

Registered number
04071171

The Village Community Nursery
(A Company Limited by Guarantee)
Annual Report and Unaudited Accounts
31 August 2022

**The Village Community Nursery
Report and accounts
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**The Village Community Nursery
Company Information**

Directors	S Batool H Porter W Sharples Dr I Wali T Chaouki
Company number	04071171
Registered Charity number	1093347
Registered office	St Peter's Urban Village Trust College Road Alum Rock Birmingham B8 3TE
Independent Examiner	James & Co Consultants Ltd Chartered Certified Accountants 116 Oscott School Lane Birmingham B44 9EN

The Village Community Nursery Report of the Trustees for the year ended 31 August 2022

The Trustees, who are also Directors of the Charity, present their report with the Financial Statements for the year ended 31 August 2022.

The financial statements have been prepared in accordance with the accounting policies set out in note 1 to the financial statements and comply with the charity's memorandum and articles of association, the Companies Act 2006 and "Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102)" (as amended for accounting periods commencing from 1 January 2016)

Objectives and activities

The charity's objects are the provision of affordable pre-school and out of school activities for children from Birmingham and the surrounding area. The policies adopted in furtherance of these objects are the operation of The Village Nursery and there has been no change in these activities during the period.

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

The Village Community Nursery, based on the grounds of St Peter's Urban Village Trust, has continued its activities over the last year.

Achievements and performance

The Village Community Nursery has continued to work in conjunction with colleges of further and higher education including Matthew Boulton, City College, Solihull, South Birmingham and Bourneville as well as the four local children centres. We have started to extend future links with parents and local projects including working with local job centres.

Financial Review

The trustees are disappointed to report an operating surplus of £521 for the 12 months ended 31 August 2022. Nursery income has increased compared with the previous year. Covid grants of £3,156 have been received in the year together with £22,681 from the Kickstart Scheme. Expenditure has increased due to staff and rent costs. The state of affairs of the charity at the balance sheet date is considered to be not satisfactory.

It is the policy of the charity that unrestricted funds which have not been designated for a specific use should be maintained at a level equivalent to three month's expenditure. The trustees considers that reserves at this level will ensure that, in the event of a significant drop in funding, they will be able to continue the charity's current activities while consideration is given to ways in which additional funds may be raised. This level of reserves has not been maintained throughout the period with free reserves at 31 August 2022 being £3,767 (2021 £3,246).

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

**The Village Community Nursery
Report of the Trustees
for the year ended 31 August 2022**

Structure, governance and management

The charity is a company limited by guarantee and is governed by the memorandum and articles of association.

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

T Chaouki
S Batool
H Porter
W Sharples
Dr I Wali

Potential new trustees are lobbied by the existing trustees and any applicants are approved by the

None of the trustees has any beneficial interest in the company. All of the trustees are members of the company and guarantee to contribute £1 in the event of a winding up.

The charity is governed by the trustees who hold regular meetings to review the operation of the activities. The day to day management was performed by Ms Nazma Meah, the Nursery Manager, during this period.

The charity occupies property owned by St Peter's Urban Village Trust, a charity.

Independent Examiner

The accountants, James & Co Consultants Ltd have indicated their willingness to accept re-appointment at the forthcoming Annual General Meeting.

This report has been prepared having taken advantage of the small companies exemption in the Companies Act 2006.

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

WENDY ANN SHARPLES
Trustee name

Date: 31.8.23

WAS
Trustee signature

**The Village Community Nursery
Statement of Trustees' Responsibilities
for the year ended 31 August 2022**

The trustees (who are also the Directors of The Village Community Nursery for the purposes of company law) are responsible for preparing the Trustees Annual Report and the financial statements in accordance with applicable law and UK Accounting Standards UK Generally Accepted Accounting Practice).

In particular, the Companies Act 2006 and charity law require the Board of Trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charity as at the end of the financial year and of the surplus or deficit of the charity. In preparing those financial statements the Board is required to :-

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards 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 charitable company will continue in operation.

