

Charity registration number 1103781

Company registration number 04869234 (England and Wales)

**MATCHBOX DAY NURSERY LIMITED**  
**ANNUAL REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 MARCH 2025**

# MATCHBOX DAY NURSERY LIMITED

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# MATCHBOX DAY NURSERY LIMITED

## LEGAL AND ADMINISTRATIVE INFORMATION

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<b>Trustees</b>	Ms D Aston Mr R Clarke Ms K Hogger Ms L Traversi Ms B Webb
<b>Secretary</b>	A Webb
<b>Charity number</b>	1103781
<b>Company number</b>	04869234
<b>Registered office</b>	1 Butler House Poplar London GB E14 7AB
<b>Auditor</b>	Azets Audit Services Limited River House 1 Maidstone Road Sidcup Kent United Kingdom DA14 5RH
<b>Bankers</b>	HSBC 115 High Street Sittingbourne Kent United Kingdom ME10 4AL
<b>Key management personnel</b>	Mrs K Arrowsmith Mr G Arrowsmith

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# **MATCHBOX DAY NURSERY LIMITED**

## **TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT AND STRATEGIC REPORT) FOR THE YEAR ENDED 31 MARCH 2025**

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The Trustees present their annual report and financial statements for the year ended 31 March 2025.

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 governing document, 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)" (effective 1 January 2019).

### **Objectives and activities**

Matchbox is a Community Nursery which opened in 2003. The nursery offers 98 full time equivalent places for children aged from 3 months to 5 years of age.

We opened our second nursery, Matchbox Aberfeldy at Aberfeldy Village in September 2023 providing an additional 48 places for young children.

Matchbox is a registered charity that uses a self-sustaining social enterprise model. The trustees ensure that any surplus is reinvested back into the business to provide more childcare places for children in an area of high disadvantage.

The nurseries are open Monday to Friday 8.00am to 6.00pm throughout the year, excluding staff training days, bank holidays and the Christmas week where we close completely.

We recognise the benefits of Early Years Education and Care for children. Young brains are built by their experiences in Early Years, which fundamentally shapes their whole lives, influencing their future in areas such as health, well-being and career development. Our Nursery teams work hard to provide high quality care and education to the children in our care and also to support their families. Our aim is to become part of the local community that we operate in. We have a good partnership with our landlord, Poplar Harca, and work closely with the local community centres that are run by our landlord; we are also doing some joint stay and play sessions with the local doctor's surgery at the Aberfeldy Village which are being well used by more children and their parents/ carers.

As a learning organisation, we seek to further improve our competence in delivery of high quality Early Years Care and Education that is accessible and affordable.

We continue to celebrate notable awareness days, such as World Book Day, Sports Relief and Children in Need, International Mud Day, Den Day. This year we have also added our own dress up days and theme days on a bigger scale: - super hero days, magic day, science day and many more.

We continue to have a good relationship with local schools. Some transition visits from local teachers have happened again this year; there continues to be a lot of information sharing around the children's transition to school and this mixture seems to work.

We continue to support children with additional needs, and our staff have continued to be supported and trained by outside professionals, when needed. We would again like to thank all the staff involved in this, as well as the outreach teams and all other professionals involved in this.

### **Public benefit statement**

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

The charity does not use volunteers in carrying out its objectives.

### **Strategic report**

The description under the headings "Achievements and performance" and "Financial review" meet the company law requirements for the Trustees to present a strategic report.

# **MATCHBOX DAY NURSERY LIMITED**

## **TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT AND STRATEGIC REPORT) (CONTINUED)**

***FOR THE YEAR ENDED 31 MARCH 2025***

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### **Achievements and performance**

We developed an ambitious growth plan to meet the needs of more children and families. This has taken us five years due to delays that were mainly caused by the Covid-19 pandemic. This year this came to fruition, and we opened our new nursery facility at Aberfeldy Village, providing an additional 48 places for children.

