

Squirrels Day Nursery (Corby) Limited

Unaudited Report and Financial Statements

For the year ended 31 December 2020

Charity number: 1119196

Company number: 05304299

(England and Wales)

Squirrels Day Nursery (Corby) Limited
Contents Page
For the year ended 31 December 2020

Report of the Trustees	1 to 3
Independent Examiner's Report to the Trustees	4
Statement of Financial Activities	5
Statement of Financial Position	6
Notes to the Financial Statements	7 to 14
Detailed Statement of Financial Activities	15 to 16

Squirrels Day Nursery (Corby) Limited
Report of the Trustees
For the year ended 31 December 2020

The Trustees, who are also directors for the purposes of company law, have pleasure in presenting their report and the financial statements for the charitable company for the year ended 31 December 2020. The Trustees have adopted the provisions of 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 the Republic of Ireland (FRS 102) (effective 1 January 2019).

Chair's report

The 2020 financial year has been a challenging one for the charity; the coronavirus pandemic brought with it many difficulties to overcome. Despite this the charity decided to remain open to provide childcare and support to vulnerable children and nursery care to the children of keyworkers. Like many organisations, some staff had to be furloughed but through careful planning and risk assessment services could still be offered through this difficult time.

Through careful monitoring of costs, the charity has achieved a surplus for the year after suffering small deficits in the previous two financial years, this has helped increase reserves. It is hoped that this can now form a platform to build on over the coming year. Maintaining staff numbers is essential to provide the high standard of childcare and development that the charity has been well known for.

OBJECTIVES AND ACTIVITIES

Objectives and aims

The charity's main aim is to advance the education and development of children under statutory school age; offer appropriate learning experiences and play facilities; to ensure the nursery offers opportunities for all children whatever their race, culture, religion, means and ability and encourage parents to become involved in the activities of the nursery.

The trustees have considered the Charity Commission's guidance on public benefit, including the guidance 'public benefit: running a charity (PB2)'.

Volunteers

The charity is grateful for the support and effort of its volunteers. Parents have given valuable time in childcare play activities and gardening.

ACHIEVEMENTS AND PERFORMANCE

The company has built on the achievement of becoming a registered charity following its development through the Neighbourhood Nurseries Initiative. The nursery continues to focus on the development of the project to improve staff skills under the 'Every Child a Talker' programme and promoting the work of the charity and the childcare facilities offered.

Achievements against objectives

The trustees feel that the charity has been successful in delivering its core function of nursery provision and reaching all areas of the community, in such a demanding year.

It had become clear from questions raised by parents and carers that there was a lack of information available locally to explain the transition from nursery care into the state school system. The nursery has addressed this through arranging talks and sessions given by Northants County Council to parents and carers.

FINANCIAL REVIEW

The majority of funding continues to be derived from fees paid for nursery places. Total income from charitable activities including milk subsidies amounts to £332,780 (2019: £334,949). Salaries are the charities largest cost and total employment costs including pension cost amounted to £302,430 (2019: £284,573). This year has been difficult to monitor due to staffing problems relating to the coronavirus pandemic and hopefully the coming year when restrictions are relaxed the charity will be better placed to monitor this more effectively.

General charitable overheads have kept under close review and have decreased to £45,266 from (2019: £53,518).

There is a surplus for the year of £10,948 (2019: deficit £11,298) which has bolstered reserves at the year end.

Reserves

The charity holds general reserves at the year-end of £31,939 (2019: £20,991).

This is below the charity's objective to hold reserves of at least three months operating costs. The surplus for the year is a welcomed turnaround from the deficits reported in the previous two financial years. The charity continues to formulate a more structured reserves policy and it is hoped that this level can be brought back in line through increased nursery places and potential grants and fund raising.

