
HARVEY ROAD DAY NURSERY LIMITED
(A Company Limited by Guarantee)

UNAUDITED

TRUSTEES' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2020

HARVEY ROAD DAY NURSERY LIMITED
(A Company Limited by Guarantee)

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HARVEY ROAD DAY NURSERY LIMITED
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**REFERENCE AND ADMINISTRATIVE DETAILS OF THE CHARITY, ITS TRUSTEES AND ADVISERS
FOR THE YEAR ENDED 30 SEPTEMBER 2020**

Trustees	K Ahl S Crimlis J Gibson S Morgan
Company registered number	06283794
Charity registered number	1121441
Registered office	9-10 Harvey Road Cambridge CB1 2ET
Company secretary	S Morgan
Independent Examiner	M Hewett ACA DChA Peters Elworthy & Moore Chartered Accountants Salisbury House Station Road Cambridge CB1 2LA
Bankers	CAF Bank 25 Kings Hill Avenue Kings Hill West Malling Kent ME19 4JQ Cambridge Building Society 51 Newmarket Road Cambridge CB5 8FF Scottish Widows 67 Morrison Street Edinburgh EH3 8YJ
Nursery Manager	C Hall
Deputy Manager	S Baldry

HARVEY ROAD DAY NURSERY LIMITED
(A Company Limited by Guarantee)

TRUSTEES' REPORT
FOR THE YEAR ENDED 30 SEPTEMBER 2020

The Trustees present their annual report together with the financial statements of the Charity for the year 1 October 2019 to 30 September 2020. The Annual Report serves the purposes of both a Trustees' report and a directors' report under company law. The Trustees confirm that the Annual Report and financial statements of the charitable company comply with the current statutory requirements, the requirements of the charitable company's governing document and the provisions of the Statement of Recommended Practice (SORP) applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102) (second edition of the Charities SORP (FRS102) October 2019, effective 1 January 2019).

Since the Charity qualifies as small under section 382 of the Companies Act 2006, the Strategic Report required of medium and large companies under the Companies Act 2006 (Strategic Report and Directors' Report) Regulations 2013 has been omitted.

Objectives and activities

Policies and objectives

The Nursery has 6 main objectives to its operation:

- Our main objective is to provide the children in our care with a happy, safe and stimulating environment in which to grow and learn.
- Ensure the nursery is staffed with appropriately qualified, motivated and experienced staff to deliver the Early Years Foundation Stage requirements required by the nursery.
- Ensure the nursery meets all legal requirements, the Early Years Foundation standards, the Quality Framework requirements and achieves as high a level rating it can under the OFSTED regulatory body.
- Ensure the nursery is always at maximum capacity and attempt to avoid non usage of places.
- Support families using the nursery service.
- Continue to improve information access for parents and carers.

HARVEY ROAD DAY NURSERY LIMITED
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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 30 SEPTEMBER 2020

Objectives and activities

a. Policies and objectives

In order to ensure that everything we undertake is in line with recognised equality of opportunity quality standards and to provide for the welfare of all our service users, members and participants, all of our work will be informed through our policies and statements which have been developed in line with legal requirements:

- Safeguarding Children and Child Protection
- Whistle Blowing
- Health and Safety
- Managing Illness and Administering Medicines
- Confidentiality and Client Access to Records
- Privacy Policy
- Complaints and Compliments
- Food, Nutrition and Celebrations Policy
- Parents Guide to the Early Years Foundation Stage Framework
- Employee Learning and Development
- Safer Recruitment
- Student Policy
- Nappy Changing and Intimate Care Policy
- Biting
- Use of Mobile Phones, Cameras and Technological Devices
- Inclusion and Equality
- Fire Safety
- Lock Down Policy
- CCTV Policy
- Adverse Weather
- Sun Care Policy
- Parent/Carer Involvement Policy
- Achieving Positive Behaviour & Well Being
- Monitoring Staff Behaviour
- Supporting Children with Special Needs
- Conflict Resolution

An up to date Policy and Procedures book is in each room, office and staff room. New parents are also directed to the website which is regularly updated.

