

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 28 JUNE 2023

TRENCH TOTS NEIGHBOURHOOD NURSERY LTD

LEGAL AND ADMINISTRATIVE INFORMATION

Trustees	Mrs Rachel Pitt	
	Mrs Claire Osborn	
	Mrs Jessica Brown	(Appointed 10 November 2023)
	Mr Daniel Oliver	(Appointed 10 November 2023)
	Mrs Sophie Lindsay	(Appointed 10 November 2023)
	Mrs Nicole King	(Appointed 10 November 2023)
	Mrs Catherine Edwards	(Appointed 10 November 2023)
	Mrs Lucy Breakwell	(Appointed 10 November 2023)
	Mr Daryl Breakwell	(Appointed 10 November 2023)
	Mr Andrew Brown	(Appointed 10 November 2023)
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 28 JUNE 2023

The trustees present their annual report and financial statements for the year ended 28 June 2023.

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 continues to maintain high numbers across all 4 childcare rooms. With the new Government Funding that has been released the last few places we had have been taken up. As it stands we are unable to take any new children 2 years and up until 2026.

Although fees have had to increase due to the minimum wage increase from April 2024, we have kept the increase as minimal as possible to allow us to remain affordable to our users. This is reflected in the number of children we have enrolled at present. No families have left following the increase in fees.

We continue working on developing our outdoor areas to enhance the children's learning opportunities whilst playing outside. This is an ongoing project and we are looking into funding.

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

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

We now have a new committee formed who are very positive and have a clear vision for the nursery's future moving forward.

Financial review

We now receive government funding for 2,3 & 4 year olds and are due to start receiving funding for 9 month olds from September 2024. This is topped up by parents to cover food and other resources.

Due to the National Minimum Wage increase and increasing 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 wages should it ever be needed.

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.

TRENCH TOTS NEIGHBOURHOOD NURSERY LTD

TRUSTEES REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED)

FOR THE YEAR ENDED 28 JUNE 2023

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.

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 Rachel Pitt	
Mrs Claire Osborn	
Mrs. L J Madeley	(Deceased 6 May 2023)
Mrs Jessica Brown	(Appointed 10 November 2023)
Mr Daniel Oliver	(Appointed 10 November 2023)
Mrs Sophie Lindsay	(Appointed 10 November 2023)
Mrs Nicole King	(Appointed 10 November 2023)
Mrs Catherine Edwards	(Appointed 10 November 2023)
Mrs Lucy Breakwell	(Appointed 10 November 2023)
Mr Daryl Breakwell	(Appointed 10 November 2023)
Mr Andrew Brown	(Appointed 10 November 2023)

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 Rachel Pitt

Trustee

Dated: 25 June 2024

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 28 June 2023.

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: 25 June 2024

TRENCH TOTS NEIGHBOURHOOD NURSERY LTD

STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 28 JUNE 2023

	Notes	Unrestricted funds 2023 £	Unrestricted funds 2022 £
<u>Income and endowments from:</u>			
Charitable activities	3	643,724	518,670
Investments	4	58	82
Other income	5	-	5,086
Total income		<u>643,782</u>	<u>523,838</u>
<u>Expenditure on:</u>			
Charitable activities	6	<u>626,769</u>	<u>582,393</u>
Net income/(expenditure) for the year/ Net movement in funds		17,013	(58,555)
Fund balances at 30 June 2022		<u>138,270</u>	<u>196,825</u>
Fund balances at 28 June 2023		<u><u>155,283</u></u>	<u><u>138,270</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 28 JUNE 2023

	Notes	2023 £	£	2022 £	£
Fixed assets					
Tangible assets	11		69,309		72,616
Current assets					
Debtors	13	13,621		12,854	
Cash at bank and in hand		106,069		96,725	
		119,690		109,579	
Creditors: amounts falling due within one year	15	(23,364)		(32,466)	
Net current assets			96,326		77,113
Total assets less current liabilities			165,635		149,729
Creditors: amounts falling due after more than one year	16		(10,352)		(11,459)
Net assets			155,283		138,270
Income funds					
Unrestricted funds			155,283		138,270
			155,283		138,270

The company is entitled to the exemption from the audit requirement contained in section 477 of the Companies Act 2006, for the year ended 28 June 2023.

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 25 June 2024

Mrs Rachel Pitt
Trustee

Mrs Jessica Brown
Trustee

Company Registration No. 04838548

TRENCH TOTS NEIGHBOURHOOD NURSERY LTD

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 28 JUNE 2023

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 28 JUNE 2023

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 28 JUNE 2023

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 28 JUNE 2023

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.

