

ALVERBRIDGE NURSERY

England & Wales · Charity number 1130467

Details

Status Registered

Legal form Charitable company

Company number [06875332](#)

Registered 2009-07-07

Register [View on the Charity Commission register](#)

Contact

Address Alverbridge Nursery
80 South Street
Gosport
PO12 1ES

Phone 02392528808

Email alver.bridge@gmail.com

Website <https://alverbridgenursery.org.uk/>

Activities

Objects: THE OBJECTS OF THE PRE-SCHOOL ("THE OBJECTS") ARE TO ENHANCE THE DEVELOPMENT ANDEDUCATION OF CHILDREN PRIMARILY UNDER STATUTORY SCHOOL AGE BY ENCOURAGING PARENTS TOUNDERSTAND AND PROVIDE FOR THE NEEDS OF THEIR CHILDREN THROUGH COMMUNITY GROUPSAND BY:-3.1 OFFERING APPROPRIATE PLAY, EDUCATION AND CARE FACILITIES AND TRAINING COURSES,TOGETHER WITH THE RIGHT OF PARENTS TO TAKE RESPONSIBILITY FOR AND TO BECOMEINVOLVED IN THE ACTIVITIES OF SUCH GROUPS, ENSURING THAT SUCH GROUPS OFFEROPPORTUNITIES FOR ALL CHILDREN WHATEVER THEIR RACE, CULTURE, RELIGION, MEANS ORABILITY;3.2 ENCOURAGING THE STUDY OF THE NEEDS OF SUCH CHILDREN AND THEIR FAMILIES ANDPROMOTING PUBLIC INTEREST IN AND RECOGNITION OF SUCH NEEDS;3.3 INSTIGATING AND ADHERING TO AND FURTHERING THE AIMS AND OBJECTS OF THE PRE-SCHOOLLEARNING ALLIANCE.

Activities: Pre-school, enhance the development and education of children under statutory school age, offer play, education and care facilities.

Classification

- **How:** Provides Services
- **What:** Education/training
- **Who:** Children/young People

Geography

- **Area of benefit:** UNDEFINED. IN PRACTICE, LOCAL
- Hampshire

Finances

Period end	Income	Expenditure	Assets	Employees
2024-08-31	£702,755	£672,428	£314,504	26
2023-08-31	£603,141	£611,916	£284,177	24
2022-08-31	£535,268	£567,132	£292,952	26
2021-08-31	£556,114	£545,331	£324,816	26
2020-08-31	£522,766	£490,990	£314,034	24

Trustees

Name	Role	Appointed
Alice Green		2024-05-16
Daniel Philip Harvey		2020-06-01
Dawn Street		2021-05-25
Richard Stannard Anderson		2024-09-09
Rosie Mary Walters		2021-07-21

ALVERBRIDGE NURSERY

England & Wales - Charity number 1130467

Accounts

Charity registration number 1130467

Company registration number 06875332 (England and Wales)

ALVERBRIDGE NURSERY
ANNUAL REPORT AND UNAUDITED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2024

ALVERBRIDGE NURSERY

LEGAL AND ADMINISTRATIVE INFORMATION

Trustees	Mr Daniel Harvey Mrs Dawn Street Mrs Rosie Walters Ms Alice Green Mr Richard Anderson	(Appointed 16 May 2024) (Appointed 9 September 2024)
Charity number	1130467	
Company number	06875332	
Registered office	80 South Street Gosport Hampshire England PO12 1ES	
Independent examiner	Azets Audit Services Carnac Place Cams Hall Estate Fareham Hampshire United Kingdom PO16 8UY	

ALVERBRIDGE NURSERY

CONTENTS

	Page
Trustees' report	1 - 6
Independent examiner's report	7
Statement of financial activities	8
Balance sheet	9
Notes to the financial statements	10 - 19

ALVERBRIDGE NURSERY

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) FOR THE YEAR ENDED 31 AUGUST 2024

The trustees present their annual report and financial statements for the year ended 31 August 2024.

The financial statements have been prepared in accordance with the accounting policies set out in note 1 to the financial statements and comply with the charity's governing document, the Companies Act 2006 and "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).

Objectives and activities

Objectives

The aims of the nursery are to enhance the development and education of children, primarily under the statutory school age, by encouraging parents to understand and provide for the needs of their children through community groups and by:

- Offering appropriate play, education and care facilities and training courses, together with the right of parents to take responsibility for and to become involved in the activities of such groups, ensuring opportunities for all children whatever their race, culture, religion, means or ability;
- Encouraging the study of the needs of such children and their families and promoting public interest in and recognition of such needs;
- Instigating, adhering to and furthering the aims and objects of the Early Years Alliance.

Powers

The nursery is permitted by its articles of association to engage in any lawful activity as shall further its charitable objects and may invest money not immediately required for its objects in such investments, securities or property as the trustees think fit.

Aims and strategies for attaining objectives

The over-riding policies pursued in the attainment of the nursery's objects are:

- to offer appropriate play, education and care facilities for children.
- to encourage the study of the needs of such children and their families and to promote public interest in recognition of such needs in local areas.

The trustees have paid due regard to guidance issued by the Charity Commission in deciding what activities the charity should undertake.

Achievements and performance

In November 2019, the nursery was awarded its 4th consecutive OUTSTANDING OFSTED result since 2006. It continues to offer flexible hours of childcare; its opening hours are from 7.30 a.m. to 6 p.m. Monday to Friday for 51 weeks a year. The aim of this service is to support the local community.

The nursery moved to its new home in 80 South Street in November 2017, completely refurbishing the existing building and building an additional building on site to provide an outstanding provision for local children and families. The nursery rents its new home from the Council on a rolling 10-year lease which was signed in July 2017. The Council will not charge rent on the new build for 10 years.

The Nursery is managed by Dawn Street, with the help of a management team and the support of trustees who are all parents or ex-children's parents. The nursery has developed Dawn's vision of The Alverbridge Curiosity Approach, this combines Alverbridge's outstanding nursery practice with a clutter-free, calm environment, which would stimulate children's thinking, curiosity and imagination.

The Cygnet room accommodates up to 12 babies. Swan room can accommodate up to 47 children between the ages of 2 and 4.

ALVERBRIDGE NURSERY

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2024

The nursery continues to increase its staff cover as necessary to maintain the outstanding level of care it offers to each child. The nursery continues to provide childcare for special needs children which regularly demands a higher number of staff hours. While restricted funding is paid towards this support, the nursery uses its own resources to provide high levels of individual support to children and families requiring additional assistance and care or liaison with outside agencies.

The nursery continues to prioritise access for vulnerable 2 year-olds into the nursery and ensure that they get access to a free hot meal when they attend.

The nursery continues to supply childcare directly to Hampshire County Council as an independent provider.

The nursery also continues to work closely with Social Services to accommodate any identified vulnerable children into its setting, in exceptional circumstances providing unfunded free childcare to ensure the needs of the children and family are met.

In March 2024 the nursery received details of the new government funding for working parents of children over 2, and then over 9 months of age from September. The rates for the under 2s is 95% higher than what we currently charge parents; this will cause a significant increase in turnover from September 2024 as parents begin take advantage of the new funded hours for younger children. There were also significant rises in other ages funding 31% for 2 year olds, 4.4% for 3 and 4 year olds from April 2024, which will have an unexpected positive impact on turnover and profit in the last quarter of this financial year.

The nursery again faces a large increase in the living wage in April 2024 of 9.8%, and most of the nursery's other costs increasing proportionately. The trustees decided to make the most of the unexpected increase in turnover due to new funding to reward and retain its existing team when carrying out the annual salary review. This adds 50k onto the wages of the nursery team, it will be fully funded by the increases in funding and there will be no increase to the parents paying for hours.

The nursery saw an increase in parents asking for additional hours of childcare from April 2024, these are not necessarily linked to parents returning to work, with many parents simply choosing to leave their child in childcare longer making the most of the new funding. The new funding predictably leads to an increased demand for spaces both in the baby room and swan room as parents anticipate the increasing funding from September.

In anticipation of the new funding the admission policy was reviewed, and additional information is now requested from parents to see if they meet any of our priority admissions criteria. The nursery was oversubscribed for September 2024 (applications are received in January and April 2024), so over 50% of parents applying in the one week opening portal are sadly rejected. This is very tough for the nursery as we do not usually like to turn children away. When prioritising the children we check if they meet the admissions policy prioritisation criteria and consider ratios which need to be maintained both in the term time and holiday season.

We still have a large proportion of our staff who are term time, we would ideally like to recruit only full-time staff in future, however there is a recruitment crisis within the nursery sector which makes recruitment difficult and retention essential. As a result, the need for term time children to match our staff ratios will also be a factor in the decision of which children to accept in future.

The nursery maintained its level 5 hygiene classification.

ALVERBRIDGE NURSERY

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2024

In addition to the financial package, the nursery has also accommodated over the last few years many flexible working requests. This means that many of our staff have had their hours adjusted to give them a better work life balance. The nursery has active wellbeing support team which regularly organise treats and surprises for the staff to help with team morale. We continue to invest in our setting to make it a nice place to work and play and have welcomed our new fan system for hotter days in this south facing building.

The nursery continues to encourage staff development. This year, various staff have had access to training such as first aid, wellbeing, leading practitioners, target setting, safer recruitment, ELSA, and food hygiene. The management team attended an Alister Clegg talk to share inspirational childcare ideas with the team. Outstanding practice is supported and shared within Hampshire by our manager, Dawn Street, who holds the LFSP role (Leading Foundation Stage Practitioner), hosting open evenings and supporting other settings in situ. Dawn assists other Early Year Settings through sharing Alverbridge's good practices. In-house staff training continues to be given during term during day closures. A staff meeting is held once a month in the evening; this covers the general day to day aspects of the nursery. The nursery continues to employ an apprentice meeting its home-grown team ambition. The nursery also offers childcare experience to local students and special needs young adults.

The nursery offers a pension scheme through NEST (National Employment Saving Trust) offering staff a contribution based on Qualifying Earnings.

The nursery introduced a cycle to work scheme in April 2015; this is repeated annually on request of its staff. It was great to see staff take advantage of the scheme this year, including our first electric bike purchase.

We enjoyed being able to open our doors for our family events, including open days, our Christmas show and a summer sports afternoon, increasing our involvement with our community and families. Fundraising at these events allowed us to invest in new sensory baskets, language baskets and well-being baskets to support the development and breadth of needs of all our children.

Financial review

Review of financial position

The trustees consider that the state of affairs of the nursery is satisfactory and that, on a fund-by-fund basis, the charity's assets are available and adequate to fulfil its obligations.

Reserves policy

The nursery's policy on retention of reserves is to:

- utilise income received for restricted purposes as soon as reasonably possible after receipt.
- retain sufficient unrestricted funds to ensure that the nursery has the resources to withstand any unforeseeable financial setback, take advantage of an opportunity, or temporarily finance a restricted activity in advance of the receipt of the related grant income.

ALVERBRIDGE NURSERY

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2024

Risk factors

A short-term risk is from the impact of new funding being introduced by the government to help parents with childcare costs. This takes away the ability of the nursery control its income as the funding hours begin to replace the privately funded income stream. From September 2024 all working parents of children over 9 months old will have access to "15 hours" per week (11 hours per week if full time), this will then double in September 2025 to give "30 hours" of funding a week to all working parents (22 hours a week if attending full time). Initially this will create additional revenue for the nursery as the rate for under twos is significantly higher than the rate currently charged to parents. However, the other age groups funding has historically not increased significantly (less than 10% in total since April 2016). This increase in revenue will be spent on wages and direct running costs. The nursery industry is a living wage industry, which means that our costs increase by the same amount as the living wage every year, or more in 2025-26 as the employer NI will also increase. Each time the government introduces new funding they take control of that part of our income in the future.

The living wage will increase by 6.7% in April 2025, with employer NI also increasing by 18.5k a year based on our current wages prior to the living wage increase. While the increase in Employment Allowance will reduce the impact of NI to 13k, this is a big increase in addition to our wage review. Most of our suppliers are suggesting a 12% rise will be needed to cover their increasing costs. We expect that the April 2025 pay review will cost an additional 56k on our current wage bill which, when combined with other direct costs, will wipe out all new income from the extension of the 15 to 30 hour funding in September 2025.

Nearly all parents are entitled to some funding in 2024/25, the amount is increasing again in September 2025. This will move our total business mix over the next two years from 50/50 split private to funded hours to a business where most of the income is controlled by the funding rate. For example in September 2025 the baby room, which was entirely unfunded 12 months earlier, expects to only receive approximately 25% of privately funded invoicing.

The funding rate increases need to match the rate of the increase in the living wage for the nursery to remain viable. We do not seek to make a profit, just to break even with sufficient income to invest in our staff, our setting and our resources. At this time there is no commitment from the government that this will happen. We saw one of the local nurseries go out of business last year due to the new funding. The nursery currently has £240k in cash reserves, about one third of a year's operating costs. The trustees understand that they may have to use this to subsidise any shortfall in salary increases in the coming few years while the government understands the impact of taking control of nursery industry turnover, this should provide a buffer for Alverbridge Nursery and provide assurance that the business can face this uncertainty better than many others in the industry. The nursery actively supports any opportunity to share information on the impact of the new funding with the County Council and Department of Education.

The Committee has reviewed the major risks to which it considers the Nursery is exposed and has ensured that adequate systems have been established to mitigate those risks.

ALVERBRIDGE NURSERY

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2024

Plans for future periods

Future plans

The nursery will continue to offer outstanding childcare to its local community, by investing in its children, its staff, its resources and its building.

In September 2024 we will develop our nurture room into a sensory room, enabling us to use the room to support children's wellbeing and emotions, we are grateful for the donations from the Naval Charity, the Benevity Fund and Gosport Road Runners for making this possible.

In 2024-25 we will introduce a swap shop for families to exchange small items that they no longer need, we will develop our transient art area which allows children to use loose parts to feed their imagination. We will become maths champions investing in resources which promote the use of maths within the nursery. We will grow our green fingers winning 4 awards in the Gosport in Bloom, for the best sensory garden, best decorative garden, best edible garden and best butterfly and bee garden.

Having carried out our April 2025 annual market comparison locally we remain one of the more affordable nurseries and one of the few outstanding nurseries. We will continue to ensure children/families in need get access to our nursery regardless of if they have access to funding.

It has been agreed that having not increased our prices for over 24 months, we will increase our prices slightly from September 2025 by 7.8% to £5.76 per hour for privately funded hours, food will also increase by around 7-8% to cover increasing costs. This is to soften the impact of next living wage increase in April 2026, when we will see the full impact of the new government funding on our income and profit. We expect to have to rise rates again in September 2026 to cover rising costs with a shortfall of funding increase, and with less income in our control would like to spread the expected rise over two years.

Our costs will also be hit by a doubling of the cost of insuring the business in 2024-25, due to the rebuild costs being re-assessed as having doubled since 2017 and the insurance company significantly increasing its premium in line with our higher turnover.

Structure, governance and management

Governing document

The charity is controlled by its governing document, a deed of trust, and constitutes a limited company, limited by guarantee, as defined by the Companies Act 2006.

Constitution

The nursery is a company limited by guarantee and a charity registered under the Charities Act 2011. The company commenced activities on 1 September 2009 following the transfer of the activities to it from the unincorporated charity known as Alverbridge Pre-School (created in July 1997 by Mrs Shirley Faichen MBE).

The articles of association require that the nursery be managed by a management committee (the committee) the members of which are directors and managing trustees respectively within the meaning of the Companies Act 2006 and the Charities Act 2011.

ALVERBRIDGE NURSERY

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2024

The trustees, who are also the directors for the purpose of company law, and who served during the year and up to the date of signature of the financial statements were:

Mr Daniel Harvey	
Mrs Amelia Somerset	(Resigned 14/02/2025)
Mrs Dawn Street	
Mrs Rosie Walters	
Mrs Sally-Anne MacPherson	(Resigned 14/02/2025)
Mrs Lorna Ball	(Resigned 14/02/2025)
Mr Richard Anderson	(Appointed 09/09/2024)
Ms Alice Green	(Appointed 16/05/2024)

Appointment of trustees

The trustees have been appointed on the basis of their knowledge of the educational and socio-economic needs of the inhabitants in the area of benefit. Trustees have been in receipt of initial induction.