Squirrels Day Nursery (Corby) Limited
Report of the Trustees Continued
For the year ended 31 December 2020

STRUCTURE, GOVERNANCE AND MANAGEMENT

Governing document

Squirrels Day Nursery (Corby) Limited is a charitable company limited by guarantee governed by its Memorandum and Articles of Association dated 3rd December 2004. It is registered as a charity with the Charity Commission.

Anyone over the age of 18 years can become a trustee or member of the company; currently there are four members, each of whom agree to contribute £1 in the event of the charity winding up.

Recruitment and appointment of trustees

The current trustees have been recruited from employees holding management positions and directors. Recruitment is advertised internally for vacancies and approaches made to parents.

New trustees are given a copy of the Memorandum and Articles of Association together with the latest set of financial accounts and instructed on the duties and responsibilities of a charity trustee. All current trustees are familiar with the work of Squirrels Day Nursery (Corby) Limited as they are employees and directors.

Pay policy for senior staff

The board of trustees are responsible for the recruitment and setting pay policy. Pay and salaries are reviewed annually by the board and are set with reference to government and local authority guidance as budgets permit.

REFERENCE AND ADMINISTRATIVE INFORMATION

Name of Charity	Squirrels Day Nursery (Corby) Limited
Charity registration number	1119196
Company registration number	05304299
Principal address	Hazelwood Neighbourhood Centre Gainsborough Road Corby Northamptonshire NN18 0QF
Registered address	6A Ryder Court Saxon Way East Corby Northamptonshire NN18 1NX

Trustees

The trustees and officers serving during the year and since the year end were as follows:

Mrs C Tiley
Mrs K Blincowe
Miss H Reid

Independent examiners

McIntyre & McIntyre
6A Ryder Court
Saxon Way East
Corby
Northamptonshire
NN18 9NX

Bankers

HSBC plc
22-24 Corporation Street
Corby
Northamptonshire
NN17 1NY

Squirrels Day Nursery (Corby) Limited
Report of the Trustees Continued
For the year ended 31 December 2020

Approved by the Board of Trustees and signed on its behalf by

Mrs C Tiley

4 June 2021

Squirrels Day Nursery (Corby) Limited
Independent Examiners Report to the Trustees
For the year ended 31 December 2020

I report to the trustees on my examination of the accounts of the charitable company for the year ended 31 December 2020.

Responsibilities and basis of report

As the charity Trustees, who are also directors for the purposes of company law, are responsible for the preparation of the accounts 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 your charity's accounts 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 examiners statement

Since the Charitable company'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 by virtue of my membership of Association of Accounting Technicians, 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 Company as required by section 386 of the 2006 Act; or
2. the accounts do not accord with those records; or
3. the accounts do not comply with the 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 accounts 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.

David McIntyre FMAAT

McIntyre & McIntyre
6A Ryder Court
Saxon Way East
Corby
Northamptonshire
NN18 9NX

4 June 2021

Squirrels Day Nursery (Corby) Limited
Statement of Financial Activities (including Income and Expenditure Account)
For the year ended 31 December 2020

	Notes	Unrestricted funds £	2019 £
Income and endowments from:			
Charitable activities	2	332,271	334,949
Other income	3	34,780	-
Total		367,051	334,949
Expenditure on:			
Charitable activities	4/5	(356,103)	(346,247)
Total		(356,103)	(346,247)
Net income/expenditure		10,948	(11,298)
Reconciliation of funds			
Total funds brought forward		20,991	32,289
Total funds carried forward		31,939	20,991

Squirrels Day Nursery (Corby) Limited
Statement of Financial Position
As at 31 December 2020

	Notes	2020 £	2019 £
Fixed assets			
Tangible assets	11	28,360	30,244
		28,360	30,244
Current assets			
Debtors	12	3,705	5,144
Cash at bank and in hand		10,420	1,058
		14,125	6,202
Creditors: amounts falling due within one year	13	(10,546)	(15,455)
Net current assets		3,579	(9,253)
Total assets less current liabilities		31,939	20,991
Net assets		31,939	20,991
The funds of the charity			
Unrestricted income funds	14	31,939	20,991
Total funds		31,939	20,991

For the year ended 31 December 2020 the company was entitled to exemption from audit under section 477 of the Companies Act 2006 relating to small companies.

