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

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**UNAUDITED**  
**TRUSTEES' REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 SEPTEMBER 2021**

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

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

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**REFERENCE AND ADMINISTRATIVE DETAILS OF THE CHARITY, ITS TRUSTEES AND ADVISERS  
FOR THE YEAR ENDED 30 SEPTEMBER 2021**

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<b>Trustees</b>	K Ahl L Byrnes J Gibson R Oren L Patasic S Morgan
<b>Company registered number</b>	06283794
<b>Charity registered number</b>	1121441
<b>Registered office</b>	9-10 Harvey Road Cambridge CB1 2ET
<b>Company secretary</b>	S Morgan
<b>Independent Examiner</b>	M Hewett ACA DChA Peters Elworthy & Moore Chartered Accountants Salisbury House Station Road Cambridge CB1 2LA
<b>Bankers</b>	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
<b>Nursery Manager</b>	S Baldry
<b>Deputy Manager</b>	M Griffin

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**HARVEY ROAD DAY NURSERY LIMITED**  
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**TRUSTEES' REPORT**  
**FOR THE YEAR ENDED 30 SEPTEMBER 2021**

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The Trustees present their annual report together with the financial statements of the Charity for the 1 October 2020 to 30 September 2021. 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.

**Objectives and activities**

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**HARVEY ROAD DAY NURSERY LIMITED**  
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**TRUSTEES' REPORT (CONTINUED)**  
**FOR THE YEAR ENDED 30 SEPTEMBER 2021**

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**Objectives and activities (continued)**

**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
- Emotional Health and Wellbeing
- Covid-19 Contingency Plan

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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**HARVEY ROAD DAY NURSERY LIMITED**  
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**TRUSTEES' REPORT (CONTINUED)**  
**FOR THE YEAR ENDED 30 SEPTEMBER 2021**

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**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 was not inspected by OFSTED this year.

The Nursery actively seeks feedback from parents and stakeholders. Regular meetings are held with the Hundred Houses Society—the owner and manager of the Nursery building. Parents are kept informed of nursery activities and their child's development specifically 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**

The nursery resumed near-normal activities by the middle of the year in terms of opening hours and daily operation. But, due to ongoing Covid-19 controls, external trips and visitors to the nursery were curtailed. However, the children still enjoyed:

- a visit from Santa via Zoom
- various celebrations children throughout the year
- staff enjoyed a theatre trip from donations received from parents.

**b. Staff movements and development**

This year we've sadly said good-bye to Gemma and Daniela who moved on to other opportunities, and Laura who went on maternity leave. But we have welcomed Rosella as part of the apprenticeship programme, as well as Sapphire, Anne and Zoie as permanent members of staff.

The nursery's long-time Manager, Christine Hall, retired in August and was replaced by her Deputy, Suzanne Baldry. We wish Christine well on her next adventures and Suzanne in her new role.

**c. Renovations and environment**

Significant improvements were made to the garden, and new artificial grass installed. A canopy was added to provide an outdoor learning area for Pre-school.

**d. Parent participation in nursery life**

We would like to thank the parents for all their contributions to nursery life this year. 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.

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**HARVEY ROAD DAY NURSERY LIMITED**  
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**TRUSTEES' REPORT (CONTINUED)**  
**FOR THE YEAR ENDED 30 SEPTEMBER 2021**

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**Financial review**

**a. Going concern**

After making appropriate enquiries, 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. To maintain the Nursery as a going concern, fees are being raised in January 2022 slightly above the rate of inflation to ensure sufficient funds for staff salary increases and to rebuild reserves following the Covid-19 pandemic.

**b. Reserves policy**

We are aiming to retain free reserves equivalent to 4-5 months turnover (£210,000). As at 30 September 2021, reserves were not at that level, so efforts are being made to increase these reserves in 2022. We continue to hold our reserves in cash, split between our accounts.

**c. Financial review**

The Statement of Financial Activities covers the period 1 October 2020 to 30 September 2021. The detailed results of the period's operations are set out in the attached financial statements. Income for the year was £478,172 which comprised £469,414 (2020: £377,164) from parents' fees and grant income, £332 (2020: £592) from bank interest, £541 from donations (2020: £5,157) and £7,885 (2020: £73,937) from the Coronavirus Job Retention Scheme. Expenditure amounted to £509,393 (2020: £517,611) of which £477,352 (2020: £485,569) related to direct costs and £32,041 (2020: £32,042) related to support and governance costs. There was a net outflow of funds for the period of £31,221 (2020: £60,761) which arose as a result of the ongoing implications of the the Coronavirus pandemic. The retained reserves at 30 September 2021 amount to £188,571 (2020: £219,792).

