
KING SQUARE COMMUNITY NURSERY

(Private Company Limited by Guarantee)

REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2021

COMPANY REG NO. 05224434

CHARITY NO. 1108752

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Pages 4 and 13 does not form part of the statutory accounts.

Trustees and directors

Lisa Basset *
Samantha Andrews*
Rebecca Tiley*

** - Management committee members are also, for the purpose of the Companies Act 2006, company directors.*

Company secretary:

Samantha Andrews

Key management & personnel

J Morgan

Registered & Administration office:

Rahere House
Central Street
London
EC1V 8DE

Charity registration no.:

1108752

Company registration no.:

05224434 (England & Wales)

Reporting Accountants

TKG Partnership Ltd
Chartered Accountants
3 Gateway Mews
Ringway
London
N11 2UT

Bankers:

The Co-operative Bank Plc

Major Funder

L B Islington

KING SQUARE COMMUNITY NURSERY
(Private Company Limited by Guarantee)
Directors' & Trustees' Report for the Year Ended 31 March 2021

The trustees are pleased to present their annual directors' report for the year ended 31 March 2021 which is also prepared to meet the requirements for a directors report and accounts for Companies Act purposes.

The financial statements comply with the Charities Act 2011, the Companies Act 2006, the Memorandum and Articles of Association, 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 (FRS102).

Structure, Governance and Management

Governing Document

King Square Community Nursery Ltd is a company limited by guarantee and is a registered charity. 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 members are required to contribute an amount not exceeding £1.

Recruitment & Appointment of Trustees

The trustees and directors who have served throughout the year are shown on page 1. Appointment of directors/trustees is governed by the Memorandum & Articles of Association.

New Trustees undergo training on their legal obligations as under Charity Law, the decision making process, the business plan and recent performance of the charity.

Organisational Structure

The charity is organized so that the trustees meet regularly to manage its affairs. The Nursery director manages the day to day administration of the charity and reports to the Trustees throughout the year.

Risk Management

The trustees actively review the major risks which the charity faces on a regular basis and believe that maintaining reserves at the current levels, combined with an annual review of the controls over key financial systems, will provide sufficient resources in the event of adverse conditions.

The trustees have had regard to the guidance issued by the Charity Commission on public benefit.

The trustees also review non-financial risks and these risks are managed by ensuring compliance with all health and safety regulations for children, staff and parents.

Related parties

None of the trustees receive remuneration or other benefit in their capacity as trustees of the charity. Any connection between a trustee of the charity and organisations providing services to the charity must be disclosed to the full board of trustees in the same way as any contractual relationship with a related party. In the current year no such related party transactions were reported.

Pay policy for senior staff

The directors consider that the board of directors, who are the Charity's trustees, and senior management team comprise the key management personnel of the charity in charge of directing, controlling, running and operating the charity on a day to day basis.

The pay of senior staff is reviewed annually.

Main Activities, Purposes and Objectives

The charity's objects and its principal activities are the advancement of the education of children below school age.

Covid-19

Covid-19 and the lockdowns have been a key feature during the year under review. Like so many other early years providers in Islington, the nursery was closed on 23 March 2020 as per government instructions, except for services to vulnerable and key workers' children. This phenomenon was new to everyone and was difficult to know the impact on the nursery's future. We have supported our families and used the centre to distribute food and essential goods to children, families and vulnerable people in the community.

We are grateful to all those who were involved and supported this cause with determination and community spirit. This was the time we all came as one and will be remembered for a long time to come.

Covid-19 (Continued)

We thank the effort of Islington Council and specially the early years team who stepped to support the nursery to reduce the impact of the pandemic. Without their support not many providers would have been around. The trust and relationship with council teams has grown many times during this period and we hope we will continue to build this further going forward.

Accomplishments & Achievements

Despite the pandemic, KSN is constantly developing its practice to meet the needs of children and their parent/carers in the local community. During the opening of the nursery for service, we have continued to provide often complex needs of families we work with and extending support on 1:1 and through group and partnership work with organisations, agencies and local groups.

We continued to liaise with the architect and council officers regarding the redevelopment at Rahere House that was delayed due to Covid-19 lockdown.