In setting objectives and planning for activities, the Trustees have given due consideration to general guidance published by the Charity Commission relating to public benefit, including the guidance 'Public benefit: running a charity (PB2)'.

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 30 SEPTEMBER 2020

Objectives and activities (continued)

b. Activities undertaken to achieve objectives

The Nursery is inspected by OFSTED and will aim to respond appropriately and within reasonable timeframes to any issues raised. Staff and Trustees as well as parents are involved with this process and feedback is made available to each representative party.

The Nursery regularly monitors and evaluates its operations which enable the Board of Management to facilitate a continuous improvement policy.

Parents are encouraged to offer feedback to the staff and the nursery has been working on providing opportunities for the parents to ask questions. While in previous years classes for parents have been organised to share nursery best practices that would also be useful at home, since the beginning of the pandemic these resources have been shared remotely, either via email or Tapestry, the nursery's online portal for parents and staff to share information.

The Nursery Manager operates a continual process of place management and monitors our waiting list for places. She alerts the Board of Management to any unfilled nursery places and advises what is being done to reach maximum capacity.

Achievements and performance

a. Review of activities

Harvey Road Day Nursery has had a very challenging year, much like the rest of the early years education sector during the Covid-19 pandemic. The year was made up of two very different halves—the first half, from October 2019 to mid-March 2020 followed a standard pattern of activities. The nursery hosted the following activities:

- a Halloween disco for children
- holiday campfire and carol evening
- visit from Santa in December

However, following Government guidance, the nursery shut from 23rd March until 8th June. Staff were furloughed during this time and the nursery utilised the Government job retention scheme to continue to pay staff salaries. Fees for parents were reduced to 15% of the usual fees.

Starting 8th June, the nursery gradually reopened, with the children in 'bubbles' that attended two days per week initially, allowing for deep cleaning inbetween bubbles attending the nursery. Changes were made to the drop-off and collection procedures to minimise the risk of cross-infection between parents and children. In addition, there were staff members subject to Government 'shielding' guidance, meaning that they could not attend work. This, along with the decision to not utilise agency staff due to the risk they presented for cross-infection, meant that the nursery hours were shortened from normal, with staggered drop-off and collection times for children.

b. Staff movements and development

This year Tessa completed her NVQ Level 2 but then left us to move to away. We sadly said goodbye to Amy, Jess and Louise, but we welcomed Gemma into Polar Room and welcomed Antonella back to Koala Room. Staff training was significantly curtailed during the year, as most face to face training nationally has been put on hold. The regular training schedule will be restarted in 2021.

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 30 SEPTEMBER 2020

Achievements and performance (continued)

c. Renovations and environment

To support sleeping new curtains and blinds were purchased for all the nursery rooms.

d. Parent participation in nursery life

We would like to thank the parents for all their contributions to nursery life this year. Whether you have come in to read to the children, helped out on one of the outings, or come along to one of our parties. We would also like to thank you for continuing to provide constructive feedback on how the nursery can improve. The Tapestry system remains an important additional way in which parents and staff can communicate and share information, and we would encourage you to use it as much as you can.

Financial review

a. Going concern

After making appropriate enquiries including the impact of the pandemic on the charity, the Trustees have a reasonable expectation that the Charity has adequate resources to continue in operational existence for the foreseeable future. For this reason, they continue to adopt the going concern basis in preparing the financial statements.

b. Reserves policy

We are aiming to retain reserves equivalent to 4-5 months turnover, which is around £200,000. As at 30 September 2020, reserves were equivalent to around 5.9 (2019: 6) months turnover. We continue to hold our reserves in cash, split between our accounts. Actual reserves are slightly higher than the target level, however this has and will allow the Charity to cover any ongoing shortfalls that may arise due to the pandemic. Total funds were £219,792 which comprise restricted funds of £2,162 and unrestricted funds of £217,630. Fixed assets were £14,774, therefore free reserves at the end of the year were £202,856.