The members have not required the company to obtain an audit of its accounts for the year in question in accordance with section 476,

The trustees acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and the preparation of accounts. These accounts have been prepared in accordance with the provisions applicable to companies subject to the small companies' regime.

The financial statements were approved and authorised for issue by the Board and signed on its behalf by:

Mrs C Tiley
Trustee

4 June 2021

Squirrels Day Nursery (Corby) Limited
Notes to the Financial Statements
For the year ended 31 December 2020

1. Accounting Policies

Basis of accounting

The financial statements have been prepared under the historical cost convention, except for investments which are included at market value and the revaluation of certain fixed assets and in accordance with the Charities SORP (FRS 102) '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)', Financial Reporting Standard 102 the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102), and the Companies Act 2006.

Squirrels Day Nursery (Corby) Limited meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy note(s).

Going concern

The financial statements have been prepared on a going concern basis as the Trustees believe that no material uncertainties exist. The Trustees have considered the level of funds held and the expected level of income and expenditure for 12 months from authorising these financial statements. The budgeted income and expenditure is sufficient with the level of reserves for the charity to be able to continue as a going concern.

Statement of cash flows

The Trustees have taken advantage of the exemption in SORP FRS 102 from including a cash flow statement in the financial statements on the grounds that the charitable company is small.

Change in accounting policy

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 restatement of comparative items was required. The trustees believe that no adjustments are required.

Funds

Unrestricted funds are available for use at the discretion of the trustees in furtherance of the general activities of the charity and which have not been designated for other purposes.

Designated funds comprise unrestricted funds that have been set aside by the trustees for a particular purpose. The charity does not currently hold any designated funds

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by donors or which have been raised by the charity for a specific purpose. The charity does not currently hold any restricted funds.

Incoming resources

All incoming resources are included in the statement of financial activities when the Charity is legally entitled to the income after any performance conditions have been met and the amount can be quantified with reasonable accuracy. The following specific policies are applied to particular categories of income:

Income from trading activities includes income earned from fundraising events and trading activities to raise funds for the charity. Income is received from the provision of nursery and childcare facilities in order to raise funds and is recognised when entitlement has occurred.

Income from local government grants and other grants, whether capital grants or revenue grants, are recognised when the charity has entitlement to the funds and any performance conditions attached to the grants have been met, it is probable that the income will be received and the amount can be measured reliably.

Donated goods, services and facilities

The value of services provided by volunteers are not incorporated into these financial statements. Further details can be found in the Trustee's Report.

Resources expended

All expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all costs related to the category. Expenditure is recognised where there is a legal or constructive obligation to make payments to third parties, it is probable that the settlement will be required and the amount of the obligation can be measured reliably.

Squirrels Day Nursery (Corby) Limited
Notes to the Financial Statements Continued
For the year ended 31 December 2020

Costs of generating funds

Expenditure is classified under the following activity headings:

Expenditure on charitable activities includes the costs of food and beverages, salaries and employer's costs of the provision of nursery care facilities and other governance costs.

Other expenditure represents those items not falling into any other heading.

Charitable activities

Expenditure on charitable activities includes salaries and employer's costs of nursery staff and management, provision of food and beverages and other governance costs.

Allocation and appointment of costs

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 and administrative payroll costs; they are incurred directly in support of expenditure on the objects of the charity. Where support costs cannot be directly attributed to particular headings, they have been allocated to expenditure on charitable activities on a basis consistent with the use of the resources.

Taxation

The charity is an exempt charity within the meaning of schedule 3 of the Charities Act 2011 and is considered to pass the tests set out in paragraph 1 schedule 6 Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes.