Training has continued to be an important part of continuous professional development and staff have received refresher training in Safeguarding as well as other Early Years Education training.

Financial review

Total income for the year amounted to £589,169 with total expenditure amounting to £591,149 leaving a deficit in the year of £1,980.

Accumulated reserves at the balance sheet date amounted to £343,566, of which £343,566 represent income reserves.

Investment powers and policy

The trustees, having regard to the liquidity requirements of operating the charity's activities, have kept a proportion of available liquid funds in an interest bearing account to maximise the rate of return, although given current rates of interest the rate of return is minimal. The trustees will review the position and consider alternative investments to maximise returns but will continue with a risk averse policy.

Reserves policy and going concern

The Trustees have undertaken a review of the charity's requirements for reserves in light of the main risks to the organisation. As part of this review the charity has set up to cover future potential statutory liabilities (redundancy, unpaid holiday & monies in lieu of notice) should the charity cease activities and as at 31 March 2022 stands at £150,000. Unrestricted reserves as at 31 March 2021 at £ which is equivalent to 5 months running costs..

Future Developments

The Nursery will continue to focus on its development. With the completion of the redevelopment at Rahere House, the total number of places at King Square Community Nursery will increase by 30 places, which represents a 60% increase. This will ensure that we a sustainable service that continues to support the development and learning of young children, including babies.

Trustees responsibilities in relation to the financial statements

The charity trustees (who are also directors of the Company for the purposes of company law) are responsible for preparing a trustees' annual report and financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

- select suitable accounting policies and apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgments and estimates that are reasonable and prudent;
- state whether applicable UK accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements.
- prepare financial statements on a going concern basis unless it is inappropriate to presume that the charity will continue in operation.

The trustees are responsible for keeping accounting records which disclose with reasonable accuracy at any time the financial position of the charity and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of

Directors and trustees

The trustees who are directors for the purpose of company law who have served during the year and up to the date of this report are set out on page 1.

The company has taken advantage of the small companies' exemption in preparing the report above.

The trustees declare that they have approved the trustees' report above.

Signed on behalf of the charity's trustees/directors

.....
S Andrews
Company Secretary
Date: 5 November 2021

I report to the trustees on my examination of the accounts of the above charity ('the Trust') for the year ended 31 March 2021.

Responsibilities and basis of report

As the charity's trustees, you are responsible for the preparation of the accounts in accordance with the requirements of the Charities Act 2011 ('the Act').

I report in respect of my examination of the Trust's accounts carried out under section 145 of the 2011 Act and in carrying out my examination, I have followed all applicable Directions given by the Charity Commission under section 145(5)(b) of the Act.

Independent examiner's statement

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

- the accounting records were not kept in accordance with section 130 of the Charities Act; or
- the accounts did not accord with the accounting records; or
- the accounts did not comply with the applicable requirements concerning the form and content of accounts set the Charities (Accounts and Reports) Regulations 2008 other than any requirement that the accounts give a 'true fair' view which is not a matter considered as part of an independent examination.

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 accounts to be reached.

**Chrysostomos Kyprianou
TKG Partnership Ltd
Chartered Accountants**

Date: 5 November 2021

**3 Gateway Mews
London
N11 2UT**

KING SQUARE COMMUNITY NURSERY
(Private Company Limited by Guarantee)
Statement of financial activities
for the year ended 31 March 2021

	<u>Notes</u>	<u>Restricted Funds</u> £	<u>Unrestricted/ Designated Funds</u> £	<u>Total 2020/21</u> £	<u>Total 2019/20</u> £
Income:					
Grants receivable	3	149,403	222,056	371,459	400,369
<i>Income from Charitable activities:</i>					
Income generation	4	-	72,332	72,332	96,944
<i>Income from other charitable activities</i>					
Fundraising & other income	5	-	145,378	145,378	2,689
Total income		<u>149,403</u>	<u>439,766</u>	<u>589,169</u>	<u>500,002</u>
Expenditure					
<i>Expenditure on charitable activities:</i>					
Direct Charitable expenditure	6	149,403	305,665	455,068	344,611
Management and administration	7	-	136,081	136,081	130,737
Total expenditure		<u>149,403</u>	<u>441,746</u>	<u>591,149</u>	<u>475,348</u>
Net income/(expenditure) and net movements in funds before gains and losses on investments					
	8	-	(1,980)	(1,980)	24,654
Interfund Transfer		-	-	-	-
Total funds brought forward		-	345,546	345,546	320,892
Total funds carried forward		<u>-</u>	<u>343,566</u>	<u>343,566</u>	<u>345,546</u>

The statement of financial activities includes all gains and losses in the year. All incoming resources and resources expended derive from continuing activities.

