

KELTON NURSERY

England & Wales · Charity number 1107519

Details

Status	Registered
Legal form	Charitable company
Company number	05261351
Registered	2005-01-07
Register	View on the Charity Commission register

Contact

Address	Kelton Nursery 3 Park Avenue Mossley Hill Liverpool L18 8BT
Phone	01517245802
Email	manager@keltonnursery.co.uk
Website	www.keltonnursery.co.uk

Activities

Objects: THE PROVISION AT PARK AVENUE, MOSSLEY HILL LIVERPOOL 18 OR ELSEWHERE OF A DAY NURSERY AND "AFTER SCHOOL" SERVICE FOR THE SAFE CARE OF INFANTS AND CHILDREN WHO HAVE NEED OF SUCH CARE.

Activities: The company's object and principal activity is to provide a day nursery and after school service for the safe care of infants and children.

Classification

- **How:** Provides Buildings/facilities/open Space, Provides Services
- **What:** Education/training
- **Who:** Children/young People

Geography

- **Area of benefit:** KELTON NURSERY.
- Liverpool City

Finances

Period end	Income	Expenditure	Assets	Employees
2025-03-31	£999,780	£866,341	£848,810	30
2024-03-31	£805,804	£816,530	£715,371	29
2023-03-31	£773,156	£813,243	£726,097	29
2022-03-31	£807,421	£801,064	£766,184	30
2021-03-31	£762,912	£728,551	£759,827	37

Trustees

Name	Role	Appointed
Kelly Nasr		2020-11-25
Liam Owens		2021-01-13

KELTON NURSERY

England & Wales - Charity number 1107519

Accounts

Charity registration number 1107519 (England and Wales)

Company registration number 05261351

KELTON NURSERY
ANNUAL REPORT AND UNAUDITED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2025



KELTON NURSERY

LEGAL AND ADMINISTRATIVE INFORMATION

Trustees	Mrs Nasr Kelly Mr L Owen	
Senior management	Ms L Darwin Ms C Mardsen	Nursery Manager Nursery Deputy Manager
Charity number (England and Wales)	1107519	
Company number	05261351	
Registered office	Kelton House Park Avenue Mossley Hill Liverpool Merseyside L18 8BT	
Independent examiner	Helen Furlong FCCA Xeinaidin North West Limited 46 Hamilton Square Birkenhead Wirral Merseyside CH41 5AR	

KELTON NURSERY

CONTENTS

	Page
Trsutees' report	1 - 4
Independent examiner's report	5
Statement of financial activities	6
Balance sheet	7
Statement of cash flows	8
Notes to the financial statements	9 - 17

KELTON NURSERY

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) FOR THE YEAR ENDED 31 MARCH 2025

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, the Companies Act 2006, FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" 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)".

Objectives and activities

The charity's objectives and principle activity is the provision of quality education to infants and children through the provision of day-care, after school, and holiday club services.

Public benefit

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

Activities

Our significant activities include:

- Nursery day-care services.
- Afterschool services
- Holiday club services

In setting our objectives and planning our activities the trustees have also considered the Charity Commission's general guidance on public benefit.

As a not for profit organisation, all profits is invested back into the provision to ensure that it is fully resourced and fit for purpose.

Kelton Nursery and After School is open to everyone within the community and beyond. It provides government funded places, and offers bursarial assistance to ensure equality of access to the provision. The provision of bursary assisted places ensures the needs of families with low income or other additional needs are catered for.

The nursery fees are determined by running costs, not profit. We are committed to keeping our fees competitive, and fee increases are only considered to ensure the continuation of the service.

Being a Charity with a Board of Trustees that is made up from parents, means that families not only benefit from excellent childcare, but can develop their own skills and knowledge by becoming part of the governance of the provision. Parents and families involved in Kelton can feel they are contributing to the wider community by becoming involved in supporting a charitable cause.

KELTON NURSERY

TRSUTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2025

Achievements and performance

We have had a productive year at Kelton and made progress in a number of areas to enrich the setting notably:-

- Introduction of new safer eating policies and procedures- completion of course on staff induction, safety check list before eating, allergies and preference log
- Welcome training completed by deputy manager
- The opening of blossoms room and merging of snowdrop and bluebird.
- Progress in improved recruitment, quality and sustainability.
Implementation of weekly staff wellbeing days.
- Recruitment of a new appointed admin lead.
- External phonics lead continues to attend nursery each week to support pre school children which will aid transition to school
- Recruitment of new Gardiner
- New safety locks on all external doors to support our lock down procedures.
- New appointed senco
- Management team completion of 3 day updated safeguarding training.
- Strengthening of parent partnership and introduction of regular face to face parents evening and booking system.

Recruitment

Throughout the year we continued to be faced with some challenges (as have the rest of the country in a variety of sectors) around recruitment of staff which put additional pressure on senior staff and the wider team. We continue to focus on developing a positive culture internally through a variety of initiatives. We also took steps to reallocate accommodation space and staffing locations to support more efficient and consistent quality care.

Inflation

The impact of inflation effected the operating margins within the setting which resulted in us increasing the childcare fees in April 2025 to ensure we could cover the overheads of the business. We will be reviewing fees again in April 2026 to ensure that they are both fair and competitive.

Financial review

The charity has reported a surplus of £133,439 for the year to 31 March 2025 (2024: deficit £10,726).

The impact of this surplus has resulted in a net current asset position of £123,070 at the year end (2024: £(10,484)). Overall the charity has net assets of £848,810 (2024: £715,371). Free reserves (total reserves less fixed assets) amounted to a negative of £120,409 (2024 £(23,155))

The trustees acknowledge the need for continued strong working capital management, together with regular review and monitoring of the number of children registered for its services on a month by month basis.

Reserves policy

It is the policy of the charity to try to build up modest unrestricted reserves, which are the free reserves of the charity, to a level which will provide assistance for the future operating costs. The trustees continue to work towards building reserves to an optimum range of between £75,000 and £225,000. At this level there would be sufficient free reserves to cover overhead costs for 1-3 months running costs.

Principal funding sources

The charity's primary source of income is generated from nursery fees. Fees are received in return for the provision of daycare, afterschool and holiday club services.

Investment policy

The charity's funds are currently fully utilised for working capital with no surplus at this time for investment.

At such a time this position changes the trustees will develop a suitable policy and set of objectives for investment.

KELTON NURSERY

TRSUTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2025

Major risks

All existing policies and procedures are periodically reviewed by the senior management team to ensure that they continue to meet the changing needs of the charity and childcare business.

To support the management team, we have engaged a firm of Health and Safety consultants, who work with the staff to ensure all matters are dealt with appropriately.

The board have also engaged an HR consultant who is supporting develop a robust performance framework going forward.

All existing policies and procedures are periodically reviewed by the senior management team to ensure that they continue to meet the changing needs of the charity and childcare business.

The Board of Trustees began the process of creating a risk register last year, this continues in its development and will be reviewed during the year.

Plans for future periods

Our key priorities for the coming year are as follows:

- Ongoing staff support and development with a team approach, curiosity approach investment.
- Continue review our financial controls within the nursery, reviewing ways to increase the nursery reserve
- Continue to increase the number of parent trustees, and explore the potential for more external trustees to develop the skills pool within the board
- Stabilise the board of trustees and recruit new trustees as these are vital to the continued running of the nursery
- Evaluate and develop a welcome booklet and trustee induction pack to support trustee recruitment and roles.
- Continue to strengthen the parents as partner relationship by introduction of new app family rather than connect software.
- To invest and secure needed maintenance work to the large side and front porch of the building.
- To revise and implement the new EYFS framework and changes.
- To purchase a large marquee to support and provide more nursery gatherings and celebrations with children and families.
- The nursery manger and admin lead to join committee whilst in the process of board recruitment.
- To create termly staff groups CPD sessions with external provider.

Structure, governance and management

The charity is controlled by its governing document, a deed of trust, and constitutes a limited company, limited by guarantee, as defined by the Companies Act 2006.

The organisation is a charitable company limited by guarantee, incorporated on 15 October 2004 and registered as a charity on 7 January 2005. The company was established under a Memorandum of Association which established the objects and powers of the charitable company and is governed under its Articles of Association. In the event of the company being wound up the members are required to contribute an amount not exceeding £10.

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 Nasr Kelly

Mr L Owen

Mrs W Carson

(Resigned 1 April 2024)

KELTON NURSERY

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED) *FOR THE YEAR ENDED 31 MARCH 2025*

Recruitment and appointment of trustees

The directors of the company are also charity trustees for the purposes of charity law. Under the requirements of the Memorandum and Articles of Association, one third of directors must retire at annual general meeting. The trustees of the charity are appointed by the members at each Annual General Meeting.

We are in the process of recruiting new trustees and see this as a valuable development to ensure the structure of an effective committee.

Organisational structure

The trustees meet on a regular basis and are responsible for the strategic direction and policy of the charity. Fee increases, wage awards and an annual budget are set by the trustees and performance against an agreed budget is reviewed monthly. The day to day operational management of the charity is carried out by the senior management team, supported by external financial and HR support.

Relationship with related parties

None of our trustees receive remuneration or other benefit from their work with the charity. Any relationship between a trustee or manager of the charity with a related party must be disclosed to the full board of trustees on appointment, a declaration of conflict of interest is also a standing agenda item at the bi-monthly trustee meetings. In the current year no such related party transactions were reported.

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

Mrs Nasr Kelly
Trustee

29 January 2026

KELTON NURSERY

INDEPENDENT EXAMINER'S REPORT TO THE TRUSTEES OF KELTON NURSERY

I report to the trustees on my examination of the financial statements of Kelton Nursery (the charity) for the year ended 31 March 2025.

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.

Having satisfied myself that the financial statements of the charity are not required to be audited under Part 16 of the Companies Act 2006 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. In carrying out my examination I have followed the Directions given by the Charity Commission under section 145(5)(b) of the Charities Act 2011.

Independent examiner's statement

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

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

- 1 accounting records were not kept in respect of the charity as required by section 386 of the Companies Act 2006.
- 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 Companies Act 2006 other than any requirement that the financial statements 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 financial statements 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 Furlong FCCA
Xeinadin North West Limited
46 Hamilton Square
Birkenhead
Wirral
Merseyside
CH41 5AR
Date:

KELTON NURSERY

STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 MARCH 2025

	Notes	Unrestricted funds 2025 £	Unrestricted funds 2024 £
Income and endowments from:			
Donations and legacies	3	-	3,000
Charitable activities	4	999,780	800,827
Other trading activities	5	-	1,477
Other income	6	-	500
		<hr/>	<hr/>
Total income		999,780	805,804
Expenditure on:			
Charitable activities	7	866,341	816,530
		<hr/>	<hr/>
Total expenditure		866,341	816,530
		<hr/>	<hr/>
Net income/(expenditure) and movement in funds		133,439	(10,726)
Reconciliation of funds:			
Fund balances at 1 April 2024		715,371	726,097
		<hr/>	<hr/>
Fund balances at 31 March 2025		848,810	715,371
		<hr/>	<hr/>

The statement of financial activities includes all gains and losses recognised in the year. All income and expenditure derive from continuing activities.

KELTON NURSERY

BALANCE SHEET

AS AT 31 MARCH 2025

		2025		2024	
	Notes	£	£	£	£
Fixed assets					
Tangible assets	13		728,401		738,526
Current assets					
Debtors	14	3,368		1,880	
Cash at bank and in hand		186,237		49,107	
		<u>189,605</u>		<u>50,987</u>	
Creditors: amounts falling due within one year	16	<u>(66,535)</u>		<u>(61,471)</u>	
Net current assets/(liabilities)			<u>123,070</u>		<u>(10,484)</u>
Total assets less current liabilities			851,471		728,042
Creditors: amounts falling due after more than one year	17		<u>(2,661)</u>		<u>(12,671)</u>
Net assets			<u>848,810</u>		<u>715,371</u>
The funds of the charity					
Unrestricted funds	19		<u>848,810</u>		<u>715,371</u>
			<u>848,810</u>		<u>715,371</u>

The company is entitled to the exemption from the audit requirement contained in section 477 of the Companies Act 2006, for the year ended 31 March 2025.

