

Green Lane Nursery and Child Care Centre
Financial Statements
For the Year Ending
31 August 2020

JANE ASCROFT ACCOUNTANCY LIMITED

Chartered Accountants
Enterprise House
Harmire Enterprise Park
Barnard Castle
County Durham
DL12 8XP

Green Lane Nursery and Child Care Centre

Financial Statements

Year Ended 31 August 2020

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Green Lane Nursery and Child Care Centre

Trustees' Annual Report (Incorporating the Director's Report)

Year Ended 31 August 2020

The trustees, who are also the directors for the purposes of company law, present their report and the unaudited financial statements of the charity for the year ended 31 August 2020.

Objectives and Activities

Objects

The objects of the charity are to advance education and support family life by aiding the personal development of children and families in the district of Teesdale, County Durham and in particular by the provision of pre-school education and care.

Careful consideration has been given to the Charity Commission's general guidance on public benefit and in particular its guidance on advancing education and fee charging.

Aims

Our aim is to provide first class childcare to fit into parents' work patterns so that they can be assured that their children are safe, secure and happy, enjoying a wide range of activities.

Activities and Strategy

Children from the age of 6 weeks are accommodated in our all day care facility; those aged 3 to 4 years are educated in the pre-school nursery with the opportunity of joining the reception class of Green Lane Church of England Primary School in the September of the year when they will be 5 years old.

The nursery is aiming to achieve the following:

- maintain child numbers;
- be consistently sustainable;
- keep highly qualified and motivated staff, and
- have the ability to purchase quality equipment.

Green Lane Nursery and Child Care Centre

Trustees' Annual Report (Incorporating the Director's Report) *(continued)*

Year Ended 31 August 2020

Achievements and Performance

Writing my report for this financial year, which has finished with such uncertain times due to COVID, has been strange. We have had to adapt to different ways of meeting and our staff went through a challenging last 5 months of the financial year. My take home thought from this pandemic, which is far from over, is the community spirit our Nursery setting as displayed.

I wish to express my thanks to all the staff at GLNCC, a nursery needs children and children need good role models which is what our staff offer in abundance every day. They strive to show care and compassion set alongside professionalism that pours out of every corner of the setting. This is shown by again being in the strong position of running to capacity in each room. The devotion and care you show to the children is second to none and I thank you for your efforts, which has shown through in the excellent 'Ofsted' rating we were awarded recently. To have achieved a second outstanding rating is something we cannot sit back on and must continue to push the boundaries with the offering provided by GLNCC.

Secondly, my thanks to all the Directors on the board, without the time and effort you offer, the Nursery would not be where it is today. As a voluntary role which can sometimes challenge your commitment and involvement, especially in recent months, the enthusiasm and effort you offer for the Nursery are a credit to you all. This past year has had its ups and downs, however, the strong team we have proven to be, has allowed us to take the downs in our stride but has taught us that we always need to be on our toes! The new Leadership Team are showing competence and strength in their positions, but willing to seek advice and learn in areas they have felt challenged.

We have a strong board of Directors, with 9 at the moment, offering a wide knowledge of education, finance, business and childcare experience. We have shown resilience in our discussions in meetings ensuring that all have a voice, with the common aim of future proofing the business for the coming years. We have been ably assisted by our accountant, Jane Ascroft, who has steered us through the finances of a business such as ours seamlessly. We must act consciously to future proof the setting for years to come, rising living wage costs, running costs and maintaining competitive fees for parents is a fine balance which we continue deal with on an annual basis. However, looking to 3 and 5 year business plans will help mitigate some of the short term business decisions we have to make, so will aim for these to be complete for this coming year. Again this year, we have been unsuccessful in recruiting a clerk for the board despite numerous attempts, but my thanks go to David and Fiqna who have multi tasked through the meetings to produce the minutes in a professional manner.

I offer my sincere thanks to Gordon who stepped down earlier in the year, his experience in education and willingness to offer his time so readily will be sadly missed. Gordons' time although relatively short, just 18 months, was invaluable to the Nursery. Simon, after a short number of years has decided to move on to pastures greener, concentrating on his farm. As a director, his financial knowledge along with his Christian faith gave so much. I wish both Gordon and Simon the very best for the future and ask that they don't become strangers.

Numbers at the Nursery have remained steady throughout the year, with almost 100 children spread across the rooms, with a further 50 children attending either before or after school clubs run by the staff.

