

Green Lane Nursery and Child Care Centre
Financial Statements
For the Year Ending
31 August 2023

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 2023

	Page
Trustees' Annual Report (Incorporating the Director's Report)	1
Independent Examiner's Report to the Trustees	5
Statement of Financial Activities (Including Income and Expenditure Account)	6
Statement of Financial Position	7
Statement of Cash Flows	8
Notes to the Financial Statements	9
The Following Pages Do Not Form Part of the Financial Statements	
Detailed Statement of Financial Activities	17

Green Lane Nursery and Child Care Centre

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

Year Ended 31 August 2023

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 2023.

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 2023

Achievements and Performance

I wish to start by expressing my thanks to the staff team we have at the Nursery, with numbers at the setting being so strong we rely on our wonderful staff who do a magnificent job in looking after the children to the highest standard. The continued professionalism and care that our staff display to parents/carers, organisations and others externally is exemplary. The leadership team of Nursery Manager and Business Manager have without doubt proved to be an asset to our Nursery that many other settings would be envious of, my thanks to Mel and Gemma for the tireless work they do above and beyond.

I personally wish to thank my fellow Directors for what they bring to our nursery. With the experience, knowledge and enthusiasm they display, it makes each meeting a great experience. With us only being a small number, we will again look to strengthen the board to continue to be as diverse as possible with our skill set. Once again, I must thank Sarah for her unwavering assistance with minute taking. Decisions are never easy when on a board of Directors, however I'm proud to be part of this board in our professionalism to deliver the best Nursery setting in Barnard Castle.

We have been ably assisted by our accountant, Jane Ascroft, who has steered us through the finances of a business such as ours seamlessly. Our aim is to have a thriving business for years to come, but financial challenges are coming at us from all sides, 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.

Numbers at the Nursery have remained steady throughout the year, with almost 100 children spread across the rooms, with a further 30 children attending after school clubs run by the staff.

Jemma as Business Manager with her ever tightening purse strings has managed to show improvement in this year's accounts. Income increased from 2022 mainly due to fee rises, at a time when funding is reducing. Expenditure also increased from 2022, due mainly to the rise in our salary costs to meet Living Wage rises and maintaining being a competitive employer, albeit not as steeply as other businesses. Despite the expenditure increase we did finish the year with a profit to carry forward, something that will allow us to reinvest back into the business in this next financial year, as we continue to invest in ways which keep us unique and outstanding in our delivery.

With the positive outlook of the leadership team, we feel that we are addressing any concerns for the future of the business. With a committed 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 £531,488 during the year(2022 - £461,944). Total expenditure was £485,500 (2022 - £418,062) giving a surplus of £45,988 (2022 - £43,882).

At 31st August 2023 net assets totalled £303,354 (2022 - £257,366).

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

The Directors have also agreed that at least half of the surplus money for the 2022/23 financial year is used to development the Pre-School outdoor area.

Green Lane Nursery and Child Care Centre

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

Year Ended 31 August 2023

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.

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

Iain Brown
Sarah Hamilton
David Ewart
Anthony Mawer

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

Small Company Provisions

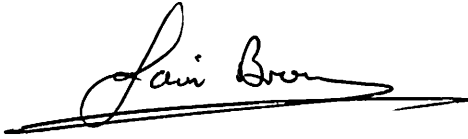
This report has been prepared in accordance with the provisions applicable to companies entitled to the small companies exemption.

Green Lane Nursery and Child Care Centre

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

Year Ended 31 August 2023

The trustees' annual report was approved on 25/04/24..... and signed on behalf of the board of trustees by:

A handwritten signature in black ink, appearing to read 'Iain Brown', is written over a horizontal line.

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 2023

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 2023.

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.

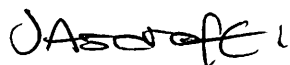
Independent Examiner's Statement

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 2023

		2023	2022
		Unrestricted funds	Total funds
	Note	£	£
Income and endowments			
Charitable activities	5	531,202	531,202
Investment income	6	286	286
Other income	7	—	—
Total income		<u>531,488</u>	<u>531,488</u>
Expenditure			
Expenditure on charitable activities	8,9	485,500	485,500
Total expenditure		<u>485,500</u>	<u>485,500</u>
Net income and net movement in funds		<u>45,988</u>	<u>45,988</u>
Reconciliation of funds			
Total funds brought forward		257,366	257,366
Total funds carried forward		<u>303,354</u>	<u>303,354</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 9 to 15 form part of these financial statements.