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 29 January 2026

Mrs Nasr Kelly
Trustee

Company registration number 05261351 (England and Wales)

KELTON NURSERY

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 MARCH 2025

	Notes	2025 £	£	2024 £	£
Cash flows from operating activities					
Cash generated from/(absorbed by) operations	21		148,655		(9,297)
Investing activities					
Purchase of tangible fixed assets		(1,515)		(1,040)	
Net cash used in investing activities			(1,515)		(1,040)
Financing activities					
Repayment of bank loans		(10,010)		(20,071)	
Net cash used in financing activities			(10,010)		(20,071)
Net increase/(decrease) in cash and cash equivalents			137,130		(30,408)
Cash and cash equivalents at beginning of year			49,107		79,515
Cash and cash equivalents at end of year			186,237		49,107

KELTON NURSERY

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2025

1 Accounting policies

Charity information

Kelton Nursery is a private company limited by guarantee incorporated in England and Wales. The registered office is Kelton House, Park Avenue Mossley Hill, Liverpool, Merseyside, L18 8BT.

1.1 Basis of preparation

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" 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)". 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.

Restricted funds are subject to specific conditions by donors or grantors 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 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.

KELTON NURSERY

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 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:

Freehold land and buildings	1% on cost
Fixtures and fittings	25% reducing balance
Equipment	25% on cost
Motor vehicles	25% 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.

1.7 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.

KELTON NURSERY

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

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.

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.

KELTON NURSERY

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

3 Income from donations and legacies

	Unrestricted funds 2025 £	Unrestricted funds 2024 £
Donations and gifts	-	3,000

4 Income from charitable activities

	Unrestricted funds 2025 £	Unrestricted funds 2024 £
Day nursery and afterschool services		
Nursery fees	612,360	577,960
Afterschool fees	74,099	60,205
Holiday care	18,441	15,824
Early years' funding	294,880	146,838
	<u>999,780</u>	<u>800,827</u>

5 Income from other trading activities

	Unrestricted funds 2025 £	Unrestricted funds 2024 £
Fundraising events	-	1,477

6 Other income

	Unrestricted funds 2025 £	Unrestricted funds 2024 £
Other income	-	500

KELTON NURSERY

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

7 Expenditure on charitable activities

	Day nursery and afterschool services 2025 £	Day nursery and afterschool services 2024 £
Direct costs		
Staff costs	696,250	640,222
Depreciation and impairment	11,640	12,285
Food and kitchen costs	21,836	21,595
Nursery resources and equipment	18,565	14,823
Insurance	5,140	5,171
Rates	9,947	9,139
Travel and motor expenses	5,250	4,642
Printing, stationery and postage	3,517	2,746
Internet, computer and telephone costs	8,653	9,245
Repairs and maintenance	11,228	25,958
Electricity and gas	18,615	22,572
Sundry expenses	4,066	3,770
Security costs	9,783	9,750
Hygiene and waste costs	12,555	7,566
Leasing and equipment costs	8,426	8,131
Training and subscriptions	3,214	2,690
Other charitable expenditure	-	857
	<u>848,685</u>	<u>801,162</u>
Share of support and governance costs (see note 8)		
Support	15,014	12,968
Governance	2,642	2,400
	<u>866,341</u>	<u>816,530</u>
Analysis by fund		
Unrestricted funds	<u>866,341</u>	<u>816,530</u>

KELTON NURSERY

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

8 Support costs allocated to activities

	2025 £	2024 £
Payroll and bookkeeping fees	8,640	8,532
Professional fees	5,280	2,780
Bank charges	675	695
Loan interest paid	419	961
Governance costs	2,642	2,400
	<u>17,656</u>	<u>15,368</u>
Analysed between:		
Day nursery and afterschool services	<u>17,656</u>	<u>15,368</u>

9 Net movement in funds

	2025 £	2024 £
The net movement in funds is stated after charging/(crediting):		
Fees payable for the independent examination of the charity's financial statements	1,290	1,200
Depreciation of owned tangible fixed assets	11,640	12,285
	<u>12,930</u>	<u>13,485</u>

10 Trustees

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

11 Employees

The average monthly number of employees during the year was:

	2025 Number	2024 Number
Charitable staff	28	27
Management staff	2	2
	<u>30</u>	<u>29</u>

Employment costs

	2025 £	2024 £
Wages and salaries	643,426	598,895
Social security costs	41,536	32,373
Other pension costs	11,288	8,954
	<u>696,250</u>	<u>640,222</u>

KELTON NURSERY

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

11 Employees

(Continued)

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

Remuneration of key management personnel

The remuneration of key management personnel amounted to £95,045 (2024 £86,106)

12 Taxation

The charity is exempt from taxation on its activities because all its income is applied for charitable purposes.

13 Tangible fixed assets

	Freehold land and buildings	Fixtures and fittings	Equipment	Motor vehicles	Total
	£	£	£	£	£
Cost					
At 1 April 2024	901,445	44,605	113,525	29,520	1,089,095
Additions	-	833	682	-	1,515
At 31 March 2025	901,445	45,438	114,207	29,520	1,090,610
Depreciation and impairment					
At 1 April 2024	170,558	38,547	111,944	29,520	350,569
Depreciation charged in the year	9,011	1,709	920	-	11,640
At 31 March 2025	179,569	40,256	112,864	29,520	362,209
Carrying amount					
At 31 March 2025	721,876	5,182	1,343	-	728,401
At 31 March 2024	730,887	6,058	1,581	-	738,526

14 Debtors

	2025	2024
	£	£
Amounts falling due within one year:		
Trade debtors	1,049	340
Prepayments and accrued income	2,319	1,540
	3,368	1,880

KELTON NURSERY

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

15 Loans and overdrafts

	2025	2024
	£	£
Bank loans	12,661	22,671
Payable within one year	10,000	10,000
Payable after one year	2,661	12,671

The bank loan represents a bounce back loan which is repayable over 6 years. Interest is charged at 2 %

16 Creditors: amounts falling due within one year

	Notes	2025	2024
		£	£
Bank loans	15	10,000	10,000
Trade creditors		696	4,320
Other creditors		32,353	18,057
Accruals and deferred income		23,486	29,094
		<u>66,535</u>	<u>61,471</u>

17 Creditors: amounts falling due after more than one year

	Notes	2025	2024
		£	£
Bank loans	15	2,661	12,671

18 Retirement benefit schemes

	2025	2024
	£	£
Defined contribution schemes		
Charge to profit or loss in respect of defined contribution schemes	11,288	8,954

The charity operates a defined contribution pension scheme for all qualifying employees. The assets of the scheme are held separately from those of the charity in an independently administered fund.

KELTON NURSERY

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

19 Unrestricted funds

The unrestricted funds of the charity comprise the unexpended balances of donations and grants which are not subject to specific conditions by donors and grantors as to how they may be used. These include designated funds which have been set aside out of unrestricted funds by the trustees for specific purposes.

	At 1 April 2024 £	Incoming resources £	Resources expended £	At 31 March 2025 £
General funds	715,371	999,780	(866,341)	848,810
Previous year:	At 1 April 2023 £	Incoming resources £	Resources expended £	At 31 March 2024 £
General funds	726,097	805,804	(816,530)	715,371

20 Related party transactions

There were no disclosable related party transactions during the year (2024 - none).

21 Cash generated from/(absorbed by) operations

	2025 £	2024 £
Surplus/(deficit) for the year	133,439	(10,726)
Adjustments for:		
Depreciation and impairment of tangible fixed assets	11,640	12,285
Movements in working capital:		
(Increase)/decrease in debtors	(1,488)	16,902
Increase/(decrease) in creditors	5,064	(27,758)
Cash generated from/(absorbed by) operations	148,655	(9,297)

22 Analysis of changes in net funds

	At 1 April 2024 £	Cash flows £	At 31 March 2025 £
Cash at bank and in hand	49,107	137,130	186,237
Loans falling due within one year	(10,000)	-	(10,000)
Loans falling due after more than one year	(12,671)	10,010	(2,661)
	<u>26,436</u>	<u>147,140</u>	<u>173,576</u>

KELTON NURSERY

England & Wales - Charity number 1107519

Accounts

Charity registration number 1107519 (England and Wales)

Company registration number 1107519

KELTON NURSERY
ANNUAL REPORT AND UNAUDITED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2024



KELTON NURSERY

LEGAL AND ADMINISTRATIVE INFORMATION

Trustees	Mrs Nasr Kelly Mr L Owen Mrs W Carson	
Senior management	Ms L Darwin Ms C Mardsen	Nursery Manager Nursery Deputy Manager
Charity number (England and Wales)	1107519	
Company number	1107519	
Registered office	Kelton House Park Avenue Mossley Hill Liverpool Merseyside L18 8BT	
Independent examiner	Helen Furlong FCCA Xeinaidin North West Limited 46 Hamilton Square Birkenhead Wirral Merseyside CH41 5AR	

KELTON NURSERY

CONTENTS

	Page
Trsutees' report	1 - 4
Independent examiner's report	5
Statement of financial activities	6
Balance sheet	7
Statement of cash flows	8
Notes to the financial statements	9 - 17

KELTON NURSERY

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) FOR THE YEAR ENDED 31 MARCH 2024

The trustees present their annual report and financial statements for the year ended 31 March 2024.

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, the Companies Act 2006, FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" 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)".

Objectives and activities

The charity's objectives and principle activity is the provision of quality education to infants and children through the provision of day-care, after school, and holiday club services.

Public benefit

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

Activities

Our significant activities include:

- Nursery day-care services.
- Afterschool services
- Holiday club services

In setting our objectives and planning our activities the trustees have also considered the Charity Commission's general guidance on public benefit.

As a not for profit organisation, all profits is invested back into the provision to ensure that it is fully resourced and fit for purpose.

Kelton Nursery and After School is open to everyone within the community and beyond. It provides government funded places, and offers bursarial assistance to ensure equality of access to the provision. The provision of bursary assisted places ensures the needs of families with low income or other additional needs are catered for.

The nursery fees are determined by running costs, not profit. We are committed to keeping our fees competitive, and fee increases are only considered to ensure the continuation of the service.

Being a Charity with a Board of Trustees that is made up from parents, means that families not only benefit from excellent childcare, but can develop their own skills and knowledge by becoming part of the governance of the provision. Parents and families involved in Kelton can feel they are contributing to the wider community by becoming involved in supporting a charitable cause.

KELTON NURSERY

TRSUTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2024

Achievements and performance

Significant activities and achievements against objectives

We have had a productive year at Kelton and made progress in a number of areas to enrich the setting notably:-

- Reduced attrition levels by working collaboratively with staff to enhance the culture
- Implemented staff reward and recognition initiatives
- Room leads meet on a regular basis to share best practice and insight to enhance quality of childcare
- Support from parents via slush fund continues to be positive
- New website development
- External phonics lead attending nursery each week to support pre school children which will aid transition to school
- Increased volume of social events with parents, staff and children which has enhanced our relationship with parents as our partners
- Stabilised the management team structure which has had a positive impact on the culture within Kelton
- Developed, communicated and tested a lockdown policy

Recruitment

Earlier in the year we faced significant challenges (as have the rest of the country in a variety of sectors) around recruitment of staff which put additional pressure on the leadership team to cover rooms to maintain ratios. We focussed on developing a positive culture internally through a variety of initiatives which reduced our attrition levels towards the end of the financial year. The committee have been supporting the management team with initiatives to retain staff and attract the right calibre of employees. We carried out a review of salaries and adjusted accordingly to ensure we are competitive locally which enabled us to attract new talent.

Inflation

The impact of inflation effected the operating margins within the setting which resulted in us increasing the childcare fees in April 2024 to ensure we could cover the overheads of the business. We will be reviewing fees again in April 2024 to ensure that they are both fair and competitive.

Financial review

The charity has reported a deficit of £10,726 for the year to 31 March 2024 (2023: £40,087).