How decisions are made

Since Covid, the committee only meet approximately every four months, but communicate by email as required by the operating needs of the nursery. Operating decisions are made by majority decision of a quorate committee. Constitutional matters including election of trustees are decided by a simple majority unless a larger majority is required under the Companies Act 2006.

The trustees' report was approved by the Board of Trustees.

Mr Daniel Harvey
Trustee

20 May 2025

ALVERBRIDGE NURSERY

INDEPENDENT EXAMINER'S REPORT TO THE TRUSTEES OF ALVERBRIDGE NURSERY

I report to the trustees on my examination of the financial statements of Alverbridge Nursery (the charity) for the year ended 31 August 2024.

Responsibilities and basis of report

As the trustees of the charity (and also its directors for the purposes of company law) you are responsible for the preparation of the financial statements in accordance with the requirements of the Companies Act 2006 (the 2006 Act).

Having satisfied myself that the financial statements 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 financial statements carried out under section 145 of the Charities Act 2011 (the 2011 Act). In carrying out my examination I have followed all the applicable 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 ACCA, 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 charity as required by section 386 of the 2006 Act; or
- 2 the financial statements do not accord with those records; or
- 3 the financial statements do not comply with the accounting requirements of section 396 of the 2006 Act other than any requirement that the accounts give a true and fair view which is not a matter considered as part of an independent examination; or
- 4 the financial statements have not been prepared in accordance with the methods and principles of the Statement of Recommended Practice for accounting and reporting by charities applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102).

I have no concerns and have come across no other matters in connection with the examination to which attention should be drawn in this report in order to enable a proper understanding of the financial statements to be reached.

James Reilly ACCA

Azets Audit Services
Carnac Place
Cams Hall Estate
Fareham
Hampshire
PO16 8UY
United Kingdom

Dated: 20 May 2025

ALVERBRIDGE NURSERY

STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 AUGUST 2024

	Notes	Unrestricted funds 2024 £	Restricted funds 2024 £	Total 2024 £	Unrestricted funds 2023 £	Restricted funds 2023 £	Total 2023 £
Income from:							
Donations and legacies	3	342,978	13,842	356,820	275,864	5,855	281,719
Charitable activities	4	337,090	-	337,090	313,595	-	313,595
Other trading activities	5	3,258	-	3,258	4,864	-	4,864
Investments	6	5,587	-	5,587	2,963	-	2,963
Total income		<u>688,913</u>	<u>13,842</u>	<u>702,755</u>	<u>597,286</u>	<u>5,855</u>	<u>603,141</u>
Expenditure on:							
Raising funds	7	1,208	-	1,208	3,181	-	3,181
Charitable activities	8	656,403	13,692	670,095	602,051	6,048	608,099
Other	12	1,125	-	1,125	636	-	636
Total expenditure		<u>658,736</u>	<u>13,692</u>	<u>672,428</u>	<u>605,868</u>	<u>6,048</u>	<u>611,916</u>
Net income/(expenditure) for the year/ Net movement in funds							
		30,177	150	30,327	(8,582)	(193)	(8,775)
Fund balances at 1 September 2023							
		<u>284,220</u>	<u>(43)</u>	<u>284,177</u>	<u>292,802</u>	<u>150</u>	<u>292,952</u>
Fund balances at 31 August 2024							
		<u>314,397</u>	<u>107</u>	<u>314,504</u>	<u>284,220</u>	<u>(43)</u>	<u>284,177</u>

The statement of financial activities includes all gains and losses recognised in the year.

All income and expenditure derive from continuing activities.

The statement of financial activities also complies with the requirements for an income and expenditure account under the Companies Act 2006.

ALVERBRIDGE NURSERY

BALANCE SHEET

AS AT 31 AUGUST 2024

	Notes	2024 £	£	2023 £	£
Fixed assets					
Tangible assets	14		79,722		107,605
Current assets					
Stocks	15	320		-	
Debtors	16	14,551		11,700	
Cash at bank and in hand		238,354		191,784	
		<u>253,225</u>		<u>203,484</u>	
Creditors: amounts falling due within one year	17	<u>(18,443)</u>		<u>(26,912)</u>	
Net current assets			234,782		176,572
Total assets less current liabilities			<u>314,504</u>		<u>284,177</u>
Income funds					
Restricted funds			107		(43)
Unrestricted funds			314,397		284,220
			<u>314,504</u>		<u>284,177</u>

The company is entitled to the exemption from the audit requirement contained in section 477 of the Companies Act 2006, for the year ended 31 August 2024.

The directors acknowledge their responsibilities for complying with the requirements of the Companies Act 2006 with respect to accounting records and the preparation of financial statements.

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

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

The financial statements were approved by the Trustees on 13 May 2025

Mrs Rosie Walters
Trustee

Company registration number 06875332

ALVERBRIDGE NURSERY

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2024

1 Accounting policies

Charity information

Alverbridge Nursery is a private company limited by guarantee incorporated in England and Wales. The registered office is 80 South Street, Gosport, Hampshire, PO12 1ES, England.

1.1 Accounting convention

The financial statements have been prepared in accordance with the charity's governing document, the Companies Act 2006 and "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)". The charity is a Public Benefit Entity as defined by FRS 102.

The charity has taken advantage of the provisions in the SORP for charities applying FRS 102 Update Bulletin 1 not to prepare a Statement of Cash Flows.

The financial statements are prepared in sterling, which is the functional currency of the charity. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared under the historical cost convention. The principal accounting policies adopted are set out below.

The financial statements refer to Alverbridge Nursery as an individual charity.

1.2 Going concern

At the time of approving the financial statements, the trustees have a reasonable expectation that the charity has adequate resources to continue in operational existence for the foreseeable future. Thus the trustees continue to adopt the going concern basis of accounting in preparing the financial statements.

1.3 Charitable funds

Unrestricted funds are available for use at the discretion of the trustees in furtherance of their charitable objectives.

Restricted funds are subject to specific conditions by donors as to how they may be used. The purposes and uses of the restricted funds are set out in the notes to the financial statements.

1.4 Income

Income is recognised when the charity is legally entitled to it after any performance conditions have been met, the amounts can be measured reliably, and it is probable that income will be received.

Cash donations are recognised on receipt. Other donations are recognised once the charity has been notified of the donation, unless performance conditions require deferral of the amount. Income tax recoverable in relation to donations received under Gift Aid or deeds of covenant is recognised at the time of the donation.

Income from government and other grants, whether 'capital' grants or 'revenue' grants, are recognised when the charity has entitlement to the funds, 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 and is not deferred.

ALVERBRIDGE NURSERY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2024

1 Accounting policies

(Continued)

1.5 Expenditure

Expenditure is recognised once there is a legal or constructive obligation to make a payment to a third party, it is probable that settlement will be required and the amount of the obligation can be measured reliably. All expenditure is accounted for on an accruals basis under the following headings.

Costs of raising funds comprises fundraising costs incurred in seeking donations and grants. Fundraising costs do not include the costs of disseminating information of support of the charitable activities.

Expenditure on charitable activities includes the costs of running the nursery undertaken to further the purposes of the charity and their associated support costs.

Support costs comprise those costs which are incurred directly in support of expenditure on the objects of the charity and include governance cost, finance, and office costs. Governance costs are those costs incurred in connection with the compliance with constitutional and statutory requirements of the charity.

Support costs are allocated to the principal activity of the charity, being the day-to-day running of the nursery. More detail on the analysis and basis of allocation is given in note 9 to the financial statements.

1.6 Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Leasehold improvements	Straight line over 10 years
Baby room equipment	25% on reducing balance
Playground equipment	Straight line over 3 years
Kitchen and office equipment	25% on reducing balance

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is recognised in the statement of financial activities.

1.7 Impairment of fixed assets

At each reporting end date, the charity reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any).

1.8 Stocks

Stocks are stated at the lower of cost and estimated selling price less costs to complete and sell. Cost comprises direct materials and, where applicable, direct labour costs and those overheads that have been incurred in bringing the stocks to their present location and condition. Items held for distribution at no or nominal consideration are measured the lower of replacement cost and cost.

Net realisable value is the estimated selling price less all estimated costs of completion and costs to be incurred in marketing, selling and distribution.

1.9 Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

ALVERBRIDGE NURSERY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2024

1 Accounting policies

(Continued)

1.10 Financial instruments

The charity has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the charity's balance sheet when the charity becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Basic financial assets

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

Basic financial liabilities

Basic financial liabilities, including creditors and bank loans are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of operations from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

Derecognition of financial liabilities

Financial liabilities are derecognised when the charity's contractual obligations expire or are discharged or cancelled.

1.11 Employee benefits

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the charity is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

1.12 Retirement benefits

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

ALVERBRIDGE NURSERY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) *FOR THE YEAR ENDED 31 AUGUST 2024*

2 Critical accounting estimates and judgements

In the application of the charity's accounting policies, the trustees are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

ALVERBRIDGE NURSERY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2024

3 Donations and legacies

	Unrestricted funds	Restricted funds	Total	Unrestricted funds	Restricted funds	Total
	2024	2024	2024	2023	2023	2023
	£	£	£	£	£	£
Grants	342,978	13,842	356,820	275,864	5,855	281,719
	<u>342,978</u>	<u>13,842</u>	<u>356,820</u>	<u>275,864</u>	<u>5,855</u>	<u>281,719</u>
Grants receivable for core activities						
Government grants	341,892	13,842	355,734	274,386	5,855	280,241
Other grants	1,086	-	1,086	1,478	-	1,478
	<u>342,978</u>	<u>13,842</u>	<u>356,820</u>	<u>275,864</u>	<u>5,855</u>	<u>281,719</u>

ALVERBRIDGE NURSERY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2024

4 Charitable activities

	2024 £	2023 £
Fees receivable	337,090	313,595

5 Other trading activities

	Unrestricted funds	Unrestricted funds
	2024 £	2023 £
Fundraising events	3,258	4,864

6 Investments

	Unrestricted funds	Unrestricted funds
	2024 £	2023 £
Bank interest receivable	5,587	2,963

7 Raising funds

	Unrestricted funds	Unrestricted funds
	2024 £	2023 £
<u>Fundraising and publicity</u>		
Other fundraising costs and staff wellbeing	1,208	3,181
	1,208	3,181

ALVERBRIDGE NURSERY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2024

8 Charitable activities

	Nursery 2024 £	Nursery 2023 £
Staff costs	530,998	477,446
Depreciation and impairment	29,279	30,551
Didactic equipment and toys	4,263	5,975
Food and nappies	36,002	33,972
Staff training	1,669	1,810
Local projects	3,753	2,131
Rent of rooms, water rates and electricity	23,978	24,734
Travelling	1,427	80
Printing, postage and stationery	707	711
Telephone	1,165	413
Repairs and maintenance	4,292	3,178
Cleaning and waste disposal	19,220	18,384
Insurance	3,098	2,255
Computer consumables	3,024	2,368
Bad debt movement	1,071	(2,358)
	<u>663,946</u>	<u>601,650</u>
Share of governance costs (see note 9)	6,149	6,449
	<u>670,095</u>	<u>608,099</u>
Analysis by fund		
Unrestricted funds	656,403	602,051
Restricted funds	13,692	6,048
	<u>670,095</u>	<u>608,099</u>

9 Support costs

	Support costs £	Governance costs £	2024 Support costs		Governance costs £	2023 £
	£	£	£	£	£	£
Independent examination fees	-	5,374	5,374	-	5,232	5,232
Legal and professional	-	775	775	-	1,217	1,217
	<u>-</u>	<u>6,149</u>	<u>6,149</u>	<u>-</u>	<u>6,449</u>	<u>6,449</u>
Analysed between Charitable activities	<u>-</u>	<u>6,149</u>	<u>6,149</u>	<u>-</u>	<u>6,449</u>	<u>6,449</u>

ALVERBRIDGE NURSERY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2024

10 Trustees

One of the trustees received remuneration from the charity during the year (2023 - one) in accordance with the governing document of the charity.

Dawn Street was paid total remuneration of £49,825 (2023 - £45,257) in her capacity as Manager of the Nursery.

None of the trustees were remunerated for their trustee duties.

11 Employees

The average monthly number of employees during the year was:

	2024	2023
	Number	Number
	26	24
	<u> </u>	<u> </u>
Employment costs	2024	2023
	£	£
Wages and salaries	488,811	441,298
Social security costs	32,696	27,766
Other pension costs	9,491	8,382
	<u> </u>	<u> </u>
	<u>530,998</u>	<u>477,446</u>

There were no employees whose annual remuneration was more than £60,000.

12 Other

	Unrestricted	Unrestricted
	funds	funds
	2024	2023
Net loss on disposal of tangible fixed assets	146	29
Sundry expenses	979	607
	<u> </u>	<u> </u>
	<u>1,125</u>	<u>636</u>

13 Taxation

The charity is exempt from tax on income and gains falling within section 505 of the Taxes Act 1988 or section 252 of the Taxation of Chargeable Gains Act 1992 to the extent that these are applied to its charitable objects.

ALVERBRIDGE NURSERY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2024

14 Tangible fixed assets

	Leasehold improvements	Baby room equipment	Playground equipment	Kitchen and office equipment	Total
	£	£	£	£	£
Cost					
At 1 September 2023	246,163	10,050	56,598	20,234	333,045
Additions	-	413	-	1,127	1,540
Disposals	-	-	-	(299)	(299)
At 31 August 2024	246,163	10,463	56,598	21,062	334,286
Depreciation and impairment					
At 1 September 2023	147,678	8,762	53,488	15,512	225,440
Depreciation charged in the year	24,616	425	2,775	1,462	29,278
Eliminated in respect of disposals	-	-	-	(154)	(154)
At 31 August 2024	172,294	9,187	56,263	16,820	254,564
Carrying amount					
At 31 August 2024	73,869	1,276	335	4,242	79,722
At 31 August 2023	98,485	1,288	3,110	4,722	107,605

15 Stocks

	2024 £	2023 £
Finished goods and goods for resale	320	-

16 Debtors

	2024 £	2023 £
Amounts falling due within one year:		
Trade debtors	10,288	6,650
Prepayments and accrued income	4,263	5,050
	14,551	11,700

ALVERBRIDGE NURSERY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2024

17 Creditors: amounts falling due within one year

	2024 £	2023 £
Other taxation and social security	-	8,214
Trade creditors	3,042	2,255
Other creditors	9,671	11,211
Accruals and deferred income	5,730	5,232
	<u>18,443</u>	<u>26,912</u>

18 Analysis of net assets between funds

	Unrestricted funds 2024 £	Restricted funds 2024 £	Total Unrestricted funds		Restricted funds 2023 £	Total 2023 £
			2024 £	2023 £		
Fund balances at 31 August 2024 are represented by:						
Tangible assets	79,722	-	79,722	107,605	-	107,605
Current assets/(liabilities)	234,675	107	234,782	176,615	(43)	176,572
	<u>314,397</u>	<u>107</u>	<u>314,504</u>	<u>284,220</u>	<u>(43)</u>	<u>284,177</u>

19 Related party transactions

Remuneration of key management personnel

The remuneration of key management personnel is as follows.

	2024 £	2023 £
Aggregate compensation	<u>59,269</u>	<u>55,293</u>

There were no other disclosable related party transactions during the year (2023 - none).

ALVERBRIDGE NURSERY

England & Wales - Charity number 1130467

Accounts

Charity registration number 1130467

Company registration number 06875332 (England and Wales)

ALVERBRIDGE NURSERY
ANNUAL REPORT AND UNAUDITED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2023

ALVERBRIDGE NURSERY

LEGAL AND ADMINISTRATIVE INFORMATION

Trustees

Mr Daniel Harvey
Mrs Amelia Somerset
Mrs Dawn Street
Mrs Rosie Walters
Mrs Sally-Anne MacPherson (Appointed 23 January 2023)
Mrs Lorna Ball (Appointed 23 January 2023)
Ms A Green (Appointed 16 May 2024)

Charity number

1130467

Company number

06875332

Registered office

80 South Street
Gosport
Hampshire
England
PO12 1ES

Independent examiner

Azets Audit Services
Carnac Place
Cams Hall Estate
Fareham
Hampshire
United Kingdom
PO16 8UY

ALVERBRIDGE NURSERY

CONTENTS

	Page
Trustees' report	1 - 5
Independent examiner's report	6
Statement of financial activities	7
Balance sheet	8
Notes to the financial statements	9 - 18

ALVERBRIDGE NURSERY

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT)

FOR THE YEAR ENDED 31 AUGUST 2023

The trustees present their annual report and financial statements for the year ended 31 August 2023.