Recruitment of staff continues to be a challenge as we compete with not just other nurseries but other sectors who are also trying to attract staff. Underpinning this was our concern about the physical and mental well-being of our staff as they worked harder and harder to cover vacancies. We made the decision a few years ago when we planned the second nursery to take the route of apprenticeships for recruiting staff. This continues to work for us, over time we have, with the extreme support and help of our staff trained many apprentices to take on childcare practitioner roles at both nurseries. We have also helped others to gain their childcare qualifications who have moved on to work elsewhere in the sector. We are committed to continuing with our apprenticeship programme and will continue to recruit more apprentices to start their training towards qualification.

Our staff team consists of Nursery Manager, 2 Deputy Managers/Early Years Teachers, Office Administrator, Room Leaders and Room Deputy's and Childcare Practitioners. There is also Catering staff, who provide daily cooked meals for all the children at both nurseries.

Our staff members have a variety of qualifications and experiences which all add up to the service we offer. We are committed to continuing the professional development of all our staff and all regularly attend training for CPD.

Matchbox Nurseries continue to be run by the Management Team (made up of the Trustees) who take care of the day to day running of the nursery and has a committee which is made up of interested people who meet 4 times a year. We have a small committee and this year have no Trustees that have a child at either nursery, although most have had children in the past.

Later this year (September 2025) the funding available to working parents extends to all children from 9 months old and all will be eligible for the 30 hours childcare and education funding. We always encourage parents to apply for this funding and will help as much as possible with the process. We also advise parents to register for Tax Free Childcare. All of these schemes make childcare more affordable which is good for all parents. The result of this is that both our nurseries are full and we have had our busiest year ever and have waiting lists for September.

We continue to see many changes to the local area. Most of the management team and trustees have been involved with not only this nursery but other settings/groups over many years around this area. There continues to be a high need for childcare places, mostly due to continued development in the area around our nursery on Burdett but also the new nursery at Aberfeldy Village is part of a very big regeneration area.

Our outside areas continue to be used to the utmost. A lot of our time is spent outside exploring and learning. It continues to be a great success in all weathers. We also make a lot of use of our forest school area for the children.

We are all very thankful for all the incredible hard work from all the staff and are amazed by the variety of activities that goes on to provide such a rich, diverse, and fun environment for all our children.

Much of the staff team have been consistent this year, with some of the apprentices staying with us as qualified practitioners. Our 2 Nursery Deputies/Early Years Teachers continue to oversee the rooms and guide planning and observations of the children. We continue to work closely with the playgroup; staff really support each other and have pulled out all stops to make these nurseries what they are today and valued by the community and especially families using the service. A big thank you to all our staff.

We are all extremely proud of the achievements of everybody at both nurseries and would like to thank them for the dedication and commitment that is required to deliver our service and that they have shown throughout the years.

# MATCHBOX DAY NURSERY LIMITED

## TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT AND STRATEGIC REPORT) (CONTINUED)

**FOR THE YEAR ENDED 31 MARCH 2025**

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I and the rest of the Committee and staff would like to thank everybody who has been involved in the smooth running of both Burdett and Aberfeldy Nursery.  
especially: -

Apprentices  
Students  
Poplar HARCA  
Children's Community Nursing Team.  
Child Development Team  
LBTH Early Education Service

### Financial review

Total income for the year amounted to £2,125,844 (2024: £1,453,982). Expenditure amounted to £1,790,808 (2024: £1,507,683). The above movements amounted to net surplus for the year of £335,036 (2024: deficit £53,701).

This expenditure includes the cost of refurbishment of Burdett nursery, which has just been completed. So although we have spent money on our refurbishment and carried out more than we originally planned we have still managed to generate a surplus for this year.

Over the past 2 years we have equipped the Aberfeldy nursery ready to open last year, refurbishing Burdett Nursery this year, and replacing some of our older equipment and furniture. We were lucky enough to find a company that buys nursery equipment and furniture from nurseries closing down, which they refurbish and sell for half the catalogue price - this has been amazing for our budget but much more environmentally friendly.

### Going concern

The trustees are of the opinion that Matchbox Day Nursery is a Going Concern as at 31 March 2025.

The financial statements have been prepared on the assumption that the charity is able to continue as a going concern, which the trustees consider appropriate having regard to the current level of unrestricted reserves, the financial position, plans and the expected level of income and expenditure for 12 months from authorising these financial statements. There are no material uncertainties about the charity's ability to continue as a going concern.

