assets are measured at cost less accumulated depreciation and any accumulated impairment losses. All costs incurred to bring a tangible fixed asset into its intended working condition should be included in the measurement of cost.

Depreciation is charged so as to allocate the cost of tangible fixed assets less their residual value over their estimated useful lives, on a reducing balance basis.

Depreciation is provided on the following basis:

Long-term leasehold property	-	10% on reducing balance
Computer equipment	-	25% on reducing balance

2.7 Debtors

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

2.8 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.

2.9 Liabilities and provisions

Liabilities are recognised when there is an obligation at the Balance sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably.

Liabilities are recognised at the amount that the Company anticipates it will pay to settle the debt or the amount it has received as advanced payments for the goods or services it must provide.

2.10 Fund accounting

General funds are unrestricted funds which are available for use at the discretion of the Trustees in furtherance of the general objectives of the Company and which have not been designated for other purposes.

Investment income, gains and losses are allocated to the appropriate fund.

Home Farm Children's Nursery Limited
(A company limited by guarantee)

Notes to the financial statements
For the year ended 31 August 2024

3. Income from charitable activities

	Unrestricted funds 2024 £	Total funds 2024 £	Total funds 2023 £
Nursery Fees	522,468	522,468	464,092
Lunches and Teas	9,443	9,443	9,509
	<u>531,911</u>	<u>531,911</u>	<u>473,601</u>

4. Investment income

	Unrestricted funds 2024 £	Total funds 2024 £	Total funds 2023 £
Deposit account interest	4	4	4
	<u>4</u>	<u>4</u>	<u>4</u>

5. Auditor's remuneration

The auditor's remuneration amounts to an auditor fee of £4,200 (2023 - £3,750).

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6. Staff costs

	2024 £	2023 £
Wages and salaries	418,258	407,279
Social security costs	28,402	24,875
Contribution to defined contribution pension schemes	6,758	6,068
	<u>453,418</u>	<u>438,222</u>

The average number of persons employed by the Company during the year was as follows:

	2024 No.	2023 No.
Nursery staff	25	26
	<u>25</u>	<u>26</u>

The average headcount expressed as full-time equivalents was: 17.

No employee received remuneration amounting to more than £60,000 in either year.

The Key Management Personnel of the charity are that of Tenterden Schools Trust, the parent company.

7. Trustees' remuneration and expenses

During the year, no Trustees received any remuneration or other benefits (2023 - £NIL).

During the year ended 31 August 2024, no Trustee expenses have been incurred (2023 - £NIL).

8. Tangible fixed assets

	Long-term leasehold property £	Computer equipment £	Total £
Cost or valuation			
At 1 September 2023	11,769	7,883	19,652
Disposals	-	(7,883)	(7,883)
At 31 August 2024	<u>11,769</u>	<u>-</u>	<u>11,769</u>
Depreciation			
At 1 September 2023	8,476	2,852	11,328
Charge for the year	1,320	5,031	6,351
On disposals	-	(7,883)	(7,883)
At 31 August 2024	<u>9,796</u>	<u>-</u>	<u>9,796</u>

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Notes to the financial statements
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8. Tangible fixed assets (continued)

	Long-term leasehold property £	Computer equipment £	Total £
Net book value			
At 31 August 2024	1,973	-	1,973
At 31 August 2023	3,293	5,031	8,324

9. Debtors

	2024 £	2023 £
Due within one year		
Trade debtors	1,994	1,222
	1,994	1,222

10. Creditors: Amounts falling due within one year

	2024 £	2023 £
Trade creditors	4,243	3,563
Amounts owed to group undertakings	17,929	10,115
Other creditors	9,695	8,612
Accruals and deferred income	4,500	4,920
	36,367	27,210

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Notes to the financial statements
For the year ended 31 August 2024

11. Statement of funds

Statement of funds - current year

	Balance at 1 September 2023 £	Income £	Expenditure £	Balance at 31 August 2024 £
Unrestricted funds				
Nursery Fees	(11,644)	528,812	(540,023)	(22,855)

Statement of funds - prior year

	Balance at 1 September 2022 £	Income £	Expenditure £	Balance at 31 August 2023 £
Unrestricted funds				
Nursery Fees	26,753	480,584	(518,981)	(11,644)

12. Related party transactions

Home Farm Children's Nursery Limited is a subsidiary of Tenterden Schools Trust which is a multi academy trust.

During the year the Nursery invoiced the Trust £6,168 (2023: £5,877) for the provision of discounted staff nursery fees.

In addition the Trust charged the Nursery with rent and recharges of £64,883 (2023 - £38,797). Included in this balance, fees for payroll maintenance of £1,367 (2023: £1,250). At the year end a balance of £17,929 (2023: £3,630) was due from the Nursery to the Trust.

13. Controlling party

The ultimate controlling party of the charity is the Tenterden Schools Trust (company number: 7736448). The results of this charity are not consolidated in the financial statements of the Tenterden Schools Trust due to being immaterial to their financial statements.