Financially, our reliance on funding is showing with each monthly report from Jemma, a business of our scale needs to show commitment to sustainability, hence why Jemma has looked at great depth our main expenses and will continue to scrutinise as we go forward. Income decreased from 2019 mainly due to funding changes, this news is never good, although due in part to the pandemic our expenditure also decreased. We have aligned our fees to counter some of the losses while trying to remain competitive in the town, we have a very low staff turnover and are fortunate that we keep staff, which is one of our USP's for GLNCC, however, ultimately we are a business which needs to be solvent to remain in business.

Green Lane Nursery and Child Care Centre

Trustees' Annual Report (Incorporating the Director's Report) *(continued)*

Year Ended 31 August 2020

With the positive outlook of the leadership team, we feel that we are addressing any concerns for the future of the business. With a strong board of Directors and excellent staff, we are working to continue to offer the 'Outstanding' level of care, attention to detail and dedication needed to operate a great Nursery.

Financial Review

Green Lane Nursery and Childcare Centre achieved income of £335,736 during the year (2019 - £389,445). Total expenditure was £342,574 (2019 - £388,785) giving a deficit of £6,838 (2019 - £19,340).

At 31st August 2020 net assets totalled £190,893 (2019 - £197,731).

Reserves Policy

The Directors have agreed a reserves policy to cover 3 months of costs and redundancies which amounts to approximately £100,000. A fundraising account is held with any money raised earmarked for new equipment and the improvement of the fabric of the nursery

Structure, Governance and Management

Nature of the governing document

Green Lane Nursery & Childcare Centre is a charitable company limited by guarantee, incorporated on 9th March 2001 and is governed by its Memorandum and Articles of Association.

Management

The policy and general management of the affairs of the nursery are directed by the trustees. The day-to-day management of the nursery is carried out by the manager.

Recruitment and appointment of trustees

Trustees are recruited with a view to sound experience and professional expertise. Appointment is conditional on the approval of the Trustees generally.

For and on behalf of the Trustees
Signed: _____
Date: _____

For and on behalf of the Trustees
Signed: _____
Date: _____

Green Lane Nursery and Child Care Centre

Trustees' Annual Report (Incorporating the Director's Report) (continued)

Year Ended 31 August 2020

Reference and Administrative Details

Registered charity name Green Lane Nursery and Child Care Centre
Charity registration number 1113518
Company registration number 04176113
Principal office and registered office Green Lane
Barnard Castle
County Durham
DL12 8LG

The Trustees

Nicola Linsley
Fiona Lovatt
Iain Brown
Sarah Hamilton
Abigail Cone
David Ewart
Simon Gill (Retired 25 May 2020)
Gordon Jones (Retired 3 December 2019)
Rachel Watson

Independent Examiner Jane Ascroft FCA MA (Cantab)
Enterprise House
Harmire Enterprise Park
Barnard Castle
County Durham
DL12 8XP

Small Company Provisions

This report has been prepared in accordance with the provisions applicable to companies entitled to the small companies exemption.

The trustees' annual report was approved on 19/January/20 and signed on behalf of the board of trustees by:

24/02/21

Iain Brown
Trustee



Green Lane Nursery and Child Care Centre

Independent Examiner's Report to the Trustees of Green Lane Nursery and Child Care Centre

Year Ended 31 August 2020

I report to the trustees on my examination of the financial statements of Green Lane Nursery and Child Care Centre ('the charity') for the year ended 31 August 2020.

Responsibilities and Basis of Report

As the trustees of the company (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 accounts of the company 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 accounts as carried out under section 145 of the Charities Act 2011 ('the 2011 Act'). In carrying out my examination I have followed the 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 Institute of Chartered Accountants in England and Wales (ICAEW), which is one of the listed bodies.

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

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 accounts to be reached.



