

Charity registration number 1102017

Company registration number 04838548 (England and Wales)

TRENCH TOTS NEIGHBOURHOOD NURSERY LTD
ANNUAL REPORT AND UNAUDITED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 29 JUNE 2022

TRENCH TOTS NEIGHBOURHOOD NURSERY LTD

LEGAL AND ADMINISTRATIVE INFORMATION

Trustees

Mrs. R Pitt
Mrs. C L Osborn
Mrs. L J Madeley
Mrs. G Elsmore
Miss. C I Francis
Mrs. G L Jones
Mrs. E L Johnson
Miss. R L Preston
Mrs. L M Sankey
Mrs. Z S Richards
Mrs. A France
Mrs. N Smith

Charity number

1102017

Company number

04838548

Registered office

Gibbons Road
Trench
Telford
Shropshire
United Kingdom
TF2 7JR

Independent examiner

Azets
Column House
London Road
Shrewsbury
SY2 6NN

TRENCH TOTS NEIGHBOURHOOD NURSERY LTD

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TRENCH TOTS NEIGHBOURHOOD NURSERY LTD

TRUSTEES REPORT (INCLUDING DIRECTORS' REPORT)

FOR THE YEAR ENDED 29 JUNE 2022

The trustees present their annual report and financial statements for the year ended 29 June 2022.

The accounts have been prepared in accordance with the accounting policies set out in note 1 to the accounts and comply with the charity's governing document, 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 objectives are to enhance the development and education of the children primarily under statutory school age by:

- encouraging parents to understand and provide for the needs of their children through community groups.
- offering appropriate play facilities and training courses, together with the right of parents to take responsibility for and to become involved in the activities of such groups.
- ensuring that such groups offer opportunities for all children regardless of race, culture, religion or means.
- encouraging the study of the needs of such children and their families and promoting public interest in and recognition of such needs in the local areas.
- instigating and adhering to and furthering the aim of the pre-school learning alliance.

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

Achievements and performance

Trench Tots has continued to hold high numbers across all 4 childcare rooms and currently has very little room to offer any other children.

Although fees have had to increase, we have kept the increase to a minimal to allow us to be affordable as possible to our user's, this reflects in the number of children we have enrolled.

We have been working on developing our outdoor areas to enhance the children's learning opportunities whilst playing outside. This is an ongoing project.

We have invested money in staff training to continue to keep them up to date and enhance their CPD.

Financial review

We continue to receive government funding for 2,3 & 4 year olds. This is topped up by parents to cover food and resources.

Due to National minimum wage increase, along with utilities we reviewed fees and had a small increase in fees. For staff that are qualified to a level 3, we decided to give them a small hourly increase as recognition of completing the higher qualification.

Our savings account still holds enough to cover a months wage, PAYE and Pension contribution should it ever be needed.

We are looking into having canopies in the three outdoor gardens, so will be reviewing finances to see if this is affordable.

The trustees have a duty to identify and review the risks to which the charity is exposed and to ensure appropriate controls are in place to provide reasonable assurance against fraud and error.

The charity trustees aim to have sufficient funds available to continue the charity for at least three months should funding sources cease to allow time to apply for further funding.

TRENCH TOTS NEIGHBOURHOOD NURSERY LTD

TRUSTEES REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED) *FOR THE YEAR ENDED 29 JUNE 2022*

Structure, governance and management

The charity is controlled by its governing document, the memorandum and articles of association incorporated 19 July 2003, and constitutes a limited company, limited by guarantee, as defined by the Companies Act 2006.

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

Mrs. R Pitt
Mrs. C L Osborn
Mrs. L J Madeley
Mrs. G Elsmore
Miss. C I Francis
Mrs. G L Jones
Mrs. E L Johnson
Miss. R L Preston
Mrs. L M Sankey
Mrs. Z S Richards
Mrs. A France
Mrs. N Smith

Since being removed as a director on 1 May 2019, Miss J Millington has stepped down completely from the committee as trustee.

People who are interested in the charity are recruited by word of mouth or through other trustees. Their interest in the charity is discussed with all parties. Appointments are made if new trustees are required and the perspective candidate is deemed suitable.

The Trustees report was approved by the Board of Trustees.

Mrs. R Pitt

Trustee

Dated: 27 April 2023

TRENCH TOTS NEIGHBOURHOOD NURSERY LTD

INDEPENDENT EXAMINER'S REPORT

TO THE TRUSTEES OF TRENCH TOTS NEIGHBOURHOOD NURSERY LTD

I report to the trustees on my examination of the financial statements of Trench Tots Neighbourhood Nursery Ltd (the charity) for the year ended 29 June 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

Since 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 ICAEW, 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 386 of the 2006 Act; or
- 2 the financial statements do not accord with those records; or
- 3 the financial statements do not comply with the accounting requirements of section 396 of the 2006 Act other than any requirement that the accounts give a true and fair view which is not a matter considered as part of an independent examination; or
- 4 the financial statements have not been prepared in accordance with the methods and principles of the Statement of Recommended Practice for accounting and reporting by charities applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102).