The impact of this deficit has resulted in a net current asset position of £(23,155) at the year end (2023: £2,007). Overall the charity has net assets of £715,371 (2023: £726,097). Free reserves (total reserves less fixed assets) amounted to a negative of £23,155 (2022 £23,674)

The trustees acknowledge the need for continued strong working capital management, together with regular review and monitoring of the number of children registered for its services on a month by month basis.

Reserves policy

It is the policy of the charity to try to build up modest unrestricted reserves, which are the free reserves of the charity, to a level which will provide assistance for the future operating costs. The trustees continue to work towards building reserves to an optimum range of between £65,000 and £195,000. At this level there would be sufficient free reserves to cover overhead costs for 1-3 months running costs.

Principal funding sources

The charity's primary source of income is generated from nursery fees. Fees are received in return for the provision of daycare, afterschool and holiday club services. Investment policy and objectives. The charity's funds are currently fully utilised for working capital with no surplus at this time for investment. At such a time this position changes the trustees will develop a suitable policy and set of objectives for investment.

Investment policy

The charity's funds are currently fully utilised for working capital with no surplus at this time for investment.

At such a time this position changes the trustees will develop a suitable policy and set of objectives for investment.

KELTON NURSERY

TRSUTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2024

Major risks

All existing policies and procedures are periodically reviewed by the senior management team to ensure that they continue to meet the changing needs of the charity and childcare business.

To support the management team, we have engaged a firm of Health and Safety consultants, who work with the staff to ensure all matters are dealt with appropriately.

The board have also engaged an HR consultant who is supporting develop a robust performance framework going forward.

All existing policies and procedures are periodically reviewed by the senior management team to ensure that they continue to meet the changing needs of the charity and childcare business.

The Board of Trustees began the process of creating a risk register last year, this continues in its development and will be reviewed during the year.

Plans for future periods

Our key priorities for the coming year are as follows:

- Ongoing staff support and development
- Review our financial controls within the nursery, reviewing ways to increase the nursery reserve
- Continue to increase the number of parent trustees, and explore the potential for more external trustees to develop the skills pool within the board
- Stabilise the board of trustees and recruit new trustees as these are vital to the continued running of the nursery
- Continue to strengthen the parents as partner relationship
- Implement new parent app and further develop our website
- Consider funding options for fundamental changes required to the building Structure, governance and management

Structure, governance and management

The charity is controlled by its governing document, a deed of trust, and constitutes a limited company, limited by guarantee, as defined by the Companies Act 2006.

The organisation is a charitable company limited by guarantee, incorporated on 15 October 2004 and registered as a charity on 7 January 2005. The company was established under a Memorandum of Association which established the objects and powers of the charitable company and is governed under its Articles of Association. In the event of the company being wound up the members are required to contribute an amount not exceeding £10.

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 Nasr Kelly
Mr L Owen
Mrs W Carson

Recruitment and appointment of trustees

The directors of the company are also charity trustees for the purposes of charity law. Under the requirements of the Memorandum and Articles of Association, one third of directors must retire at annual general meeting. The trustees of the charity are appointed by the members at each Annual General Meeting.

We are in the process of recruiting new trustees and see this as a valuable development to ensure the structure of an effective committee.

KELTON NURSERY

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2024

Organisational structure

The trustees meet on a regular basis and are responsible for the strategic direction and policy of the charity. Fee increases, wage awards and an annual budget are set by the trustees and performance against an agreed budget is reviewed monthly. The day to day operational management of the charity is carried out by the senior management team, supported by external financial and HR support.

Relationship with related parties

None of our trustees receive remuneration or other benefit from their work with the charity. Any relationship between a trustee or manager of the charity with a related party must be disclosed to the full board of trustees on appointment, a declaration of conflict of interest is also a standing agenda item at the bi-monthly trustee meetings. In the current year no such related party transactions were reported.

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

.....
Mrs Nasr Kelly
Trustee

Date:

KELTON NURSERY

INDEPENDENT EXAMINER'S REPORT TO THE TRUSTEES OF KELTON NURSERY

I report to the trustees on my examination of the financial statements of Kelton Nursery (the charity) for the year ended 31 March 2024.

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.

Having satisfied myself that the financial statements of the charity are not required to be audited under Part 16 of the Companies Act 2006 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. In carrying out my examination I have followed the Directions given by the Charity Commission under section 145(5)(b) of the Charities Act 2011.

Independent examiner's statement

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

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

- 1 accounting records were not kept in respect of the charity as required by section 386 of the Companies Act 2006.
- 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 Companies Act 2006 other than any requirement that the financial statements 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 financial statements 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 Furlong FCCA
Xeinadin North West Limited
46 Hamilton Square
Birkenhead
Wirral
Merseyside
CH41 5AR
Date:

KELTON NURSERY

STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 MARCH 2024

	Notes	Unrestricted funds 2024 £	Unrestricted funds 2023 £
Income and endowments from:			
Donations and legacies	3	3,000	-
Charitable activities	4	800,827	773,156
Other trading activities	5	1,477	-
Other income	6	500	-
		<hr/>	<hr/>
Total income		805,804	773,156
Expenditure on:			
Charitable activities	7	816,530	813,243
		<hr/>	<hr/>
Total expenditure		816,530	813,243
		<hr/>	<hr/>
Net expenditure and movement in funds		(10,726)	(40,087)
Reconciliation of funds:			
Fund balances at 1 April 2023		726,097	766,184
		<hr/>	<hr/>
Fund balances at 31 March 2024		715,371	726,097
		<hr/>	<hr/>

The statement of financial activities includes all gains and losses recognised in the year. All income and expenditure derive from continuing activities.

KELTON NURSERY

BALANCE SHEET

AS AT 31 MARCH 2024

	Notes	2024		2023	
		£	£	£	£
Fixed assets					
Tangible assets	13		738,526		749,771
Current assets					
Debtors	14	1,880		18,782	
Cash at bank and in hand		49,107		79,515	
		<u>50,987</u>		<u>98,297</u>	
Creditors: amounts falling due within one year	16	<u>(61,471)</u>		<u>(100,304)</u>	
Net current liabilities			<u>(10,484)</u>		<u>(2,007)</u>
Total assets less current liabilities			728,042		747,764
Creditors: amounts falling due after more than one year	17		<u>(12,671)</u>		<u>(21,667)</u>
Net assets			<u>715,371</u>		<u>726,097</u>
The funds of the charity					
Unrestricted funds	19		<u>715,371</u>		<u>726,097</u>
			<u>715,371</u>		<u>726,097</u>

The company is entitled to the exemption from the audit requirement contained in section 477 of the Companies Act 2006, for the year ended 31 March 2024.

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

.....
Mrs Nasr Kelly
Trustee

Company registration number 1107519 (England and Wales)

KELTON NURSERY

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 MARCH 2024

	Notes	2024 £	£	2023 £	£
Cash flows from operating activities					
Cash absorbed by operations	21		(9,297)		(92,677)
Investing activities					
Purchase of tangible fixed assets		(1,040)		(1,875)	
Net cash used in investing activities			(1,040)		(1,875)
Financing activities					
Repayment of bank loans		(20,071)		(28,627)	
Net cash used in financing activities			(20,071)		(28,627)
Net decrease in cash and cash equivalents			(30,408)		(123,179)
Cash and cash equivalents at beginning of year			79,515		202,694
Cash and cash equivalents at end of year			49,107		79,515

KELTON NURSERY

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2024

1 Accounting policies

Charity information

Kelton Nursery is a private company limited by guarantee incorporated in England and Wales. The registered office is Kelton House, Park Avenue Mossley Hill, Liverpool, Merseyside, L18 8BT.

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" 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)". 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.

Restricted funds are subject to specific conditions by donors or grantors 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 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.

KELTON NURSERY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2024

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 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:

Freehold land and buildings	1% on cost
Fixtures and fittings	25% reducing balance
Equipment	25% on cost
Motor vehicles	25% 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.

1.7 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.

KELTON NURSERY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2024

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.

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.

KELTON NURSERY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2024

3 Income from donations and legacies

	Unrestricted funds 2024 £	Unrestricted funds 2023 £
Donations and gifts	3,000	-

4 Income from charitable activities

	Unrestricted funds 2024 £	Unrestricted funds 2023 £
Day nursery and afterschool services		
Nursery fees	577,960	559,205
Afterschool fees	60,205	61,750
Holiday care	15,824	19,177
Early years' funding	146,838	133,024
	<u>800,827</u>	<u>773,156</u>

5 Income from other trading activities

	Unrestricted funds 2024 £	Unrestricted funds 2023 £
Fundraising events	1,477	-

6 Other income

	Unrestricted funds 2024 £	Unrestricted funds 2023 £
Other income	500	-

KELTON NURSERY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2024

7 Expenditure on charitable activities

	Day nursery and afterschool services 2024 £	Day nursery and afterschool services 2023 £
Direct costs		
Staff costs	640,222	626,809
Depreciation and impairment	12,285	13,586
Food and kitchen costs	21,595	22,365
Nursery resources and equipment	14,823	22,481
Insurance	5,171	4,334
Rates	9,139	9,270
Travel and motor expenses	4,642	5,143
Printing, stationery and postage	2,746	2,909
Internet, computer and telephone costs	9,245	7,403
Repairs and maintenance	25,958	28,652
Electricity and gas	22,572	21,281
Sundry expenses	3,770	3,269
Security costs	9,750	8,408
Hygiene and waste costs	7,566	6,927
Leasing and equipment costs	8,131	6,394
Training and subscriptions	2,690	5,780
Other charitable expenditure	857	-
	<u>801,162</u>	<u>795,011</u>
Share of support and governance costs (see note 8)		
Support	12,968	15,232
Governance	2,400	3,000
	<u>816,530</u>	<u>813,243</u>
Analysis by fund		
Unrestricted funds	<u>816,530</u>	<u>813,243</u>

KELTON NURSERY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2024

8 Support costs allocated to activities

	2024	2023
	£	£
Payroll and bookkeeping fees	8,532	10,563
Professional fees	2,780	1,900
Bank charges	695	1,196
Loan interest paid	961	1,573
Governance costs	2,400	3,000
	<u>15,368</u>	<u>18,232</u>
Analysed between:		
Day nursery and afterschool services	<u>15,368</u>	<u>18,232</u>

9 Net movement in funds

	2024	2023
	£	£
The net movement in funds is stated after charging/(crediting):		
Fees payable for the independent examination of the charity's financial statements	1,200	1,200
Depreciation of owned tangible fixed assets	12,285	13,586
	<u>13,485</u>	<u>14,786</u>

10 Trustees

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

11 Employees

The average monthly number of employees during the year was:

	2024	2023
	Number	Number
Charitable staff	27	27
Management staff	2	2
	<u>29</u>	<u>29</u>

Employment costs

	2024	2023
	£	£
Wages and salaries	598,895	584,955
Social security costs	32,373	32,958
Other pension costs	8,954	8,896
	<u>640,222</u>	<u>626,809</u>

KELTON NURSERY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2024

11 Employees

(Continued)

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

Remuneration of key management personnel

The remuneration of key management personnel amounted to £86,106 (2023 £73,589)

12 Taxation

The charity is exempt from taxation on its activities because all its income is applied for charitable purposes.

13 Tangible fixed assets

	Freehold land and buildings	Fixtures and fittings	Equipment	Motor vehicles	Total
	£	£	£	£	£
Cost					
At 1 April 2023	901,445	44,605	112,485	29,520	1,088,055
Additions	-	-	1,040	-	1,040
At 31 March 2024	901,445	44,605	113,525	29,520	1,089,095
Depreciation and impairment					
At 1 April 2023	161,547	36,547	110,670	29,520	338,284
Depreciation charged in the year	9,011	2,000	1,274	-	12,285
At 31 March 2024	170,558	38,547	111,944	29,520	350,569
Carrying amount					
At 31 March 2024	730,887	6,058	1,581	-	738,526
At 31 March 2023	739,898	8,058	1,815	-	749,771

14 Debtors

	2024	2023
	£	£
Amounts falling due within one year:		
Trade debtors	340	17,338
Prepayments and accrued income	1,540	1,444
	1,880	18,782

KELTON NURSERY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2024

15 Loans and overdrafts

	2024	2023
	£	£
Bank loans	22,671	42,742
Payable within one year	10,000	21,075
Payable after one year	12,671	21,667

The bank loan represents a bounce back loan which is repayable over 6 years. Interest is charged at 2 %

16 Creditors: amounts falling due within one year

	Notes	2024	2023
		£	£
Bank loans	15	10,000	21,075
Trade creditors		4,320	-
Other creditors		18,057	42,709
Accruals and deferred income		29,094	36,520
		61,471	100,304

17 Creditors: amounts falling due after more than one year

	Notes	2024	2023
		£	£
Bank loans	15	12,671	21,667

18 Retirement benefit schemes

	2024	2023
	£	£
Defined contribution schemes		
Charge to profit or loss in respect of defined contribution schemes	8,954	8,896

The charity operates a defined contribution pension scheme for all qualifying employees. The assets of the scheme are held separately from those of the charity in an independently administered fund.