The law requires that the trustees must not approve the accounts unless they are satisfied that they give a true and fair view of the state of affairs of the charity and of the surplus or deficit of the charity for the year.

The Trustees are also responsible for maintaining adequate accounting records which disclose with reasonable accuracy at any time the financial position of the charity and which are sufficient to show and explain the charity's transactions and enable them to ensure that the financial statements comply with the Companies Act 2006 and comply with regulations made under the Charities Act. They are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Trustees are also responsible for the contents of the Trustees' report, and the statutory responsibility of the Independent Examiner in relation to the Trustees' report is limited to examining the report and ensuring that, on the face of the report, there are no material inconsistencies with the figures disclosed in the financial statements.

BY ORDER OF THE BOARD

WENDY ANN CHARLES
Trustee name

Date: 31.5.23

WAS
Trustee signature

**The Village Community Nursery
Independent Examiner's Report
To the Trustees of The Village Community Nursery**

I report to the trustees on my examination of the financial statements of The Village Community Nursery (the charity) for the period ended 31 August 2022.

Responsibilities and basis of report

As the trustees of the charity (and also its directors for the purposes of company law) you are responsible for the preparation of the financial statements in accordance with the requirements of the Companies Act 2006 (the 2006 Act).

Having satisfied myself that the financial statements of the charity are not required to be audited under Part 16 of the 2006 Act and are eligible for independent examination, I report in respect of my examination of the charity's financial statements carried out under section 145 of the Charities Act 2011 (the 2011 Act). In carrying out my examination I have followed all the applicable Directions given by the Charity Commission under section 145(5)(b) of the 2011 Act.

Independent Examiner's statement

If the charity's gross income exceeded £250,000 your examiner must be a member of a body listed in section 145 of the 2011 Act. I confirm that I am qualified to undertake the examination because I am a member of Association of Chartered Certified Accountants, which is one of the listed bodies.

I have completed my examination. I confirm that no matters have come to my attention in connection with the examination giving me cause to believe that in any material respect:

- 1 accounting records were not kept in respect of the charity as required by section 366 of the 2006 Act; or
- 2 the financial statements do not accord with those records; or
- 3 the financial statements do not comply with the accounting requirements of section 396 of the 2006 Act other than any requirement that the accounts give a true and fair view which is not a matter considered as part of an independent examination; or
- 4 the financial statements have not been prepared in accordance with the methods and principles of the Statement of Recommended Practice for accounting and reporting by charities applicable

I have no concerns and have come across no other matters in connection with the examination to which attention should be drawn in this report in order to enable a proper understanding of the financial statements to be reached.

James & Co Consultants Ltd
Chartered Certified Accountants
116 Oscott School Lane
Birmingham
B44 9EN



Date:

31 May 2023

**The Village Community Nursery
Statement of Financial Activities
Including Income and Expenditure Account
for the year ended 31 August 2022**

	Notes	Unrestricted Funds £	Restricted Funds £	Total Funds 2022 £	Total Funds 2021 £
INCOMING RESOURCES					
Incoming resources from generated funds					
Incoming resources from Charitable Activities	3	156,491	-	156,491	112,001
Total Incoming Resources		<u>156,491</u>	<u>-</u>	<u>156,491</u>	<u>112,001</u>
RESOURCES EXPENDED					
Charitable Activities	4	155,970	14,152	170,122	132,700
Total Resources Expended		<u>155,970</u>	<u>14,152</u>	<u>170,122</u>	<u>132,700</u>
NET INCOMING/(OUTGOING) RESOURCES					
Before Transfers		521	(14,152)	(13,631)	(20,699)
Gross Transfers between funds			-	-	-
Net Incoming/(Outgoing) Resources		<u>521</u>	<u>(14,152)</u>	<u>(13,631)</u>	<u>(20,699)</u>
RECONCILIATION OF FUNDS					
Total Funds brought forward		3,246	49,206	52,452	73,151
TOTAL FUNDS CARRIED FORWARD		<u>3,767</u>	<u>35,054</u>	<u>38,821</u>	<u>52,452</u>

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

All income and expenditure derive from continuing activities.