Nursery Fees continue to be the main source of income. 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.

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**HARVEY ROAD DAY NURSERY LIMITED**  
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**TRUSTEES' REPORT (CONTINUED)**  
**FOR THE YEAR ENDED 30 SEPTEMBER 2021**

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**Structure, governance and management (continued)**

**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.

**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  
L Byrnes (appointed 06/07/2021)  
J Gibson  
R Oren (appointed 08/07/2021)  
L Patasic (appointed 25/06/2021)  
S Morgan  
S Crimlis (resigned 01/07/2021)

**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 2020/21 in light of the Covid-19 pandemic and government recommendations on infection control measures which have limited the opening of the nursery.



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HARVEY ROAD DAY NURSERY LIMITED  
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TRUSTEES' REPORT (CONTINUED)  
FOR THE YEAR ENDED 30 SEPTEMBER 2021

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**Plans for future periods**

The primary focus for the upcoming year will be the ongoing 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 implementing the revised Early Years Curriculum and continuing to make improvements to the nursery.

Our thanks go to Christine Hall, the previous Nursery Manager who retired in August, and Suzanne Baldry, our current Nursery Manager, to Debbie Macer, the Office Manager, for keeping our books in order and helping the Nursery to keep its governance costs to a minimum and to the Room Staff for providing great care and education to our children.

**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 . 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:

  
.....  
S Morgan  
(Chair of Trustees)  
Date: 2 February 2022

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**HARVEY ROAD DAY NURSERY LIMITED**  
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**INDEPENDENT EXAMINER'S REPORT  
FOR THE YEAR ENDED 30 SEPTEMBER 2021**

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**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 2021.

**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 and 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.

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**HARVEY ROAD DAY NURSERY LIMITED**  
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**INDEPENDENT EXAMINER'S REPORT (CONTINUED)**  
**FOR THE YEAR ENDED 30 SEPTEMBER 2021**

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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: 4 February 2022

**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 2021**

	Note	Unrestricted funds 2021 £	Restricted funds 2021 £	Total funds 2021 £	Total funds 2020 £
<b>Income from:</b>					
Donations	2	176	365	541	5,157
Charitable activities	3	429,368	40,046	469,414	377,164
Investments	4	332	-	332	592
Other income	5	7,885	-	7,885	73,937
<b>Total Income</b>		<b>437,761</b>	<b>40,411</b>	<b>478,172</b>	<b>456,850</b>
<b>Expenditure on:</b>					
Charitable activities	6	469,347	40,046	509,393	517,611
<b>Total expenditure</b>		<b>469,347</b>	<b>40,046</b>	<b>509,393</b>	<b>517,611</b>
<b>Net movement in funds</b>		<b>(31,586)</b>	<b>365</b>	<b>(31,221)</b>	<b>(60,761)</b>
<b>Reconciliation of funds:</b>					
Total funds brought forward		217,630	2,162	219,792	280,553
Net movement in funds		(31,586)	365	(31,221)	(60,761)
<b>Total funds carried forward</b>		<b>186,044</b>	<b>2,527</b>	<b>188,571</b>	<b>219,792</b>

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

The notes on pages 13 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 2021**

	Note	2021 £	2020 £
<b>Fixed assets</b>			
Tangible assets	11	20,372	14,774
		<u>20,372</u>	<u>14,774</u>
<b>Current assets</b>			
Debtors	12	4,558	5,595
Cash at bank and in hand		236,970	274,322
		<u>241,528</u>	<u>279,917</u>
Creditors: amounts falling due within one year	13	(73,329)	(74,899)
<b>Net current assets</b>		<u>168,199</u>	<u>205,018</u>
<b>Total assets less current liabilities</b>		<u>188,571</u>	<u>219,792</u>
<b>Total net assets</b>		<u>188,571</u>	<u>219,792</u>
<b>Charity funds</b>			
Restricted funds	14	2,527	2,162
Unrestricted funds	14	186,044	217,630
<b>Total funds</b>		<u>188,571</u>	<u>219,792</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.

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

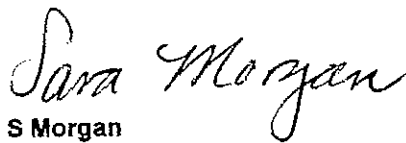
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**BALANCE SHEET (CONTINUED)**  
**AS AT 30 SEPTEMBER 2021**

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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 Morgan**

Date: *2/2/2022*

The notes on pages 13 to 27 form part of these financial statements.