### Reserves Policy

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 between three and six month's expenditure. The Trustees consider 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 been maintained throughout the year.

### Risks

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.

When operating a nursery in the UK, several principal risks and uncertainties could impact the business. These can be categorized into financial, operational, regulatory, and external risks.

#### Financial Risks

Funding & Cash Flow Issues: the nursery relies on government funding (e.g., free childcare hours), which may not always cover operational costs. Delays in funding payments can create cash flow problems.

Rising Costs: Increasing wages (due to minimum wage increases), rent, utilities, and food costs can impact cashflows.

Rising premiums for liability insurance can add to financial pressures.

Low Pupil Numbers: If demand drops due to demographic changes or economic downturns, revenue could decline.

# MATCHBOX DAY NURSERY LIMITED

## TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT AND STRATEGIC REPORT) (CONTINUED)

**FOR THE YEAR ENDED 31 MARCH 2025**

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### *Operational Risks*

**Staffing Issues:** Recruiting and retaining qualified childcare professionals is challenging, especially with industry-wide staff shortages.

**Safeguarding & Child Protection:** Ensuring child safety and compliance with safeguarding procedures is critical. Any incidents can lead to reputational damage and legal consequences.

**Health & Safety Concerns:** Accidents, food safety issues, or infectious disease outbreaks (e.g., norovirus, flu, or COVID-19) can disrupt operations.

**Parent Satisfaction & Reputation:** Negative reviews or complaints from parents can harm reputation and reduce enrolment.

### *Regulatory & Legal Risks*

**Ofsted Inspections & Compliance:** Failing an Ofsted inspection could lead to enforcement actions, reputational damage, or even closure.

**Changing Government Policies:** Adjustments to early years funding, ratios, or regulatory requirements can impact business operations.

**Employment Law Compliance:** Ensuring fair pay, contract management, and compliance with UK employment laws is essential.

**Data Protection (GDPR):** Managing sensitive child and parent data securely to avoid legal penalties.

### *External Risks*

**Economic Downturn:** A recession or financial crisis could lead to fewer parents affording private childcare.

**Competition:** New nurseries opening in the area could affect enrolment numbers.

**Pandemics & Public Health Crises:** Disease outbreaks may force closures, impacting income and staffing levels.

**Brexit-Related Supply Chain Issues:** Costs for food, toys, and equipment may rise due to import delays or increased tariffs.

### *Mitigation Strategies*

To reduce these risks, the nursery maintains strong financial planning and reserves, invests in staff training and retention programmes. The nursery also ensures regular reviews of safeguarding, health & safety, and compliance procedures and stay informed on government policies and adapt accordingly. The nursery also builds a strong local reputation through quality service and parent engagement.

### **Plans for future periods**

This coming year we would like to refurbish our outside area at Burdett Nursery. It is well used by the children and is a large area and in need of some TLC. We will work with our landlords (Poplar Harca) to hopefully achieve this during the coming year. We have received initial estimates from two companies for the grassed area; as at the 31 March 2025 approval has been granted for this work and the budgeted expenditure for this project amounts to £77,000. It is estimated that total costs could be in the region of £100,000. Whilst we are hoping to save on some of the costs we don't estimate that being a big saving, as the area is very large but equally well used.

### **Structure, governance and management**

#### *Governing document*

The charity is controlled by its governing document, Memorandum and Articles of Association dated 18 August 2023 as amended by Special Resolution on 8 April 2004, and constitutes a limited company, limited by guarantee, as defined by the Companies Act 2006.

# MATCHBOX DAY NURSERY LIMITED

## TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT AND STRATEGIC REPORT) (CONTINUED)

**FOR THE YEAR ENDED 31 MARCH 2025**

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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:

Ms D Aston  
Mr R Clarke  
Ms K Hogger  
Ms L Traversi  
Ms B Webb

### *Details of method of recruitment and appointment of trustees*

Trustees (who are also members) are elected at the annual general meeting. Trustees are normally recruited through advertising or following a recommendation. All applicants are given an "Introduction to the Board of Trustees" document, outlining some of the key requirements of the role, and are asked to complete an application form and a skills audit. The latter document helps ensure that best use is made of the skills, knowledge and experience that trustees are willing to offer. Appointments are made following successful selection interviews undertaken by the Chair, several trustees and CEO, and are subject to satisfactory references.