The charity operates a defined contribution pension scheme for all qualifying employees. The assets of the scheme are held separately from those of the charity in an independently administered fund.

KELTON NURSERY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2024

19 Unrestricted funds

The unrestricted funds of the charity comprise the unexpended balances of donations and grants which are not subject to specific conditions by donors and grantors as to how they may be used. These include designated funds which have been set aside out of unrestricted funds by the trustees for specific purposes.

	At 1 April 2023 £	Incoming resources £	Resources expended £	At 31 March 2024 £
General funds	726,097	805,804	(816,530)	715,371
Previous year:	At 1 April 2022 £	Incoming resources £	Resources expended £	At 31 March 2023 £
General funds	766,184	773,156	(813,243)	726,097

20 Related party transactions

There were no disclosable related party transactions during the year (2023 - none).

21 Cash absorbed by operations

	2024 £	2023 £
Deficit for the year	(10,726)	(40,087)
Adjustments for:		
Depreciation and impairment of tangible fixed assets	12,285	13,586
Movements in working capital:		
Decrease/(increase) in debtors	16,902	(1,773)
(Decrease) in creditors	(27,758)	(64,403)
Cash absorbed by operations	(9,297)	(92,677)

22 Analysis of changes in net funds

	At 1 April 2023 £	Cash flows £	At 31 March 2024 £
Cash at bank and in hand	79,515	(30,408)	49,107
Loans falling due within one year	(21,075)	11,075	(10,000)
Loans falling due after more than one year	(21,667)	8,996	(12,671)
	<u>36,773</u>	<u>(10,337)</u>	<u>26,436</u>

KELTON NURSERY

England & Wales - Charity number 1107519

Accounts

Charity registration number 1107519

Company registration number 05261351 (England and Wales)

KELTON NURSERY
ANNUAL REPORT AND UNAUDITED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023

KELTON NURSERY

LEGAL AND ADMINISTRATIVE INFORMATION

Trustees	Mrs W Carson Mrs Nsar Kelly Mr L Owen
Nursery Manager	Ms L Darwin
Charity number	1107519
Company number	05261351
Registered office	Kelton House Park Avenue Mossley Hill Liverpool Merseyside L18 8BT
Independent examiner	Helen Furlong FCCA McLintocks (NW) Limited 46 Hamilton Square Birkenhead Wirral Merseyside CH41 5AR

KELTON NURSERY

CONTENTS

	Page
Trustees' report	1 - 4
Independent examiner's report	5
Statement of financial activities	6
Balance sheet	7
Statement of cash flows	8
Notes to the financial statements	9 - 17

KELTON NURSERY

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) FOR THE YEAR ENDED 31 MARCH 2023

The trustees present their annual report and financial statements for the year ended 31 March 2023.

The financial statements have been prepared in accordance with the accounting policies set out in note 1 to the financial statements and comply with the charity's Memorandum and Articles of Association, the Companies Act 2006 and "Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019)".

Objectives and activities

The charity's objectives and principle activity is the provision of quality education to infants and children through the provision of day-care, after school, and holiday club services.

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

Our significant activities include:

- Nursery day-care services.
- Afterschool services
- Holiday club services

In setting our objectives and planning our activities the trustees have also considered the Charity Commission's general guidance on public benefit.

As a not for profit organisation, all profits is invested back into the provision to ensure that it is fully resourced and fit for purpose.

Kelton Nursery and After School is open to everyone within the community and beyond. It provides government funded places, and offers bursarial assistance to ensure equality of access to the provision. The provision of bursary assisted places ensures the needs of families with low income or other additional needs are catered for.

The nursery fees are determined by running costs, not profit. We are committed to keeping our fees competitive, and fee increases are only considered to ensure the continuation of the service.

Being a Charity with a Board of Trustees that is made up from parents, means that families not only benefit from excellent childcare, but can develop their own skills and knowledge by becoming part of the governance of the provision. Parents and families involved in Kelton can feel they are contributing to the wider community by becoming involved in supporting a charitable cause.

KELTON NURSERY

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2023

Achievements and performance

We have had a very challenging year at Kelton. Key achievements are as follows:

Recruitment

We have faced significant challenges (as have the rest of the country in a variety of sectors) around recruitment of staff which has put additional pressure on the leadership team to cover rooms to maintain ratios. Covid has had a detrimental impact on the recruitment of childcare staff since lockdown ended in 2020 which remains a sector wide issue. As a result of this the setting has struggled to recruit and retain staff this year. The committee have been supporting the management team with recruitment initiatives to attract new employees.

New Intakes

The difficulties with recruitment have also resulted in the setting having to reduce the intake of children in the nursery. As we continue to have a challenge around attracting new staff the management team have reduced the intake of new children to ensure we have sufficient ratios of staff to children.

Roof Repairs

We had invested significantly in roof repairs and concluded roof and other repairs this year that were planned in our asset strategy.

Inflation

The impact of inflation effected the operating margins within the setting which resulted in us raising the childcare fees in April 2023 to ensure we could cover the overheads of the business. We will be reviewing fees again in April 2024 to ensure that they are both fair and competitive.

Financial review

The charity has reported a deficit of £40,087 for the year to 31 March 2023 (2022: Surplus £6,357).

The impact of this deficit has resulted in a net current asset position of £(2,007) at the year end (2022: £47,596). Overall the charity has net assets of £726,097 (2022: £766,184). Free reserves (total reserves less fixed assets) amounted to a negative of £23,673 (2022 £4,703)

The trustees acknowledge the need for continued strong working capital management, together with regular review and monitoring of the number of children registered for its services on a month by month basis.

Reserves policy

It is the policy of the charity to try to build up modest unrestricted reserves, which are the free reserves of the charity, to a level which will provide assistance for the future operating costs. The trustees continue to work towards building reserves to an optimum range of between £65,000 and £195,000. At this level there would be sufficient free reserves to cover overhead costs for 1-3 months running costs.

Principal funding sources

The charity's primary source of income is generated from nursery fees. Fees are received in return for the provision of daycare, afterschool and holiday club services.

Investment policy and objectives

The charity's funds are currently fully utilised for working capital with no surplus at this time for investment.

At such a time this position changes the trustees will develop a suitable policy and set of objectives for investment.

KELTON NURSERY

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2023

Risk Management

All existing policies and procedures are periodically reviewed by the senior management team to ensure that they continue to meet the changing needs of the charity and childcare business.

To support the management team, we have engaged a firm of Health and Safety consultants, who work with the staff to ensure all matters are dealt with appropriately.

The board have also engaged an HR consultant who is supporting develop a robust performance framework going forward.

All existing policies and procedures are periodically reviewed by the senior management team to ensure that they continue to meet the changing needs of the charity and childcare business.

The Board of Trustees continue to work with the management team to review the risk register.

All existing policies and procedures are periodically reviewed by the senior management team to ensure that they continue to meet the changing needs of the charity and childcare business.

The Board of Trustees began the process of creating a risk register last year, this continues in its development, and will be reviewed during the year.

Plans for future periods

Our key priorities for the coming year are as follows:

- Continue to act on the recommendations from the Ofsted inspection
- Ongoing staff support and development
- Review our financial controls within the nursery, reviewing ways to increase the nursery reserve
- Continue to increase the number of parent trustees, and explore the potential for more external trustees to develop the skills pool within the board
- Stabilise the board of trustees and recruit new trustees as these are vital to the continued running of the nursery
- Continue to strengthen the parents as partner relationship
- Consider funding options for fundamental changes required to the building

Structure, governance and management

The charity is controlled by its governing document, a deed of trust, and constitutes a limited company, limited by guarantee, as defined by the Companies Act 2006.

The organisation is a charitable company limited by guarantee, incorporated on 15 October 2004 and registered as a charity on 7 January 2005. The company was established under a Memorandum of Association which established the objects and powers of the charitable company and is governed under its Articles of Association. In the event of the company being wound up the members are required to contribute an amount not exceeding £10.

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 W Carson
Mrs Nsar Kelly
Mr L Owen

KELTON NURSERY

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED) *FOR THE YEAR ENDED 31 MARCH 2023*

The directors of the company are also charity trustees for the purposes of charity law. Under the requirements of the Memorandum and Articles of Association, one third of directors must retire at annual general meeting. The trustees of the charity are appointed by the members at each Annual General Meeting.

We are in the process of recruiting new trustees and see this as a valuable development to ensure the structure of an effective committee.

Organisational structure

The trustees meet on a regular basis and are responsible for the strategic direction and policy of the charity. Fee increases, wage awards and an annual budget are set by the trustees and performance against an agreed budget is reviewed monthly. The day to day operational management of the charity is carried out by the senior management team, supported by external financial and HR support.

Related Parties

None of our trustees receive remuneration or other benefit from their work with the charity. Any relationship between a trustee or manager of the charity with a related party must be disclosed to the full board of trustees on appointment, a declaration of conflict of interest is also a standing agenda item at the bi-monthly trustee meetings. In the current year no such related party transactions were reported.

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

Mrs Nsar Kelly

Trustee

20 December 2023

KELTON NURSERY

INDEPENDENT EXAMINER'S REPORT TO THE TRUSTEES OF KELTON NURSERY

I report to the trustees on my examination of the financial statements of Kelton Nursery (the charity) for the year ended 31 March 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 the Association of Chartered Certified Accountants, which is one of the listed bodies.

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

- 1 accounting records were not kept in respect of the charity as required by section 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 Furlong FCCA
McLintocks (NW) Limited

46 Hamilton Square
Birkenhead
Wirral
Merseyside
CH41 5AR

Dated:

KELTON NURSERY

STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 MARCH 2023

		Unrestricted funds	Unrestricted funds
		2023	2022
	Notes	£	£
<u>Income from:</u>			
Donations and legacies	3	-	2,257
Charitable activities	4	773,156	805,164
		<hr/>	<hr/>
Total income		773,156	807,421
		<hr/>	<hr/>
<u>Expenditure on:</u>			
Charitable activities	5	813,243	801,064
		<hr/>	<hr/>
Net (expenditure)/income for the year/ Net movement in funds		(40,087)	6,357
Fund balances at 1 April 2022		766,184	759,827
		<hr/>	<hr/>
Fund balances at 31 March 2023		726,097	766,184
		<hr/> <hr/>	<hr/> <hr/>

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.