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 30 SEPTEMBER 2020

c. Financial review

The Statement of Financial Activities covers the period 1 October 2019 to 30 September 2020. The detailed results of the period's operations are set out in the attached financial statements. Income for the year was £456,850 which comprised £377,164 (2019: £559,353) from parents' fees and grant income, £592 (2019: £1,461) from bank interest, £5,157 from donations (2019: £1,061) and £73,937 (2019: £nil) from the Coronavirus Job Retention Scheme. Expenditure amounted to £517,611 (2019: £556,908) of which £485,569 (2019: £526,959) related to direct costs and £32,042 (2019: £29,949) related to support and governance costs. There was a net outflow of funds for the period of £60,761 (2019: inflow of funds £4,967) which arose as a result of the Coronavirus pandemic which caused a short term closure of the Nursery and reduction in fees. The retained reserves at 30 September 2020 amount to £219,792 (£280,553).

Areas of expenditure have already been mentioned in the Review of Activities section as we continue to maintain and develop the nursery facilities.

The Nursery receives the use of premises, which are leased from a social housing provider in Cambridge. As a social housing provider, the landlord does not let out properties at a market rent and therefore due to the nature of the property the landlord is not able to determine a market rent. No in-kind donation for rent has therefore been included in these financial statements.

Structure, governance and management

a. Constitution

Harvey Road Day Nursery Limited is registered as a charitable company limited by guarantee (registered number 06283794) and was set up by a Memorandum of Association on 18 June 2007. It is a registered charity, number 1121441.

The principal object of the charity is to establish and carry on a nursery school ("the Nursery") for the inhabitants of Cambridgeshire and the neighbouring counties where children may be educated and to use the Nursery as a childcare centre for the inhabitants of Cambridgeshire and the neighbouring counties where children may be cared for.

b. Methods of appointment or election of Trustees

The management of the Charity is the responsibility of the Trustees who are appointed by the members by ordinary resolution. The Trustees must stand down after the first year of operation and will then offer themselves for re-election at the first annual general meeting. Trustees will then retire in rotation and may be re-elected at subsequent annual general meetings.

The Trustees themselves may also appoint a person who is willing to act as a Trustee. A Trustee so appointed must retire at the next annual general meeting and must not be taken into account in determining the Trustees who are to retire by rotation.

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 30 SEPTEMBER 2020

Structure, governance and management (continued)

c. Organisational structure and decision-making policies

The Trustees of the Charity, operating as a Board of Management, determine strategic priorities and oversee the financial management of the Charity. The day to day running of the Nursery is delegated by the Board of Management to the Nursery Manager and her deputies and staff. The Board of Management meets every two months to review the performance of the Nursery and consider issues which arise which affect the running of the Nursery.

d. Trustees

The Trustees who served during the year were:

K Ahl
J Alvarez Valle (resigned 7 April 2020)
P Cacciottolo (resigned 7 April 2020)
S Crimlis
C Fabre (resigned 7 April 2020, appointed 16 May 2020, resigned 20 September 2020)
J Gibson
S Morgan

e. Financial risk management

The Trustees have assessed the major risks to which the charity is exposed, in particular those related to the operations and finances of the charity, and are satisfied that systems and procedures are in place to mitigate our exposure to the major risks. The current risk mitigations have been carefully reconsidered in 2020 in light of the Covid-19 pandemic and the rotating government lockdowns which have limited the opening of the nursery.

Plans for future periods

The primary focus for the upcoming year will be the management of the Covid-19 pandemic, with as little disruption to the nursery and children as possible. The directors and management look forward this year to continuing to make improvements, both to the fabric of the nursery itself and to the way we care for and educate the children, and look forward to working together with our members (the parents) and staff to achieve these goals.