The financial statements have been prepared in accordance with the accounting policies set out in note 1 to the financial statements and comply with the charity's governing document, the Companies Act 2006 and "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).

Objectives and activities

Objectives

The aims of the nursery are to enhance the development and education of children, primarily under the statutory school age, by encouraging parents to understand and provide for the needs of their children through community groups and by:

- Offering appropriate play, education and care facilities and training courses, together with the right of parents to take responsibility for and to become involved in the activities of such groups, ensuring opportunities for all children whatever their race, culture, religion, means or ability;
- Encouraging the study of the needs of such children and their families and promoting public interest in and recognition of such needs;
- Instigating, adhering to and furthering the aims and objects of the Early Years Alliance.

Powers

The nursery is permitted by its articles of association to engage in any lawful activity as shall further its charitable objects and may invest money not immediately required for its objects in such investments, securities or property as the trustees think fit.

Aims and strategies for attaining objectives

The over-riding policies pursued in the attainment of the nursery's objects are:

- to offer appropriate play, education and care facilities for children.
- to encourage the study of the needs of such children and their families and to promote public interest in recognition of such needs in local areas.

The trustees have paid due regard to guidance issued by the Charity Commission in deciding what activities the charity should undertake.

Achievements and performance

In November 2019, the nursery was awarded its 4th consecutive OUTSTANDING OFSTED result since 2006. It continues to offer flexible hours of childcare; its opening hours are from 7.30 a.m. to 6 p.m. Monday to Friday for 51 weeks a year. The aim of this service is to support the local community.

The nursery moved to its new home in 80 South Street in November 2017, completely refurbishing the existing building and building an additional building on site to provide an outstanding provision for local children and families. The nursery rents its new home from the Council on a rolling 10-year lease which was signed in July 2017. The Council will not charge rent on the new build for 10 years.

The Nursery is managed by Dawn Street, supported by a new management team, with a new curriculum, Covid guidelines were removed during this year. The last 3 years have required constant adaptation and reaction to change, this year will be a much-needed year of consolidation.

The nursery again faces a large increase in the living wage in April 2023, a 9.7% increase. The committee will try to adjust salaries to reward, value and retain our staff, whilst being acutely aware of the challenges faced in a living wage industry; this will cost an additional £35k over 12 months.

ALVERBRIDGE NURSERY

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2023

The nursery also faces increases in waste, cleaning, food and rental costs. The government provides some increase in the hourly funding rate (4.4%), generating an additional £12k of income. The remaining shortfall for wages, rent, and other costs will need to come from the parents' hourly rate. The nursery carries out an annual market review to compare locally and we remain one of the few outstanding nurseries locally, as well as being one of the most reasonable ones to attend.

Unfortunately, due to the living wage increase compared to the funding increase, another local nursery goes out of business, meaning competition for places in September 2023 is higher than ever seen before. In conclusion, the committee decided that from September 2023, to increase our hourly rate in line with CPI from £4.90 to £5.34. As a charity, we only try to charge what we spend looking after the children and investing in our setting and staff; this rate remains very reasonable compared locally. We are also one of the few nurseries that offer 2 weeks fee-free holiday per year for our full-time children.

The nursery has developed Dawn's vision of The Curiosity Approach, this combines Alverbridge's outstanding nursery practice with a clutter-free, calm environment, which would stimulate children's thinking, curiosity and imagination.

The nursery continues to prioritise access for vulnerable 2 year-olds into the nursery. The nursery also continues to supply childcare directly to Hampshire County Council as an independent provider.

The Cygnet room accommodates up to 12 babies. The nursery increases its staff cover as necessary to maintain the outstanding level of care it offers to each child. The nursery continues to be in a position to provide childcare for special needs children which regularly demands a higher number of staff hours. There is no specific funding paid to support this activity this year, the nursery uses its own resources to provide high levels of individual support to children and families requiring additional assistance and care or liaison with outside agencies.

The nursery continues to work closely with Social Services to accommodate any identified vulnerable children into its setting, in exceptional circumstances providing unfunded free child care to ensure the needs of the children and family are met.

The nursery maintained its level 5 hygiene classification.

In addition to the financial package the nursery has also accommodated, over the last few years, many flexible working requests. This means that many of our staff have had their hours adjusted to give them a better work life balance. The nursery has active wellbeing support team which regularly organise treats and surprises for the staff to help with team morale. Staff were purchased neck fans when the temperature increased, and the nursery invested in permanently fitted ceiling fans.

The nursery continues to encourage staff development. This year, various staff have had access to training such as first aid training, food hygiene, ELSA supervision, Curiosity Approach, Safeguarding and DSL. Outstanding practice is supported and shared within Hampshire by our manager, Dawn Street, who holds the LFSP role (Leading Foundation Stage Practitioner), hosting open evenings and supporting other settings in situ. Dawn assists other Early Year Settings through sharing Alverbridge's good practices. In-house staff training continues to be given during term day closures. A staff meeting is held once a month in the evening; this covers the general day to day aspects of the nursery. The nursery took on a new apprentice in line with its vision to home grow practitioners. The nursery also offers childcare experience to local students and special needs young adults.

The nursery offers a pension scheme through NEST (National Employment Saving Trust) offering staff a contribution based on Qualifying Earnings.

The nursery introduced a cycle to work scheme in April 2015; this is repeated annually on request of its staff.

With Covid guidelines relaxing the nursery was delighted to reintroduce various family events, including open days, its Christmas show and a summer sports afternoon, increasing its involvement with its community and families. The nursery has retained parents dropping children off at the door as it proved to be one of the positive changes to the routine introduced during Covid. However, it has been noticed that the proportion of children with additional needs has increased since Covid to levels much higher than previously experienced, suggesting that there has been an impact on the children over the pandemic.

The nursery successfully fundraised for a new play house, receiving generous donations from the Benevity Fund, the Naval Childrens Charity and Gosport Road Runners.

ALVERBRIDGE NURSERY

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2023

Financial review

Review of financial position

The trustees consider that the state of affairs of the nursery is satisfactory and that, on a fund-by-fund basis, the charity's assets are available and adequate to fulfil its obligations.

Reserves policy

The nursery's policy on retention of reserves is to:

- utilise income received for restricted purposes as soon as reasonably possible after receipt.
- retain sufficient unrestricted funds to ensure that the nursery has the resources to withstand any unforeseeable financial setback, take advantage of an opportunity, or temporarily finance a restricted activity in advance of the receipt of the related grant income.

There is a small deficit in restricted funds this year of £43. This amount will be received in the 2024 financial year when unclaimed vouchers are processed.

Risk factors

The short term risk is that the nursery has only seen a rise of 9% in funding rate over the last 8 years prior to this years rise. There is a 90% take up by parents of the new funding in April 2024, resulting in most of our turnover now becoming funded rather than the 50/50 split we are used to. As they now control our turnover, if the government fail to increase the hourly rate at the same rate as living wage the nursery will go out of business as we are a living wage industry and salaries are 82% of our running costs. As a result, the trustees will exceptionally allow any extra profit to be added to our normal reserves this year, as this will provide a cushion of 2-5 years of pay rises (depending on living wage increase) to allow time to see how the new funding level is increased compared to living wage. It will mean that the nursery can continue to trade for this time regardless of if the government returns to the poor levels of funding increases we have historically experienced. If funding levels are not increased to allow for living wage in the short term, the impact on the nursery industry is likely to be dramatic, with most nurseries not having the reserves to handle this, this means the government should have time to adjust their policy prior to Alverbridge Nursery being at risk.

The Committee has reviewed the major risks to which it considers the Nursery is exposed and has ensured that adequate systems have been established to mitigate those risks.

ALVERBRIDGE NURSERY

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2023

Plans for future periods

Future plans

In April 2023 the government announced new funding for parents. In March 2024 details were finally issued to us on how much the government would pay for the April and September 2024 additional funding for working parents of children over 2, and then over 9 months of age. No information is known about the details of the extension to 30 hours in September 2025 to all children over 9 months as the general elections which will happen before may affect the detail of the delivery.

The nursery will see an increase in parents asking for additional hours of childcare from April 2024, these are not necessarily linked to parents returning to work, with many parents simply choosing to leave their child in childcare longer. This leads to an increased demand for spaces both in the baby room and swan room as parents anticipate the increasing funding. Our vulnerable 2 year-old families will continue to receive the economic 2-year funding, they are now referred to by the government as disadvantaged children.

In anticipation of the new funding the admission policy was reviewed, it was decided that the main change required was to the admissions documentation, the only way to prioritise places is to request further information from the parents on if they meet our admissions criteria. The nursery will be oversubscribed, so over 50% of parents applying in the one week opening portal will be rejected. This is very tough for the nursery as we do not usually like to turn children away. When prioritising the children we check if they meet the admissions policy prioritisation criteria, and consider ratios which need to be maintained both in the term time and holiday season.

We still have a large proportion of our staff who are term time, we would ideally like to recruit only full time staff in future, however there is a recruitment crisis within the nursery sector which makes recruitment difficult and retention essential. As a result the need for term time children to match our staff ratios will also be a factor in the decision of which children to accept in future.

The new rates from the government were surprisingly high compared to previously, especially for the younger children which require higher staff ratios. This meant that the nursery will have an unexpected increase in turnover from April 2024 to August 2025. With living wage increase by 9.8% in April 2024, and most of the nursery's other costs increasing proportionately, the new turnover leaves margin to really reward and try to retain the staff we currently employ which we believe to be an outstanding team. This year's pay rise will add £50k onto the wages of the nursery team, it will be fully funded by the funding and there will be no increase to the parents paying for hours.

Structure, governance and management

Governing document

The charity is controlled by its governing document, a deed of trust, and constitutes a limited company, limited by guarantee, as defined by the Companies Act 2006.

Constitution

The nursery is a company limited by guarantee and a charity registered under the Charities Act 2011. The company commenced activities on 1 September 2009 following the transfer of the activities to it from the unincorporated charity known as Alverbridge Pre-School (created in July 1997 by Mrs Shirley Faichen MBE).

The articles of association require that the nursery be managed by a management committee (the committee) the members of which are directors and managing trustees respectively within the meaning of the Companies Act 2006 and the Charities Act 2011.

ALVERBRIDGE NURSERY

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2023

The trustees, who are also the directors for the purpose of company law, and who served during the year and up to the date of signature of the financial statements were:

Mr Daniel Harvey	
Mrs Amelia Somerset	
Mrs Dawn Street	
Mrs Rosie Walters	
Mrs Natalie Burton	(Resigned 20 March 2023)
Mrs Sally-Anne MacPherson	(Appointed 23 January 2023)
Mrs Lorna Ball	(Appointed 23 January 2023)
S A Faichen	(Resigned 31 August 2021)
Mr. L O Perry	(Resigned 31 August 2021)
Dr. J K Perry	(Resigned 31 August 2021)
E Daly	(Resigned 23 July 2021)

Appointment of trustees

The trustees have been appointed on the basis of their knowledge of the educational and socio-economic needs of the inhabitants in the area of benefit. Trustees have been in receipt of initial induction.

How decisions are made

Since Covid, the committee only meet approximately every four months, but communicate by email as required by the operating needs of the nursery. Operating decisions are made by majority decision of a quorate committee. Constitutional matters including election of trustees are decided by a simple majority unless a larger majority is required under the Companies Act 2006.

The trustees' report was approved by the Board of Trustees.

Mr Daniel Harvey
Trustee

29 May 2024

ALVERBRIDGE NURSERY

INDEPENDENT EXAMINER'S REPORT TO THE TRUSTEES OF ALVERBRIDGE NURSERY

I report to the trustees on my examination of the financial statements of Alverbridge Nursery (the charity) for the year ended 31 August 2023.

Responsibilities and basis of report

As the trustees of the charity (and also its directors for the purposes of company law) you are responsible for the preparation of the financial statements in accordance with the requirements of the Companies Act 2006 (the 2006 Act).

Having satisfied myself that the financial statements 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 financial statements carried out under section 145 of the Charities Act 2011 (the 2011 Act). In carrying out my examination I have followed all the applicable 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 ACCA, 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 charity as required by section 386 of the 2006 Act; or
- 2 the financial statements do not accord with those records; or
- 3 the financial statements do not comply with the accounting requirements of section 396 of the 2006 Act other than any requirement that the accounts give a true and fair view which is not a matter considered as part of an independent examination; or
- 4 the financial statements have not been prepared in accordance with the methods and principles of the Statement of Recommended Practice for accounting and reporting by charities applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102).

I have no concerns and have come across no other matters in connection with the examination to which attention should be drawn in this report in order to enable a proper understanding of the financial statements to be reached.



James Reilly ACCA

Azets Audit Services
Carnac Place
Cams Hall Estate
Fareham
Hampshire
PO16 8UY
United Kingdom

Dated: 29 May 2024

ALVERBRIDGE NURSERY

STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 AUGUST 2023

	Notes	Unrestricted funds 2023 £	Restricted funds 2023 £	Total 2023 £	Unrestricted funds 2022 £	Restricted funds 2022 £	Total 2022 £
Income from:							
Donations and legacies	3	275,864	5,855	281,719	277,358	3,649	281,007
Charitable activities	4	313,595	-	313,595	252,413	-	252,413
Other trading activities	5	4,864	-	4,864	904	-	904
Investments	6	2,963	-	2,963	944	-	944
Total income		597,286	5,855	603,141	531,619	3,649	535,268
Expenditure on:							
Raising funds	7	3,181	-	3,181	4,318	-	4,318
Charitable activities	8	602,051	6,048	608,099	554,570	3,499	558,069
Other	12	636	-	636	4,745	-	4,745
Total expenditure		605,868	6,048	611,916	563,633	3,499	567,132
Net expenditure for the year/ Net movement in funds		(8,582)	(193)	(8,775)	(32,014)	150	(31,864)
Fund balances at 1 September 2022		292,802	150	292,952	324,816	-	324,816
Fund balances at 31 August 2023		284,220	(43)	284,177	292,802	150	292,952

The statement of financial activities includes all gains and losses recognised in the year.

All income and expenditure derive from continuing activities.

The statement of financial activities also complies with the requirements for an income and expenditure account under the Companies Act 2006.

ALVERBRIDGE NURSERY

BALANCE SHEET

AS AT 31 AUGUST 2023

	Notes	2023 £	£	2022 £	£
Fixed assets					
Tangible assets	14		107,605		134,741
Current assets					
Stocks	15	-		69	
Debtors	16	11,700		5,959	
Cash at bank and in hand		191,784		183,206	
		<u>203,484</u>		<u>189,234</u>	
Creditors: amounts falling due within one year	17	<u>(26,912)</u>		<u>(31,023)</u>	
Net current assets			<u>176,572</u>		<u>158,211</u>
Total assets less current liabilities			<u>284,177</u>		<u>292,952</u>
Income funds					
Restricted funds			(43)		150
Unrestricted funds			<u>284,220</u>		<u>292,802</u>
			<u>284,177</u>		<u>292,952</u>

The company is entitled to the exemption from the audit requirement contained in section 477 of the Companies Act 2006, for the year ended 31 August 2023.

The directors acknowledge their responsibilities for complying with the requirements of the Companies Act 2006 with respect to accounting records and the preparation of financial statements.

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

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

The financial statements were approved by the Trustees on 24 May 2024

Mrs Amelia Somerset
Trustee

Company registration number 06875332

ALVERBRIDGE NURSERY

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2023

1 Accounting policies

Charity information

Alverbridge Nursery is a private company limited by guarantee incorporated in England and Wales. The registered office is 80 South Street, Gosport, Hampshire, PO12 1ES, England.

1.1 Accounting convention

The financial statements have been prepared in accordance with the charity's governing document, the Companies Act 2006 and "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)". The charity is a Public Benefit Entity as defined by FRS 102.

The charity has taken advantage of the provisions in the SORP for charities applying FRS 102 Update Bulletin 1 not to prepare a Statement of Cash Flows.

The financial statements are prepared in sterling, which is the functional currency of the charity. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared under the historical cost convention. The principal accounting policies adopted are set out below.

1.2 Going concern

At the time of approving the financial statements, the trustees have a reasonable expectation that the charity has adequate resources to continue in operational existence for the foreseeable future. Thus the trustees continue to adopt the going concern basis of accounting in preparing the financial statements.