KING SQUARE COMMUNITY NURSERY
(Private Company Limited by Guarantee)
BALANCE SHEET
AS AT 31 MARCH 2021

	<u>Notes</u>	<u>2020/21</u>		<u>2019/20</u>	
		£	£	£	£
Current Assets					
Debtors	14	4,156		2,639	
Cash at bank and in hand		<u>368,681</u>		<u>348,860</u>	
Total current assets		372,837		351,499	
Creditors: amounts falling due within one year	15	<u>(29,271)</u>		<u>(5,953)</u>	
Net current assets		<u>343,566</u>		<u>345,546</u>	
NET ASSETS		<u><u>343,566</u></u>		<u><u>345,546</u></u>	
The funds of the Charity:					
Restricted income funds:	16	-		-	
Unrestricted income funds:	16	343,566		345,546	
TOTAL CHARITY FUNDS		<u><u>343,566</u></u>		<u><u>345,546</u></u>	

The company was entitled to exemption from audit under s477 of the Companies Act 2006 relating to small companies. The members have not required the company to obtain an audit in accordance with section 476 of the Companies Act 2006.

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

These accounts have been prepared in accordance with the provisions applicable to small companies subject to the small companies regime and in accordance with FRS102 SORP.

Approved by the trustees/directors on 5 November 2021 and signed on its behalf

.....
R Tiley
Trustee & Company Director

Accounting policies

The principal accounting policies adopted, judgments and key sources of estimation uncertainty in the preparation of financial statements are as follows

Basis of Preparation

The Financial statements have been prepared in accordance with Accounting and Reporting of charities : SORP applicable to charities preparing their accounts in accordance with Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective date 1 January 2015) - Charities SORP (FRS 102), the financial reporting standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

King Square Community Nursery meet the definition of Charity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy (notes).

Reconciliation with previous GAAP

In preparing the accounts the trustees have considered whether in applying the accounting policies required by FRS 102 and the Charities SORP FRS 102, the reinstatement of comparative item was required.

At the date of transition no other restatements were required.

Incoming resources

Income (including income from government and other grants) is recognised when the charity has entitlement to the funds, any performance conditions attached to the items of income have been met, it is probable that the income will be received and the amount can be measured reliably.

Interest and investment income receivable

Interest on funds held on deposit and income from investments held is included when receivable and the amount can be measured reliably by the charity.

Fund accounting & transfers between funds

Unrestricted funds are available to spend on activities that further any of the purposes of charity. Designated funds are unrestricted funds of the charity which the trustees have decided at their discretion to set aside for a specific purpose. Restricted funds are donations or grants which the donor has specified are to be solely used for a particular purpose or area of the charity's work or projects being undertaken by the charity.

Transfer from unrestricted general and designated funds are at the discretion of the trustees and are disclosed in the financial statements.

Transfers from restricted funds to unrestricted funds take place where a project has been completed and the fund donor has agreed that the charity retain the surplus to be used for the general purposes of the charity.

Expenditure and irrecoverable VAT

Expenditure is recognised once there is a legal or constructive obligation to make a payment to a third party, it is probable that settlement will be required and the amount of the obligation can be measured reliably. Expenditure is classified under the following headings:

- cost of raising funds comprise the cost of commercial trading
- expenditure on charitable activities includes the cost of operating the nursery and outreach services
- management and administration includes support costs for those functions that assist the work of the charity

Irrecoverable VAT is charged as a cost against the activity for which the expenditure has been incurred.

Taxation

As a grant aided charity with charitable status the charity's activities do not create a charge to corporation tax.