Our thanks go to Christine Hall, the Nursery Manager, and Suzanne Baldry, her Deputy, for running the Nursery seeking continuously improvements; to Debbie Macer, the Office Manager, for keeping our books in order and helping the Nursery to keep its governance costs to a minimum; to the Room Staff for providing great care and education to our children.

HARVEY ROAD DAY NURSERY LIMITED
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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 30 SEPTEMBER 2020

Statement of Trustees' responsibilities

The Trustees (who are also the directors of the Charity for the purposes of company law) are responsible for preparing the Trustees' Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the Trustees to prepare financial statements for each financial year. Under company law, the Trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Charity and of its incoming resources and application of resources, including its income and expenditure, for that period. In preparing these financial statements, the Trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles of the Charities SORP (FRS 102);
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards (FRS 102) have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Charity will continue in business.

The Trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the Charity's transactions and 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 fraud and other irregularities.

Approved by order of the members of the board of Trustees and signed on their behalf by:

 14/6/2021
.....
S Morgan
(Trustee)
Date:

HARVEY ROAD DAY NURSERY LIMITED
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INDEPENDENT EXAMINER'S REPORT
FOR THE YEAR ENDED 30 SEPTEMBER 2020

Independent Examiner's Report to the Trustees of Harvey Road Day Nursery Limited ('the Charity')

I report to the charity Trustees on my examination of the accounts of the Charity for the year ended 30 September 2020.

Responsibilities and Basis of Report

As the Trustees of the Charity (and its directors for the purposes of company law) you 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 Charity are not required to be audited under Part 16 of the 2006 Act and are eligible for independent examination, I report in respect of my examination of the Charity's 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 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 & Wales, 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 accounts do not accord with those records; or
3. the accounts 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 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.

HARVEY ROAD DAY NURSERY LIMITED
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INDEPENDENT EXAMINER'S REPORT (CONTINUED)
FOR THE YEAR ENDED 30 SEPTEMBER 2020

This report is made solely to the Charity's Trustees, as a body, in accordance with Part 4 of the Charities (Accounts and Reports) Regulations 2008. My work has been undertaken so that I might state to the Charity's Trustees those matters I am required to state to them in an Independent Examiner's Report and for no other purpose. To the fullest extent permitted by law, I do not accept or assume responsibility to anyone other than the Charity and the Charity's Trustees as a body, for my work or for this report.

Signed: Michael Hewett Dated: 22 June 2021

M Hewett ACA DChA
Peters Elworthy & Moore

Chartered Accountants

Cambridge

HARVEY ROAD DAY NURSERY LIMITED
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**STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING INCOME AND EXPENDITURE ACCOUNT)
FOR THE YEAR ENDED 30 SEPTEMBER 2020**

	Note	Unrestricted funds 2020 £	Restricted funds 2020 £	Total funds 2020 £	Total funds 2019 £
Income from:					
Donations	2	4,542	615	5,157	1,061
Charitable activities	3	349,870	27,294	377,164	559,353
Investments	4	592	-	592	1,461
Other income	5	73,937	-	73,937	-
Total income		428,941	27,909	456,850	561,875
Expenditure on:					
Charitable activities	6	490,317	27,294	517,611	556,908
Total expenditure		490,317	27,294	517,611	556,908
Net movement in funds		(61,376)	615	(60,761)	4,967
Reconciliation of funds:					
Total funds brought forward		279,006	1,547	280,553	275,586
Net movement in funds		(61,376)	615	(60,761)	4,967
Total funds carried forward		217,630	2,162	219,792	280,553

The Statement of Financial Activities includes all gains and losses recognised in the year.

The notes on pages 14 to 27 form part of these financial statements.