KELTON NURSERY

BALANCE SHEET

AS AT 31 MARCH 2023

	Notes	2023 £	£	2022 £	£
Fixed assets					
Tangible assets	10		749,771		761,481
Current assets					
Debtors	11	18,782		17,009	
Cash at bank and in hand		79,515		202,694	
		<u>98,297</u>		<u>219,703</u>	
Creditors: amounts falling due within one year	13	<u>(100,304)</u>		<u>(172,107)</u>	
Net current (liabilities)/assets			<u>(2,007)</u>		<u>47,596</u>
Total assets less current liabilities			747,764		809,077
Creditors: amounts falling due after more than one year	14		<u>(21,667)</u>		<u>(42,893)</u>
Net assets			<u>726,097</u>		<u>766,184</u>
Income funds					
Unrestricted funds			<u>726,097</u>		<u>766,184</u>
			<u>726,097</u>		<u>766,184</u>

The company is entitled to the exemption from the audit requirement contained in section 477 of the Companies Act 2006, for the year ended 31 March 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 20 December 2023

Mrs Nsar Kelly
Trustee

Company Registration No. 05261351

KELTON NURSERY

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 MARCH 2023

	Notes	2023 £	£	2022 £	£
Cash flows from operating activities					
Cash (absorbed by)/generated from operations	17		(92,677)		86,815
Investing activities					
Purchase of tangible fixed assets		(1,875)		(1,949)	
Net cash used in investing activities			(1,875)		(1,949)
Financing activities					
Repayment of bank loans		(28,627)		(26,690)	
Net cash used in financing activities			(28,627)		(26,690)
Net (decrease)/increase in cash and cash equivalents			(123,179)		58,176
Cash and cash equivalents at beginning of year			202,694		144,518
Cash and cash equivalents at end of year			<u>79,515</u>		<u>202,694</u>

KELTON NURSERY

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2023

1 Accounting policies

Charity information

Kelton Nursery is a private company limited by guarantee incorporated in England and Wales. The registered office is Kelton House, Park Avenue Mossley Hill, Liverpool, Merseyside, L18 8BT.

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.

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 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.

Grants are included as income from activities in furtherance of the charity's objectives where these amount to a contract for services but as voluntary income where the money is given in response to an appeal or with greater freedom for use.

KELTON NURSERY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2023

1 Accounting policies

(Continued)

1.5 Expenditure

Expenditure is recognised on an accrual basis as a liability is incurred. Expenditure includes any VAT which cannot be fully recovered and is reported as part of the expenditure to which it relates.

Charitable expenditure comprises those costs incurred by the charity in the delivery of its activities and services for its beneficiaries. It includes both costs that can be allocated directly to such activities and those costs of an indirect nature necessary to support them.

Governance costs include those costs associated with meeting the constitutional and statutory requirements of the charity and include the audit fees and costs linked to the strategic management of the charity.

All costs are allocated between the expenditure categories of the SOFA on a basis designed to reflect the use of the resource. Costs relating to a particular activity are allocated directly; others are apportioned on an appropriate basis.

Support costs are those costs that assist the work of the charity but do not directly represent charitable activities and include office costs, governance costs, administration costs. Where support costs cannot be directly attributable to particular headings they have been allocated on a percentage of time spent on these activities.

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:

Freehold land and buildings	1% on cost
Fixtures and fittings	25% reducing balance
Equipment	25% on cost
Motor vehicles	25% 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.

1.7 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.

KELTON NURSERY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

1 Accounting policies

(Continued)

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.

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.

KELTON NURSERY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2023

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 Donations and legacies

	Total Unrestricted funds	
	2023	2022
	£	£
Donations and gifts	-	75
Government CJRS grant	-	2,182
	<u>-</u>	<u>2,257</u>

4 Charitable activities

	Day nursery and after school services	Day nursery and after school services
	2023	2022
	£	£
Nursery fees	559,205	570,524
Afterschool fees	61,750	62,147
Holiday care	19,177	17,110
Early years' funding	133,024	155,383
	<u>773,156</u>	<u>805,164</u>

KELTON NURSERY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2023

5 Charitable activities

	Day nursery and after school services 2023 £	Day nursery and after school services 2022 £
Staff costs	626,809	573,916
Depreciation and impairment	13,586	14,794
Food and kitchen costs	22,365	21,219
Nursery resources and equipment	22,481	16,847
Insurance	4,334	4,089
Rates	9,270	2,858
Travel and motor expenses	5,143	4,438
Printing, stationery and postage	2,909	3,793
Internet, computer and telephone costs	7,403	7,461
Repairs and maintenance	28,652	79,784
Electricity and gas	21,281	16,636
Sundry expenses	3,269	10,272
Security costs	8,408	7,479
Hygiene and waste costs	6,927	8,925
Leasing and equipment costs	6,394	6,394
Training and subscriptions	5,780	2,677
	<u>795,011</u>	<u>781,582</u>
Share of support costs (see note 6)	15,232	16,482
Share of governance costs (see note 6)	3,000	3,000
	<u>813,243</u>	<u>801,064</u>

KELTON NURSERY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2023

6 Support costs

	Support costs	Governance costs	2023	Support costs	Governance costs	2022
	£	£	£	£	£	£
Payroll and bookkeeping fees	10,563	-	10,563	11,010	-	11,010
Consultancy fees	-	-	-	380	-	380
Legal and professional fees	1,900	-	1,900	2,190	-	2,190
Bank charges	1,196	-	1,196	1,321	-	1,321
Loan interest paid	1,573	-	1,573	1,581	-	1,581
Accountancy	-	1,800	1,800	-	1,800	1,800
Legal and professional	-	1,200	1,200	-	-	-
Independent examination fee	-	-	-	-	1,200	1,200
	<u>15,232</u>	<u>3,000</u>	<u>18,232</u>	<u>16,482</u>	<u>3,000</u>	<u>19,482</u>
Analysed between Charitable activities	<u>15,232</u>	<u>3,000</u>	<u>18,232</u>	<u>16,482</u>	<u>3,000</u>	<u>19,482</u>

7 Trustees

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

8 Employees

The average monthly number of employees during the year was:

	2023	2022
	Number	Number
Charitable staff	27	28
Management staff	2	2
Total	<u>29</u>	<u>30</u>
Employment costs	2023	2022
	£	£
Wages and salaries	584,955	537,993
Social security costs	32,958	28,016
Other pension costs	8,896	7,907
	<u>626,809</u>	<u>573,916</u>

KELTON NURSERY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2023

8 Employees

(Continued)

The key management remuneration amounted to £73,589 (2022 £68,171).

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

9 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.

10 Tangible fixed assets

	Freehold land and buildings	Fixtures and fittings	Equipment	Motor vehicles	Total
	£	£	£	£	£
Cost					
At 1 April 2022	901,445	43,444	111,771	29,520	1,086,180
Additions	-	1,161	714	-	1,875
At 31 March 2023	901,445	44,605	112,485	29,520	1,088,055
Depreciation and impairment					
At 1 April 2022	152,536	33,877	108,765	29,520	324,698
Depreciation charged in the year	9,011	2,670	1,905	-	13,586
At 31 March 2023	161,547	36,547	110,670	29,520	338,284
Carrying amount					
At 31 March 2023	739,898	8,058	1,815	-	749,771
At 31 March 2022	748,909	9,566	3,006	-	761,481

11 Debtors

	2023	2022
	£	£
Amounts falling due within one year:		
Trade debtors	17,338	11,219
Prepayments and accrued income	1,444	5,790
	18,782	17,009

KELTON NURSERY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2023

12 Loans and overdrafts

	2023 £	2022 £
Bank loans	42,742	71,368
Payable within one year	21,075	28,475
Payable after one year	21,667	42,893

The bank loan is secured by the legal charges over freehold property Kelton House and David House Cottage, Park Avenue, Liverpool, dated 14 November 2005.

13 Creditors: amounts falling due within one year

	Notes	2023 £	2022 £
Bank loans	12	21,075	28,475
Other taxation and social security		-	7,557
Other creditors		42,709	40,364
Accruals and deferred income		36,520	95,711
		100,304	172,107

14 Creditors: amounts falling due after more than one year

	Notes	2023 £	2022 £
Bank loans	12	21,667	42,893

15 Retirement benefit schemes

Defined contribution schemes

The charity operates a defined contribution pension scheme for all qualifying employees. The assets of the scheme are held separately from those of the charity in an independently administered fund. At 31 March 2023 there was an amount outstanding of £1,804 (2022 £1,632)

16 Related party transactions

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

KELTON NURSERY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2023

17	Cash generated from operations		2023	2022
			£	£
	(Deficit)/surplus for the year		(40,087)	6,357
	Adjustments for:			
	Depreciation and impairment of tangible fixed assets		13,586	14,794
	Movements in working capital:			
	(Increase) in debtors		(1,773)	(3,177)
	(Decrease)/increase in creditors		(64,403)	68,841
	Cash (absorbed by)/generated from operations		(92,677)	86,815
18	Analysis of changes in net funds			
		At 1 April 2022	Cash flows	At 31 March 2023
		£	£	£
	Cash at bank and in hand	202,694	(123,179)	79,515
	Loans falling due within one year	(28,475)	7,400	(21,075)
	Loans falling due after more than one year	(42,893)	21,226	(21,667)
		<u>131,326</u>	<u>(94,553)</u>	<u>36,773</u>

KELTON NURSERY

England & Wales - Charity number 1107519

Accounts

Charity registration number 1107519

Company registration number 05261351 (England and Wales)

KELTON NURSERY
ANNUAL REPORT AND UNAUDITED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022

KELTON NURSERY

LEGAL AND ADMINISTRATIVE INFORMATION

Trustees	Mrs W Carson Mrs Nsar Kelly Mr L Owen	(Appointed 7 January 2022)
Nursery Manager	Ms L Darwin	
Charity number	1107519	
Company number	05261351	
Registered office	Kelton House Park Avenue Mossley Hill Liverpool Merseyside L18 8BT	
Independent examiner	Helen Furlong FCCA McLintocks (NW) Limited 46 Hamilton Square Birkenhead Wirral Merseyside CH41 5AR	

KELTON NURSERY

CONTENTS

	Page
Trustees' report	1 - 4
Independent examiner's report	5
Statement of financial activities	6
Balance sheet	7
Statement of cash flows	8
Notes to the financial statements	9 - 17

KELTON NURSERY

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT)

FOR THE YEAR ENDED 31 MARCH 2022

The trustees present their annual report and financial statements for the year ended 31 March 2022.

The financial statements have been prepared in accordance with the accounting policies set out in note 1 to the financial statements and comply with the charity's Memorandum and Articles of Association, the Companies Act 2006 and "Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019)".

Objectives and activities

The charity's objectives and principle activity is the provision of quality education to infants and children through the provision of day-care, after school, and holiday club services.

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

Out significant activities include:

- Nursery day-care services.
- Afterschool services.
- Holiday club services.
- Fundraising.

In setting our objectives and planning our activities the trustees have also considered the Charity Commission's general guidance on public benefit.

As a not for profit organisation, all profits is invested back into the provision to ensure that it is fully resourced and fit for purpose.

Kelton Nursery and After School is open to everyone within the community and beyond. It provides government funded places, and also offers bursarial assistance to ensure equality of access to the provision. The provision of bursary assisted places ensures the needs of families with low income or other additional needs are catered for.

The nursery fees are determined by running costs, not profit. We are committed to keeping our fees competitive, and fee increases are only considered to ensure the continuation of the service.

Being a Charity with a Board of Trustees that is made up from parents, means that families not only benefit from excellent childcare, but can develop their own skills and knowledge by becoming part of the governance of the provision. Parents and families involved in Kelton can feel they are contributing to the wider community by becoming involved in supporting a charitable cause.

KELTON NURSERY

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2022

Achievements and performance

We have again had a very challenging year at Kelton.

Key achievements are as follows:

Ofsted

In April 2022 we received a "Good" rating from Ofsted which is not only a massive achievement for the setting but also reassuring for parents and a morale boost for staff. We acknowledge it's been difficult for parents over the last 12 months as we have felt the impact of covid which has resulted in restricting attending the setting however the rating from Ofsted will further reassure parents that the setting is operating proficiently and effectively to satisfy the "good" rating.

Recruitment

We have faced significant challenges (as have the rest of the country in a variety of sectors) around recruitment of staff which has put additional pressure on the leadership team to cover rooms to maintain ratios. As a result of this the leadership proposed we changed our requirements and recruitment approach to attract people from alternative markets that would like a career change. This has been of real benefit to us, and we have been able to appoint into some key positions that have been vacant for some time it has also enabled us to reduce some of our costs as it has negated the need for us to utilise agency resource to maintain ratios.

Retention of our Staff

We have been supporting the leadership team to implement initiatives to retain our staff and make Kelton a great place to work and recognise the value our staff make on a daily basis.

Kelton Curriculum

The leadership team have worked hard to develop a framework alongside the staff to maintain levels of consistency through the settings in all rooms. The curriculum has enabled the staff to identify areas for development and implement the necessary plans to address and it has also enabled the leadership team to manage performance, outputs and consistency throughout.