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**HARVEY ROAD DAY NURSERY LIMITED**  
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**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 SEPTEMBER 2021**

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**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.

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**HARVEY ROAD DAY NURSERY LIMITED**  
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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 SEPTEMBER 2021**

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**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.

Other income is recognised in the period in which it is receivable and to the extent the goods have been provided or on completion of the service.

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.



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**HARVEY ROAD DAY NURSERY LIMITED**  
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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 SEPTEMBER 2021**

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**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.

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**HARVEY ROAD DAY NURSERY LIMITED**  
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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 SEPTEMBER 2021**

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**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 2021 £	Restricted funds 2021 £	Total funds 2021 £	Total funds 2020 £
Donations	176	365	541	5,157
Total 2020	4,542	615	5,157	

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.

In 2020 there was a donation in-kind for waived rates from Cambridge City Council of £4,516.

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

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 SEPTEMBER 2021**

**3. Income from charitable activities**

	Unrestricted funds 2021 £	Restricted funds 2021 £	Total funds 2021 £	Total funds 2020 £
Education and milk grant	-	40,046	40,046	27,294
Parents fees	429,368	-	429,368	349,870
	<u>429,368</u>	<u>40,046</u>	<u>469,414</u>	<u>377,164</u>
Total 2020	<u>349,870</u>	<u>27,294</u>	<u>377,164</u>	

**4. Investment income**

	Unrestricted funds 2021 £	Total funds 2021 £	Total funds 2020 £
Bank interest	332	332	592
	<u>332</u>	<u>332</u>	<u>592</u>
Total 2020	<u>592</u>	<u>592</u>	

**5. Other income**

	Unrestricted funds 2021 £	Total funds 2021 £	Total funds 2020 £
Coronavirus job retention scheme	7,885	7,885	73,937
	<u>7,885</u>	<u>7,885</u>	<u>73,937</u>
Total 2020	<u>73,937</u>	<u>73,937</u>	

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

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**NOTES TO THE FINANCIAL STATEMENTS  
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**6. Analysis of expenditure on charitable activities**

**Summary by fund type**

	Unrestricted funds 2021 £	Restricted funds 2021 £	Total funds 2021 £	Total funds 2020 £
Nursery school education	469,347	40,046	509,393	517,611
	<u>469,347</u>	<u>40,046</u>	<u>509,393</u>	<u>517,611</u>
Total 2020	490,317	27,294	517,611	
	<u>490,317</u>	<u>27,294</u>	<u>517,611</u>	

**7. Analysis of expenditure by activities**

	Activities undertaken directly 2021 £	Support costs 2021 £	Total funds 2021 £	Total funds 2020 £
Nursery school education	477,352	32,041	509,393	517,611
	<u>477,352</u>	<u>32,041</u>	<u>509,393</u>	<u>517,611</u>
Total 2020	485,569	32,042	517,611	
	<u>485,569</u>	<u>32,042</u>	<u>517,611</u>	

**Analysis of direct costs**

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**7. Analysis of expenditure by activities (continued)**

**Analysis of direct costs (continued)**

	Total funds 2021 £	Total funds 2020 £
Staff costs	370,508	401,547
Depreciation	4,427	3,747
Equipment	2,453	3,346
Staff training and welfare	2,729	2,054
Cleaning	21,728	14,879
Premises costs	46,401	44,086
Food and chef costs	16,355	12,023
Bank charges	4,104	299
Advertising and recruitment costs	5,874	-
Stationery	271	415
Subscriptions	2,502	3,173
	<u>477,352</u>	<u>485,569</u>

**Analysis of support costs**

	Total funds 2021 £	Total funds 2020 £
Staff costs	21,261	20,426
Postage	-	87
Telephone and internet	2,281	1,464
Computer costs	2,020	2,504
Payroll costs	1,847	1,861
Accountancy fees - governance	4,632	5,700
	<u>32,041</u>	<u>32,042</u>

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**8. Independent examiner's remuneration**

	2021 £	2020 £
Fees payable to the Charity's independent examiner for the independent examination of the Charity's annual accounts	2,778	2,700
Fees payable to the previous Charity's independent examiner in respect of: Accountancy services	1,854	1,800
Fee payable to previous independent examiner (under-accrual)	-	1,200
	<u>          </u>	<u>          </u>

**9. Staff costs**

	2021 £	2020 £
Wages and salaries	361,238	390,862
Social security costs	23,525	22,238
Contribution to defined contribution pension schemes	7,006	8,873
	<u>391,769</u>	<u>421,973</u>

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

	2021 No.	2020 No.
Nursery staff	22	24
Administration	1	1
	<u>23</u>	<u>25</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 two Deputy Managers. The Trustees all give their time and expertise without any kind of remuneration or other benefit in kind (2020: £Nil). The total employment benefits of key management personnel including pension contributions and employers' national insurance was £91,639 (£65,875).