Jane Ascroft FCA MA (Cantab)
Independent Examiner

Enterprise House
Harmire Enterprise Park
Barnard Castle
County Durham
DL12 8XP

Green Lane Nursery and Child Care Centre

Statement of Financial Activities (Including income and expenditure account)

Year Ended 31 August 2020

		2020		2019
		Unrestricted	Total funds	Total funds
	Note	funds		
		£	£	£
Income and endowments				
Charitable activities	5	292,735	292,735	369,039
Investment income	6	333	333	406
Other income	7	42,668	42,668	—
Total income		<u>335,736</u>	<u>335,736</u>	<u>369,445</u>
Expenditure				
Expenditure on charitable activities	8,9	342,574	342,574	388,785
Total expenditure		<u>342,574</u>	<u>342,574</u>	<u>388,785</u>
Net expenditure and net movement in funds		<u>(6,838)</u>	<u>(6,838)</u>	<u>(19,340)</u>
Reconciliation of funds				
Total funds brought forward		197,731	197,731	217,071
Total funds carried forward		<u>190,893</u>	<u>190,893</u>	<u>197,731</u>

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

The notes on pages 8 to 14 form part of these financial statements.

Green Lane Nursery and Child Care Centre

Statement of Financial Position

31 August 2020

	Note	2020 £	£	2019 £
Fixed Assets				
Tangible fixed assets	14		12,910	17,525
Current Assets				
Debtors	15	13,028		17,153
Cash at bank and in hand		186,083		180,031
		199,111		197,184
Creditors: amounts falling due within one year	16	21,128		16,978
Net Current Assets			177,983	180,206
Total Assets Less Current Liabilities			190,893	197,731
Net Assets			190,893	197,731
Funds of the Charity				
Unrestricted funds			190,893	197,731
Total charity funds	18		190,893	197,731

For the year ending 31 August 2020 the charity was entitled to exemption from audit under section 477 of the Companies Act 2006 relating to small companies.

Directors' responsibilities:

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

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

These financial statements were approved by the board of trustees and authorised for issue on ~~19/11/2020~~ and are signed on behalf of the board by:

24/02/21

Iain Brown
Trustee



Rachel Watson
Trustee



The notes on pages 8 to 14 form part of these financial statements.

Green Lane Nursery and Child Care Centre

Notes to the Financial Statements

Year Ended 31 August 2020

1. General Information

The charity is a public benefit entity and a private company limited by guarantee, registered in England and Wales and a registered charity in England and Wales. The address of the registered office is Green Lane, Barnard Castle, County Durham, DL12 8LG.

2. Statement of Compliance

These financial statements have been prepared in compliance with FRS 102, 'The Financial Reporting Standard applicable in the UK and the Republic of Ireland', the 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) (Charities SORP (FRS 102)) and the Companies Act 2006.

3. Accounting Policies

Basis of Preparation

The financial statements have been prepared on the historical cost basis, as modified by the revaluation of certain financial assets and liabilities and investments measured at fair value through income or expenditure.

The financial statements are prepared in sterling, which is the functional currency of the entity.

The entity is a Public Benefit Entity.

Going Concern

There are no material uncertainties about the charity's ability to continue.

Judgements and Key Sources of Estimation Uncertainty

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported. These estimates and judgements are continually reviewed and are based on experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The Trustees consider that there are no significant judgements or estimates affecting these financial statements.

Fund Accounting

Unrestricted funds are available for use at the discretion of the trustees in furtherance of the purposes of the charity. Unrestricted funds include a revaluation reserve representing the restatement of investment assets at market values.

Designated funds are unrestricted funds earmarked by the trustees for specific purposes.

Restricted funds are subjected to restrictions on their expenditure imposed by the donor.

Green Lane Nursery and Child Care Centre

Notes to the Financial Statements (continued)

Year Ended 31 August 2020

3. Accounting Policies (continued)

Income

All income is included in the statement of financial activities when the charity is entitled to the income, any performance related conditions attached have been met or are fully within the control of the charity, the income is considered probable and the amount can be quantified with reasonable accuracy. The following specific policies are applied to particular categories of income:

Income from fees and local authority funding is accounted for when earned.

Investment income is included when receivable.

Expenditure

Expenditure is recognised on an accruals 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.

Other expenditure includes all expenditure that is neither related to raising funds for the charity nor part of its expenditure on charitable activities.

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.

Tangible Assets

Fixed assets are stated at cost less accumulated depreciation. The costs of minor additions or those costing below £500 are not capitalised.

Depreciation

Depreciation is calculated so as to write off the cost or valuation of an asset, less its residual value, over the useful economic life of that asset as follows:

Equipment	- 25% reducing balance
Property Improvements	- 25% reducing balance

Impairment of Fixed Assets

A review for indicators of impairment is carried out at each reporting date, with the recoverable amount being estimated where such indicators exist. Where the carrying value exceeds the recoverable amount, the asset is impaired accordingly. Prior impairments are also reviewed for possible reversal at each reporting date.