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

Helen Tinsley FCCA

Column House
London Road
Shrewsbury
Shropshire
SY2 6NN

Dated: 27 April 2023

TRENCH TOTS NEIGHBOURHOOD NURSERY LTD

STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT FOR THE YEAR ENDED 29 JUNE 2022

	Notes	Unrestricted funds 2022 £	Unrestricted funds 2021 £
<u>Income and endowments from:</u>			
Charitable activities	3	518,670	469,023
Investments	4	82	63
Other income	5	5,086	62,531
Total income		<u>523,838</u>	<u>531,617</u>
<u>Expenditure on:</u>			
Charitable activities	6	<u>582,393</u>	<u>477,830</u>
Net (expenditure)/income for the year/ Net movement in funds		(58,555)	53,787
Fund balances at 1 July 2021		<u>196,825</u>	<u>138,083</u>
Fund balances at 29 June 2022		<u><u>138,270</u></u>	<u><u>191,870</u></u>

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

All income and expenditure derive from continuing activities.

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

TRENCH TOTS NEIGHBOURHOOD NURSERY LTD

BALANCE SHEET

AS AT 29 JUNE 2022

	Notes	2022 £	£	2021 £	£
Fixed assets					
Tangible assets	10		72,616		72,996
Current assets					
Debtors	12	12,854		8,006	
Cash at bank and in hand		96,725		142,329	
			109,579		150,335
Creditors: amounts falling due within one year	14	(32,466)		(19,573)	
Net current assets			77,113		130,762
Total assets less current liabilities			149,729		203,758
Creditors: amounts falling due after more than one year	15		(11,459)		(11,888)
Net assets			138,270		191,870
Income funds					
Unrestricted funds			138,270		191,870
			138,270		191,870

The company is entitled to the exemption from the audit requirement contained in section 477 of the Companies Act 2006, for the year ended 29 June 2022.

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

The members have not required the company to obtain an audit of its financial statements for the year in question in accordance with section 476.

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

The financial statements were approved by the Trustees on 27 April 2023

Mrs. R Pitt
Trustee

Company Registration No. 04838548

TRENCH TOTS NEIGHBOURHOOD NURSERY LTD

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 29 JUNE 2022

1 Accounting policies

Charity information

Trench Tots Neighbourhood Nursery Ltd is a private company limited by guarantee incorporated in England and Wales. The registered office is Gibbons Road, Trench, Telford, Shropshire, TF2 7JR, United Kingdom.

1.1 Accounting convention

The accounts have been prepared in accordance with the charity's governing document, 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 £.

1.2 Going concern

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

1.3 Charitable funds

Unrestricted funds are available for use at the discretion of the trustees in furtherance of their charitable objectives.

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.

1.4 Income

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

Cash donations are recognised on receipt. Other donations are recognised once the charity has been notified of the donation, unless performance conditions require deferral of the amount. 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.

Grants received are recognised on receipt. All grants received have not been performance related, restricted in terms of the use of the funds. All grants received in the year relate to the JRS scheme.

TRENCH TOTS NEIGHBOURHOOD NURSERY LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 29 JUNE 2022

1 Accounting policies

(Continued)

1.5 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 are allocated on the portion of the asset's use.

Expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all cost related to the category. Where costs cannot be directly attributed to particular headings they have been allocated to activities on a basis consistent with the use of resources.

1.6 Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

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:

Land and buildings	2% straight line
Equipment	20% on reducing balance
Office Equipment	20% 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 the statement of financial activities.

1.7 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).

1.8 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.

1.9 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.

TRENCH TOTS NEIGHBOURHOOD NURSERY LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 29 JUNE 2022

1 Accounting policies

(Continued)

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 method.

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 liabilities

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

1.10 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.

1.11 Retirement benefits

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

1.12 Taxation

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

1.13 Fund accounting

Unrestricted funds can be used in accordance with the charitable objectives at the discretion of the trustees.

Restricted funds can only be used for particular restricted purposes within the objectives of the charity. Restrictions arise when specified by the donor or when funds are raised for particular restricted purposes.

All funds held within Trench Tots Neighbourhood Nursery are unrestricted funds.

TRENCH TOTS NEIGHBOURHOOD NURSERY LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 29 JUNE 2022

1 Accounting policies

(Continued)

1.14 Government grants

Government grants are recognised at the fair value of the asset received or receivable when there is reasonable assurance that the grant conditions will be met and the grants will be received.

A grant that specifies performance conditions is recognised in income when the performance conditions are met. Where a grant does not specify performance conditions it is recognised in income when the proceeds are received or receivable. A grant received before the recognition criteria are satisfied is recognised as a liability.