HARVEY ROAD DAY NURSERY LIMITED
(A Company Limited by Guarantee)
REGISTERED NUMBER: 06283794

BALANCE SHEET
AS AT 30 SEPTEMBER 2020

	Note	2020 £	2019 £
Fixed assets			
Tangible assets	11	14,774	18,521
		<u>14,774</u>	<u>18,521</u>
Current assets			
Debtors	12	5,595	45,463
Cash at bank and in hand		274,322	318,369
		<u>279,917</u>	<u>363,832</u>
Creditors: amounts falling due within one year	13	(74,899)	(101,800)
Net current assets		<u>205,018</u>	<u>262,032</u>
Total assets less current liabilities		<u>219,792</u>	<u>280,553</u>
Total net assets		<u><u>219,792</u></u>	<u><u>280,553</u></u>
Charity funds			
Restricted funds	14	2,162	1,547
Unrestricted funds	14	217,630	279,006
Total funds		<u><u>219,792</u></u>	<u><u>280,553</u></u>

The Charity was entitled to exemption from audit under section 477 of the Companies Act 2006.

The members have not required the company to obtain an audit for the year in question in accordance with section 476 of Companies Act 2006.

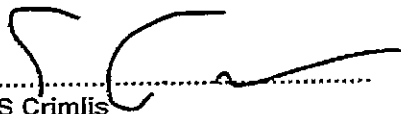
The Trustees acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and preparation of financial statements.

HARVEY ROAD DAY NURSERY LIMITED
(A Company Limited by Guarantee)
REGISTERED NUMBER: 06283794

BALANCE SHEET (CONTINUED)
AS AT 30 SEPTEMBER 2020

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

The financial statements were approved and authorised for issue by the Trustees and signed on their behalf by:


.....
S Crimlis

Date: 14 June 2021

The notes on pages 14 to 27 form part of these financial statements.

HARVEY ROAD DAY NURSERY LIMITED
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2020

1. Accounting policies

1.1 Basis of preparation of financial statements

The financial statements have been prepared 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) (second edition of the Charities SORP (FRS102) October 2019, effective 1 January 2019), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

Harvey Road Day Nursery 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.

There were no significant estimates or judgements made by management in preparing these financial statements.

1.2 Going concern

The Trustees have reviewed the financial position of the charity, including the potential impact of Covid-19, and have a reasonable expectation that the charity has adequate resources to continue in operational existence for the foreseeable future. Accordingly, the financial statements continue to be prepared on the going concern basis.

1.3 Company status

The Charity is a company limited by guarantee. The members of the Charity are the Trustees named on page 1. In the event of the Charity being wound up, the liability in respect of the guarantee is limited to £10 per member of the Charity.

HARVEY ROAD DAY NURSERY LIMITED
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2020**

1. Accounting policies (continued)

1.4 Income

All income is recognised once the Charity has entitlement to the income, it is probable that the income will be received and the amount of income receivable can be measured reliably.

On receipt, donated professional services and facilities are recognised on the basis of the value of the gift to the Charity which is the amount it would have been willing to pay to obtain services or facilities of equivalent economic benefit on the open market; a corresponding amount is then recognised in expenditure in the period of receipt.

Income tax recoverable in relation to investment income is recognised at the time the investment income is receivable.

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the Charity; this is normally upon notification of the interest paid or payable by the institution with whom the funds are deposited.

Parent fees are recognised in the period to which they relate, with any fees received in advance being deferred.

Donations are recognised in the period in which they are received.

Income received under the Coronavirus Job Retention Scheme is matched to the salary costs that have been incurred in the period. Income and expenditure are shown separately and are not netted off.

1.5 Expenditure

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. Expenditure is classified by activity. The costs of each activity are made up of the total of direct costs and shared costs, including support costs involved in undertaking each activity.

Expenditure on charitable activities is incurred on directly undertaking the activities which further the Charity's objectives, as well as any associated support costs.

Support costs including governance costs are those costs incurred directly in support of expenditure on the objects of the Charity and include overheads incurred in the running of the Nursery. Governance costs are those incurred in connection with administration of the Charity and compliance with constitutional and statutory requirements.

All expenditure is inclusive of irrecoverable VAT.