Operating leases

Rentals paid under operating leases are charged to income on a straight line basis over the lease term.

Debtors

Trade and other debtors are recognised at the settlement amount due after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due.

Cash at bank and in hand

Cash at bank and in hand includes cash and short term highly liquid investments with a short maturity of less than three months from the date of acquisition or opening of the deposit or similar account.

Creditors and provisions

Creditors and provisions are recognised where the charity has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or

Financial instruments

The trust has only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. The charity does not acquire put options, derivatives or other complex financial instruments. The main form of financial risk faced by the charity is that of volatility in equity and investment markets due to wider economic conditions, the

Pensions

The Trust operates a defined contribution pension scheme under 'auto-enrolment legislation.

KING SQUARE COMMUNITY NURSERY
(Private Company Limited by Guarantee)
Notes to the financial statements
for the year ended 31 March 2021

1 Legal status of the Trust

The Trust is a company limited by guarantee and has no share capital. In the event of the charity being wound up, the liability in respect of the guarantee is limited to £1 per member of the charity.

2 Financial performance of the charity

	2020/21	2019/20
	£	£
Income	589,169	500,002
Expenditure on charitable activities	455,068	344,611
Expenditure on management and administration	136,081	130,737
	<u>591,149</u>	<u>475,348</u>
Net income	(1,980)	24,654
Total funds brought forward	345,546	320,892
Total funds carried forward	<u>343,566</u>	<u>345,546</u>
Represented by:		
Unrestricted funds - general	193,566	195,546
Unrestricted funds - designated	150,000	150,000
Restricted funds	-	-
	<u>343,566</u>	<u>345,546</u>

3 Income from Donations, Grants & Income Generation (restricted)

Grants received in year:

L B Islington - Grant Aid	25,898	21,973
L B Islington - Nursery Refurbishment	43,450	-
L B Islington - P E L	58,174	52,989
L B Islington - Maternity Funding	-	8,788
L B Islington - S E N Funding	12,095	21,592
L B Islington - P V I	9,786	7,274
	<u>149,403</u>	<u>112,616</u>

4 Income from charitable activities (unrestricted)

Income generation - Nursery fees	72,322	96,944
NEG Funding	222,066	287,753
	<u>294,388</u>	<u>384,697</u>

5 Income from other charitable activities (unrestricted)

Fundraising & donations	17,786	2,230
Funding - JRS Scheme	126,567	-
Interest receivable	1,025	459
	<u>145,378</u>	<u>2,689</u>

6 Analysis of expenditure on charitable activities

Staff & agency costs	335,061	294,802
Other running costs	120,007	49,809
	<u>455,068</u>	<u>344,611</u>

Analysis of costs by funds

Restricted	149,403	144,127
Unrestricted	305,665	200,484
	<u>455,068</u>	<u>344,611</u>

7 Analysis of governance and support cost

Staff costs	131,254	127,570
Reporting Accountant's fee and accountancy	2,100	1,200
Other	2,727	1,967
	<u>136,081</u>	<u>130,737</u>

Analysis of costs by funds

Restricted	-	-
Unrestricted	136,081	130,737
	<u>136,081</u>	<u>130,737</u>

KING SQUARE COMMUNITY NURSERY
(Private Company Limited by Guarantee)
Notes to the financial statements
for the year ended 31 March 2021