In 2022, the Charity received Coronavirus Job Retention Scheme Grant income from the Government amounting to £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 2023 £	Core funding 2023 £	Total 2023 £	Total 2022 £
Charitable activities	399,709	244,015	643,724	518,670

4 Investments

	Unrestricted funds 2023 £	Unrestricted funds 2022 £
Interest receivable	58	82

TRENCH TOTS NEIGHBOURHOOD NURSERY LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 28 JUNE 2023

5 Other income

	Total Unrestricted funds	
	2023	2022
	£	£
Government grants including JRS Scheme	-	5,086

6 Charitable activities

	Nursery 2023	Nursery 2022
	£	£
Staff costs	503,482	454,179
Depreciation and impairment	3,306	3,799
Rent and rates	16,123	13,022
Insurance	5,668	4,867
Light and heat	7,904	6,342
Telephone	2,115	1,389
Post and stationery	793	452
Uniforms	1,591	580
Property repairs and maintenance	5,430	16,516
Staff training	4,309	4,176
Sundry expenses	691	536
Travel and entertainment	1,475	-
Equipment, repairs and renewals	11,213	16,147
Cleaning supplies and hygiene	8,529	8,607
Activity costs	3,991	1,453
Food	35,618	35,146
Bank charges	197	314
Other charitable expenditure	3,469	3,626
	615,904	571,151
Share of governance costs (see note 7)	10,865	11,242
	626,769	582,393

TRENCH TOTS NEIGHBOURHOOD NURSERY LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 28 JUNE 2023

7 Support costs

	Support costs £	Governance costs £	2023 £	2022 £	Basis of allocation
Accountancy	-	7,357	7,357	7,344	Governance
Legal and professional	-	3,508	3,508	3,898	Governance
	-	10,865	10,865	11,242	
Analysed between Charitable activities	-	10,865	10,865	11,242	

The Accountancy remuneration includes an independent examination fee of £1,200.

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:

	2023 Number	2022 Number
Employees	31	33
Employment costs	2023 £	2022 £
Wages and salaries	474,683	429,506
Social security costs	22,324	18,207
Other pension costs	6,475	6,466
	503,482	454,179

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

10 Taxation

The charity is exempt from tax on income and gains falling within section 505 of the Taxes Act 1988 or section 252 of the Taxation of Chargeable Gains Act 1992 to the extent that these are applied to its charitable objects.

TRENCH TOTS NEIGHBOURHOOD NURSERY LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 28 JUNE 2023

11 Tangible fixed assets

	Land and buildings £	Equipment £	Office Equipment £	Total £
Cost				
At 30 June 2022	66,769	41,183	12,303	120,255
At 28 June 2023	66,769	41,183	12,303	120,255
Depreciation and impairment				
At 30 June 2022	4,006	35,135	8,499	47,640
Depreciation charged in the year	1,335	1,210	761	3,306
At 28 June 2023	5,341	36,345	9,260	50,946
Carrying amount				
At 28 June 2023	61,428	4,838	3,043	69,309
At 29 June 2022	62,763	6,049	3,804	72,616

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.

12 Financial instruments

	2023 £	2022 £
Carrying amount of financial assets		
Debt instruments measured at amortised cost	12,734	12,080
Carrying amount of financial liabilities		
Measured at amortised cost	33,716	43,925

Financial assets measured at amortised cost consists of trade debtors and other debtors, which includes the wages control account.

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

13 Debtors

	2023 £	2022 £
Amounts falling due within one year:		
Trade debtors	11,568	12,080
Other debtors	1,166	-
Prepayments and accrued income	887	774
	13,621	12,854

TRENCH TOTS NEIGHBOURHOOD NURSERY LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 28 JUNE 2023

14 Loans and overdrafts

	2023 £	2022 £
Bank loans	12,852	15,430
Payable within one year	2,500	3,971
Payable after one year	10,352	11,459

15 Creditors: amounts falling due within one year

	Notes	2023 £	2022 £
Bank loans	14	2,500	3,971
Other creditors		8,255	9,960
Accruals and deferred income		12,609	18,535
		23,364	32,466

16 Creditors: amounts falling due after more than one year

	Notes	2023 £	2022 £
Bank loans	14	10,352	11,459

17 Related party transactions

There were no disclosable related party transactions during the year (2022 - none).