Financial review

The charity has reported a surplus of £6,357 for the year to 31 March 2022 (2021: 34,361).

The impact of this surplus has resulted in a net current asset position of £47,596 at the year end (2021: £56,902). Overall the charity has net assets of £766,184 (2021: £759,827). Free reserves (total reserves less fixed assets) amounted to £4,703 (2021: negative of £14,500)

The trustees acknowledge the need for continued strong working capital management, together with regular review and monitoring of the number of children registered for its services on a month by month basis.

Reserves policy

It is the policy of the charity to try to build up modest unrestricted reserves, which are the free reserves of the charity, to a level which will provide assistance for the future operating costs. The trustees continue to work towards building reserves to an optimum range of between £75,000 and £225,000. At this level there would be sufficient free reserves to cover overhead costs for 1-3 months running costs. The COVID pandemic has had an effect on funding, and will continue to do so for a period of time, as numbers of children continue to build.

Principal funding sources

The charity's primary source of income is generated from nursery fees. Fees are received in return for the provision of daycare, afterschool and holiday club services.

Investment policy and objectives

The charity's funds are currently fully utilised for working capital with no surplus at this time for investment.

At such a time this position changes the trustees will develop a suitable policy and set of objectives for investment.

KELTON NURSERY

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2022

Risk Management

The nursery operated through most of the COVID-19 pandemic shutting during the first lock down, it managed the re-opening of the service extremely well and was commended by parents, for enabling them to continue to work, with peace of mind that their children were safe.

All existing policies and procedures are periodically reviewed by the senior management team to ensure that they continue to meet the changing needs of the charity and childcare business. The Board of Trustees began the process of creating a risk register last year, this continues in its development, and will be reviewed during the year.

To support the management team, we have engaged a firm of Health and Safety consultants, who work with the staff to ensure all matters are dealt with appropriately.

The board have also engaged an HR consultant who is working with the team to review job descriptions and develop a robust performance framework going forward.

All existing policies and procedures are periodically reviewed by the senior management team to ensure that they continue to meet the changing needs of the charity and childcare business.

The Board of Trustees began the process of creating a risk register last year, this continues in its development, and will be reviewed during the year.

Plans for future periods

As reported in last year's Trustee report the COVID pandemic has a significant effect on the setting, and the staff and board members showed admirable resilience in being able to continue to operate under such difficult circumstance.

Our key priorities for the coming year are as follows:

- Continue to act on the recommendations from the Ofsted inspection
- Ongoing staff support and development
- Review our financial controls within the nursery, reviewing ways to increase the nursery reserve
- Continue to increase the number of parent trustees, and explore the potential for more external trustees to develop the skills pool within the board
- Stabilise the board of trustees and recruit new trustees as these are vital to the continued running of the nursery
- Continue to strengthen the parents as partner relationship
- Conclude the work to the building
- Consider funding options for fundamental changes required to the building

Structure, governance and management

The charity is controlled by its governing document, a deed of trust, and constitutes a limited company, limited by guarantee, as defined by the Companies Act 2006.

The organisation is a charitable company limited by guarantee, incorporated on 15 October 2004 and registered as a charity on 7 January 2005. The company was established under a Memorandum of Association which established the objects and powers of the charitable company and is governed under its Articles of Association. In the event of the company being wound up the members are required to contribute an amount not exceeding £10.

KELTON NURSERY

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2022

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 W Carson

Ms A Cornmell

Mrs Nsar Kelly

Mr L Owen

(Resigned 7 January 2022)

(Appointed 7 January 2022)

The directors of the company are also charity trustees for the purposes of charity law. Under the requirements of the Memorandum and Articles of Association, one third of directors must retire at annual general meeting. The trustees of the charity are appointed by the members at each Annual General Meeting.

We are in the process of recruiting new trustees and see this as a valuable development to ensure the structure of an effective committee.

Organisational structure

The trustees meet on a regular basis and are responsible for the strategic direction and policy of the charity. Fee increases, wage awards and an annual budget are set by the trustees and performance against an agreed budget is reviewed monthly. The day to day operational management of the charity is carried out by the senior management team, supported by external financial and HR support.

Related Parties

None of our trustees receive remuneration or other benefit from their work with the charity. Any relationship between a trustee or manager of the charity with a related party must be disclosed to the full board of trustees on appointment, a declaration of conflict of interest is also a standing agenda item at the bi-monthly trustee meetings. In the current year no such related party transactions were reported.

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



Mrs Nsar Kelly

Trustee

17 November 2022

KELTON NURSERY

INDEPENDENT EXAMINER'S REPORT TO THE TRUSTEES OF KELTON NURSERY

I report to the trustees on my examination of the financial statements of Kelton Nursery (the charity) for the year ended 31 March 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.

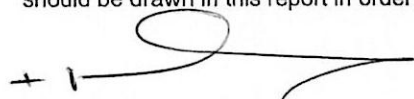
Independent examiner's statement

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 , 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 Furlong FCCA
McLintocks (NW) Limited

46 Hamilton Square
Birkenhead
Wirral
Merseyside
CH41 5AR

Dated: 17 November 2022

KELTON NURSERY

STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT FOR THE YEAR ENDED 31 MARCH 2022

	Notes	Unrestricted funds 2022 £	Unrestricted funds 2021 £
<u>Income and endowments from:</u>			
Donations and legacies	3	2,257	122,983
Charitable activities	4	805,164	620,328
Other income	5	-	19,601
Total income		<u>807,421</u>	<u>762,912</u>
<u>Expenditure on:</u>			
Charitable activities	6	<u>801,064</u>	<u>728,551</u>
Net income for the year/ Net movement in funds		6,357	34,361
Fund balances at 1 April 2021		<u>759,827</u>	<u>725,466</u>
Fund balances at 31 March 2022		<u><u>766,184</u></u>	<u><u>759,827</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.

KELTON NURSERY

BALANCE SHEET

AS AT 31 MARCH 2022

	Notes	2022		2021	
		£	£	£	£
Fixed assets					
Tangible assets	10		761,481		774,327
Current assets					
Debtors	11	17,009		13,832	
Cash at bank and in hand		202,694		144,518	
		<u>219,703</u>		<u>158,350</u>	
Creditors: amounts falling due within one year	13	<u>(172,107)</u>		<u>(101,448)</u>	
Net current assets			<u>47,596</u>		<u>56,902</u>
Total assets less current liabilities			<u>809,077</u>		<u>831,229</u>
Creditors: amounts falling due after more than one year	14		<u>(42,893)</u>		<u>(71,402)</u>
Net assets			<u><u>766,184</u></u>		<u><u>759,827</u></u>
Income funds					
Unrestricted funds			<u>766,184</u>		<u>759,827</u>
			<u><u>766,184</u></u>		<u><u>759,827</u></u>

The company is entitled to the exemption from the audit requirement contained in section 477 of the Companies Act 2006, for the year ended 31 March 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 17 November 2022



Mrs Nsar Kelly
Trustee

Company Registration No. 05261351

KELTON NURSERY

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 MARCH 2022

	Notes	2022 £	£	2021 £	£
Cash flows from operating activities					
Cash generated from operations	17		86,815		39,014
Investing activities					
Purchase of tangible fixed assets		(1,949)		(2,343)	
Net cash used in investing activities			(1,949)		(2,343)
Financing activities					
Repayment of bank loans		(26,690)		40,817	
Net cash (used in)/generated from financing activities			(26,690)		40,817
Net increase in cash and cash equivalents			58,176		77,488
Cash and cash equivalents at beginning of year			144,518		67,030
Cash and cash equivalents at end of year			<u>202,694</u>		<u>144,518</u>

KELTON NURSERY

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2022

1 Accounting policies

Charity information

Kelton Nursery is a private company limited by guarantee incorporated in England and Wales. The registered office is Kelton House, Park Avenue Mossley Hill, Liverpool, Merseyside, L18 8BT.

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.

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 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.

Grants are included as income from activities in furtherance of the charity's objectives where these amount to a contract for services but as voluntary income where the money is given in response to an appeal or with greater freedom for use.

KELTON NURSERY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2022

1 Accounting policies

(Continued)

1.5 Expenditure

Expenditure is recognised on an accrual basis as a liability is incurred. Expenditure includes any VAT which cannot be fully recovered and is reported as part of the expenditure to which it relates.

Charitable expenditure comprises those costs incurred by the charity in the delivery of its activities and services for its beneficiaries. It includes both costs that can be allocated directly to such activities and those costs of an indirect nature necessary to support them.

Governance costs include those costs associated with meeting the constitutional and statutory requirements of the charity and include the audit fees and costs linked to the strategic management of the charity.

All costs are allocated between the expenditure categories of the SOFA on a basis designed to reflect the use of the resource. Costs relating to a particular activity are allocated directly; others are apportioned on an appropriate basis.

Support costs are those costs that assist the work of the charity but do not directly represent charitable activities and include office costs, governance costs, administration costs. Where support costs cannot be directly attributable to particular headings they have been allocated on a percentage of time spent on these activities.

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:

Freehold land and buildings	1% on cost
Fixtures and fittings	25% reducing balance
Equipment	25% on cost
Motor vehicles	25% 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.

1.7 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.

KELTON NURSERY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2022

1 Accounting policies

(Continued)

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.

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.

KELTON NURSERY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2022

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 Donations and legacies

	Unrestricted funds	Unrestricted funds
	2022	2021
	£	£
Donations and gifts	75	100
Government CJRS grant	2,182	122,883
	<u>2,257</u>	<u>122,983</u>

4 Charitable activities

	Day nursery and after school services	Day nursery and after school services
	2022	2021
	£	£
Nursery fees	570,524	388,589
Afterschool fees	62,147	23,334
Holiday care	17,110	2,915
Early years' funding	155,383	205,490
	<u>805,164</u>	<u>620,328</u>

5 Other income

	Total	Unrestricted funds
	2022	2021
	£	£
Other income	-	19,601
	<u>-</u>	<u>19,601</u>

KELTON NURSERY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2022

5 Other income (Continued)

6 Charitable activities

	Day nursery and after school services 2022 £	Day nursery and after school services 2021 £
Staff costs	573,916	599,212
Depreciation and impairment	14,794	15,218
Food and kitchen costs	21,219	12,149
Nursery resources and equipment	16,847	5,865
Insurance	4,089	3,097
Rates	2,858	2,779
Travel and motor expenses	4,438	3,202
Printing, stationery and postage	3,793	2,731
Internet, computer and telephone costs	7,461	6,973
Repairs and maintenance	79,784	11,958
Electricity and gas	16,636	14,842
Sundry expenses	10,272	3,233
Security costs	7,479	8,145
Hygiene and waste costs	8,925	8,695
Leasing and equipment costs	6,394	6,737
Training and subscriptions	2,677	1,728
Bad debts	-	1,141
	<u>781,582</u>	<u>707,705</u>
Share of support costs (see note 7)	16,482	17,846
Share of governance costs (see note 7)	3,000	3,000
	<u>801,064</u>	<u>728,551</u>

KELTON NURSERY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2022

7	Support costs	Support costs £	Governance costs £	2022 £	Support costs £	Governance costs £	2021 £
	Payroll and bookkeeping fees	11,010	-	11,010	12,938	-	12,938
	Consultancy fees	380	-	380	-	-	-
	Legal and professional fees	2,190	-	2,190	2,000	-	2,000
	Bank charges	1,321	-	1,321	1,320	-	1,320
	Loan interest paid	1,581	-	1,581	1,588	-	1,588
	Accountancy	-	1,800	1,800	-	1,800	1,800
	Independent examination fee	-	1,200	1,200	-	1,200	1,200
		<u>16,482</u>	<u>3,000</u>	<u>19,482</u>	<u>17,846</u>	<u>3,000</u>	<u>20,846</u>
	Analysed between Charitable activities	<u>16,482</u>	<u>3,000</u>	<u>19,482</u>	<u>17,846</u>	<u>3,000</u>	<u>20,846</u>