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.

### *Details of organisational structure*

The board of trustees meets at least four times a year to review performance, set strategy, and make key governance decisions. Certain responsibilities are delegated to management which report back to the board. Day-to-day management is delegated to senior staff, who operate within policies and budgets agreed by the trustees. Urgent decisions between meetings are taken by the Chair in consultation with at least two other trustees and are formally ratified at the next board meeting. The decision-making process is informed by regular reports, risk assessments, and consultation with beneficiaries where appropriate.

### *Induction and training of Trustees*

Newly appointed trustees are provided with a comprehensive induction to the Nursery through the provision of training courses and mentoring by established trustees. They are also encouraged to spend some time with our staff and volunteers remotely and, if possible, will be encouraged to visit our nurseries in London to gain a more detailed understanding of the nature of the work undertaken and challenges faced.

### *Remuneration policy*

All trustees give of their time freely and no trustee received remuneration in the year. The pay of the senior leadership team is reviewed annually by the Chief Executive and Board of Trustees. The remuneration for the Chief Executive is a decision of the Board. The Board consider a range of benchmarks and criteria when setting pay.

### **Relationship with related parties**

Mr R Clarke (trustee) and Ms B Webb (trustee) are trustees of Burdett Estate Playgroup. In addition, Mrs K Arrowsmith (KMP) is the company secretary of Burdett Estate Playgroup. During the year, Burdett Estate Playgroup reimbursed costs to Matchbox Day Nursery amounting to £2,826 (2024: £1,146.) During the year Matchbox Day Nursery reimbursed costs to Burdett Estate Playgroup amounting to £12,381 (2024: £946).



# **MATCHBOX DAY NURSERY LIMITED**

## **TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT AND STRATEGIC REPORT) (CONTINUED)**

***FOR THE YEAR ENDED 31 MARCH 2025***

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### **Statement of Trustees' responsibilities**

The Trustees, who are also the directors of Matchbox Day Nursery Limited for the purpose 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 which give a true and fair view of the state of affairs of the Charity and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that year.

In preparing these financial statements, the Trustees are 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; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Charity will continue in operation.

The Trustees are responsible for keeping adequate accounting records that disclose with reasonable accuracy at any time the financial position of the Charity 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 Charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

### **Auditor**

In accordance with the company's articles, a resolution proposing that Azets Audit Services Limited be reappointed as auditor of the company will be put at a General Meeting.

### **Disclosure of information to auditor**

Each of the Trustees has confirmed that there is no information of which they are aware which is relevant to the audit, but of which the auditor is unaware. They have further confirmed that they have taken appropriate steps to identify such relevant information and to establish that the auditor is aware of such information.

The Trustees' report, including the strategic report, was approved by the Board of Trustees.

Mr R Clarke  
**Trustee**

4 December 2025

# MATCHBOX DAY NURSERY LIMITED

## INDEPENDENT AUDITOR'S REPORT

### TO THE MEMBERS OF MATCHBOX DAY NURSERY LIMITED

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#### Opinion

We have audited the financial statements of Matchbox Day Nursery Limited (the 'Charity') for the year ended 31 March 2025 which comprise the statement of financial activities, the balance sheet, the statement of cash flows and notes to the financial statements, including 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 March 2025 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 Charity in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC'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 Charity'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.

#### 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.

#### Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the Trustees' report for the financial year for which the financial statements are prepared, which includes the directors' report and the strategic report prepared for the purposes of company law, is consistent with the financial statements; and
- the strategic report and the directors' report included within the Trustees' report have been prepared in accordance with applicable legal requirements.

# **MATCHBOX DAY NURSERY LIMITED**

## **INDEPENDENT AUDITOR'S REPORT (CONTINUED)**

### **TO THE MEMBERS OF MATCHBOX DAY NURSERY LIMITED**

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#### **Matters on which we are required to report by exception**

In the light of the knowledge and understanding of the Charity and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or the directors' report included within the Trustees' report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the 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.