Tangible fixed assets

Tangible fixed assets, other than freehold land, are stated at cost or valuation less depreciation and any provision for impairment. Depreciation is provided at rates calculated to write off the cost or valuation of fixed assets, less their estimated residual value, over their expected useful lives on the following basis:

Freehold property	4% Straight line
Office fittings and equipment	20% Reducing balance
Office fittings and equipment	33% Reducing balance

Debtors

Trade and other debtors are recognised at the settlement amount due after any trade discount offered.

Pensions

The charity operates a defined contribution scheme for the benefit of its employees. Contributions payable are recognised in the Statement of Financial Activities when due.

Operating leases

Costs of operating leases are charged to the Statement of Financial Activities on a straight-line basis over the lease term.

Irrecoverable VAT

Irrecoverable VAT is included in the Statement of Financial Activities and is reported as part of the expenditure to which it relates.

Provisions

Provisions are recognised when the charity has an obligation at the balance sheet date as a result of a past event, it is probable that an outflow of economic benefits will be required in settlement and the amount can be reliably estimated.

Cash and cash equivalents

Cash and cash equivalents comprise cash at bank and on hand, demand deposits with banks and other short-term highly liquid investments with original maturities of three months or less and bank overdrafts. In the statement of financial position, bank overdrafts are shown within borrowings or current liabilities.

Squirrels Day Nursery (Corby) Limited
Notes to the Financial Statements Continued
For the year ended 31 December 2020

2. Income from charitable activities

	2020	2019
	£	£
Unrestricted funds		
<i>Nursery provision</i>		
Nursery fees	332,271	334,949

3. Other income

	2020	2019
	£	£
Unrestricted funds		
HMRC - Job retention scheme grant	34,780	-
	34,780	-

4. Costs of charitable activities by fund type

	2020	2019
	£	£
Unrestricted funds		
Nursery provision	260,816	244,406
Support costs	95,287	101,841
	356,103	346,247

5. Costs of charitable activities by activity type

	Activities undertaken directly	Support costs	2020	2019
	£	£	£	£
Support costs				
Nursery provision	260,816	95,287	356,103	346,247

Squirrels Day Nursery (Corby) Limited
Notes to the Financial Statements Continued
For the year ended 31 December 2020

6. Analysis of support costs

	2020	2019
	£	£
Nursery provision		
Management		
Trustee - salaries	45,391	44,117
Trustee - employer's national insurance	3,984	3,719
Trustee - pension contributions	646	487
	50,021	48,323
Governance costs		
Accountancy fees	2,700	2,400
Professional fees	1,296	1,356
Rent and rates	15,605	15,411
Depreciation of owned assets	3,880	3,335
Light and heat	4,240	3,482
Cleaning	4,220	8,802
Bank interest	112	-
Bank charges	454	610
Insurance	1,111	1,096
Training	204	910
Trips and activities	79	339
Toys and equipment	1,575	2,483
Artwork materials	1,311	1,648
Clothing	676	329
Telephone and postage	2,519	2,525
Repairs and renewals	2,635	5,733
Printing and stationery	900	1,144
Computer expenses	1,012	967
Advertising	180	101
Sundry expenses	303	721
Subscriptions	254	126
	45,266	53,518
	95,287	101,841

Squirrels Day Nursery (Corby) Limited
Notes to the Financial Statements Continued
For the year ended 31 December 2020

7. Net income/(expenditure) for the year

This is stated after charging/(crediting):

	2020	2019
	£	£
Depreciation of owned fixed assets	3,880	3,335
Accountancy fees	2,700	2,400
Trustees' remuneration	71,328	68,954
Trustees' pension contributions	1,425	1,173
Staff pension contributions	4,419	4,543

8. Staff costs and emoluments

Total staff costs for the year ended 31 December 2020 were:

	2020	2019
	£	£
Salaries and wages	281,305	268,054
Social security costs	15,281	10,803
Pension costs	5,844	5,716
	302,430	284,573

	2020	2019
Administrative	2	2
Direct charitable work	15	15
	17	17

Staff costs include remuneration paid to trustees.