1.6 Government grants

Government grants other than for tangible fixed assets are credited to the Statement of Financial Activities as the related expenditure is incurred.

HARVEY ROAD DAY NURSERY LIMITED
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2020

1. Accounting policies (continued)

1.7 Tangible fixed assets and depreciation

Tangible fixed assets costing £1,000 or more are capitalised and recognised when future economic benefits are probable and the cost or value of the asset can be measured reliably.

Tangible fixed assets are initially recognised at cost. After recognition, under the cost model, tangible fixed assets are measured at cost less accumulated depreciation and any accumulated impairment losses. All costs incurred to bring a tangible fixed asset into its intended working condition should be included in the measurement of cost.

Depreciation is charged so as to allocate the cost of tangible fixed assets less their residual value over their estimated useful lives.

Depreciation is provided on the following bases:

Property improvements	- 10% - 33.33% straight line
Office equipment	- 20% straight line

1.8 Debtors

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

1.9 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 three months or less from the date of acquisition or opening of the deposit or similar account.

1.10 Liabilities and provisions

Liabilities are recognised when there is an obligation at the Balance Sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably.

Liabilities are recognised at the amount that the Charity anticipates it will pay to settle the debt or the amount it has received as advanced payments for the goods or services it must provide.

Provisions are measured at the best estimate of the amounts required to settle the obligation. Where the effect of the time value of money is material, the provision is based on the present value of those amounts, discounted at the pre-tax discount rate that reflects the risks specific to the liability. The unwinding of the discount is recognised in the Statement of Financial Activities as a finance cost.

1.11 Financial instruments

The Charity only has financial assets and financial 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.

HARVEY ROAD DAY NURSERY LIMITED
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2020

1. Accounting policies (continued)

1.12 Operating leases

Rentals paid under operating leases are charged to the Statement of Financial Activities on a straight line basis over the lease term.

1.13 Pensions

The Charity operates a defined contribution pension scheme and the pension charge represents the amounts payable by the Charity to the fund in respect of the year.

1.14 Fund accounting

General funds are unrestricted funds which are available for use at the discretion of the Trustees in furtherance of the general objectives of the Charity and which have not been designated for other purposes.

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 particular purposes. The costs of raising and administering such funds are charged against the specific fund. The aim and use of each restricted fund is set out in the notes to the financial statements.

Investment income, gains and losses are allocated to the appropriate fund.

2. Income from donations

	Unrestricted funds 2020 £	Restricted funds 2020 £	Total funds 2020 £	Total funds 2019 £
Donations	4,542	615	5,157	1,061
	<hr/>	<hr/>	<hr/>	<hr/>
Total 2019	316	745	1,061	
	<hr/>	<hr/>	<hr/>	

Donations include £4,516 received in-kind from Cambridge City Council who waived the payment of rates for 2020. An equal and opposite expense is included in premises costs below.

The nursery operates from premises in Cambridge, leased from a social housing provider with a peppercorn rent. As a social housing provider, the landlord does not let out properties at a market rent and therefore due to the nature of the property the landlord is not able to determine a market rent. No in-kind donation for rent has therefore been included in these financial statements.

HARVEY ROAD DAY NURSERY LIMITED
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2020

3. Income from charitable activities

	Unrestricted funds 2020 £	Restricted funds 2020 £	Total funds 2020 £	Total funds 2019 £
Education and milk grant	-	27,294	27,294	34,117
Parents fees	349,870	-	349,870	525,236
	<u>349,870</u>	<u>27,294</u>	<u>377,164</u>	<u>559,353</u>
Total 2019	<u>525,236</u>	<u>34,117</u>	<u>559,353</u>	

4. Investment income

	Unrestricted funds 2020 £	Total funds 2020 £	Total funds 2019 £
Bank interest	592	592	1,461
	<u>592</u>	<u>592</u>	<u>1,461</u>
Total 2019	<u>1,461</u>	<u>1,461</u>	

5. Other income

	Unrestricted funds 2020 £	Total funds 2020 £	Total funds 2019 £
Coronavirus job retention scheme	73,937	73,937	-
	<u>73,937</u>	<u>73,937</u>	<u>-</u>

This income relates to the Job Retention Scheme for furloughed employees. This was spent on staff wages and salaries.