#### **Responsibilities of Trustees**

As explained more fully in the statement of Trustees' responsibilities, the Trustees, who are also the directors of the Charity for the purpose 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 Charity'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.

#### **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.

A further description of our responsibilities is available on the Financial Reporting Council's website at: <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

# MATCHBOX DAY NURSERY LIMITED

## INDEPENDENT AUDITOR'S REPORT (CONTINUED)

### TO THE MEMBERS OF MATCHBOX DAY NURSERY LIMITED

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#### **Extent to which the audit was considered capable of detecting irregularities, including fraud**

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above and on the Financial Reporting Council's website, to detect material misstatements in respect of irregularities, including fraud.

We obtain and update our understanding of the entity, its activities, its control environment, and likely future developments, including in relation to the legal and regulatory framework applicable and how the entity is complying with that framework. Based on this understanding, we 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. This includes consideration of the risk of acts by the entity that were contrary to applicable laws and regulations, including fraud.

In response to the risk of irregularities and non-compliance with laws and regulations, including fraud, we designed procedures which included:

- Enquiry of management and those charged with governance around actual and potential litigation and claims as well as actual, suspected and alleged fraud;
- Reviewing minutes of meetings of those charged with governance;
- Assessing the extent of compliance with the laws and regulations considered to have a direct material effect on the financial statements or the operations of the entity through enquiry and inspection;
- Reviewing financial statement disclosures and testing to supporting documentation to assess compliance with applicable laws and regulations;
- Performing audit work over the risk of management bias and override of controls, including testing of journal entries and other adjustments for appropriateness, evaluating the business rationale of significant transactions outside the normal course of business and reviewing accounting estimates for indicators of potential bias.

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 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.

#### **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 the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.

**Siobhan Holmes FCA (Senior Statutory Auditor)**  
**for and on behalf of Azets Audit Services Limited**

12 December 2025

**Chartered Accountants**  
**Statutory Auditor**

River House  
1 Maidstone Road  
Sidcup  
Kent  
United Kingdom  
DA14 5RH

# MATCHBOX DAY NURSERY LIMITED

## STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT

**FOR THE YEAR ENDED 31 MARCH 2025**

	Notes	Unrestricted funds 2025 £	Unrestricted funds 2024 £
<b><u>Income and endowments from:</u></b>			
Donations and legacies	3	5,000	62
Charitable activities	4	2,108,979	1,443,327
Interest	5	5,865	3,993
Other income	6	6,000	6,600
<b>Total income</b>		<b>2,125,844</b>	<b>1,453,982</b>
<b><u>Expenditure on:</u></b>			
Charitable activities	7	1,790,808	1,507,683
<b>Net income/(expenditure) for the year/ Net movement in funds</b>		<b>335,036</b>	<b>(53,701)</b>
Fund balances at 1 April 2024		715,403	769,104
<b>Fund balances at 31 March 2025</b>		<b>1,050,439</b>	<b>715,403</b>

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.

# MATCHBOX DAY NURSERY LIMITED

## BALANCE SHEET

AS AT 31 MARCH 2025

	Notes	2025 £	£	2024 £	£
<b>Fixed assets</b>					
Intangible assets	14	149,175		157,275	
Tangible assets	15	320,162		336,924	
			469,337		494,199
<b>Current assets</b>					
Debtors	16	10,122		25,568	
Cash at bank and in hand		714,532		252,570	
			724,654		278,138
<b>Creditors: amounts falling due within one year</b>	17	(143,552)		(39,580)	
Net current assets			581,102		238,558
<b>Total assets less current liabilities</b>			1,050,439		732,757
<b>Creditors: amounts falling due after more than one year</b>	18		-		(17,354)
<b>Net assets</b>			1,050,439		715,403
<b>Income funds</b>					
Unrestricted funds			1,050,439		715,403
			1,050,439		715,403