1.3 Charitable funds

Unrestricted funds are available for use at the discretion of the trustees in furtherance of their charitable objectives.

Restricted funds are subject to specific conditions by donors as to how they may be used. The purposes and uses of the restricted funds are set out in the notes to the financial statements.

1.4 Income

Income is recognised when the charity is legally entitled to it after any performance conditions have been met, the amounts can be measured reliably, and it is probable that income will be received.

Cash donations are recognised on receipt. Other donations are recognised once the charity has been notified of the donation, unless performance conditions require deferral of the amount. Income tax recoverable in relation to donations received under Gift Aid or deeds of covenant is recognised at the time of the donation.

Income from government and other grants, whether 'capital' grants or 'revenue' grants, are recognised when the charity has entitlement to the funds, 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 and is not deferred.

1.5 Expenditure

Expenditure is recognised once there is a legal or constructive obligation to make a payment to a third party, it is probable that settlement will be required and the amount of the obligation can be measured reliably. All expenditure is accounted for on an accruals basis under the following headings.

Costs of raising funds comprises fundraising costs incurred in seeking donations and grants. Fundraising costs do not include the costs of disseminating information of support of the charitable activities.

ALVERBRIDGE NURSERY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2023

1 Accounting policies

(Continued)

Expenditure on charitable activities includes the costs of running the nursery undertaken to further the purposes of the charity and their associated support costs.

Support costs comprise those costs which are incurred directly in support of expenditure on the objects of the charity and include governance cost, finance, and office costs. Governance costs are those costs incurred in connection with the compliance with constitutional and statutory requirements of the charity.

Support costs are allocated to the principal activity of the charity, being the day-to-day running of the nursery. More detail on the analysis and basis of allocation is given in note 9 to the financial statements.

1.6 Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Leasehold improvements	Straight line over 10 years
Baby room equipment	25% on reducing balance
Playground equipment	Straight line over 3 years
Kitchen and office equipment	25% on reducing balance

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is recognised in the statement of financial activities.

1.7 Impairment of fixed assets

At each reporting end date, the charity reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any).

1.8 Stocks

Stocks are stated at the lower of cost and estimated selling price less costs to complete and sell. Cost comprises direct materials and, where applicable, direct labour costs and those overheads that have been incurred in bringing the stocks to their present location and condition. Items held for distribution at no or nominal consideration are measured the lower of replacement cost and cost.

Net realisable value is the estimated selling price less all estimated costs of completion and costs to be incurred in marketing, selling and distribution.

1.9 Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

ALVERBRIDGE NURSERY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2023

1 Accounting policies

(Continued)

1.10 Financial instruments

The charity has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the charity's balance sheet when the charity becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Basic financial assets

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

Basic financial liabilities

Basic financial liabilities, including creditors and bank loans are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of operations from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

Derecognition of financial liabilities

Financial liabilities are derecognised when the charity's contractual obligations expire or are discharged or cancelled.

1.11 Employee benefits

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the charity is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

1.12 Retirement benefits

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

ALVERBRIDGE NURSERY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) *FOR THE YEAR ENDED 31 AUGUST 2023*

2 Critical accounting estimates and judgements

In the application of the charity's accounting policies, the trustees are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

ALVERBRIDGE NURSERY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2023

3 Donations and legacies	Unrestricted funds		Restricted funds		Total		Unrestricted funds		Restricted funds		Total	
	2023	2023	2023	2023	2023	2023	2022	2022	2022	2022	2022	2022
	£	£	£	£	£	£	£	£	£	£	£	£
Donations and gifts	-	-	-	-	-	-	500	-	-	-	500	-
Grants	275,864	5,855	5,855	281,719	281,719	281,719	276,858	3,649	3,649	280,507	280,507	280,507
	275,864	5,855	5,855	281,719	281,719	281,719	277,358	3,649	3,649	281,007	281,007	281,007
Grants receivable for core activities												
Government grants	274,386	5,855	5,855	280,241	280,241	280,241	275,795	3,649	3,649	279,444	279,444	279,444
Other grants	1,478	-	-	1,478	1,478	1,478	1,063	-	-	1,063	1,063	1,063
	275,864	5,855	5,855	281,719	281,719	281,719	276,858	3,649	3,649	280,507	280,507	280,507

ALVERBRIDGE NURSERY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2023

4 Charitable activities

	2023 £	2022 £
Fees receivable	313,595	252,378
Uniform income	-	35
	<u>313,595</u>	<u>252,413</u>

5 Other trading activities

	Unrestricted funds	Unrestricted funds
	2023 £	2022 £
Fundraising events	4,864	904
	<u>4,864</u>	<u>904</u>

6 Investments

	Unrestricted funds	Unrestricted funds
	2023 £	2022 £
Bank interest receivable	2,963	944
	<u>2,963</u>	<u>944</u>

7 Raising funds

	Unrestricted funds	Unrestricted funds
	2023 £	2022 £
<u>Fundraising and publicity</u>		
Other fundraising costs and staff wellbeing	3,181	3,105
	<u>3,181</u>	<u>3,105</u>
<u>Trading costs</u>		
Other trading activities	-	1,213
	<u>-</u>	<u>1,213</u>
	<u>3,181</u>	<u>4,318</u>

ALVERBRIDGE NURSERY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2023

8 Charitable activities

	Nursery 2023 £	Nursery 2022 £
Staff costs	477,446	441,103
Depreciation and impairment	30,551	32,646
Didactic equipment and toys	5,975	3,104
Food and nappies	33,972	28,750
Staff training	1,810	1,838
Local projects	2,131	2,227
Rent of rooms, water rates and electricity	24,734	19,404
Travelling	80	45
Printing, postage and stationery	711	741
Telephone	413	379
Repairs and maintenance	3,178	2,112
Cleaning and waste disposal	18,384	16,178
Insurance	2,255	1,562
Computer consumables	2,368	2,408
Bank charges	-	155
Bad debt movement	(2,358)	-
	<u>601,650</u>	<u>552,652</u>
Share of governance costs (see note 9)	6,449	5,417
	<u>608,099</u>	<u>558,069</u>
Analysis by fund		
Unrestricted funds	602,051	554,570
Restricted funds	6,048	3,499
	<u>608,099</u>	<u>558,069</u>

9 Support costs

	Support costs £	Governance costs £	2023		Governance costs £	2022 £
			Support costs £	£		
Independent examination fees	-	5,232	5,232	-	4,980	4,980
Legal and professional	-	1,217	1,217	-	437	437
	<u>-</u>	<u>6,449</u>	<u>6,449</u>	<u>-</u>	<u>5,417</u>	<u>5,417</u>
Analysed between Charitable activities	<u>-</u>	<u>6,449</u>	<u>6,449</u>	<u>-</u>	<u>5,417</u>	<u>5,417</u>

ALVERBRIDGE NURSERY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2023

10 Trustees

One of the trustees received remuneration from the charity during the year (2022 - one) in accordance with the governing document of the charity.

Dawn Street was paid total remuneration of £45,257 (2022 - £42,057) in her capacity as Manager (previously Co-Manager) of the Nursery.

None of the trustees were remunerated for their trustee duties.

11 Employees

The average monthly number of employees during the year was:

	2023	2022
	Number	Number
	24	26
	<u> </u>	<u> </u>
Employment costs	2023	2022
	£	£
Wages and salaries	441,298	410,054
Social security costs	27,766	23,444
Other pension costs	8,382	7,605
	<u> </u>	<u> </u>
	<u>477,446</u>	<u>441,103</u>

There were no employees whose annual remuneration was more than £60,000.

12 Other

	Unrestricted	Unrestricted
	funds	funds
	2023	2022
Net loss on disposal of tangible fixed assets	29	320
Sundry expenses	607	4,425
	<u> </u>	<u> </u>
	<u>636</u>	<u>4,745</u>

13 Taxation

The charity is exempt from tax on income and gains falling within section 505 of the Taxes Act 1988 or section 252 of the Taxation of Chargeable Gains Act 1992 to the extent that these are applied to its charitable objects.

ALVERBRIDGE NURSERY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2023

14 Tangible fixed assets

	Leasehold improvements	Baby room equipment	Playground equipment	Kitchen and office equipment	Total
	£	£	£	£	£
Cost					
At 1 September 2022	246,163	10,431	55,593	17,796	329,983
Additions	-	-	1,005	2,438	3,443
Disposals	-	(381)	-	-	(381)
At 31 August 2023	246,163	10,050	56,598	20,234	333,045
Depreciation and impairment					
At 1 September 2022	123,062	8,684	49,557	13,939	195,242
Depreciation charged in the year	24,616	430	3,931	1,573	30,550
Eliminated in respect of disposals	-	(352)	-	-	(352)
At 31 August 2023	147,678	8,762	53,488	15,512	225,440
Carrying amount					
At 31 August 2023	98,485	1,288	3,110	4,722	107,605
At 31 August 2022	123,101	1,746	6,037	3,857	134,741

15 Stocks

	2023 £	2022 £
Finished goods and goods for resale	-	69

16 Debtors

Amounts falling due within one year:	2023 £	2022 £
Trade debtors	6,650	2,204
Other debtors	-	60
Prepayments and accrued income	5,050	3,695
	11,700	5,959

ALVERBRIDGE NURSERY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2023

17 Creditors: amounts falling due within one year

	2023 £	2022 £
Other taxation and social security	8,214	6,753
Trade creditors	2,255	7,292
Other creditors	11,211	11,998
Accruals and deferred income	5,232	4,980
	<u>26,912</u>	<u>31,023</u>

18 Analysis of net assets between funds

	Unrestricted funds 2023 £	Restricted funds 2023 £	Total Unrestricted funds 2023 £	Total Unrestricted funds 2022 £	Restricted funds 2022 £	Total 2022 £
Fund balances at 31 August 2023 are represented by:						
Tangible assets	107,605	-	107,605	134,741	-	134,741
Current assets/(liabilities)	176,572	-	176,572	158,061	150	158,211
	<u>284,177</u>	<u>-</u>	<u>284,177</u>	<u>292,802</u>	<u>150</u>	<u>292,952</u>

19 Related party transactions

Remuneration of key management personnel

The remuneration of key management personnel is as follows.

	2023 £	2022 £
Aggregate compensation	<u>55,293</u>	<u>51,531</u>

There were no other disclosable related party transactions during the year (2022 - none).

ALVERBRIDGE NURSERY

England & Wales - Charity number 1130467

Accounts

Charity registration number 1130467

Company registration number 06875332 (England and Wales)

ALVERBRIDGE NURSERY
ANNUAL REPORT AND UNAUDITED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2022

ALVERBRIDGE NURSERY

LEGAL AND ADMINISTRATIVE INFORMATION

Trustees

Mr Daniel Harvey
Mrs Amelia Somerset
Mrs Dawn Street
Mrs Rosie Walters
Mrs Sally-Anne MacPherson (Appointed 23 January 2023)
Lorna Ball (Appointed 23 January 2023)
S A Faichen
Mr. L O Perry
Dr. J K Perry
E Daly

Charity number

1130467

Company number

06875332

Registered office

80 South Street
Gosport
Hampshire
England
PO12 1ES

Independent examiner

Azets Audit Services
Carnac Place
Cams Hall Estate
Fareham
Hampshire
United Kingdom
PO16 8UY

ALVERBRIDGE NURSERY

CONTENTS

	Page
Trustees' report	1 - 6
Independent examiner's report	7
Statement of financial activities	8
Balance sheet	9
Notes to the financial statements	10 - 18

ALVERBRIDGE NURSERY

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) FOR THE YEAR ENDED 31 AUGUST 2022

The trustees present their annual report and financial statements for the year ended 31 August 2022.

The financial statements have been prepared in accordance with the accounting policies set out in note 1 to the financial statements and comply with the charity's governing document, the Companies Act 2006 and "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).

Objectives and activities

Objectives

The aims of the nursery are to enhance the development and education of children, primarily under the statutory school age, by encouraging parents to understand and provide for the needs of their children through community groups and by:

- Offering appropriate play, education and care facilities and training courses, together with the right of parents to take responsibility for and to become involved in the activities of such groups, ensuring opportunities for all children whatever their race, culture, religion, means or ability;
- Encouraging the study of the needs of such children and their families and promoting public interest in and recognition of such needs;
- Instigating, adhering to and furthering the aims and objects of the Early Years Alliance.

Powers

The nursery is permitted by its articles of association to engage in any lawful activity as shall further its charitable objects and may invest money not immediately required for its objects in such investments, securities or property as the trustees think fit.

Aims and strategies for attaining objectives

The over-riding policies pursued in the attainment of the nursery's objects are:

- to offer appropriate play, education and care facilities for children.
- to encourage the study of the needs of such children and their families and to promote public interest in recognition of such needs in local areas.

The trustees have paid due regard to guidance issued by the Charity Commission in deciding what activities the charity should undertake.

Achievements and performance

In November 2019, the nursery was awarded its 4th consecutive OUTSTANDING OFSTED result since 2006. It continues to offer flexible hours of childcare; its opening hours are from 7.30 a.m. to 6 p.m. Monday to Friday for 51 weeks a year. The aim of this service is to support the local community to enable parents to get back into the work place.

The nursery moved to its new home in 80 South Street in November 2017, completely refurbishing the existing building and building an additional building on site to provide an outstanding provision for local children and families. The nursery rents its new home from the Council on a rolling 10-year lease which was signed in July 2017. The Council will not charge rent on the new build for 10 years. A £70k loan in the form of an overdraft facility was put in place with CAF bank shortly after the 2017 AGM authorised it. It would allow the nursery to protect its reserves, which were depleted by the cost of the build/refurbishment, and to ensure the nursery could continue to manage its cashflow in the future, whilst rebuilding reserves. The loan was paid off early on 29 November 2021, having accomplished its purpose of allowing operating reserves to be replenished. The total project cost £271k; it was fully funded by the nursery with the support of its staff, families and community.

ALVERBRIDGE NURSERY

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2022

Dawn Street became the sole Nursery Manager from September 2021 after Shirley Faichen retired as planned at the end of August 2021.

This year's activities continued to be dominated by the ongoing Covid pandemic, which started in March 2020. The nursery's priorities in 2020-22 were to keep its staff, children and families safe, provide support to its local community keyworkers and vulnerable families, provide stability and fun for the children it saw and online resources for its children at home and, finally, to protect its future and team's livelihood. The nursery remained open throughout. In line with the rest of the UK, the nursery took tentative steps towards a new normal post-Covid in the latter part of this year, while still limiting unnecessary access to the site. The nursery was pleased to begin to be able to allow parents back on site, supporting them as needed.

Management time remained higher than normal, as the nursery needed to react quickly to the ongoing changing guidance and changing staff rotas as members of staff continued to isolate. All absences due to Covid/isolating were paid for at 100% of the staffs' normal salary, giving the staff financial stability in an uncertain time. From April 2022, when government guidelines changed and Covid testing was no longer available, the nursery joined the rest of the UK moving towards a new normal. The increased cleaning measures stayed in place for everyone's protection, however, Covid became treated as any other contagious illness within the nursery's standard absence policy and Statutory Sick Pay guidelines.

At the end of the last financial year, the nursery used the parents' fundraising income to order a large wooden slide and climbing area for the older children. Due to Covid, this was not delivered until 2022, but it has been massively popular with the children.

The trustees supported Dawn's vision for a nursery using The Curiosity Approach, which would combine Alverbridge's outstanding nursery practice with a clutter-free, calm environment, which would stimulate children's thinking, curiosity and imagination. The trustees allocated the profit of the previous year towards a complete overhaul of the inside of the nursery. However, due to most of the new environment being sourced through recycled furniture and equipment, and the continued goodwill and innovation by staff and their families in creating new areas and resources, the total cost came to £4k. This included buying many chairs, tables and a projector.

It is the aim of Alverbridge to ensure that all individuals, whatever their circumstances, feel fully empowered and supported in the process of guiding their child on their educational journey. Alverbridge believes that positive relationships with parents is the key to not only the child's wellbeing, but the wellbeing of the whole family, supporting individuals towards the future. Covid has made this more challenging, with parents unable to visit the nursery and drop-off and collections limited in time due to the possibility of Covid transmission. We were pleased to be able to give some limited access to the nursery after April 2022. The nursery continued to develop its new ways of communicating with parents, updating regularly an active Facebook page, giving activities for families and children to try at home and stories to listen to when unable to attend. We were disappointed to not be able to hold our family days and Christmas Show yet again. The AGM was an opportunity for parents to visit the nursery after hours and to meet each other for the first time. It also allowed parents to see our new interior, which they had previously only been able to get glimpses of online. We enjoyed our first family sports day in the summer, which was strongly supported by family and staff.