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

**The Village Community Nursery
Balance Sheet
as at 31 August 2022**

Company number

04071171

	Notes	£	2022 £	2021 £
Fixed assets				
Tangible assets	10		37,968	50,840
			<u>37,968</u>	<u>50,840</u>
Current assets				
Debtors	12		892	1,148
Cash at bank and in hand			<u>12,390</u>	<u>1,757</u>
			13,282	2,905
Creditors: amounts falling due within one year	13		(12,429)	(1,293)
Net current assets			<u>853</u>	<u>1,612</u>
			<u>38,821</u>	<u>52,452</u>
Total assets less current liabilities			<u>38,821</u>	<u>52,452</u>
FUNDS	15			
Restricted funds	14		35,054	49,206
Unrestricted funds			<u>3,767</u>	<u>3,246</u>
TOTAL FUNDS			<u>38,821</u>	<u>52,452</u>

For the period ended 31 August 2022 the company was entitled to exemption under s477 of the Companies Act 2006 relating to small companies.

No members have required the company to obtain an audit of its accounts for the period in question in accordance with s476 of the Companies Act 2006.

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

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

The financial statements were approved by the board of Trustees and signed on its behalf by:

WENDY ANN SHARPLES
Trustee name

WAS
Trustee signature

Date: 31.8.23

**The Village Community Nursery
Notes to the Accounts
for the year ended 31 August 2022**

1 Accounting policies

Charity information

The Village Community Nursery is a private company limited by guarantee incorporated in England and Wales. The registered office is St Peters Urban Village Trust, College Road, Alum Rock, Birmingham, B8 3TE.

The Charity is a Company Limited by Guarantee. The members of the company are the trustees named on the company information page. In the event of the Charity being wound up the liability in respect of the guarantee is limited to £1 per member of the Charity.

Accounting convention

The accounts have been prepared in accordance with the charity's memorandum and articles of association, the Companies Act 2006 and "Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102)" (as amended for accounting periods commencing from 1 January 2016). The charity is a Public Benefit Entity as defined by FRS 102.

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

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

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

Going concern

At the time of approving the financial statements, the trustees have a reasonable expectation that the charity has adequate resources to continue in operational existence for the foreseeable future. Thus the trustees continue to adopt the going concern basis of accounting in preparing the financial statements.

Charitable funds

Unrestricted funds are available for use at the discretion of the trustees in furtherance of their charitable objectives unless the funds have been designated for other purposes.

Designated funds comprise funds which have been set aside at the discretion of the trustees for specific purposes. The purposes and uses of the designated funds are set out in the notes to the financial statements.

Restricted funds are subject to specific conditions by donors as to how they may be used. The purposes and uses of the restricted funds are set out in the notes to the financial statements.

Endowment funds are subject to specific conditions by donors that the capital must be maintained by the charity.

Incoming resources

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

The Village Community Nursery
Notes to the Accounts
for the year ended 31 August 2022

Cash donations are recognised on receipt. Other donations are recognised once the charity has been notified of the donation, unless performance conditions require deferral of the amount. Income tax recoverable in relation to donations received under Gift Aid or deeds of covenant is recognised at the time of the donation.

Legacies are recognised on receipt or otherwise if the charity has been notified of an impending distribution, the amount is known, and receipt is expected. If the amount is not known, the legacy is treated as a contingent asset.

Turnover is measured at the fair value of the consideration received or receivable and represents amounts receivable for goods and services provided in the normal course of business, net of discounts, VAT and other sales related taxes.

Resources expended

All expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all costs related to the category. Expenditure is recognised where there is a legal or constructive obligation to make a payments to third parties, it is probable that the settlement will be required and the amount of the obligation can be measured reliably.

Irrecoverable VAT is charged as an expense against the activity for which the expenditure arose.

Impairment of fixed assets

At each reporting end date, the charity reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any).