The financial statements were approved by the Trustees on 4 December 2025

Mr R Clarke  
Trustee

Company registration number 04869234

# MATCHBOX DAY NURSERY LIMITED

## STATEMENT OF CASH FLOWS

**FOR THE YEAR ENDED 31 MARCH 2025**

	Notes	2025 £	£	2024 £	£
<b>Cash flows from operating activities</b>					
Cash generated from operations	22		617,433		110,661
<b>Investing activities</b>					
Purchase of intangible assets		-		(145,800)	
Purchase of tangible fixed assets		(161,336)		(43,094)	
Investment income received		5,865		3,993	
<b>Net cash used in investing activities</b>			(155,471)		(184,901)
<b>Net cash used in financing activities</b>			-		-
<b>Net increase/(decrease) in cash and cash equivalents</b>			461,962		(74,240)
Cash and cash equivalents at beginning of year			252,570		326,810
<b>Cash and cash equivalents at end of year</b>			714,532		252,570

# MATCHBOX DAY NURSERY LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

### FOR THE YEAR ENDED 31 MARCH 2025

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#### 1 Accounting policies

##### Charity information

Matchbox Day Nursery Limited is a private company limited by guarantee incorporated in England and Wales. The registered office is 1 Butler House, Poplar, London, E14 7AB, GB.

##### 1.1 Accounting convention

The financial statements have been prepared in accordance with the Charity's [governing document], the Companies Act 2006, FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the Charities SORP "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 Charity is a Public Benefit Entity as defined by FRS 102.

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 £.

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

##### 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.

##### 1.4 Income

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.

##### Donations

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.

##### Private Funding Income

Fees charged to parents for contracted nursery hours are invoiced monthly in advance. Income is recognised on an accruals basis as hours are delivered. Amounts received in advance are recorded as deferred income, and any overpayments are recorded as trade creditors until refunded or applied to future fees.

##### Government-Funded Income

Income from universal and extended early years entitlements is recognised over the period the funded hours are delivered, based on verified childcare codes. Amounts received in advance are recorded as deferred income, amounts due but not yet received as accrued income, and any adjustments or clawbacks notified by the local authority are recognised in the period of notification.

##### Investment Income

Investment income is recognised when receivable.



# MATCHBOX DAY NURSERY LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2025

### 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.

#### 1.6 Intangible fixed assets other than goodwill

Intangible assets acquired separately from a business are recognised at cost and are subsequently measured at cost less accumulated amortisation and accumulated impairment losses.

Intangible assets acquired on business combinations are recognised separately from goodwill at the acquisition date where it is probable that the expected future economic benefits that are attributable to the asset will flow to the entity and the fair value of the asset can be measured reliably; the intangible asset arises from contractual or other legal rights; and the intangible asset is separable from the entity.

Amortisation 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:

Lease asset	Straight-line basis over term of lease
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#### 1.7 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.

Assets costing less than £1,000 are written off in the year of acquisition.

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:

Leasehold improvements	Over term of lease
Plant and equipment	12.8% on cost

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.

#### 1.8 Impairment of fixed assets

At each reporting end date, the Charity reviews the carrying amounts of its tangible and intangible 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).

#### 1.9 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.

# MATCHBOX DAY NURSERY LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2025

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### 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 Taxation**

Tax is recognised in the statement of financial activities, except that a change attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the balance sheet date in the countries where the Company operates and generates income.

#### **1.11 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.

#### **1.12 Retirement benefits**

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

### 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.

# MATCHBOX DAY NURSERY LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2025

### 2 Critical accounting estimates and judgements

(Continued)

#### Key sources of estimation uncertainty

##### *Useful economic lives of tangible assets*

The annual depreciation charge for tangible assets is sensitive to changes in the estimated useful economic lives and residual values of the assets. The useful economic lives and residual values are reassessed annually. They are amended when necessary to reflect current estimates, based on technological advancement, future investments, economic utilisation and the physical condition of the assets. See note 15 for the carrying amount of the property plant and equipment, and note 1.7 for the useful economic lives for each class of assets.

##### *Bad debt provision*

The charity maintains a policy of reviewing outstanding receivables on a regular basis. Where there is evidence that amounts due may not be fully recoverable, an appropriate provision for bad debts is made. This policy ensures that income is recognised on a prudent basis and that the financial statements present a true and fair view.