For the purposes of impairment testing, when it is not possible to estimate the recoverable amount of an individual asset, an estimate is made of the recoverable amount of the cash-generating unit to which the asset belongs. The cash-generating unit is the smallest identifiable group of assets that includes the asset and generates cash inflows that largely independent of the cash inflows from other assets or groups of assets.

Green Lane Nursery and Child Care Centre

Notes to the Financial Statements *(continued)*

Year Ended 31 August 2020

3. Accounting Policies *(continued)*

Impairment of Fixed Assets *(continued)*

For impairment testing of goodwill, the goodwill acquired in a business combination is, from the acquisition date, allocated to each of the cash-generating units that are expected to benefit from the synergies of the combination, irrespective of whether other assets or liabilities of the charity are assigned to those units.

Financial Instruments

The charity only has financial assets and liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value.

Defined Contribution Plans

Contributions to defined contribution plans are recognised as an expense in the period in which the related service is provided. Prepaid contributions are recognised as an asset to the extent that the prepayment will lead to a reduction in future payments or a cash refund.

When contributions are not expected to be settled wholly within 12 months of the end of the reporting date in which the employees render the related service, the liability is measured on a discounted present value basis. The unwinding of the discount is recognised as an expense in the period in which it arises.

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.

Accrued income and tax recoverable is included at the best estimate of the amounts receivable at the balance sheet date.

Cash at Bank and in Hand

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

Green Lane Nursery and Child Care Centre

Notes to the Financial Statements (continued)

Year Ended 31 August 2020

3. Accounting Policies (continued)

Creditors

Creditors 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 estimated reliably. Creditors are normally recognised at their settlement amount after allowing for any trade discounts due.

Taxation

The company is considered to pass the tests set out in Paragraph 1 Schedule 6 of the Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes. Accordingly, the company is potentially exempt from taxation in respect of income or capital gains received within categories covered by Chapter 3 Part 11 of the Corporation Tax Act 2010 or Section 256 of the taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

4. Limited by Guarantee

The company is limited by guarantee. At 31st August 2020 there were 7 members each of whom had undertaken to contribute an amount not exceeding £1 in the event of a winding up.

5. Charitable Activities

	Unrestricted Funds	Total Funds 2020	Unrestricted Funds	Total Funds 2019
	£	£	£	£
Fees	159,055	159,055	218,414	218,414
Local authority funding	132,674	132,674	150,579	150,579
Fundraising income	1,006	1,006	46	46
	<u>292,735</u>	<u>292,735</u>	<u>369,039</u>	<u>369,039</u>

6. Investment Income

	Unrestricted Funds	Total Funds 2020	Unrestricted Funds	Total Funds 2019
	£	£	£	£
Bank interest receivable	<u>333</u>	<u>333</u>	<u>406</u>	<u>406</u>

7. Other Income

	Unrestricted Funds	Total Funds 2020	Unrestricted Funds	Total Funds 2019
	£	£	£	£
Covid19 support - Job Retention Scheme	<u>42,668</u>	<u>42,668</u>	<u>-</u>	<u>-</u>

Green Lane Nursery and Child Care Centre

Notes to the Financial Statements (continued)

Year Ended 31 August 2020

8. Expenditure on Charitable Activities by Fund Type

	Unrestricted Funds	Total Funds 2020	Unrestricted Funds	Total Funds 2019
	£	£	£	£
Childcare costs - see page 16	<u>342,574</u>	<u>342,574</u>	<u>388,785</u>	<u>388,785</u>

9. Expenditure on Charitable Activities by Activity Type

	Activities undertaken directly	Total funds 2020	Total fund 2019
	£	£	£
Childcare costs - see page 16	<u>342,574</u>	<u>342,574</u>	<u>388,785</u>

10. Net Expenditure

Net expenditure is stated after charging/(crediting):

	2020	2019
	£	£
Depreciation of tangible fixed assets	<u>5,423</u>	<u>6,962</u>

11. Independent Examination Fees

	2020	2019
	£	£
Fees payable to the independent examiner for:		
Independent examination of the financial statements	720	720
Other financial services	<u>778</u>	<u>826</u>
	<u>1,498</u>	<u>1,546</u>

12. Staff Costs

The total staff costs and employee benefits for the reporting period are analysed as follows:

	2020	2019
	£	£
Wages and salaries	275,695	301,357
Social security costs	11,916	13,464
Employer contributions to pension plans	<u>4,287</u>	<u>3,713</u>
	<u>291,898</u>	<u>318,534</u>

The average head count of employees during the year was 19 (2019: 22). The average number of full-time equivalent employees during the year is analysed as follows:

	2020	2019
	No.	No.
Number of childcare staff	<u>19</u>	<u>22</u>

No employee received employee benefits of more than £60,000 during the year (2019: Nil).