Green Lane Nursery and Child Care Centre

Statement of Financial Position

31 August 2023

	Note	2023 £	2022 £
Fixed Assets			
Tangible fixed assets	14	25,440	30,117
Current Assets			
Debtors	15	12,881	14,014
Cash at bank and in hand		<u>273,333</u>	<u>248,684</u>
		286,214	262,698
Creditors: amounts falling due within one year	16	<u>8,300</u>	<u>35,449</u>
Net Current Assets		<u>277,914</u>	<u>227,249</u>
Total Assets Less Current Liabilities		<u>303,354</u>	<u>257,366</u>
Net Assets		<u>303,354</u>	<u>257,366</u>
Funds of the Charity			
Unrestricted funds		<u>303,354</u>	<u>257,366</u>
Total charity funds	18	<u>303,354</u>	<u>257,366</u>

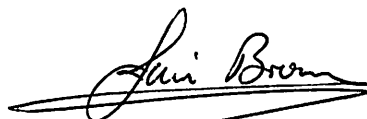
For the year ending 31 August 2023 the charity was entitled to exemption from audit under section 477 of the Companies Act 2006 relating to small companies.

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 21 March 2023, and are signed on behalf of the board by:



Iain Brown
Trustee



David Ewart
Trustee

The notes on pages 9 to 15 form part of these financial statements.

Green Lane Nursery and Child Care Centre

Statement of Cash Flows

Year Ended 31 August 2023

	2023 £	2022 £
Cash Flows from Operating Activities		
Net income	45,988	43,882
<i>Adjustments for:</i>		
Depreciation of tangible fixed assets	8,481	11,160
Other interest receivable and similar income	(286)	(8)
Accrued expenses	60	—
<i>Changes in:</i>		
Trade and other debtors	1,133	5,135
Trade and other creditors	(27,209)	15,883
Cash generated from operations	28,167	76,052
Interest received	286	8
Net cash from operating activities	<u>28,453</u>	<u>76,060</u>
Cash Flows from Investing Activities		
Purchase of tangible assets	(3,804)	(26,063)
Net cash used in investing activities	<u>(3,804)</u>	<u>(26,063)</u>
Net Increase in Cash and Cash Equivalents	24,649	49,997
Cash and Cash Equivalents at Beginning of Year	248,684	198,687
Cash and Cash Equivalents at End of Year	<u>273,333</u>	<u>248,684</u>

The notes on pages 9 to 15 form part of these financial statements.

Green Lane Nursery and Child Care Centre

Notes to the Financial Statements

Year Ended 31 August 2023

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 2023

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 2023

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 2023

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 2023 there were 4 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 2023 £	Unrestricted Funds £	Total Funds 2022 £
Fees	367,386	367,386	290,480	290,480
Local authority funding	163,816	163,816	170,550	170,550
	<u>531,202</u>	<u>531,202</u>	<u>461,030</u>	<u>461,030</u>

6. Investment Income

	Unrestricted Funds £	Total Funds 2023 £	Unrestricted Funds £	Total Funds 2022 £
Bank interest receivable	286	286	8	8

7. Other Income

	Unrestricted Funds £	Total Funds 2023 £	Unrestricted Funds £	Total Funds 2022 £
Covid 19 Support - SSP	—	—	906	906

Green Lane Nursery and Child Care Centre

Notes to the Financial Statements *(continued)*

Year Ended 31 August 2023

8. Expenditure on Charitable Activities by Fund Type

	Unrestricted Funds £	Total Funds 2023 £	Unrestricted Funds £	Total Funds 2022 £
Childcare costs - see page 17	<u>485,500</u>	<u>485,500</u>	<u>418,062</u>	<u>418,062</u>

9. Expenditure on Charitable Activities by Activity Type

	Activities undertaken directly £	Total funds 2023 £	Total fund 2022 £
Childcare costs - see page 17	<u>485,500</u>	<u>485,500</u>	<u>418,062</u>

10. Net Income

Net income is stated after charging/(crediting):

	2023 £	2022 £
Depreciation of tangible fixed assets	<u>8,481</u>	<u>11,160</u>

11. Independent Examination Fees

	2023 £	2022 £
Fees payable to the independent examiner for:		
Independent examination of the financial statements	756	720
Other financial services	836	778
	<u>1,592</u>	<u>1,498</u>

12. Staff Costs

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

	2023 £	2022 £
Wages and salaries	384,972	323,619
Social security costs	22,205	17,316
Employer contributions to pension plans	6,604	5,211
	<u>413,781</u>	<u>346,146</u>

The average head count of employees during the year was 22 (2022: 21). The average number of full-time equivalent employees during the year is analysed as follows:

	2023 No.	2022 No.
Number of childcare staff	<u>22</u>	<u>21</u>

No employee received employee benefits of more than £60,000 during the year (2022: Nil).