The nursery continues to prioritise access for vulnerable 2 year-olds into the nursery.

The nursery continues to supply childcare directly to Hampshire County Council as an independent provider.

The living wage increased dramatically by 6.6% (59p an hour) in April 2022; wages continue to be the most important running cost to the nursery (83% of its running costs). The nursery wants to ensure that it meets or exceeds the living wage; we want to offer a package to our team which will encourage them to stay with the nursery and understand that they are valued by the management team and the committee. In addition to the financial package, the nursery has also accommodated over the last few years many flexible working requests. This means that many of our staff have had their hours adjusted to give them a better work life balance. The new salaries from April will cost the nursery an additional £24,000 in the next 12 months.

ALVERBRIDGE NURSERY

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2022

HCC have given a welcome £0.16 increase in hourly funding rates, however, this will only cover £8.7k of the salary rise. In addition to this increase, the nursery is also being hit with rising electricity, food, cleaning and refuse collection costs. The trustees have regretfully increased the hourly rate from September to £4.90 per hour, which will generate £14k towards the salary rise. They have also introduced a £0.50 per half day contribution towards the cost of snacks by all funded children. Along with careful budgeting, the nursery should be able to run a breakeven budget. The nursery currently has sufficient reserves to cover unexpected economic or business needs, so it does not feel that it needs to generate a profit this year. Any profit made would be ringfenced to cover future rental increases.

30-hour funding remains popular with parents, increasing the ratio of funded income to private in the summer term. The nursery continues to not set a limit on parents claiming 30-hour funding despite the Government funding rate being lower than our private rate.

The Cygnet room accommodates up to 12 babies. The nursery continues to increase its staff cover as necessary to maintain the outstanding level of care it offers to each child.

The nursery continues to be in a position to provide childcare for special needs children which regularly demands a higher number of staff hours. There is no specific funding paid to support this activity this year, the nursery uses its own resources to provide high levels of individual support to children and families requiring additional assistance and care or liaison with outside agencies.

The nursery continues to work closely with Social Services to accommodate any identified vulnerable children into its setting, in exceptional circumstances providing unfunded free child care to ensure the needs of the children and family are met.

The nursery maintained its level 5 hygiene classification.

The nursery continues to encourage staff development. This year, various staff have had access to training such as the Thomas course, food hygiene, E-magination, wellbeing, designated safeguard lead, curiosity approach, first aid, ELSA Supervision, in addition to tailored management courses for our new management team. Outstanding practice is supported and shared within Hampshire by our manager, Dawn Street, who holds the LFSP role (Leading Foundation Stage Practitioner), hosting open evenings and supporting other settings in situ. Dawn assists other Early Year Settings through sharing Alverbridge's good practices. In-house staff training continues to be given during term during day closures. A staff meeting is held once a month in the evening; this covers the general day to day aspects of the nursery. The nursery took on a new apprentice in line with its vision to home grow practitioners.

The nursery also offers childcare experience to local students and special needs young adults.

The nursery offers a pension scheme through NEST (National Employment Saving Trust) offering staff a contribution based on Qualifying Earnings.

The nursery introduced a cycle to work scheme in April 2015; this is repeated annually on request of its staff.

Prior to Covid, the nursery liked to hold various family events, including various open days, its Christmas show and a summer sports afternoon, increasing its involvement with its community and families. The nursery was delighted to reintroduce this community spirit with its first sports day since the start of the pandemic and hopes this marks the start of a return to our family events. Regular parents evenings are also offered – currently via telephone. The nursery was developing its relationship with the library, with weekly visits to rhyme time; this will resume as soon as Covid rules allow.

In addition to this, the nursery has also had to close its doors to outside visitors in line with guidance, so only children and staff enter the nursery, with parents dropping off at the door. The staff have been relieved to see how resilient the children have been through all these changes; the happiness of those able to attend and the joy at returning to nursery after lock down by those who were kept off. The nursery has also admired the flexibility of its team, adapting to changing working practices and overcoming their worries by attending work and continuing to make the nursery an amazing place for children to attend.

ALVERBRIDGE NURSERY

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2022

Financial review

Review of financial position

The trustees consider that the state of affairs of the nursery is satisfactory and that, on a fund-by-fund basis, the charity's assets are available and adequate to fulfil its obligations.

Reserves policy

The nursery's policy on retention of reserves is to:

- utilise income received for restricted purposes as soon as reasonably possible after receipt.
- retain sufficient unrestricted funds to ensure that the nursery has the resources to withstand any unforeseeable financial setback, take advantage of an opportunity, or temporarily finance a restricted activity in advance of the receipt of the related grant income. The nursery used its reserves to move the nursery to a new location in November 2017, it took out a loan with CAF Bank to act as its reserves until they are replaced over a period of 4 years. The members had voted to allow the trustees to take this loan at the AGM in March 2017. The loan was paid off early on 29 November 2021, the trustees believe this loan has successfully allowed the nursery time to replenish its reserves following the move and provided a safety margin during uncertain economic times.

Risk factors

The Committee has reviewed the major risks to which it considers the Nursery is exposed and has ensured that adequate systems have been established to mitigate those risks.

Plans for future periods

Future plans

2022-23 sees the nursery operating under a new management team, with a new curriculum and with Covid guidelines eventually being removed. The last 3 years have required constant adaptation and reaction to change; the nursery will now need a period of consolidation.

The nursery will once again face a large increase in the living wage in April 2023, a 9.7% increase. The committee will try to adjust salaries to reward, value and retain our staff, whilst being acutely aware of the challenges faced in a living wage industry; this will cost an additional £35k over 12 months. The nursery also faces increases in waste, cleaning, food and rental costs. The government provides some increase in the hourly funding rate (4.4%), generating an additional £12k of income. The remaining shortfall for wages, rent, and other costs will need to come from the parents' hourly rate. The nursery carries out an annual market review to compare locally and we remain one of the few outstanding nurseries locally, as well as being one of the most reasonable ones to attend. Unfortunately, due to the living wage increase compared to the funding increase, another local nursery goes out of business, meaning competition for places in September 2023 will be higher than ever seen before. In conclusion, the committee decided that from September 2023, we will have to increase our hourly rate in line with CPI from £4.90 to £5.34. As a charity, we only try to charge what we spend looking after the children and investing in our setting and staff; this rate remains very reasonable compared locally. We are also one of the few nurseries that offer 2 weeks fee-free holiday per year for our full-time children.

New funding for parents

In the April 2023 budget, the government stated that it would roll out funded childcare for all children. We have had no detail since, but expect it to be rolled out as follows:

- April 2024 – 15 hours for working parents of over 2 year-olds
- Sept 2024 – 15 hours for working parents of over 9 month-olds
- Sept 2025 – 30 hours for working parents of over 9 month-olds

ALVERBRIDGE NURSERY

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2022

This means that children over 2 with working parents at the nursery will benefit from 15 hours' funding from April 2024. At this time, we have no idea at what rate this will be paid and if we will lose money or gain money as a result for the last term next year. We may have to take the extraordinary step of a second increase in hourly rate from April 2024 if it becomes obvious that we will see a loss in income. Most of our 2 year-old working families will see a reduction in their annual childcare costs despite the increase in annual rate, due to this new funding, so overall in the year they should be better off. Our vulnerable 2 year-old families will continue to receive the economic 2-year funding. If the hourly rate paid is the same or more than our hourly rate, the nursery should be unaffected by the first step of the funding roll out. Although we will get a rise in parents asking if their children could join in April 2024, this is not possible as we are full from September 2023.

From September 2024, nearly all our children will receive some kind of funding and by September 2025, most of our income will be in the control of the state.

This is considered to be risky for our nursery, as the government have not yet matched their increase in funding rate with that of the living wage. In addition, traditionally we see parents take on the full amount of funded hours as soon as it is made available to them, so we run a risk of all the places at nursery being taken prior to 3 year-olds with non-working parents trying to join the nursery when they get basic funding the term after their 3rd birthday. These are both items for concern for the future of the Alverbridge Nursery.

An initial review of our admission policy will ensure that we protect access to the nursery for all for 2023-24. We may need to tweak this further when the funding continues to roll out. Financially, the nursery has sufficient reserves to cover the increase in the cost of living wage if the government takes time to adjust their funding rate sufficiently whilst taking over our income stream. We are already seeing the impact locally with nurseries closing. The committee believes that the increase in hourly rate from September 2023 will protect the next 12 months of operating costs, leaving the reserves intact to protect the following 1-2 years of operating costs. This should give the nursery time to fully understand and ride the new funding roll out, and for the government to understand that its funding must allow for living wage and CPI increases if it wishes to have a childcare industry. The committee believes that they have taken action to protect the nursery's reserves during 2023-24, allowing for the uncertainty surrounding new funding to be clarified and market forces to settle.

Structure, governance and management

Governing document

The charity is controlled by its governing document, a deed of trust, and constitutes a limited company, limited by guarantee, as defined by the Companies Act 2006.

Constitution

The nursery is a company limited by guarantee and a charity registered under the Charities Act 2011. The company commenced activities on 1 September 2009 following the transfer of the activities to it from the unincorporated charity known as Alverbridge Pre-School.

The articles of association require that the nursery be managed by a management committee (the committee) the members of which are directors and managing trustees respectively within the meaning of the Companies Act 2006 and the Charities Act 2011.

ALVERBRIDGE NURSERY

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2022

The trustees, who are also the directors for the purpose of company law, and who served during the year and up to the date of signature of the financial statements were:

Mr Daniel Harvey

Mrs Amelia Somerset

Mrs Dawn Street

Mrs Donna Earle

(Resigned 30 August 2022)

Mrs Rosie Walters

Mrs Natalie Burton

(Resigned 20 March 2023)

Mrs Sally-Anne MacPherson

(Appointed 23 January 2023)

Lorna Ball

(Appointed 23 January 2023)

S A Faichen

Mr. L O Perry

Dr. J K Perry

E Daly

Appointment of trustees

The trustees have been appointed on the basis of their knowledge of the educational and socio-economic needs of the inhabitants in the area of benefit. Trustees have been in receipt of initial induction.

How decisions are made

The committee meets approximately every two months. Operating decisions are made by majority decision of a quorate committee. Constitutional matters including election of trustees are decided by a simple majority unless a larger majority is required under the Companies Act 2006.

The trustees' report was approved by the Board of Trustees.

Mr Daniel Harvey

Trustee

25 May 2023

ALVERBRIDGE NURSERY

INDEPENDENT EXAMINER'S REPORT TO THE TRUSTEES OF ALVERBRIDGE NURSERY

I report to the trustees on my examination of the financial statements of Alverbridge Nursery (the charity) for the year ended 31 August 2022.

Responsibilities and basis of report

As the trustees of the charity (and also its directors for the purposes of company law) you are responsible for the preparation of the financial statements in accordance with the requirements of the Companies Act 2006 (the 2006 Act).

Having satisfied myself that the financial statements 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 financial statements carried out under section 145 of the Charities Act 2011 (the 2011 Act). In carrying out my examination I have followed all the applicable 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 ACCA, 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 charity as required by section 386 of the 2006 Act; or
- 2 the financial statements do not accord with those records; or
- 3 the financial statements do not comply with the accounting requirements of section 396 of the 2006 Act other than any requirement that the accounts give a true and fair view which is not a matter considered as part of an independent examination; or
- 4 the financial statements have not been prepared in accordance with the methods and principles of the Statement of Recommended Practice for accounting and reporting by charities applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102).

I have no concerns and have come across no other matters in connection with the examination to which attention should be drawn in this report in order to enable a proper understanding of the financial statements to be reached.

James Reilly ACCA

Azets Audit Services
Carnac Place
Cams Hall Estate
Fareham
Hampshire
PO16 8UY
United Kingdom

Dated: 30 May 2023

ALVERBRIDGE NURSERY

STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 AUGUST 2022

	Notes	Unrestricted funds 2022 £	Restricted funds 2022 £	Total Unrestricted funds 2022 £	Restricted funds 2021 £	Total 2021 £
Income from:						
Donations and legacies	3	277,358	3,649	281,007	285,555	294,054
Charitable activities	4	252,413	-	252,413	260,671	260,671
Other trading activities	5	904	-	904	776	776
Investments	6	944	-	944	613	613
Total income		531,619	3,649	535,268	547,615	556,114
Expenditure on:						
Raising funds	7	4,318	-	4,318	3,014	3,014
Charitable activities	8	554,570	3,499	558,069	531,457	540,533
Other	12	4,745	-	4,745	1,784	1,784
Total expenditure		563,633	3,499	567,132	536,255	545,331
Gross transfers between funds		-	-	-	(241)	241
Net (expenditure)/income for the year/						
Net movement in funds		(32,014)	150	(31,864)	11,119	(336)
Fund balances at 1 September 2021		324,816	-	324,816	313,697	314,033
Fund balances at 31 August 2022		292,802	150	292,952	324,816	324,816

The statement of financial activities includes all gains and losses recognised in the year.

All income and expenditure derive from continuing activities.

The statement of financial activities also complies with the requirements for an income and expenditure account under the Companies Act 2006.

ALVERBRIDGE NURSERY

BALANCE SHEET

AS AT 31 AUGUST 2022

	Notes	2022 £	£	2021 £	£
Fixed assets					
Tangible assets	13		134,741		165,692
Current assets					
Stocks	14	69		223	
Debtors	15	5,959		6,906	
Cash at bank and in hand		183,206		167,714	
		<u>189,234</u>		<u>174,843</u>	
Creditors: amounts falling due within one year	17	<u>(31,023)</u>		<u>(15,719)</u>	
Net current assets			158,211		159,124
Total assets less current liabilities			<u>292,952</u>		<u>324,816</u>
Income funds					
Restricted funds			150		-
Unrestricted funds			292,802		324,816
			<u>292,952</u>		<u>324,816</u>

The company is entitled to the exemption from the audit requirement contained in section 477 of the Companies Act 2006, for the year ended 31 August 2022.

The directors acknowledge their responsibilities for complying with the requirements of the Companies Act 2006 with respect to accounting records and the preparation of financial statements.

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

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

The financial statements were approved by the Trustees on 25 May 2023

Mrs Amelia Somerset
Trustee

Company registration number 06875332

ALVERBRIDGE NURSERY

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2022

1 Accounting policies

Charity information

Alverbridge Nursery is a private company limited by guarantee incorporated in England and Wales. The registered office is 80 South Street, Gosport, Hampshire, PO12 1ES, England.

1.1 Accounting convention

The financial statements have been prepared in accordance with the charity's governing document, the Companies Act 2006 and "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)". The charity is a Public Benefit Entity as defined by FRS 102.

The charity has taken advantage of the provisions in the SORP for charities applying FRS 102 Update Bulletin 1 not to prepare a Statement of Cash Flows.

The financial statements are prepared in sterling, which is the functional currency of the charity. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared under the historical cost convention. The principal accounting policies adopted are set out below.

1.2 Going concern

At the time of approving the financial statements, the trustees have a reasonable expectation that the charity has adequate resources to continue in operational existence for the foreseeable future. Thus the trustees continue to adopt the going concern basis of accounting in preparing the financial statements.

1.3 Charitable funds

Unrestricted funds are available for use at the discretion of the trustees in furtherance of their charitable objectives.

Restricted funds are subject to specific conditions by donors as to how they may be used. The purposes and uses of the restricted funds are set out in the notes to the financial statements.

1.4 Income

Income is recognised when the charity is legally entitled to it after any performance conditions have been met, the amounts can be measured reliably, and it is probable that income will be received.

Cash donations are recognised on receipt. Other donations are recognised once the charity has been notified of the donation, unless performance conditions require deferral of the amount. Income tax recoverable in relation to donations received under Gift Aid or deeds of covenant is recognised at the time of the donation.

Income from government and other grants, whether 'capital' grants or 'revenue' grants, are recognised when the charity has entitlement to the funds, 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 and is not deferred.