HARVEY ROAD DAY NURSERY LIMITED
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2020**

6. Analysis of expenditure on charitable activities

Summary by fund type

	Unrestricted funds 2020 £	Restricted funds 2020 £	Total funds 2020 £	Total funds 2019 £
Nursery school education	490,317	27,294	517,611	556,908
Total 2019	556,908	-	556,908	

7. Analysis of expenditure by activities

	Activities undertaken directly 2020 £	Support costs 2020 £	Total funds 2020 £	Total funds 2019 £
Nursery school education	485,569	32,042	517,611	556,908
Total 2019	526,959	29,949	556,908	

Analysis of direct costs

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7. Analysis of expenditure by activities (continued)

Analysis of direct costs (continued)

	Total funds 2020 £	Total funds 2019 £
Staff costs	401,547	409,787
Depreciation	3,747	3,775
Equipment	3,346	3,679
Staff training and welfare	2,054	4,037
Cleaning	14,879	16,302
Premises costs	44,086	49,302
Food and chef costs	12,023	32,870
Costs of trips	-	443
Bank charges	299	291
Advertising	-	312
Stationery	415	4,009
Subscriptions	3,173	2,152
	<u>485,569</u>	<u>526,959</u>

Analysis of support costs

	Total funds 2020 £	Total funds 2019 £
Staff costs	20,426	19,549
Postage	87	12
Telephone and internet	1,464	4,048
Computer costs	2,504	717
Payroll costs	1,861	2,023
Accountancy fees - governance	5,700	3,600
	<u>32,042</u>	<u>29,949</u>

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8. Independent examiner's remuneration

	2020 £	2019 £
Fees payable to the Charity's independent examiner for the independent examination of the Charity's annual accounts	4,500	3,600
Fees payable to the previous Charity's independent examiner in respect of: Fee payable to previous independent examiner (under-accrual)	1,200	-
	<u>5,700</u>	<u>3,600</u>

9. Staff costs

	2020 £	2019 £
Wages and salaries	390,862	399,607
Social security costs	22,238	21,736
Contribution to defined contribution pension schemes	8,873	7,993
	<u>421,973</u>	<u>429,336</u>

The average number of persons employed by the Charity during the year was as follows:

	2020 No.	2019 No.
Nursery staff	24	22
Administration	1	1
	<u>25</u>	<u>23</u>

No employee received remuneration amounting to more than £60,000 in either year.

The key management personnel of the charity comprise the Trustees and the Manager and Deputy Manager. The Trustees all give their time and expertise without any kind of remuneration or other benefit in kind (2019: £Nil). The total employment benefits of key management personnel including pension contributions and employers' national insurance was £65,875.

10. Trustees' remuneration and expenses

During the year, no Trustees received any remuneration or other benefits (2019 - £NIL).

During the year ended 30 September 2020, no Trustee expenses have been incurred (2019 - £NIL) and no amounts were paid directly to a third party on their behalf.

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11. Tangible fixed assets

	Total £
Cost or valuation	
At 1 October 2019	68,610
At 30 September 2020	<u>68,610</u>
Depreciation	
At 1 October 2019	50,089
Charge for the year	3,747
At 30 September 2020	<u>53,836</u>
Net book value	
At 30 September 2020	<u><u>14,774</u></u>
At 30 September 2019	<u><u>18,521</u></u>

12. Debtors

	2020 £	2019 £
Due within one year		
Trade debtors	2,883	36,139
Other debtors	-	6,975
Prepayments and accrued income	2,712	2,349
	<u><u>5,595</u></u>	<u><u>45,463</u></u>

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13. Creditors: Amounts falling due within one year