During the year Trench Tots Neighbourhood Nursery Limited received Coronavirus Job Retention Scheme grant income from the government of £5,085.

2 Critical accounting estimates and judgements

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 Charitable activities

	Nursery income	Core funding	Total 2022	Total 2021
	2022	2022		
	£	£	£	£
Charitable activities	322,292	196,378	518,670	469,023

4 Investments

	Unrestricted funds	Unrestricted funds
	2022	2021
	£	£
Interest receivable	82	63

TRENCH TOTS NEIGHBOURHOOD NURSERY LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 29 JUNE 2022

5 Other income

	Unrestricted funds	Unrestricted funds
	2022	2021
	£	£
Other income	-	15,263
Government grants included JRS Scheme	5,086	47,268
	<u>5,086</u>	<u>62,531</u>

6 Charitable activities

	Nursery 2022	Nursery 2021
	£	£
Staff costs	454,179	394,085
Depreciation and impairment	3,799	3,546
Rent and rates	13,022	9,408
Insurance	4,867	3,127
Light and heat	6,342	7,499
Telephone	1,389	1,373
Post and stationery	452	1,623
Uniforms	580	780
Property repairs and maintenance	16,516	4,325
Staff training	4,176	1,262
Sundry expenses	536	598
Travel and entertainment	-	1
Equipment, repairs and renewals	16,147	9,795
Cleaning supplies and hygiene	8,607	6,915
Activity costs	1,453	3,309
Food	35,146	20,663
Bank charges	314	289
Other charitable expenditure	3,626	476
	<u>571,151</u>	<u>469,074</u>
Share of governance costs (see note 7)	11,242	8,756
	<u>582,393</u>	<u>477,830</u>

TRENCH TOTS NEIGHBOURHOOD NURSERY LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 29 JUNE 2022

7 Support costs

	Support costs £	Governance costs £	2022 £	2021 £	Basis of allocation
Accountancy	-	7,344	7,344	5,016	Governance
Legal and professional	-	3,898	3,898	3,740	Governance
	-	11,242	11,242	8,756	
Analysed between Charitable activities	-	11,242	11,242	8,756	

The Accountancy remuneration includes an independent examination fee of £1,250.

8 Trustees

None of the trustees received remuneration from the company during the period. There were also no reimbursements of expenses for the trustees.

9 Employees

The average monthly number of employees during the year was:

	2022 Number	2021 Number
Employees	33	30
Employment costs	2022 £	2021 £
Wages and salaries	429,506	374,444
Social security costs	18,207	13,691
Other pension costs	6,466	5,950
	454,179	394,085

There were no employees whose annual remuneration was £60,000 or more.

TRENCH TOTS NEIGHBOURHOOD NURSERY LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 29 JUNE 2022

10 Tangible fixed assets

	Land and buildings £	Equipment £	Office Equipment £	Total £
Cost				
At 1 July 2021	66,769	41,183	8,884	116,836
Additions	-	-	3,419	3,419
At 29 June 2022	66,769	41,183	12,303	120,255
Depreciation and impairment				
At 1 July 2021	2,671	33,622	7,548	43,841
Depreciation charged in the year	1,335	1,512	951	3,798
At 29 June 2022	4,006	35,134	8,499	47,639
Carrying amount				
At 29 June 2022	62,763	6,049	3,804	72,616
At 30 June 2021	64,099	7,561	1,336	72,996

Land and buildings comprises the cost of a purpose built nursery on Gibbons Road. The total cost of this build was £719,149, of which £652,380 were covered by grants and subsidies. The total cost to the company was £66,769.

11 Financial instruments

	2022 £	2021 £
Carrying amount of financial assets		
Debt instruments measured at amortised cost	12,080	7,409
Carrying amount of financial liabilities		
Measured at amortised cost	43,925	31,461

Financial assets measured at amortised cost consists of trade debtors.

Financial liabilities measured at amortised cost consists of bank loans, deferred income, trade creditors, amounts due to employees, other creditors and accruals.

12 Debtors

	2022 £	2021 £
Amounts falling due within one year:		
Trade debtors	12,080	7,409
Prepayments and accrued income	774	597
	12,854	8,006

TRENCH TOTS NEIGHBOURHOOD NURSERY LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 29 JUNE 2022

13 Loans and overdrafts

	2022 £	2021 £
Bank loans	15,430	15,858
Payable within one year	3,971	3,970
Payable after one year	11,459	11,888

14 Creditors: amounts falling due within one year

	Notes	2022 £	2021 £
Bank loans	13	3,971	3,970
Other creditors		9,960	11,286
Accruals and deferred income		18,535	4,317
		32,466	19,573

15 Creditors: amounts falling due after more than one year

	Notes	2022 £	2021 £
Bank loans	13	11,459	11,888

16 Related party transactions

There were no disclosable related party transactions during the year (2021 - none).