1.5 Expenditure

Expenditure is recognised once there is a legal or constructive obligation to make a payment to a third party, it is probable that settlement will be required and the amount of the obligation can be measured reliably. All expenditure is accounted for on an accruals basis under the following headings.

Costs of raising funds comprises fundraising costs incurred in seeking donations and grants. Fundraising costs do not include the costs of disseminating information of support of the charitable activities.

ALVERBRIDGE NURSERY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2022

1 Accounting policies

(Continued)

Expenditure on charitable activities includes the costs of running the nursery undertaken to further the purposes of the charity and their associated support costs.

Support costs comprise those costs which are incurred directly in support of expenditure on the objects of the charity and include governance cost, finance, and office costs. Governance costs are those costs incurred in connection with the compliance with constitutional and statutory requirements of the charity.

Support costs are allocated to the principal activity of the charity, being the day-to-day running of the nursery. More detail on the analysis and basis of allocation is given in note 9 to the financial statements.

1.6 Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Leasehold improvements	Straight line over 10 years
Baby room equipment	25% on reducing balance
Playground equipment	Straight line over 3 years
Kitchen and office equipment	25% on reducing balance

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is recognised in the statement of financial activities.

1.7 Impairment of fixed assets

At each reporting end date, the charity reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any).

1.8 Stocks

Stocks are stated at the lower of cost and estimated selling price less costs to complete and sell. Cost comprises direct materials and, where applicable, direct labour costs and those overheads that have been incurred in bringing the stocks to their present location and condition. Items held for distribution at no or nominal consideration are measured the lower of replacement cost and cost.

Net realisable value is the estimated selling price less all estimated costs of completion and costs to be incurred in marketing, selling and distribution.

1.9 Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

ALVERBRIDGE NURSERY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2022

1 Accounting policies

(Continued)

1.10 Financial instruments

The charity has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the charity's balance sheet when the charity becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Basic financial assets

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

Basic financial liabilities

Basic financial liabilities, including creditors and bank loans are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of operations from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

Derecognition of financial liabilities

Financial liabilities are derecognised when the charity's contractual obligations expire or are discharged or cancelled.

1.11 Employee benefits

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the charity is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

1.12 Retirement benefits

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

ALVERBRIDGE NURSERY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2022

2 Critical accounting estimates and judgements

In the application of the charity's accounting policies, the trustees are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

3 Donations and legacies

	Unrestricted funds	Restricted funds	Total	Unrestricted funds	Restricted funds	Total
	2022	2022	2022	2021	2021	2021
	£	£	£	£	£	£
Donations and gifts	500	-	500	-	-	-
Grants	276,858	3,649	280,507	285,555	8,499	294,054
	<u>277,358</u>	<u>3,649</u>	<u>281,007</u>	<u>285,555</u>	<u>8,499</u>	<u>294,054</u>
Grants receivable for core activities						
Government grants	275,795	3,649	279,444	276,824	8,499	285,323
Coronavirus Job Retention Scheme grants	-	-	-	7,553	-	7,553
Other grants	1,063	-	1,063	1,178	-	1,178
	<u>276,858</u>	<u>3,649</u>	<u>280,507</u>	<u>285,555</u>	<u>8,499</u>	<u>294,054</u>

4 Charitable activities

	2022	2021
	£	£
Fees receivable	252,378	260,383
Uniform income	35	288
	<u>252,413</u>	<u>260,671</u>

ALVERBRIDGE NURSERY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2022

5 Other trading activities

	Unrestricted funds	Unrestricted funds
	2022	2021
	£	£
Fundraising events	904	776
	<u> </u>	<u> </u>

6 Investments

	Unrestricted funds	Unrestricted funds
	2022	2021
	£	£
Bank interest receivable	944	613
	<u> </u>	<u> </u>

7 Raising funds

	Unrestricted funds	Unrestricted funds
	2022	2021
	£	£
<u>Fundraising and publicity</u>		
Other fundraising costs	3,105	1,888
	<u> </u>	<u> </u>
<u>Trading costs</u>		
Other trading activities	1,213	1,126
	<u> </u>	<u> </u>
	<u>4,318</u>	<u>3,014</u>

ALVERBRIDGE NURSERY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2022

8 Charitable activities

	Nursery 2022 £	Nursery 2021 £
Staff costs	441,103	426,352
Depreciation and impairment	32,646	31,856
Didactic equipment and toys	3,104	2,910
Food and nappies	28,750	23,108
Staff training	1,838	1,847
Local projects	2,227	2,730
Rent of rooms, water rates and electricity	19,404	19,050
Travelling	45	400
Printing, postage and stationery	741	332
Telephone	379	340
Repairs and maintenance	2,112	6,126
Cleaning and waste disposal	16,178	15,175
Insurance	1,562	2,469
Computer consumables	2,408	2,310
Bank charges	155	1,401
	<u>552,652</u>	<u>536,406</u>
Share of governance costs (see note 9)	5,417	4,127
	<u>558,069</u>	<u>540,533</u>
Analysis by fund		
Unrestricted funds	554,570	531,457
Restricted funds	3,499	9,076
	<u>558,069</u>	<u>540,533</u>

9 Support costs

	Support costs £	Governance costs £	2022		Governance costs £	2021 £
			Support costs £	£		
Independent examination fees	-	4,980	4,980	-	3,392	3,392
Legal and professional	-	437	437	-	735	735
	<u>-</u>	<u>5,417</u>	<u>5,417</u>	<u>-</u>	<u>4,127</u>	<u>4,127</u>
Analysed between Charitable activities	<u>-</u>	<u>5,417</u>	<u>5,417</u>	<u>-</u>	<u>4,127</u>	<u>4,127</u>

ALVERBRIDGE NURSERY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2022

10 Trustees

One of the trustees received remuneration from the charity during the year (2021 - two) in accordance with the governing document of the charity.

Shirley Faichen was paid total remuneration of £nil (2021 - £33,755) in her capacity as Co-Manager of the Nursery.

Dawn Street was paid total remuneration of £42,057 (2021 - £13,283) in her capacity as Manager (previously Co-Manager) of the Nursery.

None of the trustees were remunerated for their trustee duties.

11 Employees

The average monthly number of employees during the year was:

	2022	2021
	Number	Number
	26	26
	<u> </u>	<u> </u>

Employment costs

	2022	2021
	£	£
Wages and salaries	410,054	398,423
Social security costs	23,444	20,845
Other pension costs	7,605	7,084
	<u> </u>	<u> </u>
	441,103	426,352
	<u> </u>	<u> </u>

There were no employees whose annual remuneration was more than £60,000.

12 Other

	Unrestricted	Unrestricted
	funds	funds
	2022	2021
Net loss on disposal of tangible fixed assets	320	211
Sundry expenses	4,425	1,573
	<u> </u>	<u> </u>
	4,745	1,784
	<u> </u>	<u> </u>

ALVERBRIDGE NURSERY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2022

13 Tangible fixed assets

	Leasehold improvements	Baby room equipment	Playground equipment	Kitchen and office equipment	Total
	£	£	£	£	£
Cost					
At 1 September 2021	246,163	10,521	55,707	17,596	329,987
Additions	-	1,104	-	912	2,016
Disposals	-	(1,194)	(113)	(712)	(2,019)
At 31 August 2022	246,163	10,431	55,594	17,796	329,984
Depreciation and impairment					
At 1 September 2021	98,446	9,179	43,615	13,056	164,296
Depreciation charged in the year	24,616	612	6,055	1,363	32,646
Eliminated in respect of disposals	-	(1,106)	(113)	(480)	(1,699)
At 31 August 2022	123,062	8,685	49,557	13,939	195,243
Carrying amount					
At 31 August 2022	123,101	1,746	6,037	3,857	134,741
At 31 August 2021	147,717	1,342	12,092	4,541	165,692

14 Stocks

	2022 £	2021 £
Finished goods and goods for resale	69	223

15 Debtors

Amounts falling due within one year:	2022 £	2021 £
Trade debtors	2,204	4,323
Other debtors	60	-
Prepayments and accrued income	3,695	2,583
	5,959	6,906

16 Loans and overdrafts

	2022 £	2021 £
Bank loans	-	6,778
Payable within one year	-	6,778

ALVERBRIDGE NURSERY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2022

17 Creditors: amounts falling due within one year

	Notes	2022 £	2021 £
Bank loans	16	-	6,778
Other taxation and social security		6,753	-
Trade creditors		7,292	1,811
Other creditors		11,998	3,770
Accruals and deferred income		4,980	3,360
		<u>31,023</u>	<u>15,719</u>

18 Analysis of net assets between funds

	Unrestricted funds 2022 £	Restricted funds 2022 £	Total 2022 £	Unrestricted funds 2021 £	Restricted funds 2021 £	Total 2021 £
Fund balances at 31 August 2022 are represented by:						
Tangible assets	134,741	-	134,741	165,692	-	165,692
Current assets/(liabilities)	158,061	150	158,211	159,124	-	159,124
	<u>292,802</u>	<u>150</u>	<u>292,952</u>	<u>324,816</u>	<u>-</u>	<u>324,816</u>

19 Related party transactions

Remuneration of key management personnel

The remuneration of key management personnel is as follows.

	2022 £	2021 £
Aggregate compensation	<u>51,531</u>	<u>83,068</u>

There were no other disclosable related party transactions during the year (2021 - none).

Document Activity Report

Document Sent

Wed, 31 May 2023 09:47:17 GMT

Document Activity History

Document history shows most recent activity first

Date	Activity
Thu, 01 Jun 2023 08:41:41 GMT	Nicole Noble viewed the document
Wed, 31 May 2023 13:41:26 GMT	Rory Aram viewed the document
Wed, 31 May 2023 09:49:44 GMT	Daniel Harvey viewed the document

You can verify that this is a genuine Portal document by uploading it to the following secure web page:

<http://azets3.accountantspace.co.uk/messages/VerifyDocument>

ALVERBRIDGE NURSERY

England & Wales - Charity number 1130467

Accounts

Charity Registration No. 1130467

Company Registration No. 06875332 (England and Wales)

ALVERBRIDGE NURSERY
ANNUAL REPORT AND UNAUDITED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021

ALVERBRIDGE NURSERY

LEGAL AND ADMINISTRATIVE INFORMATION

Trustees	Mr Daniel Harvey Mrs Amelia Somerset Mrs Dawn Street Mrs Donna Earle Mrs Rosie Walters Mrs Natalie Burton Mrs Sally MacPherson	(Appointed 25 May 2021) (Appointed 21 July 2021) (Appointed 21 July 2021) (Appointed 21 July 2021) (Appointed 10 April 2022)
Charity number	1130467	
Company number	06875332	
Registered office	80 South Street Gosport Hampshire England PO12 1ES	
Independent examiner	Azets Audit Services Carnac Place Cams Hall Estate Fareham Hampshire United Kingdom PO16 8UY	

ALVERBRIDGE NURSERY

CONTENTS

	Page
Trustees' report	1 - 6
Independent examiner's report	7
Statement of financial activities	8
Balance sheet	9 - 10
Notes to the financial statements	11 - 20

ALVERBRIDGE NURSERY

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) FOR THE YEAR ENDED 31 AUGUST 2021

The trustees present their report and financial statements for the year ended 31 August 2021.

The financial statements have been prepared in accordance with the accounting policies set out in note 1 to the financial statements and comply with the charity's governing document, the Companies Act 2006 and "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)".

Objectives and activities

Objectives

The aims of the nursery are to enhance the development and education of children, primarily under the statutory school age, by encouraging parents to understand and provide for the needs of their children through community groups and by:

- Offering appropriate play, education and care facilities and training courses, together with the right of parents to take responsibility for and to become involved in the activities of such groups, ensuring opportunities for all children whatever their race, culture, religion, means or ability;
- Encouraging the study of the needs of such children and their families and promoting public interest in and recognition of such needs;
- Instigating, adhering to and furthering the aims and objects of the Early Years Alliance.

Powers

The nursery is permitted by its articles of association to engage in any lawful activity as shall further its charitable objects and may invest money not immediately required for its objects in such investments, securities or property as the trustees think fit.

Aims and strategies for attaining objectives

The over-riding policies pursued in the attainment of the nursery's objects are:

- to offer appropriate play, education and care facilities for children.
- to encourage the study of the needs of such children and their families and to promote public interest in recognition of such needs in local areas.

The trustees have paid due regard to guidance issued by the Charity Commission in deciding what activities the charity should undertake.

Achievements and performance

In November 2019, the nursery was awarded its 4th consecutive OUTSTANDING OFSTED result since 2006. It continues to offer flexible hours of childcare; its opening hours are from 7.30 a.m. to 6 p.m. Monday to Friday for 51 weeks a year. The aim of this service is to support the local community to enable parents to get back into the work place.

On a more personal note, the nursery were delighted that their nomination of Shirley Faichen, the Nursery Manager, was successful; Shirley Faichen was awarded a well-deserved MBE for Services to Education. The nursery congratulates her. Shirley Faichen is the founder of the nursery and nursery manager of 24 years; she will retire at the end of the August 2021.

ALVERBRIDGE NURSERY

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2021

The nursery moved to its new home in 80 South Street in November 2017, completely refurbishing the existing building and building an additional building on site to provide an outstanding provision for local children and families. The nursery rents its new home from the Council on a rolling 10-year lease which was signed in July 2017. The Council will not charge rent on the new build for 10 years. A £70k loan in the form of an overdraft facility was put in place with CAF bank shortly after the 2017 AGM authorised it. It would allow the nursery to protect its reserves, which were depleted by the cost of the build/refurbishment, and to ensure the nursery could continue to manage its cashflow in the future, whilst rebuilding reserves. As the loan is unsecured, the nursery must submit quarterly updates to CAF Bank on its financial status; it has agreed with CAF that it will aim to make at least a £20k operating profit until the loan is repaid. The final repayment is due in December 2021. The total project cost £271k; it was fully funded by the nursery with the support of its staff, families and community.

This year's activities continued to be dominated by the ongoing Covid pandemic, which started in March 2020. The nursery's priorities in 2020-21 were to keep its staff, children and families safe, provide support to its local community keyworkers and vulnerable families, provide stability and fun for the children it saw and online resources for its children at home and, finally, to protect its future and team's livelihood. The nursery remained open throughout.

Operating costs during Covid: The nursery operated in 2 bubbles for most of the year, splitting both the entire nursery site in two. While the main infrastructure to allow this was put in place the first year, the nursery continued to need to make additional investments to support this, including a fogging machine, adding to its rigorous cleaning routines, and other equipment to ensure that all children and staff had the same facilities available regardless of which bubble they belonged to. Management time remained higher than normal, as the nursery needed to react quickly to the ongoing changing guidance and changing staff rotas. Staffing bubbles were also more costly as 2 members of staff for each bubble were required, even at quiet times, and additional time was required for cleaning. With smaller teams operating in each bubble, covering any absence would add to the pressure on the remaining team. The trustees employed an additional member of staff for 6 months to provide extra cover and ensure much-needed staff holidays were not disrupted. All absences due to Covid/isolating were paid for at 100% of the staffs' normal salary, giving the staff financial stability in an uncertain time.

Income during Covid: The Government continued to protect its funding income as if all the children attended throughout; this protected half of the nursery's income stream. Parents were not charged for absences linked to Covid, encouraging them to not attend if family members or children were ill. As the pandemic progressed, parents needed to return to work and we saw an increasing number of children attending regularly. With over two-thirds of our parents considering themselves to be keyworkers, there would be very little impact on numbers if the government changed lockdown rules. This added to the pressure of working in bubbles and the nursery team were pleased to return to one bubble in the summer.

The nursery continued to invest in its outside area, adding an outside fire alarm, pruning all the trees on site and buying wooden play equipment for both the Cygnet and Swan playgrounds, which have proved hugely popular with the children. At the end of the year, it used the parents' fundraising income to order a large wooden slide and climbing area for the older children; due to Covid this was not delivered until 2022. In addition to this, the Nursery made several purchases updating its older IT equipment.

It is the aim of Alverbridge to ensure that all individuals, whatever their circumstances, feel fully empowered and supported in the process of guiding their child on their educational journey. Alverbridge believes that positive relationships with parents is the key to not only the child's wellbeing, but the wellbeing of the whole family, supporting individuals towards the future. Covid has made this more challenging, with parents unable to visit the nursery and drop-off and collections limited in time due to the possibility of Covid transmission. The nursery found new ways to talk to parents, introducing an active Facebook page, giving activities for families and children to try at home and stories to listen to when unable to attend, and our first AGM via Zoom. We were disappointed to not be able to hold our family days and Christmas Show; even Santa dropped presents off in the car park this year. We look forward to being able to return to more face-to-face contact as soon as possible.