**10. Trustees' remuneration and expenses**

During the year, no Trustees received any remuneration or other benefits (2020 - £NIL).

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**10. Trustees' remuneration and expenses (continued)**

During the year ended 30 September 2021, no Trustee expenses have been incurred (2020 - £NIL) and no amounts were paid directly to a third party on their behalf.

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**11. Tangible fixed assets**

	Total £
<b>Cost or valuation</b>	
At 1 October 2020	68,610
Additions	13,800
Disposals	(7,000)
	<u>75,410</u>
At 30 September 2021	
<b>Depreciation</b>	
At 1 October 2020	53,836
Charge for the year	4,427
On disposals	(3,225)
	<u>55,038</u>
At 30 September 2021	
<b>Net book value</b>	
At 30 September 2021	<u><u>20,372</u></u>
At 30 September 2020	<u><u>14,774</u></u>

**12. Debtors**

	2021 £	2020 £
<b>Due within one year</b>		
Trade debtors	2,386	2,883
Prepayments and accrued income	2,172	2,712
	<u><u>4,558</u></u>	<u><u>5,595</u></u>



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**13. Creditors: Amounts falling due within one year**

	2021 £	2020 £
Payments received on account	2,833	1,478
Trade creditors	10,636	6,125
Other taxation and social security	4,836	6,003
Pension fund	738	2,306
Other creditors (including deposits held 2021 £33,988)	33,988	44,574
Accruals and deferred income	20,298	14,413
	<u>73,329</u>	<u>74,899</u>
	2021 £	2020 £
Deferred income at 1 October 2020	5,947	37,982
Resources deferred during the year	4,596	5,947
Amounts released from previous periods	(5,947)	(37,982)
	<u>4,596</u>	<u>5,947</u>

Resources deferred during the year relate to Education grant income (2020: £5,947).

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**14. Statement of funds**

**Statement of funds - current year**

	Balance at 1 October 2020 £	Income £	Expenditure £	Balance at 30 September 2021 £
<b>Unrestricted funds</b>				
General Funds	217,630	437,761	(469,347)	186,044
<b>Restricted funds</b>				
Milk Fund	-	1,656	(1,656)	-
Education grant Fund	-	38,390	(38,390)	-
Donations Fund	2,162	365	-	2,527
	2,162	40,411	(40,046)	2,527
<b>Total of funds</b>	<b>219,792</b>	<b>478,172</b>	<b>(509,393)</b>	<b>188,571</b>

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**NOTES TO THE FINANCIAL STATEMENTS  
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**14. Statement of funds (continued)**

**Statement of funds - prior year**

	Balance at 1 October 2019 £	Income £	Expenditure £	Balance at 30 September 2020 £
<b>Unrestricted funds</b>				
General Funds	279,006	428,941	(490,317)	217,630
<b>Restricted funds</b>				
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
<b>Total of funds</b>	280,553	456,850	(517,611)	219,792

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 year**

	Unrestricted funds 2021 £	Restricted funds 2021 £	Total funds 2021 £
Tangible fixed assets	20,372	-	20,372
Current assets	239,001	2,527	241,528
Creditors due within one year	(73,329)	-	(73,329)
<b>Total</b>	<b>186,044</b>	<b>2,527</b>	<b>188,571</b>

**Analysis of net assets between funds - prior year**

	Unrestricted funds 2020 £	Restricted funds 2020 £	Total funds 2020 £
Tangible fixed assets	14,774	-	14,774
Current assets	277,755	2,162	279,917
Creditors due within one year	(74,899)	-	(74,899)
<b>Total</b>	<b>217,630</b>	<b>2,162</b>	<b>219,792</b>

**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 £7,006 (2020: £8,873). At the balance sheet date there were outstanding contributions of £738 (2020: £2,306) which is included in creditors.

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**17. Operating lease commitments**

At 30 September 2021 the Charity had commitments to make future minimum lease payments under non-cancellable operating leases as follows:

	2021 £	2020 £
Not later than 1 year	4,405	4,405
Later than 1 year and not later than 5 years	5,376	8,641
Later than 5 years	6,840	7,980
	<u>16,621</u>	<u>21,026</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 transaction during the year, nor are there any outstanding balances owing between related parties and the Charity at 30 September 2021.