8 Trustees

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

9 Employees

The average monthly number of employees during the year was:

	2022 Number	2021 Number
Charitable staff	28	34
Management staff	2	3
Total	<u>30</u>	<u>37</u>
Employment costs	2022 £	2021 £
Wages and salaries	537,993	559,208
Social security costs	28,016	30,442
Other pension costs	7,907	9,562
	<u>573,916</u>	<u>599,212</u>

KELTON NURSERY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2022

9 Employees

(Continued)

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

10 Tangible fixed assets

	Freehold land and buildings	Fixtures and fittings	Equipment	Motor vehicles	Total
	£	£	£	£	£
Cost					
At 1 April 2021	901,445	47,676	176,832	29,520	1,155,473
Additions	-	744	1,205	-	1,949
Disposals	-	(4,977)	(66,266)	-	(71,243)
At 31 March 2022	901,445	43,443	111,771	29,520	1,086,179
Depreciation and impairment					
At 1 April 2021	143,524	35,677	172,426	29,520	381,147
Depreciation charged in the year	9,012	3,177	2,605	-	14,794
Eliminated in respect of disposals	-	(4,977)	(66,266)	-	(71,243)
At 31 March 2022	152,536	33,877	108,765	29,520	324,698
Carrying amount					
At 31 March 2022	748,909	9,566	3,006	-	761,481
At 31 March 2021	757,920	12,000	4,407	-	774,327

11 Debtors

	2022	2021
	£	£
Amounts falling due within one year:		
Trade debtors	11,219	9,576
Other debtors	-	2,619
Prepayments and accrued income	5,790	1,637
	17,009	13,832

12 Loans and overdrafts

	2022	2021
	£	£
Bank loans	71,368	98,059
Payable within one year	28,475	26,657
Payable after one year	42,893	71,402

KELTON NURSERY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2022

18 Analysis of changes in net funds

	At 1 April 2021	Cash flowsAt 31 March 2022	
	£	£	£
Cash at bank and in hand	144,518	58,176	202,694
Loans falling due within one year	(26,657)	(1,818)	(28,475)
Loans falling due after more than one year	(71,402)	28,509	(42,893)
	<u>46,459</u>	<u>84,867</u>	<u>131,326</u>

KELTON NURSERY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2022

12 Loans and overdrafts

(Continued)

The bank loan is secured by the legal charges over freehold property Kelton House and David House Cottage, Park Avenue, Liverpool, dated 14 November 2005.

13 Creditors: amounts falling due within one year

	Notes	2022 £	2021 £
Bank loans	12	28,475	26,657
Other taxation and social security		7,557	7,497
Trade creditors		-	840
Other creditors		40,364	45,277
Accruals and deferred income		95,711	21,177
		<u>172,107</u>	<u>101,448</u>

14 Creditors: amounts falling due after more than one year

	Notes	2022 £	2021 £
Bank loans	12	<u>42,893</u>	<u>71,402</u>

15 Retirement benefit schemes

Defined contribution schemes

The charity operates a defined contribution pension scheme for all qualifying employees. The assets of the scheme are held separately from those of the charity in an independently administered fund. At 31 March 2022 there was an amount outstanding of £1,632 (2021 £1,872)

16 Related party transactions

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

17 Cash generated from operations

	2022 £	2021 £
Surplus for the year	6,357	34,361
Adjustments for:		
Depreciation and impairment of tangible fixed assets	14,794	15,218
Movements in working capital:		
(Increase) in debtors	(3,177)	(6,005)
Increase/(decrease) in creditors	68,841	(4,560)
Cash generated from operations	<u>86,815</u>	<u>39,014</u>

KELTON NURSERY

England & Wales - Charity number 1107519

Accounts

Charity Registration No. 1107519

Company Registration No. 05261351 (England and Wales)

KELTON NURSERY
ANNUAL REPORT AND UNAUDITED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021

KELTON NURSERY

LEGAL AND ADMINISTRATIVE INFORMATION

Trustees	Mrs W Carson Ms A Cornmell Mrs Nsar Kelly	(Appointed 25 November 2020)
Nursery Manager	Ms L Darwin	
Charity number	1107519	
Company number	05261351	
Registered office	Kelton House Park Avenue Mossley Hill Liverpool Merseyside L18 8BT	
Independent examiner	McLintocks (NW) Limited 46 Hamilton Square Birkenhead Wirral Merseyside CH41 5AR	

KELTON NURSERY

CONTENTS

	Page
Trustees' report	1 - 5
Independent examiner's report	6
Statement of financial activities	7
Balance sheet	8
Statement of cash flows	9
Notes to the financial statements	10 - 19

KELTON NURSERY

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) FOR THE YEAR ENDED 31 MARCH 2021

The trustees present their annual report and financial statements for the year ended 31 March 2021.

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], 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

The charity's objectives and principle activity is the provision of quality education to infants and children through the provision of day-care, after school, and holiday club services.

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

Out significant activities include:

- Nursery day-care services.
- Afterschool services.
- Holiday club services.
- Fundraising.

In setting our objectives and planning our activities the trustees have also considered the Charity Commission's general guidance on public benefit.

As a not for profit organisation, all profits is invested back into the provision to ensure that it is fully resourced and fit for purpose.

Kelton Nursery and After School is open to everyone within the community and beyond. It provides government funded places, and also offers bursarial assistance to ensure equality of access to the provision. The provision of bursary assisted places ensures the needs of families with low income or other additional needs are catered for.

The nursery fees are determined by running costs, not profit. We are committed to keeping our fees competitive, and fee increases are only considered to ensure the continuation of the service.

Being a Charity with a Board of Trustees that is made up from parents, means that families not only benefit from excellent childcare, but can develop their own skills and knowledge by becoming part of the governance of the provision. Parents and families involved in Kelton can feel they are contributing to the wider community by becoming involved in supporting a charitable cause.

KELTON NURSERY

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2021

Achievements and performance

This year has without doubt been the most challenging year in the history of Kelton.

It was with great pride that the Board of Trustees and management were able to maintain the high standard of childcare, support parents, support staff and adapt to the rapidly changing environment that COVID - 19 brought.

After the first lockdown staff continued to work tirelessly to provide childcare to all parents this included a high number of NHS staff and Key workers. They were led by the management team, who dedicated themselves to continuing to provide the best for families while supporting staff. This was at times very difficult, and the Board of Trustees cannot articulate the pride they felt at being involved with such a dedicated team.

As the financial impact of COVID- 19 hit the nursery, there were some difficult decisions to be made, which led to one staff being made redundant and one voluntary redundancy, this was to reduce costs, as the number of children requiring childcare reduced.

We have seen good progress across the nursery as evidenced by the last Ofsted report. We have 78 nursery children and 29 after- school children (111 and 59 in 2020) This is lower than the previous year, as we build our capacity back up after COVID-19 to our target capacity of 179 (134 nursery children / 45 after-school children). We have 31 children in receipt of the 30 hours 3-5 year funding, 2 children with the 15 hours funding and 2 children in receipt of the 2 year finding. Again this is lower than the previous year, but expected due to the impact of the pandemic.

Over the past year we have continued to support children and families, many of which continue to be made up of NHS staff and Keyworkers. Kelton has supported them with continued quality childcare, and adapted the provision to ensure it was safe and secure for children, families and staff, this was a huge challenge.

Financial review

The charity has reported a surplus of £34,361 for the year to 31 March 2021 (2020: deficit £19,186).

The impact of this surplus has resulted in a net current asset position of £56,902 at the year end (2020: net current liability of £20,517). Overall the charity has net assets of £759,827 (2020: £725,466).

The trustees acknowledge the need for continued strong working capital management, together with regular review and monitoring of the number of children registered for its services on a month by month basis. The nursery engaged a new firm of Accountants, and spent time developing its use of the ICONNECT which has reduced costs but also made the ability to invoice parents, and have an improved view of income and expenditure.

This year there was also another significant investment in staff, there was an increase in salary for all Team Leader roles, with plans to review the staffing salary scales across the nursery. The board continue to work on areas of recognition for this staff team.

It is the policy of the charity to try to build up modest unrestricted reserves, which are the free reserves of the charity, to a level which will provide assistance for the future operating costs. At 31 March 2021, unencumbered reserves amounted to £33,559 (2020: negative of £4,825) The trustees continue to work towards building reserves to an optimum range of between £75,000 and £225,000. At this level there would be sufficient free reserves to cover overhead costs for 1-3 months running costs. The COVID pandemic has had an effect on funding, and will continue to do so for a period of time, as numbers of children continue to build. To support the nursery with reduced numbers the

KELTON NURSERY

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

Principal funding sources

The charity's primary source of income is generated from nursery fees. Fees are received in return for the provision of daycare, afterschool and holiday club services.

Investment policy and objectives

The charity's funds are currently fully utilised for working capital with no surplus at this time for investment.

At such a time this position changes the trustees will develop a suitable policy and set of objectives for investment.

Risk Management

The nursery operated though most of the COVID-19 pandemic shutting during the first lock down, it managed the re-opening of the service extremely well and was commended by parents, for enabling them to continue to work, with peace of mind that their children were safe.

All existing policies and procedures are periodically reviewed by the senior management team to ensure that they continue to meet the changing needs of the charity and childcare business. The Board of Trustees began the process of creating a risk register last year, this continues in its development, and will be reviewed during the year.

To support the management team, we have engaged a firm of Health and Safety consultants, who work with the staff to ensure all matters are dealt with appropriately.

The board have also engaged a new HR consultant who is working with the team to review job descriptions and develop a robust performance framework going forward.

All existing policies and procedures are periodically reviewed by the senior management team to ensure that they continue to meet the changing needs of the charity and childcare business.

The Board of Trustees began the process of creating a risk register last year, this continues in its development, and will be reviewed during the year.

KELTON NURSERY

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2021

Plans for future periods

Plans for the future

As reported in last year's Trustee report the COVID pandemic has a significant effect on the setting, and the staff and board members showed admirable resilience in being able to continue to operate under such difficult circumstance.

The Board of Trustees continued to work though out this period, though it is recognised some of our plans now have to be changed, and our priority is very much about the sustainability of the nursery.

As with other organisations the pandemic gave us chance to evaluate and reflect on what is important to us. The staff are now ensuring they implement the new EYFS and get ready for OFSTED when that happens. The Board have recognised that to become an outstanding setting, is very much down to having the right vision, values and staffing. To support this they are undergoing a review of the vision and values of Kelton, and have made a commitment to invest in staff, ensuring they are the best paid, best trained, best rewarded staff in Liverpool. This investment will support the setting to reach the outstanding outcome the children and families deserve.

The revised EYFS is a priority for the nursery, the team are working to develop the curriculum in line with this. There is a high level of anticipation as the nursery awaits a long overdue OFSTED inspection, but a recent Local Authority assessment rating the nursery as "Good" which met our own expectations.

The Board recognise the need now to ensure the nursery works towards reaching its capacity, while continuing to build the quality and secure foundations of outstanding practice, it is hoped to develop a marketing subgroup to enable this to progress.

We continue to improve the building, utilising the positive features of this beautiful building while also finding ways to modernise and adapt to the needs of the people who use it.

Structure, governance and management

The charity is controlled by its governing document, a deed of trust, and constitutes a limited company, limited by guarantee, as defined by the Companies Act 2006.

The organisation is a charitable company limited by guarantee, incorporated on 15 October 2004 and registered as a charity on 7 January 2005. The company was established under a Memorandum of Association which established the objects and powers of the charitable company and is governed under its Articles of Association. In the event of the company being wound up the members are required to contribute an amount not exceeding £10.

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 W Carson

Mrs M L Green

Ms A Commell

Mrs Nsar Kelly

(Resigned 25 November 2020)

(Appointed 25 November 2020)

The directors of the company are also charity trustees for the purposes of charity law. Under the requirements of the Memorandum and Articles of Association, one third of directors must retire at annual general meeting. The trustees of the charity are appointed by the members at each Annual General Meeting.

We are in the process of recruiting 2 new trustees and see this as a valuable development to ensure the structure of an effective committee.