The nursery continues to prioritise access for vulnerable 2 year olds into the nursery.

ALVERBRIDGE NURSERY

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2021

The nursery continues to supply childcare directly to Hampshire County Council as an independent provider.

Living wage increased 2.2% in April 2021; the Trustees approved a 2.8% increase in wages to its team. It hopes by increasing the salaries slightly faster than the increase in living wage, it commits to recognising the skill of the staff who work in a living wage industry and will allow the nursery to retain and recruit in the coming year. The nursery received a 5p increase in hourly rate from the Council (1% rise); this will not begin to cover the increase in living wage. The trustees' ethos when setting hourly rates is to keep them as low as possible, enabling as many local children as possible to have access to outstanding nursery care. The trustees decided that, from September 2021, the private funding rate will be increased higher than the funded rate to £4.65/hour. They will keep other meal contributions the same as previously, continuing to subsidise the popular hot lunches it offers once a day. However, it replaces its termly snack donation with a daily snack and consumable donation of 50p per day for funded children. The nursery remains much cheaper than most local nurseries, keeping its fees to a minimum to allow access to an outstanding setting for all.

30-hour funding remains popular with parents, increasing the ratio of funded income to private in the summer term. The nursery continues not to set a limit on parents claiming 30-hour funding despite the Government funding rate being lower than our private rate.

The Cygnet room accommodates up to 12 babies. The nursery continues to increase its staff cover as necessary to maintain the outstanding level of care it offers to each child.

The nursery continues to be in a position to provide childcare for special needs children which regularly demands a higher number of staff hours. The nursery also provides high levels of individual support to children and families requiring additional assistance and care or liaison with outside agencies.

The nursery continues to work closely with Social Services to accommodate any identified vulnerable children into its setting, in exceptional circumstances providing unfunded free child care to ensure the needs of the children and family are met.

The nursery maintained its level 5 hygiene classification.

The nursery continues to encourage staff development. A member of staff successfully completed their level 6 qualification, another member of staff completed her level 7. This year various staff have had access to training such as EHCO (Emotional Health Co-ordinator – now known as an Early Years ELSA), first aid, food hygiene and health and safety. Outstanding practice is supported and shared within Hampshire by our manager, Dawn Street, who holds the LFSP role (Leading Foundation Stage Practitioner), hosting open evenings and supporting other settings in situ. Dawn assists other Early Year Settings through sharing Alverbridge's good practices. In-house staff training continues to be given during term during day closures, where we cover topics such as sharing Early Year ELSA tools and techniques, Makaton to aid communication and working on the revised Early Years Foundation Stage curriculum development. A staff meeting is held once a month in the evening; this covers the general day to day aspects of the nursery.

The nursery also offers childcare experience to local students and special needs young adults.

The nursery offers a pension scheme through NEST (National Employment Saving Trust) offering staff a contribution based on Qualifying Earnings.

The nursery introduced a cycle to work scheme in April 2015; this is repeated annually on request of its staff.

The nursery has held various family events, including various open days, its Christmas show and a summer sports afternoon, increasing its involvement with its community and families. Regular parents evenings are also offered – currently via telephone. Unfortunately face-to-face events have been suspended during the Covid pandemic; the nursery looks forward to re-introducing them when it is safe to do so. The nursery were developing their relationship with the library, with weekly visits to rhyme time; this will resume as soon as Covid rules allow.

ALVERBRIDGE NURSERY

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2021

In addition to this, the nursery has also had to close its doors to outside visitors in line with guidance, so only children and staff enter the nursery, with parents dropping off at the door. The staff have been relieved to see how resilient the children have been through all these changes; the happiness of those able to attend and the joy at returning to nursery after lock down by those who were kept off. The nursery has also admired the flexibility of its team, adapting to changing working practices and overcoming their worries by attending work and continuing to make the nursery an amazing place for children to attend.

Financial review

Review of financial position

The trustees consider that the state of affairs of the nursery is satisfactory and that, on a fund-by-fund basis, the charity's assets are available and adequate to fulfil its obligations.

Reserves policy

The nursery's policy on retention of reserves is to:

- utilise income received for restricted purposes as soon as reasonably possible after receipt.
- retain sufficient unrestricted funds to ensure that the nursery has the resources to withstand any unforeseeable financial setback, take advantage of an opportunity, or temporarily finance a restricted activity in advance of the receipt of the related grant income. The nursery used its reserves to move the nursery to a new location in November 2017, it took out a loan with CAF Bank to act as its reserves until they are replaced over a period of 4 years. The members had voted to allow the trustees to take this loan at the AGM in March 2017. The loan was paid off regularly though out this financial year and will be paid back in full by December 2021, the trustees believe this loan has successfully allowed the nursery time to replenish its reserves following the move and provided a safety margin during uncertain economic times.

Risk factors

The Committee has reviewed the major risks to which it considers the Nursery is exposed and has ensured that adequate systems have been established to mitigate those risks.

Future plans

Dawn Street, who joined the nursery 17 years ago, takes on full responsibility of managing the nursery from September 2021. She has co-managed it with Shirley for a few years as part of a transition plan for Shirley's retirement. The nursery will recruit a second Deputy Manager in September to join Pauline Brazier in supporting Dawn manage the nursery and ensuring it remains an outstanding setting for our local children.

The living wage increases again dramatically by 6.6% (59p an hour) in April 2022; wages continue to be the most important running cost to the nursery (83% of its running costs). The nursery wants to ensure that it meets or exceeds the living wage; we want to offer a package to our team which will encourage them to stay with the nursery and understand that they are valued by the management team and the committee. In addition to the financial package, the nursery has also accommodated over the last few years many flexible working requests; this means that many of our staff have had their hours adjusted to give them a better work life balance. The new salaries from April will cost the nursery an additional £24,000 in the next 12 months.

HCC have given a welcome 16p increase in hourly funding rate, however, this will only cover £8.7k of the salary rise. In addition to this increase, the nursery is also being hit with rising electricity, food, cleaning and refuse collection costs. The trustees have regrettably increased the hourly rate from September to £4.90/hour; this will generate £14k towards the salary rise. They have also introduced a 50p per half-day contribution towards the cost of snacks by all funded children. Along with careful budgeting, the nursery should be able to run a breakeven budget. The nursery has currently sufficient reserves to cover unexpected economic or business needs, so does not feel that it needs to generate a profit this year. Any profit made will be ring-fenced to cover future rental increases. It does, however, hope to recommence fundraising for investment in larger items not covered by its normal budget.

ALVERBRIDGE NURSERY

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2021

The trustees decided to use the profit from this financial year to renew the nursery interior which was set up on a shoe-string budget when the nursery moved in 2017 (as all of its reserves were used in converting and extending the site for use as a nursery). The nursery introduced the Curiosity Approach and adapts its nursery interior to suit. In addition, the new Early Years Curriculum Framework allows the management to tailor the curriculum for our children; the nursery invests in developing its woodwork, cookery, trips outside the nursery and sewing activities for the children.

With regards to the future, this 2022-23 sees the nursery operating under a new management team, with a new curriculum and under new Covid guidelines. The last 3 years have required constant adaptation and reaction to change; the nursery will now need a period of consolidation.

Structure, governance and management

Governing document

The charity is controlled by its governing document, a deed of trust, and constitutes a limited company, limited by guarantee, as defined by the Companies Act 2006.

Constitution

The nursery is a company limited by guarantee and a charity registered under the Charities Act 2011. The company commenced activities on 1 September 2009 following the transfer of the activities to it from the unincorporated charity known as Alverbridge Pre-School.

The articles of association require that the nursery be managed by a management committee (the committee) the members of which are directors and managing trustees respectively within the meaning of the Companies Act 2006 and the Charities Act 2011.

The trustees, who are also the directors for the purpose of company law, and who served during the year and up to the date of signature of the financial statements were:

Mr Daniel Harvey	
Mrs Amelia Somerset	
Mrs Dawn Street	(Appointed 25 May 2021)
Mrs Donna Earle	(Appointed 21 July 2021)
Mrs Rosie Walters	(Appointed 21 July 2021)
Mrs Natalie Burton	(Appointed 21 July 2021)
Mrs Sally MacPherson	(Appointed 10 April 2022)
Mrs Shirley Faichen	(Resigned 31 August 2021)
Mrs Emma Daly	(Resigned 23 July 2021)
Mr Lawrence Perry	(Resigned 31 August 2021)
Dr Jennifer Perry	(Resigned 31 August 2021)

Appointment of trustees

The trustees have been appointed on the basis of their knowledge of the educational and socio-economic needs of the inhabitants in the area of benefit. Trustees have been in receipt of initial induction.

How decisions are made

The committee meets approximately every two months. Operating decisions are made by majority decision of a quorate committee. Constitutional matters including election of trustees are decided by a simple majority unless a larger majority is required under the Companies Act 2006.

ALVERBRIDGE NURSERY

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED) ***FOR THE YEAR ENDED 31 AUGUST 2021***

The trustees' report was approved by the Board of Trustees.

Mr Daniel Harvey

Trustee

Dated: 25 May 2022

ALVERBRIDGE NURSERY

INDEPENDENT EXAMINER'S REPORT TO THE TRUSTEES OF ALVERBRIDGE NURSERY

I report to the trustees on my examination of the financial statements of Alverbridge Nursery (the charity) for the year ended 31 August 2021.

Responsibilities and basis of report

As the trustees of the charity (and also its directors for the purposes of company law) you are responsible for the preparation of the financial statements in accordance with the requirements of the Companies Act 2006 (the 2006 Act).

Having satisfied myself that the financial statements 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 financial statements carried out under section 145 of the Charities Act 2011 (the 2011 Act). In carrying out my examination I have followed all the applicable 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 ACCA, 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 charity as required by section 386 of the 2006 Act; or
- 2 the financial statements do not accord with those records; or
- 3 the financial statements do not comply with the accounting requirements of section 396 of the 2006 Act other than any requirement that the accounts give a true and fair view which is not a matter considered as part of an independent examination; or
- 4 the financial statements have not been prepared in accordance with the methods and principles of the Statement of Recommended Practice for accounting and reporting by charities applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102).

I have no concerns and have come across no other matters in connection with the examination to which attention should be drawn in this report in order to enable a proper understanding of the financial statements to be reached.

James Reilly ACCA

Azets Audit Services
Carnac Place
Cams Hall Estate
Fareham
Hampshire
PO16 8UY
United Kingdom

Dated: 26 May 2022

ALVERBRIDGE NURSERY

STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 AUGUST 2021

		Unrestricted funds 2021 £	Restricted funds 2021 £	Total 2021 £	Unrestricted funds 2020 £	Restricted funds 2020 £	Total 2020 £
	Notes						
<u>Income and endowments from:</u>							
Donations and legacies	3	285,555	8,499	294,054	338,898	1,095	339,993
Charitable activities	4	260,671	-	260,671	181,070	-	181,070
Other trading activities	5	776	-	776	-	-	-
Investments	6	613	-	613	937	-	937
Other income	7	-	-	-	766	-	766
Total income		547,615	8,499	556,114	521,671	1,095	522,766
<u>Expenditure on:</u>							
Raising funds	8	3,014	-	3,014	833	-	833
Charitable activities	9	531,457	9,076	540,533	487,812	759	488,571
Other	13	1,784	-	1,784	1,586	-	1,586
Total resources expended		536,255	9,076	545,331	490,231	759	490,990
Net incoming/ (outgoing) resources before transfers		11,360	(577)	10,783	31,440	336	31,776
Gross transfers between funds		(241)	241	-	-	-	-
Net income/(expenditure) for the year/ Net movement in funds		11,119	(336)	10,783	31,440	336	31,776
Fund balances at 1 September 2020		313,697	336	314,033	282,258	-	282,258
Fund balances at 31 August 2021		324,816	-	324,816	313,698	336	314,034

The statement of financial activities includes all gains and losses recognised in the year.

All income and expenditure derive from continuing activities.

The statement of financial activities also complies with the requirements for an income and expenditure account under the Companies Act 2006.

ALVERBRIDGE NURSERY

BALANCE SHEET

AS AT 31 AUGUST 2021

	Notes	2021		2020	
		£	£	£	£
Fixed assets					
Tangible assets	14		165,692		184,968
Current assets					
Stocks	15	223		88	
Debtors	16	6,906		6,273	
Cash at bank and in hand		167,714		158,909	
		<u>174,843</u>		<u>165,270</u>	
Creditors: amounts falling due within one year	18	<u>(15,719)</u>		<u>(29,426)</u>	
Net current assets			159,124		135,844
Total assets less current liabilities			<u>324,816</u>		<u>320,812</u>
Creditors: amounts falling due after more than one year	19		-		(6,778)
Net assets			<u><u>324,816</u></u>		<u><u>314,034</u></u>
Income funds					
Restricted funds			-		336
Unrestricted funds			324,816		313,698
			<u>324,816</u>		<u>314,034</u>
			<u><u>324,816</u></u>		<u><u>314,034</u></u>

ALVERBRIDGE NURSERY

BALANCE SHEET (CONTINUED)

AS AT 31 AUGUST 2021

The company is entitled to the exemption from the audit requirement contained in section 477 of the Companies Act 2006, for the year ended 31 August 2021.

The directors acknowledge their responsibilities for complying with the requirements of the Companies Act 2006 with respect to accounting records and the preparation of financial statements.

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

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

The financial statements were approved by the Trustees on 25 May 2022

Mrs Amelia Somerset
Trustee

Company Registration No. 06875332

ALVERBRIDGE NURSERY

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2021

1 Accounting policies

Charity information

Alverbridge Nursery is a private company limited by guarantee incorporated in England and Wales. The registered office is 80 South Street, Gosport, Hampshire, PO12 1ES, England.

1.1 Accounting convention

The financial statements have been prepared in accordance with the charity's governing document, the Companies Act 2006 and "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)". The charity is a Public Benefit Entity as defined by FRS 102.

The charity has taken advantage of the provisions in the SORP for charities applying FRS 102 Update Bulletin 1 not to prepare a Statement of Cash Flows.

The financial statements are prepared in sterling, which is the functional currency of the charity. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared under the historical cost convention. The principal accounting policies adopted are set out below.

1.2 Going concern

At the time of approving the financial statements, the trustees have a reasonable expectation that the charity has adequate resources to continue in operational existence for the foreseeable future. Thus the trustees continue to adopt the going concern basis of accounting in preparing the financial statements.

1.3 Charitable funds

Unrestricted funds are available for use at the discretion of the trustees in furtherance of their charitable objectives.

Restricted funds are subject to specific conditions by donors as to how they may be used. The purposes and uses of the restricted funds are set out in the notes to the financial statements.

1.4 Income

Income is recognised when the charity is legally entitled to it after any performance conditions have been met, the amounts can be measured reliably, and it is probable that income will be received.

Cash donations are recognised on receipt. Other donations are recognised once the charity has been notified of the donation, unless performance conditions require deferral of the amount. Income tax recoverable in relation to donations received under Gift Aid or deeds of covenant is recognised at the time of the donation.

Income from government and other grants, whether 'capital' grants or 'revenue' grants, are recognised when the charity has entitlement to the funds, 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 and is not deferred.

ALVERBRIDGE NURSERY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

1 Accounting policies

(Continued)

1.5 Expenditure

Expenditure is recognised once there is a legal or constructive obligation to make a payment to a third party, it is probable that settlement will be required and the amount of the obligation can be measured reliably. All expenditure is accounted for on an accruals basis under the following headings.

Costs of raising funds comprises fundraising costs incurred in seeking donations and grants. Fundraising costs do not include the costs of disseminating information of support of the charitable activities.

Expenditure on charitable activities includes the costs of running the nursery undertaken to further the purposes of the charity and their associated support costs.

Support costs comprise those costs which are incurred directly in support of expenditure on the objects of the charity and include governance cost, finance, and office costs. Governance costs are those costs incurred in connection with the compliance with constitutional and statutory requirements of the charity.

Support costs are allocated to the principal activity of the charity, being the day-to-day running of the nursery. More detail on the analysis and basis of allocation is given in note 9 to the financial statements.