### 3 Donations and legacies

	Unrestricted funds	Unrestricted funds
	2025	2024
	£	£
Donations and gifts	5,000	62

### 4 Charitable activities

	Day Nursery	Day Nursery
	2025	2024
	£	£
Government Funding Income	1,106,963	427,310
Private Funding Income	998,012	1,016,017
Other income	4,004	-
	2,108,979	1,443,327

All income relating to charitable activities was unrestricted.

# MATCHBOX DAY NURSERY LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2025

### 5 Interest

	Unrestricted funds	Unrestricted funds
	2025	2024
	£	£
Interest receivable	5,865	3,993

### 6 Other income

	Unrestricted funds	Unrestricted funds
	2025	2024
	£	£
Other income	6,000	6,600

### 7 Charitable activities

	Day nursery	Day nursery
	2025	2024
	£	£
Staff costs	1,198,102	1,058,509
Depreciation and impairment	186,198	137,240
Materials & Consumables	27,965	27,325
Insurance	6,630	6,275
Miscellaneous	7,316	11,453
Accommodation	10,841	-
Other staff costs	2,416	-
Equipment	33,964	-
Food and consumables	102,866	88,870
Bad Debts	3,897	8,924
Training	2,956	17,569
Repairs	83,256	48,921
Telephone	6,230	7,288
Rent & Rates	50,527	53,243
Utilities	27,342	16,142
Subscriptions	8,495	7,954
	1,759,001	1,489,713
Share of governance costs (see note 9)	31,807	17,970
	1,790,808	1,507,683

# MATCHBOX DAY NURSERY LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2025

### 8 Description of charitable activities

#### Day nursery

All expenditure is incurred to enable the charity to continue operating as a Day Nursery in accordance with its Governing Document. All expenditure is from unrestricted funds.

### 9 Support costs

	Support costs £	Governance costs £	2025 £	2024 £
Audit fees	-	14,500	14,500	12,000
Non-audit fees	-	6,000	6,000	4,200
Legal and professional	-	11,307	11,307	1,770
	-	31,807	31,807	17,970
Analysed between Charitable activities	-	31,807	31,807	17,970

Governance costs includes payments to the current year auditors of £14,500 (2024- £Nil) for audit fees.

### 10 Net movement in funds

	2025 £	2024 £
Net movement in funds is stated after charging/(crediting)		
Fees payable to the company's auditor for the audit of the company's financial statements	14,500	12,000
Depreciation of owned tangible fixed assets	178,098	132,515
Amortisation of intangible assets	8,100	4,725

### 11 Trustees

None of the Trustees (or any persons connected with them) received any remuneration or benefits from the Charity during the year.

### 12 Employees

The average monthly number of employees during the year was:

2025 Number	2024 Number
48	45

# MATCHBOX DAY NURSERY LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2025

### 12 Employees (Continued)

Employment costs	2025 £	2024 £
Wages and salaries	1,110,064	989,407
Social security costs	74,628	57,283
Other pension costs	13,410	11,819
	<u>1,198,102</u>	<u>1,058,509</u>

The number of employees whose annual remuneration was more than £60,000 is as follows:

	2025 Number	2024 Number
£60,001 - £70,000	<u>1</u>	<u>-</u>

### 13 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.

### 14 Intangible fixed assets

	Lease asset £
<b>Cost</b>	
At 1 April 2024 and 31 March 2025	<u>162,000</u>
<b>Amortisation and impairment</b>	
At 1 April 2024	4,725
Amortisation charged for the year	<u>8,100</u>
At 31 March 2025	<u>12,825</u>
<b>Carrying amount</b>	
At 31 March 2025	<u>149,175</u>
At 31 March 2024	<u>157,275</u>