Intangible assets with indefinite useful lives and intangible assets not yet available for use are tested for impairment annually, and whenever there is an indication that the asset may be impaired.

Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation,

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Expenditure on leasehold property	5% straight line
Fixtures, fitting and equipment	25% on reducing balance

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is recognised in net income/(expenditure) for the year.

Taxation

The Charity is exempt from corporation tax on its charitable activities.

**The Village Community Nursery
Notes to the Accounts
for the year ended 31 August 2022**

Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

Financial instruments

The charity has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the charity's balance sheet when the charity becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Basic financial assets

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

Basic financial liabilities

Basic financial liabilities, including creditors and bank loans are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of operations from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

Derecognition of financial

Financial liabilities are derecognised when the charity's contractual obligations expire or are discharged or cancelled.

Employee benefits

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

Termination benefits are recognised immediately as an expense when the charity is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

Retirement benefits

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

**The Village Community Nursery
Notes to the Accounts
for the year ended 31 August 2022**

2 Critical accounting estimates

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

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

3 Incoming resources from charitable activities	2022	2021
Nursery fees receivable	126,654	86,978
Fundraising	-	6
Government grants	3,156	25,017
Other income and grants	26,681	-
	<u>156,491</u>	<u>112,001</u>

4 Charitable activities costs	Nursery running costs £	Capital grants amortised £	Total 2022 £	2021 £
Staff costs (see note 9)	73,511	-	73,511	61,904
Welfare	3,593	-	3,593	2,995
Premises costs	23,852	14,152	38,004	23,869
Administration costs	39,612	-	39,612	28,580
Governance costs (see note 6)	1,250	-	1,250	1,200
	<u>141,818</u>	<u>14,152</u>	<u>155,970</u>	<u>118,548</u>

5 Description of charitable activities costs

Staff costs

Wages, NI, agency staff and pension costs

Welfare

Nursery materials and play equipment, food and refreshments

Premises costs

Rent, rates and insurance, repairs and maintenance, laundry, cleaning and waste disposal, depreciation and amortisation.

Administration costs

Printing, postage and stationery, telephone and fax, professional charges, travel expenses, bank charges, bad debts and incidental expenses.

The Village Community Nursery
Notes to the Accounts
for the year ended 31 August 2022

6 Support costs	Support costs £	Governance costs £	2022 £	2021 £
Accountancy	-	-	-	-
Independent examination	-	1,250	1,250	1,200
	<u>-</u>	<u>1,250</u>	<u>1,250</u>	<u>1,200</u>
Analysed between:				
Charitable activities	-	1,250	1,250	1,200
	<u>-</u>	<u>1,250</u>	<u>1,250</u>	<u>1,200</u>
7 Net movement in funds			2022 £	2021 £
Net movement in funds is stated after charging/(crediting):				
Depreciation of owned tangible assets			12,872	13,196
Operating lease charges			<u>3,996</u>	<u>3,996</u>
8 Trustees' remuneration and benefits			2022 £	2021 £
Trustees' remuneration			nil	nil
Trustees' other benefits			nil	nil
9 Staff costs			2022 £	2021 £
Wages and salaries			71,893	61,510
Temporary/agency staff			1,495	99
National insurance			-	-
Pension costs			123	295
			<u>73,511</u>	<u>61,904</u>
Average number of employees			<u>10</u>	<u>7</u>

No individual employee received remuneration in excess of £60,000 during the year.