	2020/21 £	2019/20 £
8 Net income /(expenditure) for the year		
This is stated after charging:		
Reporting accountant's remuneration	2,100	1,200
	<hr/>	<hr/>
9 Analyses of staff costs, trustee remuneration and expenses, and the cost of key management personnel		
Wages and salaries	466,315	422,372
Employers national insurance	23,277	14,218
Pension costs - (defined contribution pension plan)	6,808	5,673
	<hr/>	<hr/>
	496,400	442,263
	<hr/>	<hr/>
The average number of staff employed during the year were as follows:		
Direct charitable	23	21
Administration & support	4	4
	<hr/>	<hr/>
	27	25
	<hr/>	<hr/>
The number of employees whose emoluments as defined for taxation purposes amounted to over £60,000 in the year were as follows:	<hr/>	<hr/>
	-	-
	<hr/>	<hr/>
10 Trustees' remuneration		
The trustees were not paid or received any other benefits from the Charity during the year in their capacity as trustees.		
11 Related party transactions		
There were no related party transactions to be disclosed during the year under review.		
12 Government Grants		
Income from grants comprises of grant funding made available by funding authorities and private entities to fund specific projects undertaken by the Charity. See note 4 for more information and to the amount and sources of these grants.		
13 Corporation Tax		
The Charity is exempt from tax on income and gains falling within section 505 of the Taxes Act 1988 section 252 of the Taxation of Chargeable Gains Act 1992 to the extent that these are applied to its charitable objects.		
	2020/21	2019/20
14 Debtors		
Amounts due within one year:		
Prepayments and accrued income		
Accrued income	4,156	2,639
	<hr/>	<hr/>
	4,156	2,639
	<hr/>	<hr/>
15 Creditors		
Amounts falling due within one year:		
Other taxation & social security	10,696	-
Deferred Income	9,837	4,753
Other creditors & accruals	8,738	1,200
	<hr/>	<hr/>
	29,271	5,953
	<hr/>	<hr/>

KING SQUARE COMMUNITY NURSERY
(Private Company Limited by Guarantee)
Notes to the financial statements
for the year ended 31 March 2021

16 Analysis of funds:		2020/21			
	B/Fwd	Income	Expenditure	Transfers	C/fwd
Restricted					
L B Islington - Grant Aid	-	25,898	(25,898)	-	-
L B Islington - Nursery Refurbishment	-	43,450	(43,450)	-	-
L B Islington - P E L	-	58,174	(58,174)	-	-
L B Islington - S E N Funding	-	12,095	(12,095)	-	-
L B Islington - P V I	-	9,786	(9,786)	-	-
	-	149,403	(149,403)	-	-
Unrestricted:					
Designated - Staff & maternity	150,000	-	-	-	150,000
General reserve	195,546	439,766	(441,746)	-	193,566
	345,546	439,766	(441,746)	-	343,566
Total Funds	345,546	589,169	(591,149)	-	343,566

Restricted funds:

L B Islington Nursery Refurbishment - Funds used to redevelop Nursery Premises

Nursery Funding - provision of nursery education to meet the needs of children and their parents/carers in the local community.

Unrestricted & designated funds:

Staff & Maternity Fund: Funds set aside to cover maternity pay in excess of SMP and future redundancy costs should the charity cease activities.

General reserve: The fund represents the free funds of the charity which are not designated for a particular purpose.

Analysis of funds (continued):

		2019/20			
	B/Fwd	Income	Expenditure	Transfers	C/fwd
Analysis of funds by project					
L B Islington - Grant Aid	-	21,973	(21,973)	-	-
L B Islington - Maternity funding	-	8,788	(8,788)	-	-
L B Islington - P E L	-	52,989	(52,989)	-	-
L B Islington - S E N Funding	-	21,592	(21,592)	-	-
L B Islington - P V I	-	7,274	(7,274)	-	-
	-	112,616	(112,616)	-	-
Unrestricted:					
Staff & maternity fund	150,000	-	-	-	150,000
General reserve	170,893	387,385	(362,732)	-	195,546
	320,893	387,385	(362,732)	-	345,546
Total Funds	320,893	500,001	(475,348)	-	345,546

17 Analysis between fund balances

	2020/21		
	Restricted	Unrestricted	Total
	£	£	£
Cash at bank and in hand	-	368,681	368,681
Other net current assets/ (liabilities)		(25,115)	(25,115)
	<hr/>	<hr/>	<hr/>
	-	343,566	343,566
	<hr/>		<hr/>
	2019/20		
	Restricted	Unrestricted	Total
	£	£	£
Cash at bank and in hand	-	348,860	348,860
Other net current assets/ (liabilities)	-	(3,314)	(3,314)
	<hr/>	<hr/>	<hr/>
	-	345,546	345,546
	<hr/>	<hr/>	<hr/>

18 Post-balance sheet events

The trustees, having made enquiries with senior members of staff confirm that there are no post balance sheet events which require disclosure in the financial statements.