	2020 £	2019 £
Payments received on account	1,478	434
Trade creditors	6,125	9,713
Other taxation and social security	6,003	5,492
Pension fund	2,306	2,006
Other creditors (including deposits held £38,000)	44,574	40,500
Accruals and deferred income	14,413	43,655
	<u>74,899</u>	<u>101,800</u>
	2020 £	2019 £
Deferred income at 1 October 2019	37,982	4,145
Resources deferred during the year	5,947	37,982
Amounts released from previous periods	(37,982)	(4,145)
	<u>5,947</u>	<u>37,982</u>

Resources deferred during the year relate to Education grant income (2019: Education grant income £2,909 and parent fees for October 2019 £35,073).

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14. Statement of funds

Statement of funds - current year

	Balance at 1 October 2019 £	Income £	Expenditure £	Balance at 30 September 2020 £
Unrestricted funds				
General Funds	279,006	428,941	(490,317)	217,630
Restricted funds				
Milk Fund	-	1,297	(1,297)	-
Education grant Fund	-	25,997	(25,997)	-
Donations Fund	1,547	615	-	2,162
	1,547	27,909	(27,294)	2,162
Total of funds	280,553	456,850	(517,611)	219,792

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14. Statement of funds (continued)

Statement of funds - prior year

	Balance at 1 October 2018 £	Income £	Expenditure £	Balance at 30 September 2019 £
Unrestricted funds				
General Funds - all funds	274,734	527,012	(522,740)	279,006
Restricted funds				
Milk Fund	-	1,609	(1,609)	-
Education grant Fund	-	32,508	(32,508)	-
Donations Fund	852	745	(50)	1,547
	852	34,862	(34,167)	1,547
Total of funds	275,586	561,874	(556,907)	280,553

The Education and Milk grants are received in respect of certain periods and are recognised as both income and expenditure in those periods. They are given for the specific purpose as described and have been spent accordingly.

The Donations fund represents donations received and made available for specific events such as the Christmas party and various trips for the children.

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15. Analysis of net assets between funds

Analysis of net assets between funds - current period

	Unrestricted funds 2020 £	Restricted funds 2020 £	Total funds 2020 £
Tangible fixed assets	14,774	-	14,774
Current assets	283,897	2,162	286,059
Creditors due within one year	(81,041)	-	(81,041)
Total	<u>217,630</u>	<u>2,162</u>	<u>219,792</u>

Analysis of net assets between funds - prior period

	Unrestricted funds 2019 £	Restricted funds 2019 £	Total funds 2019 £
Tangible fixed assets	18,521	-	18,521
Current assets	362,285	1,547	363,832
Creditors due within one year	(101,800)	-	(101,800)
Total	<u>279,006</u>	<u>1,547</u>	<u>280,553</u>

16. Pension commitments

The nursery operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the nursery in an independently administered fund. The pension cost charge represents contributions payable by the nursery to the fund and amounted to £8,873 (2019: £7,993). At the balance sheet date there were outstanding contributions of £2,306 (2019: £2006) which is included in creditors.

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17. Operating lease commitments

At 30 September 2020 the Charity had commitments to make future minimum lease payments under non-cancellable operating leases for a property and a photocopier as follows:

	2020 £	2019 £
Not later than 1 year	4,405	2,631
Later than 1 year and not later than 5 years	8,641	6,282
Later than 5 years	7,980	-
	<u>21,026</u>	<u>8,913</u>

The nursery leases premises from a social housing provider. The lease allows for payment of a peppercorn rent, although this has not been invoiced for some years. The nursery has a commitment to contribute to the Housing Cyclical Budget of £475 plus VAT twice a year, which is included within the above figures.

18. Related party transactions

The Charity has not entered into any related party transactions that require disclosure during the year, nor are there any outstanding balances owing between related parties and the Charity at 30 September 2020. During the year, the children of some of the Trustees used the Nursery for which fees were charged at the standard rates on an arm's length basis.