The remuneration was paid under the authority of the charity's Memorandum and Articles of Association to reflect the time and commitment given.

No employee received remuneration of more than £60,000.

Squirrels Day Nursery (Corby) Limited
Notes to the Financial Statements Continued
For the year ended 31 December 2020

9. Trustee remuneration and related party transactions

Mrs C Tiley, Mrs K Blincoe and Miss H Reid are related to the charity due to their position as trustees.

During the year, the trustees worked within the charity and received remuneration as follows: -

Mrs C Tiley Trustee and director

Salary £23,844 (2019: £22,962)

Mrs K Blincoe Trustee and director

Salary £21,547 (2019: £21,155)

Miss H Reid Trustee

Salary £25,937 (2019: £24,837)

10. Comparative for the Statement of Financial Activities

The comparative year values on the Statement of Financial Activities are for unrestricted funds.

11. Tangible fixed assets

Cost or valuation	Freehold property £	Office fittings and equipment £	Computer Equipment £	Total £
At 01 January 2020	71,595	22,517	2,483	96,595
Additions	-	-	1,996	1,996
At 31 December 2020	71,595	22,517	4,479	98,591
Depreciation				
At 01 January 2020	42,945	21,228	2,178	66,351
Charge for year	2,863	258	759	3,880
At 31 December 2020	45,808	21,486	2,937	70,231
Net book values				
At 31 December 2020	25,787	1,031	1,542	28,360
At 31 December 2019	28,650	1,289	305	30,244

The depreciation charge for the year is £(112) in respect of assets leased under finance leases or hire purchase contracts.

Squirrels Day Nursery (Corby) Limited
Notes to the Financial Statements Continued
For the year ended 31 December 2020

12. Debtors

	2020	2019
	£	£
Amounts due within one year:		
Trade debtors	3,219	4,670
Prepayments and accrued income	486	474
	<u>3,705</u>	<u>5,144</u>

13. Creditors: amounts falling due within one year

	2020	2019
	£	£
Loans and overdrafts	-	5,716
Trade creditors	482	1,573
Other creditors	5,252	3,709
Accruals and deferred income	4,812	4,457
	<u>10,546</u>	<u>15,455</u>

14. Movement in funds

Unrestricted Funds

	Balance at 01/01/2020	Incoming resources	Outgoing resources	Balance at 31/12/2020
	£	£	£	£
<i>General</i>				
General	20,991	367,051	(356,103)	31,939
	<u>20,991</u>	<u>367,051</u>	<u>(356,103)</u>	<u>31,939</u>

Unrestricted Funds - Previous year

	Balance at 01/01/2019	Incoming resources	Outgoing resources	Balance at 31/12/2019
	£	£	£	£
<i>General</i>				
General	32,289	334,949	(346,247)	20,991
	<u>32,289</u>	<u>334,949</u>	<u>(346,247)</u>	<u>20,991</u>

Squirrels Day Nursery (Corby) Limited
Notes to the Financial Statements Continued
For the year ended 31 December 2020

Purpose of unrestricted Funds

General

Providing affordable quality childcare for all families in the local community being in the Borough of Corby Northamptonshire.

15. Analysis of net assets between funds

	Tangible fixed assets	Net current assets / (liabilities)	Net Assets
	£	£	£
Unrestricted funds			
<i>General</i>			
General	28,360	3,579	31,939
	28,360	3,579	31,939
Previous year			
	Tangible fixed assets	Net current assets / (liabilities)	Net Assets
	£	£	£
Unrestricted funds			
<i>General</i>			
General	30,244	(9,253)	20,991
	30,244	(9,253)	20,991

16. Company limited by guarantee

Squirrels Day Nursery (Corby) Limited is a company limited by guarantee and accordingly does not have a share capital.