**The Village Community Nursery
Notes to the Accounts
for the year ended 31 August 2022**

10 Tangible fixed assets

	Leasehold property £	Fixtures & equipment £	Total £
Cost			
At 1 September 2021	237,990	113,883	351,873
Additions	-	-	-
Disposals	-	-	-
At 31 August 2022	<u>237,990</u>	<u>113,883</u>	<u>351,873</u>
Depreciation			
At 1 September 2021	191,036	109,997	301,033
Charge for the year	11,900	972	12,872
On disposals	-	-	-
At 31 August 2021	<u>202,936</u>	<u>110,969</u>	<u>313,905</u>
Net book value			
At 31 August 2022	<u>35,054</u>	<u>2,914</u>	<u>37,968</u>
At 31 August 2021	<u>46,954</u>	<u>3,886</u>	<u>50,840</u>

11 Financial Instruments

	2022 £	2021 £
Carrying amount of financial assets		
Debt instruments measured at cost	<u>12,390</u>	<u>1,757</u>
Carrying amount of financial liabilities		
Measured at amortised cost	<u>2,829</u>	<u>1,293</u>

12 Debtors: amounts falling due within one year

	2022 £	2021 £
Trade debtors	-	-
Other debtors	-	309
Prepayments and accrued income	<u>892</u>	<u>839</u>
	<u>892</u>	<u>1,148</u>

13 Creditors: amounts falling due within one year

	2022 £	2021 £
Trade creditors	-	-
Accruals	1,240	1,293
Taxes and social security	1,589	-
Deferred grant	<u>9,600</u>	<u>-</u>
	<u>12,429</u>	<u>1,293</u>

The Village Community Nursery
Notes to the Accounts
for the year ended 31 August 2022

14 Restricted funds

The income funds of the charity include restricted funds comprising the following unexpended balances of donations and grants held on trust for specific purposes:

	At 01/09/2021 £	Resources expended £	At 31/08/2022 £
Restricted funds			
Refurbishment grants	49,206	14,152	35,054

Restricted Funds represent grant funding received to extend and refurbish the charity's premises. The expenditure has been capitalised under fixed assets and is being depreciated in accordance with the accounting policies at note 1. The depreciation is being charged against Restricted Funds.

15 Movement in funds

	At 01/09/2021 £	Net movement in funds £	Transfers between funds £	At 31/08/2022 £
Unrestricted funds				
General fund	3,246	521	-	3,767
Restricted funds				
Refurbishment grants	49,206	(14,152)	-	35,054
Total funds	<u>52,452</u>	<u>(13,631)</u>	<u>-</u>	<u>38,821</u>

Net movement in funds, included in the above are as follows:

	Incoming resources £	Resources expended £	Movement in funds £
Unrestricted funds			
General fund	156,491	155,970	521
Restricted funds			
Refurbishment grants	-	14,152	(14,152)
Total funds	<u>156,491</u>	<u>170,122</u>	<u>(13,631)</u>

16 Ultimate controlling party

The charity is controlled by the directors/trustees.

The Village Community Nursery

Detailed Trading and Profit and Loss Account for the year ended 31 August 2022

		Year to 31-Aug 2022		Year to 31-Aug 2021
	£	£	£	£
Charitable Income				
Nursery fees receivable		126,654		86,978
Fundraising		-		6
Government grants - HMRC		3,156		21,635
Other grants		-		3,382
		<u>129,810</u>		<u>112,001</u>
Charitable expenditure				
Wages and national insurance	72,016		61,805	
Temporary staff	1,495		99	
Rent, rates, light & heat	20,692		5,077	
Training	2,640		2,562	
Insurance	1,739		2,214	
Repairs and maintenance	2,331		2,102	
Laundry, cleaning & waste disposal	370		1,280	
Printing, postage & stationery	1,059		1,353	
Telephone and fax	1,780		1,375	
Equipment expensed	237		-	
Nursery food & refreshments	3,593		2,995	
Travel	750		-	
Legal & professional fees	77		405	
Accountancy & bookkeeping	1,250		1,200	
Consultancy fees	43,500		34,170	
Advertising and marketing	1,769		1,177	
Subscriptions	1,723		670	
Sundry expenses	229		1,020	
Depreciation	(1,280)		(956)	
		<u>155,970</u>		<u>118,548</u>
Net operating (deficit)/ surplus for the year		(26,160)		(6,547)
Other income		26,681		-
Net (deficit)/ surplus for the year		<u>521</u>		<u>(6,547)</u>