# MATCHBOX DAY NURSERY LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2025

### 15 Tangible fixed assets

	Leasehold improvements £	Plant and equipment £	Total £
<b>Cost</b>			
At 1 April 2024	878,010	283,596	1,161,606
Additions	139,453	21,883	161,336
At 31 March 2025	1,017,463	305,479	1,322,942
<b>Depreciation and impairment</b>			
At 1 April 2024	633,479	191,203	824,682
Depreciation charged in the year	140,353	37,745	178,098
At 31 March 2025	773,832	228,948	1,002,780
<b>Carrying amount</b>			
At 31 March 2025	243,631	76,531	320,162
At 31 March 2024	244,531	92,393	336,924

### 16 Debtors

	2025 £	2024 £
<b>Amounts falling due within one year:</b>		
Trade debtors	10,122	25,568

### 17 Creditors: amounts falling due within one year

	2025 £	2024 £
Other taxation and social security	2,788	8,064
Trade creditors	-	15,316
Accruals and deferred income	140,764	16,200
	143,552	39,580

### 18 Creditors: amounts falling due after more than one year

	2025 £	2024 £
Other creditors	-	17,354

# MATCHBOX DAY NURSERY LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2025

### 19 Financial commitments, guarantees and contingent liabilities

At 31 March 2025 the Charity had capital commitments as follows:

Approval has been granted for work to be carried out in the play area. The budgeted expenditure for this project amounts to £77,000.

### 20 Operating lease commitments

At the reporting end date the Charity had outstanding commitments for future minimum lease payments under non-cancellable operating leases, which fall due as follows:

	2025 £	2024 £
Within one year	20,004	37,358
Between two and five years	165,479	179,012
In over five years	469,583	458,645
	<u>655,066</u>	<u>675,015</u>

Matchbox Day Nursery Ltd has entered into a 20-year lease agreement with Poplar Housing and Regeneration Community Association Limited, commencing on 1 September 2023. The lease pertains to 12 Aberfeldy Square, E14 OXA. The agreement includes a premium of £162,000, which has been recorded as an intangible fixed asset and amortised over the 20-year lease term. The annual rent of £35,000 will commence on 1 September 2026, following a 3-year rent-free period. Lease payments will be expensed on a straight-line basis over the lease term.

Matchbox Day Nursery Ltd has entered into a 25-year lease agreement with Poplar Housing and Regeneration Community Association Limited, which commenced on 1 April 2003. The lease pertains to the ground floor of 1 and 2 Butler House, Burdett Estate, Poplar, E14 7AB. Under the terms of the lease, the company is required to pay annual rent of £12,000, subject to an annual rent review, with increases calculated at 4% above the base rate on each anniversary of the lease commencement. Following the most recent review in 2023, the annual rent was set at £20,004 which remains the current amount payable. Lease payments are recognised as an expense in rent on an annual basis.

### 21 Related party transactions

#### Remuneration of key management personnel

The senior management team comprise the key management personnel of the charity in charge of directing and controlling, running and operating the charity on a day to day basis and are detailed on page 1. The aggregate remuneration paid to the key management personnel totalled:

	2025 £	2024 £
Aggregate compensation	<u>127,519</u>	<u>64,710</u>



# MATCHBOX DAY NURSERY LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2025

### 21 Related party transactions

(Continued)

#### Transactions with related parties

During the year the Charity entered into the following transactions with related parties:

Mr R Clarke (trustee) and Ms B Webb (trustee) are trustees of Burdett Estate Playgroup. In addition, Mrs K Arrowsmith (KMP) is the company secretary of Burdett Estate Playgroup. During the year, Burdett Estate Playgroup reimbursed costs to Matchbox Day Nursery amounting to £2,826 (2024: £1,146.) During the year Matchbox Day Nursery reimbursed costs to Burdett Estate Playgroup amounting to £12,381 (2024: £946).

### 22 Cash generated from operations

2025  
£

2024  
£

Surplus/(deficit) for the year	335,036	(53,701)
Adjustments for:		
Interest income	(5,865)	(3,993)
Depreciation and impairment of tangible fixed assets	186,198	137,240
Movements in working capital:		
Decrease/(increase) in debtors	15,446	(16,319)
Increase in creditors	86,618	47,434
<b>Cash generated from operations</b>	<b>617,433</b>	<b>110,661</b>

### 23 Analysis of changes in net funds

The Charity had no debt during the year.