Green Lane Nursery and Child Care Centre

Notes to the Financial Statements (continued)

Year Ended 31 August 2020

13. Trustee Remuneration and Expenses

During the year trustees received no remuneration or expenses (2019 - Nil).

14. Tangible Fixed Assets

	Equipment £	Property improvements £	Total £
Cost			
At 1 September 2019	64,219	43,281	107,500
Additions	808	—	808
At 31 August 2020	65,027	43,281	108,308
Depreciation			
At 1 September 2019	57,499	32,476	89,975
Charge for the year	2,722	2,701	5,423
At 31 August 2020	60,221	35,177	95,398
Carrying amount			
At 31 August 2020	4,806	8,104	12,910
At 31 August 2019	6,720	10,805	17,525

15. Debtors

	2020 £	2019 £
Trade debtors	12,433	16,564
Prepayments and accrued income	595	589
	13,028	17,153

16. Creditors: amounts falling due within one year

	2020 £	2019 £
Trade creditors	3,384	105
Accruals and deferred income	720	720
Social security and other taxes	3,940	4,156
Deferred income	12,231	11,007
Other creditors	853	990
	21,128	16,978

17. Pensions and Other Post Retirement Benefits

Defined contribution plans

The amount recognised in income or expenditure as an expense in relation to defined contribution plans was £4,287 (2019: £3,713).

Green Lane Nursery and Child Care Centre

Notes to the Financial Statements (continued)

Year Ended 31 August 2020

18. Analysis of Charitable Funds

Unrestricted funds

	At 1 September 2019 £	Income £	Expenditure £	At 31 August 2020 £
General funds	197,731	335,736	(342,574)	190,893

	At 1 September 2018 £	Income £	Expenditure £	At 31 August 2019 £
General funds	217,071	369,445	(388,785)	197,731

19. Analysis of Net Assets Between Funds

	Unrestricted Funds £	Total Funds 2020 £
Tangible fixed assets	12,910	12,910
Current assets	199,111	199,111
Creditors less than 1 year	(21,128)	(21,128)
Net assets	190,893	190,893

	Unrestricted Funds £	Total Funds 2019 £
Tangible fixed assets	17,525	17,525
Current assets	197,184	197,184
Creditors less than 1 year	(16,978)	(16,978)
Net assets	197,731	197,731

Green Lane Nursery and Child Care Centre

Management Information

Year Ended 31 August 2020

The Following Pages Do Not Form Part of the Financial Statements.

Green Lane Nursery and Child Care Centre

Detailed Statement of Financial Activities

Year Ended 31 August 2020

	2020 £	2019 £
Income and endowments		
Charitable activities		
Fees	159,055	218,414
Local authority funding	132,674	150,579
Fundraising income	1,006	46
	<u>292,735</u>	<u>369,039</u>
Investment income		
Bank interest receivable	333	406
	<u>333</u>	<u>406</u>
Other income		
Covid19 support - Job Retention Scheme	42,668	—
	<u>42,668</u>	<u>—</u>
Total income	<u>335,736</u>	<u>369,445</u>
Expenditure		
Wages/salaries	275,695	301,357
Employer's NIC	11,916	13,464
Employer's pension contributions	4,287	3,713
Rent	12,490	15,254
Repairs & maintenance	1,322	3,242
Insurance	763	756
Legal and professional fees	2,650	5,706
Telephone	3,226	2,713
Stationery & postage	2,753	3,530
Depreciation	5,423	6,962
Equipment & Supplies	9,618	13,534
Food & Refreshments	9,662	15,193
Trips & Activities	723	2,333
Sundry costs	2,046	1,028
	<u>342,574</u>	<u>388,785</u>
Total expenditure	<u>342,574</u>	<u>388,785</u>
Net expenditure	<u>(6,838)</u>	<u>(19,340)</u>