KELTON NURSERY

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2021

Organisational structure

The trustees meet monthly (this is likely to change to bi-monthly under proposed changes of subcommittee working groups) and are responsible for the strategic direction and policy of the charity. Fee increases, wage awards and an annual budget are set by the trustees and performance against an agreed budget is reviewed monthly. The day to day operational management of the charity is carried out by the senior management team, supported by external financial and HR support.

Related Parties

None of our trustees receive remuneration or other benefit from their work with the charity. Any relationship between a trustee or manager of the charity with a related party must be disclosed to the full board of trustees on appointment, a declaration of conflict of interest is also a standing agenda item at the bi-monthly trustee meetings. In the current year no such related party transactions were reported.

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



Mrs W Carson
Trustee

23 November 2021

KELTON NURSERY

INDEPENDENT EXAMINER'S REPORT TO THE TRUSTEES OF KELTON NURSERY

I report to the trustees on my examination of the financial statements of Kelton Nursery (the charity) for the year ended 31 March 2021.

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 , 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.

McLintocks (NW) Limited

McLintocks (NW) Limited

46 Hamilton Square
Birkenhead
Wirral
Merseyside
CH41 5AR

Dated: 23 November 2021

KELTON NURSERY

STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT FOR THE YEAR ENDED 31 MARCH 2021

		Unrestricted funds	Unrestricted funds
		2021	2020
	Notes	£	£
<u>Income and endowments from:</u>			
Donations and legacies	3	122,983	-
Charitable activities	4	620,328	879,601
Other trading activities	5	-	2,146
Other income	6	19,601	1,304
		<hr/>	<hr/>
Total income		762,912	883,051
		<hr/>	<hr/>
<u>Expenditure on:</u>			
Charitable activities	7	728,551	902,237
		<hr/>	<hr/>
Net income/(expenditure) for the year/ Net movement in funds		34,361	(19,186)
		<hr/>	<hr/>
Fund balances at 1 April 2020		725,466	744,652
		<hr/>	<hr/>
Fund balances at 31 March 2021		759,827	725,466
		<hr/> <hr/>	<hr/> <hr/>

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.

KELTON NURSERY

BALANCE SHEET

AS AT 31 MARCH 2021

	Notes	2021 £	£	2020 £	£
Fixed assets					
Tangible assets	11		774,327		787,202
Current assets					
Debtors	12	13,832		7,827	
Cash at bank and in hand		144,518		67,030	
		<u>158,350</u>		<u>74,857</u>	
Creditors: amounts falling due within one year	14	<u>(102,547)</u>		<u>(95,374)</u>	
Net current assets/(liabilities)			55,803		(20,517)
Total assets less current liabilities			<u>830,130</u>		<u>766,685</u>
Creditors: amounts falling due after more than one year	15		(71,402)		(41,219)
Net assets			<u><u>758,728</u></u>		<u><u>725,466</u></u>
Income funds					
Unrestricted funds			758,728		725,466
			<u><u>758,728</u></u>		<u><u>725,466</u></u>

The company is entitled to the exemption from the audit requirement contained in section 477 of the Companies Act 2006, for the year ended 31 March 2021.

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 23 November 2021



Mrs W Carson
Trustee

Company Registration No. 05261351

KELTON NURSERY

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 MARCH 2021

	Notes	2021 £	£	2020 £	£
Cash flows from operating activities					
Cash generated from/(absorbed by) operations	18		39,014		(23,377)
Investing activities					
Purchase of tangible fixed assets		(2,343)		(15,464)	
Net cash used in investing activities			(2,343)		(15,464)
Financing activities					
Proceeds of new bank loans		50,000		-	
Repayment of bank loans		(9,183)		(17,068)	
Net cash generated from/(used in) financing activities			40,817		(17,068)
Net increase/(decrease) in cash and cash equivalents			77,488		(55,909)
Cash and cash equivalents at beginning of year			67,030		122,939
Cash and cash equivalents at end of year			<u>144,518</u>		<u>67,030</u>

KELTON NURSERY

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2021

1 Accounting policies

Charity information

Kelton Nursery is a private company limited by guarantee incorporated in England and Wales. The registered office is Kelton House, Park Avenue Mossley Hill, Liverpool, Merseyside, L18 8BT.

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.

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 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.

Grants are included as income from activities in furtherance of the charity's objectives where these amount to a contract for services but as voluntary income where the money is given in response to an appeal or with greater freedom for use.

KELTON NURSERY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

1 Accounting policies

(Continued)

1.5 Expenditure

Expenditure is recognised on an accrual basis as a liability is incurred. Expenditure includes any VAT which cannot be fully recovered and is reported as part of the expenditure to which it relates.

Charitable expenditure comprises those costs incurred by the charity in the delivery of its activities and services for its beneficiaries. It includes both costs that can be allocated directly to such activities and those costs of an indirect nature necessary to support them.

Governance costs include those costs associated with meeting the constitutional and statutory requirements of the charity and include the audit fees and costs linked to the strategic management of the charity.

All costs are allocated between the expenditure categories of the SOFA on a basis designed to reflect the use of the resource. Costs relating to a particular activity are allocated directly; others are apportioned on an appropriate basis.

Support costs are those costs that assist the work of the charity but do not directly represent charitable activities and include office costs, governance costs, administration costs. Where support costs cannot be directly attributable to particular headings they have been allocated on a percentage of time spent on these activities.

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:

Freehold land and buildings	1% on cost
Fixtures and fittings	25% reducing balance
Equipment	25% on cost
Motor vehicles	25% 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.

1.7 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.

KELTON NURSERY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

1 Accounting policies

(Continued)

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.

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.

KELTON NURSERY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

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 Donations and legacies

	Unrestricted funds	Total
	2021	2020
	£	£
Donations and gifts	100	-
Government CJRS grant	122,883	-
	<u>122,983</u>	<u>-</u>

4 Charitable activities

	Day nursery and after school services	Day nursery and after school services
	2021	2020
	£	£
Nursery fees	388,589	561,406
Afterschool fees	23,334	82,291
Holiday care	2,915	21,013
Early years' funding	205,490	214,891
	<u>620,328</u>	<u>879,601</u>

KELTON NURSERY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2021

5 Other trading activities

	Total	Unrestricted funds
	2021	2020
	£	£
Fundraising events	-	2,146

6 Other income

	Unrestricted funds	Unrestricted funds
	2021	2020
	£	£
Other income	19,601	1,304

KELTON NURSERY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

7 Charitable activities

	Day nursery and after school services 2021 £	Day nursery and after school services 2020 £
Staff costs	599,212	658,395
Depreciation and impairment	15,218	17,894
Food and kitchen costs	12,149	26,762
Nursery resources and equipment	5,865	24,401
Insurance	3,097	3,469
Rates	2,779	7,426
Travel and motor expenses	3,202	5,458
Printing, stationery and postage	2,731	4,938
Internet, computer and telephone costs	6,973	7,530
Repairs and maintenance	11,958	31,980
Electricity and gas	14,842	18,793
Sundry expenses	3,233	3,930
Security costs	8,145	8,227
Hygiene and waste costs	8,695	13,477
Leasing and equipment costs	6,737	7,398
Training and subscriptions	1,728	6,157
Afterschool/Hol.Club resources	-	5,016
Bad debts	1,141	6,699
	<u>707,705</u>	<u>857,950</u>
Share of support costs (see note 8)	17,846	40,087
Share of governance costs (see note 8)	3,000	4,200
	<u>728,551</u>	<u>902,237</u>

KELTON NURSERY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

8 Support costs

	Support costs	Governance costs	2021	Support costs	Governance costs	2020
	£	£	£	£	£	£
Payroll and bookkeeping fees	12,938	-	12,938	32,413	-	32,413
Consultancy fees	-	-	-	5,153	-	5,153
Legal and professional fees	2,000	-	2,000	272	-	272
Bank charges	1,320	-	1,320	1,387	-	1,387
Loan interest paid	1,588	-	1,588	862	-	862
Audit fees	-	-	-	-	900	900
Accountancy	-	1,800	1,800	-	2,100	2,100
Independent examination fee	-	1,200	1,200	-	1,200	1,200
	<u>17,846</u>	<u>3,000</u>	<u>20,846</u>	<u>40,087</u>	<u>4,200</u>	<u>44,287</u>
Analysed between Charitable activities	<u>17,846</u>	<u>3,000</u>	<u>20,846</u>	<u>40,087</u>	<u>4,200</u>	<u>44,287</u>

9 Trustees

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

10 Employees

The average monthly number of employees during the year was:

	2021 Number	2020 Number
Charitable staff	34	34
Management staff	3	4
Total	<u>37</u>	<u>38</u>

KELTON NURSERY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

10 Employees		(Continued)	
Employment costs	2021	2020	
	£	£	
Wages and salaries	559,208	612,353	
Social security costs	30,442	37,079	
Other pension costs	9,562	8,963	
	<u>599,212</u>	<u>658,395</u>	

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

11 Tangible fixed assets	Freehold land and buildings	Fixtures and fittings	Equipment	Motor vehicles	Total
	£	£	£	£	£
Cost					
At 1 April 2020	901,445	47,352	174,815	29,520	1,153,132
Additions	-	325	2,018	-	2,343
At 31 March 2021	<u>901,445</u>	<u>47,677</u>	<u>176,833</u>	<u>29,520</u>	<u>1,155,475</u>
Depreciation and impairment					
At 1 April 2020	134,419	32,444	169,547	29,520	365,930
Depreciation charged in the year	9,106	3,233	2,879	-	15,218
At 31 March 2021	<u>143,525</u>	<u>35,677</u>	<u>172,426</u>	<u>29,520</u>	<u>381,148</u>
Carrying amount					
At 31 March 2021	<u>757,920</u>	<u>12,000</u>	<u>4,407</u>	<u>-</u>	<u>774,327</u>
At 31 March 2020	<u>767,026</u>	<u>14,908</u>	<u>5,268</u>	<u>-</u>	<u>787,202</u>

12 Debtors	2021	2020
Amounts falling due within one year:	£	£
Trade debtors	9,576	2,022
Other debtors	2,619	5,606
Prepayments and accrued income	1,637	199
	<u>13,832</u>	<u>7,827</u>

KELTON NURSERY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2021

13 Loans and overdrafts

	2021 £	2020 £
Bank loans	98,059	57,242
Payable within one year	26,657	16,023
Payable after one year	71,402	41,219

The bank loan is secured by the legal charges over freehold property Kelton House and David House Cottage, Park Avenue, Liverpool, dated 14 November 2005.

14 Creditors: amounts falling due within one year

	Notes	2021 £	2020 £
Bank loans	13	26,657	16,023
Other taxation and social security		7,497	9,149
Trade creditors		840	11,603
Other creditors		45,277	46,758
Accruals and deferred income		21,177	11,841
		101,448	95,374

15 Creditors: amounts falling due after more than one year

	Notes	2021 £	2020 £
Bank loans	13	71,402	41,219

16 Retirement benefit schemes

Defined contribution schemes

The charity operates a defined contribution pension scheme for all qualifying employees. The assets of the scheme are held separately from those of the charity in an independently administered fund. At 31 March 2021 there was an amount outstanding of £1,872 (2020 £4,235)

17 Related party transactions

There were no disclosable related party transactions during the year (2020 - none).

KELTON NURSERY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

18	Cash generated from operations	2021	2020
		£	£
	Surplus/(deficit) for the year	34,361	(19,186)
	Adjustments for:		
	Depreciation and impairment of tangible fixed assets	15,218	17,894
	Movements in working capital:		
	(Increase)/decrease in debtors	(6,005)	7,135
	(Decrease) in creditors	(4,560)	(29,220)
	Cash generated from/(absorbed by) operations	<u>39,014</u>	<u>(23,377)</u>

19 **Analysis of changes in net funds**

	At 1 April 2020	Cash flows At 31 March 2021	
	£	£	£
Cash at bank and in hand	67,030	77,488	144,518
Loans falling due within one year	(16,023)	(10,634)	(26,657)
Loans falling due after more than one year	(41,219)	(30,183)	(71,402)
	<u>9,788</u>	<u>36,671</u>	<u>46,459</u>