Green Lane Nursery and Child Care Centre

Notes to the Financial Statements (continued)

Year Ended 31 August 2023

13. Trustee Remuneration and Expenses

During the year trustees received no remuneration or expenses (2022 - Nil).

14. Tangible Fixed Assets

	Equipment £	Property improvements £	Total £
Cost			
At 1 September 2022	92,551	50,316	142,867
Additions	1,404	2,400	3,804
At 31 August 2023	93,955	52,716	146,671
Depreciation			
At 1 September 2022	70,949	41,801	112,750
Charge for the year	5,752	2,729	8,481
At 31 August 2023	76,701	44,530	121,231
Carrying amount			
At 31 August 2023	17,254	8,186	25,440
At 31 August 2022	21,602	8,515	30,117

15. Debtors

	2023 £	2022 £
Trade debtors	12,225	13,404
Prepayments and accrued income	656	610
	12,881	14,014

16. Creditors: amounts falling due within one year

	2023 £	2022 £
Trade creditors	141	11,405
Accruals and deferred income	780	720
Social security and other taxes	5,644	12,290
Deferred income	—	10,878
Other creditors	1,735	156
	8,300	35,449

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 £6,604 (2022: £5,211).

Green Lane Nursery and Child Care Centre

Notes to the Financial Statements *(continued)*

Year Ended 31 August 2023

18. Analysis of Charitable Funds

Unrestricted funds

	At 1 September 2022 £	Income £	Expenditure £	At 31 August 2023 £
General funds	<u>257,366</u>	<u>531,488</u>	<u>(485,500)</u>	<u>303,354</u>

	At 1 September 2021 £	Income £	Expenditure £	At 31 August 2022 £
General funds	<u>213,484</u>	<u>461,944</u>	<u>(418,062)</u>	<u>257,366</u>

19. Analysis of Net Assets Between Funds

	Unrestricted Funds £	Total Funds 2023 £
Tangible fixed assets	25,440	25,440
Current assets	286,214	286,214
Creditors less than 1 year	<u>(8,300)</u>	<u>(8,300)</u>
Net assets	<u>303,354</u>	<u>303,354</u>

	Unrestricted Funds £	Total Funds 2022 £
Tangible fixed assets	30,117	30,117
Current assets	262,698	262,698
Creditors less than 1 year	<u>(35,449)</u>	<u>(35,449)</u>
Net assets	<u>257,366</u>	<u>257,366</u>

20. Analysis of Changes in Net Debt

	At 1 Sep 2022 £	Cash flows £	At 31 Aug 2023 £
Cash at bank and in hand	<u>248,684</u>	<u>24,649</u>	<u>273,333</u>

Green Lane Nursery and Child Care Centre

Management Information

Year Ended 31 August 2023

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 2023

	2023 £	2022 £
Income and endowments		
Charitable activities		
Fees	367,386	290,480
Local authority funding	163,816	170,550
	<u>531,202</u>	<u>461,030</u>
Investment income		
Bank interest receivable	286	8
	<u>—</u>	<u>—</u>
Other income		
Covid 19 Support - SSP	—	906
	<u>—</u>	<u>—</u>
Total income	<u>531,488</u>	<u>461,944</u>
Expenditure		
Wages/salaries	384,972	323,619
Employer's NIC	22,205	17,316
Employer's pension contributions	6,604	5,211
Rent	15,675	12,237
Repairs & maintenance	1,828	5,824
Insurance	799	773
Legal and professional fees	3,894	3,319
Telephone	4,018	2,733
Stationery & postage	4,065	4,048
Depreciation	8,481	11,160
Equipment & Supplies	11,949	10,030
Food & Refreshments	20,055	20,250
Sundry costs	955	1,542
Total expenditure	<u>485,500</u>	<u>418,062</u>
Net income	<u>45,988</u>	<u>43,882</u>