1.6 Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Leasehold improvements	Straight line over 10 years
Baby room equipment	25% on reducing balance
Playground equipment	Straight line over 3 years
Kitchen and office equipment	25% on reducing balance

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is recognised in net income/(expenditure) for the year.

1.7 Impairment of fixed assets

At each reporting end date, the charity reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any).

1.8 Stocks

Stocks are stated at the lower of cost and estimated selling price less costs to complete and sell. Cost comprises direct materials and, where applicable, direct labour costs and those overheads that have been incurred in bringing the stocks to their present location and condition. Items held for distribution at no or nominal consideration are measured the lower of replacement cost and cost.

Net realisable value is the estimated selling price less all estimated costs of completion and costs to be incurred in marketing, selling and distribution.

ALVERBRIDGE NURSERY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

1 Accounting policies

(Continued)

1.9 Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

1.10 Financial instruments

The charity has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the charity's balance sheet when the charity becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Basic financial assets

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

Basic financial liabilities

Basic financial liabilities, including creditors and bank loans are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of operations from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

Derecognition of financial liabilities

Financial liabilities are derecognised when the charity's contractual obligations expire or are discharged or cancelled.

1.11 Employee benefits

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the charity is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

1.12 Retirement benefits

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

ALVERBRIDGE NURSERY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

2 Critical accounting estimates and judgements

In the application of the charity's accounting policies, the trustees are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

3 Donations and legacies

	Unrestricted funds	Restricted funds	Total	Unrestricted funds	Restricted funds	Total
	2021 £	2021 £	2021 £	2020 £	2020 £	2020 £
Donations and gifts	-	-	-	1,529	-	1,529
Grants	285,555	8,499	294,054	337,369	1,095	338,464
	<u>285,555</u>	<u>8,499</u>	<u>294,054</u>	<u>338,898</u>	<u>1,095</u>	<u>339,993</u>
Grants receivable for core activities						
Government grants	276,824	8,499	285,323	317,475	1,095	318,570
Coronavirus Job Retention Scheme grants	7,553	-	7,553	19,894	-	19,894
Other grants	1,178	-	1,178	-	-	-
	<u>285,555</u>	<u>8,499</u>	<u>294,054</u>	<u>337,369</u>	<u>1,095</u>	<u>338,464</u>

4 Charitable activities

	2021 £	2020 £
Fees receivable	260,383	177,813
Uniform income	288	-
Other income	-	3,257
	<u>260,671</u>	<u>181,070</u>

ALVERBRIDGE NURSERY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2021

5 Other trading activities

	Unrestricted funds	Total
	2021 £	2020 £
Fundraising events	776	-

6 Investments

	Unrestricted funds	Unrestricted funds
	2021 £	2020 £
Bank interest receivable	613	937

7 Other income

	Total	Unrestricted funds
	2021 £	2020 £
Net gain on disposal of tangible fixed assets	-	766

8 Raising funds

	Unrestricted funds	Unrestricted funds
	2021 £	2020 £
<u>Fundraising and publicity</u>		
Other fundraising costs	1,888	2,055
<u>Trading costs</u>		
Other trading activities	1,126	(1,222)
	3,014	833

ALVERBRIDGE NURSERY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2021

9 Charitable activities

	Nursery 2021 £	Nursery 2020 £
Staff costs	426,352	376,957
Depreciation and impairment	31,856	32,568
Didactic equipment and toys	2,910	4,220
Food and nappies	23,108	18,375
Staff training	1,847	911
Local projects	2,730	334
Rent of rooms, water rates and electricity	19,050	18,383
Travelling	400	2
Printing, postage and stationery	332	660
Telephone	340	461
Repairs and maintenance	6,126	11,712
Cleaning and waste disposal	15,175	13,479
Insurance	2,469	2,467
Computer consumables	2,310	2,624
Bank charges	1,401	2,294
	<u>536,406</u>	<u>485,447</u>
Share of governance costs (see note 10)	4,127	3,124
	<u>540,533</u>	<u>488,571</u>
Analysis by fund		
Unrestricted funds	531,457	487,812
Restricted funds	9,076	759
	<u>540,533</u>	<u>488,571</u>

10 Support costs

	Support costs £	Governance costs £	2021 £	Support costs £	Governance costs £	2020 £
Independent examination fees	-	3,392	3,392	-	3,124	3,124
Legal and professional	-	735	735	-	-	-
	<u>-</u>	<u>4,127</u>	<u>4,127</u>	<u>-</u>	<u>3,124</u>	<u>3,124</u>
Analysed between Charitable activities	<u>-</u>	<u>4,127</u>	<u>4,127</u>	<u>-</u>	<u>3,124</u>	<u>3,124</u>

ALVERBRIDGE NURSERY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2021

11 Trustees

Two of the trustees received remuneration from the charity during the year (2020 - one) in accordance with the governing document of the charity.

Shirley Faichen was paid total remuneration of £33,755 (2020 - £32,331) in her capacity as Co-Manager of the Nursery.

Dawn Street was paid total remuneration of £13,283 (2020 - £nil) in her capacity as Co-Manager of the Nursery.

None of the trustees were remunerated for their trustee duties.

12 Employees

The average monthly number of employees during the year was:

	2021	2020
	Number	Number
	26	24
	<u>26</u>	<u>24</u>
Employment costs	2021	2020
	£	£
Wages and salaries	398,423	352,971
Social security costs	20,845	17,965
Other pension costs	7,084	6,021
	<u>426,352</u>	<u>376,957</u>
	<u>426,352</u>	<u>376,957</u>

13 Other

	Unrestricted	Unrestricted
	funds	funds
	2021	2020
Net loss on disposal of tangible fixed assets	211	365
Sundry expenses	1,573	1,221
	<u>1,784</u>	<u>1,586</u>
	<u>1,784</u>	<u>1,586</u>

ALVERBRIDGE NURSERY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

14 Tangible fixed assets

	Leasehold improvements	Baby room equipment	Playground equipment	Kitchen and office equipment	Total
	£	£	£	£	£
Cost					
At 1 September 2020	246,163	12,770	45,122	15,738	319,793
Additions	-	143	10,789	1,859	12,791
Disposals	-	(2,392)	(204)	-	(2,596)
At 31 August 2021	246,163	10,521	55,707	17,597	329,988
Depreciation and impairment					
At 1 September 2020	73,830	10,857	38,595	11,543	134,825
Depreciation charged in the year	24,616	503	5,224	1,513	31,856
Eliminated in respect of disposals	-	(2,181)	(204)	-	(2,385)
At 31 August 2021	98,446	9,179	43,615	13,056	164,296
Carrying amount					
At 31 August 2021	147,717	1,342	12,092	4,541	165,692
At 31 August 2020	172,334	1,912	6,527	4,195	184,968

15 Stocks

	2021 £	2020 £
Finished goods and goods for resale	223	88

16 Debtors

	2021 £	2020 £
Amounts falling due within one year:		
Trade debtors	4,323	3,690
Prepayments and accrued income	2,583	2,583
	6,906	6,273

ALVERBRIDGE NURSERY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

17 Loans and overdrafts

	2021 £	2020 £
Bank overdrafts	-	215
Bank loans	6,778	26,333
	<u>6,778</u>	<u>26,548</u>
Payable within one year	6,778	19,770
Payable after one year	-	6,778
	<u>6,778</u>	<u>26,548</u>

18 Creditors: amounts falling due within one year

	Notes	2021 £	2020 £
Bank loans and overdrafts	17	6,778	19,770
Trade creditors		1,811	450
Other creditors		3,770	6,117
Accruals and deferred income		3,360	3,089
		<u>15,719</u>	<u>29,426</u>

19 Creditors: amounts falling due after more than one year

	Notes	2021 £	2020 £
Bank loans	17	-	6,778
		<u>-</u>	<u>6,778</u>

20 Analysis of net assets between funds

	Unrestricted funds 2021 £	Restricted funds 2021 £	Total 2021 £	Unrestricted funds 2020 £	Restricted funds 2020 £	Total 2020 £
Fund balances at 31 August 2021 are represented by:						
Tangible assets	165,692	-	165,692	184,968	-	184,968
Current assets/ (liabilities)	159,124	-	159,124	135,508	336	135,844
Long term liabilities	-	-	-	(6,778)	-	(6,778)
	<u>324,816</u>	<u>-</u>	<u>324,816</u>	<u>313,698</u>	<u>336</u>	<u>314,034</u>

ALVERBRIDGE NURSERY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2021

21 Related party transactions

Remuneration of key management personnel

The remuneration of key management personnel is as follows.

	2021	2020
	£	£
Aggregate compensation	83,068	78,715
	<u>83,068</u>	<u>78,715</u>

There were no other disclosable related party transactions during the year (2020 - none).

Document Activity Report

Document Sent

Thu, 26 May 2022 12:47:27 GMT

Document Activity History

Document history shows most recent activity first

Date

Activity

Thu, 26 May 2022 12:48:43 GMT

Daniel Harvey viewed the document

You can verify that this is a genuine Portal document by uploading it to the following secure web page:

<http://azets3.accountantspace.co.uk/messages/VerifyDocument>

ALVERBRIDGE NURSERY

England & Wales - Charity number 1130467

Accounts

Charity Registration No. 1130467

Company Registration No. 06875332 (England and Wales)

ALVERBRIDGE NURSERY
ANNUAL REPORT AND UNAUDITED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020

ALVERBRIDGE NURSERY

LEGAL AND ADMINISTRATIVE INFORMATION

Trustees	S A Faichen Mr D P Harvey Dr J K Perry A J Somerset E Daly Mr L O Perry
Charity number	1130467
Company number	06875332
Registered office	32 Linden Grove Gosport Hampshire United Kingdom PO12 2EE
Independent examiner	Azets Audit Services Carnac Place Cams Hall Estate Fareham Hampshire United Kingdom PO16 8UY

ALVERBRIDGE NURSERY

CONTENTS

	Page
Trustees' report	1 - 6
Independent examiner's report	7
Statement of financial activities	8
Balance sheet	9 - 10
Notes to the financial statements	11 - 20

ALVERBRIDGE NURSERY

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT)

FOR THE YEAR ENDED 31 AUGUST 2020

The trustees present their report and financial statements for the year ended 31 August 2020.

The financial statements have been prepared in accordance with the accounting policies set out in note 1 to the financial statements and comply with the charity's governing document, the Companies Act 2006 and "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)".

Objectives and activities

Objectives

The aims of the Nursery are to enhance the development and education of children primarily under statutory school age by encouraging parents to understand and provide for the needs of their children through community groups and by:

- Offering appropriate play, education and care facilities and training courses, together with the right of parents to take responsibility for and to become involved in the activities of such groups, ensuring opportunities for all children whatever their race, culture, religion, means or ability;
- Encouraging the study of the needs of such children and their families and promoting public interest in and recognition of such needs;
- Instigating, adhering to and furthering the aims and objects of the Early Years Alliance.

Powers

The Nursery is permitted by its articles of association to engage in any lawful activity as shall further its charitable objects and may invest money not immediately required for its objects in such investments, securities or property as the Trustees think fit.

Aims and strategies for attaining objectives

The over-riding policies pursued in the attainment of the Nursery's objects are:

- to offer appropriate play, education and care facilities for children.
 - to encourage the study of the needs of such children and their families and to promote public interest in recognition of the needs of such children.
- The trustees have regard to guidance issued by the Charity Commission in deciding what activities the charity should undertake.

Achievements and performance

In November 2019 the nursery was awarded its 4th consecutive OUTSTANDING OFSTED result since 2006. It continues to offer flexible hours of childcare, its opening hours are from 7.30 a.m. to 6 p.m. Monday to Friday for 51 weeks a year. The aim of this service is to support the local community to enable parents to get back into the work place.

On a more personal note the Nursery were delighted that their nomination of Shirley Faichen the Nursery Manager was successful. Shirley Faichen was awarded a well deserved MBE for Services to Education. The Nursery congratulates her.

ALVERBRIDGE NURSERY

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

The nursery moved to its new home in 80 South Street in November 2017, completely refurbishing the existing building and building an additional building on site to provide an outstanding provision for local children and families. The nursery rents its new home from the Council on a rolling 10 year lease on the new location which was signed in July 2017. The Council will not charge rent on the new build for 10 years. A £70k loan in the form of an overdraft facility was put in place with CAF bank shortly after the 2017 AGM authorised it. It would allow the Nursery to protect its reserves which were depleted by the cost of the build/refurbishment and to ensure the Nursery could continue to manage its cashflow in the future while rebuilding reserves. As the loan is unsecured the Nursery must submit quarterly updates to CAF Bank on its financial status, it has agreed with CAF that it will aim to make at least a 20k operating profit until the loan is repaid. The final repayment is due December 2021. The total project cost £271k, it was fully funded by the nursery with the support of its staff, families and community.

This year's activity was dominated by the start of the Covid Pandemic in March 2019. The nursery remained open throughout the subsequent lockdowns to provide care for keyworker and vulnerable children. The nursery changed its operating routines several times during the pandemic, furloughing on full pay parts of its team in a rotating shift pattern with 2 week isolating periods at home to try and keep its staff safe through small operating bubbles and gaps in shifts long enough to isolate. It was recognised by the authorities that in a nursery environment it is not possible to social distance the children, in particular until later in the year it was unclear as to their role in transmission. The nursery followed all government Early Years Covid guidelines, reviewing its risk assessments and Covid control measures and operating as required by the everchanging last minutes goalposts. This involved considerable management time and cost not usually associated to the nursery. The nursery's priorities during the second half of 2019-20 were to keep its staff, children and families safe, provide support to its local community keyworkers and vulnerable families, provide stability and fun for the children it saw and online resources for its children at home, and finally to protect its future and team's livelihood.

Operating costs during Covid : In addition to management time, the nursery had to operate in bubbles, sometimes 2 or 3, changes and investment had to be made to the building to allow these to function including a new outdoor toilet, a wall to split the playground, a new outside shelter, and new hand washing facility outside. In addition to this the nursery continued to upgrade its facilities purchasing a new evacuation cot for the baby room, fridge and food serving trolley. Staffing of bubbles was also more costly as 2 members of staff for each bubble were required even at quiet times, and additional time was required for cleaning. However, the nursery saved money due to not being able to provide hot meals from March until the following October, not purchasing as many resources or food due to the limited children on site, it also secured Council grants towards the costs of changes to the building, didn't have to employ a member of staff to cover maternity leave, and claimed furlough money towards its isolating staff costs.

Income during Covid: The Government decided to protect its funding income as if all the children attended throughout, this protected half the nursery's usual income stream. The insurance company refused to entertain a claim for loss of revenue, as it considered that the nursery income was affected by the Government not by Public Health England due to Covid. There were no outbreaks of Covid at the nursery during this financial year, the nursery remained open to some extent throughout.

ALVERBRIDGE NURSERY

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

Profit end of year: The significant savings in operating costs offset the lost income and resulted in a final profit figure roughly as budgeted at the start of the year protecting the reserves for the next wave of Covid should they be required, and meant the nursery is confident it is a going concern.

Once again this year we have received generous donations from the Gosport Road Runners of £1000, the committee also fundraised over £2000 at the Christmas Show, the nursery plans to use this to buy an new outdoor climbing centre with this money. The purchase will not be made until the nursery stops operating in bubbles as it would be tricky to introduce such a large item onto the playground and not give half the children access to it. The nursery were very grateful to be given free use of the Masonic Hall for their Christmas Show.

In December 2019 Gosport Opportunity Group Pre-school ceased to operate, they have very kindly gifted a part of their reserves to the nursery as we have the same charitable aims, the nursery will received £529.00.

The nursery used the remaining Nicholson Hall funds (donated on its closure last year), to complete a nurture room to the south side of the building, complete with electrics. It also invested in lighting for the main playground extending the time of day it can be used during the winter months. It found the panelling the dining room so much easier to maintain/clean and fresher in appearance, that it decided to extend this throughout the children's rooms. It also extended the outdoor sheltered area, allowing children to sit outside without getting wet in both Cygnet and Swan area. It also purchased new storage including an outdoor coat and welly area. Parent donations allowed the creation of outdoor seating areas.

The Shed Men created a new storage area at the front of the nursery for prams.

The Nursery entered Gosport in Bloom in the spring 2019, it won Best Edible Garden, certificates of excellence for our sun flowers, bronze for best sensory and wildlife garden, and gold for best scarecrow.

It is the aim of Alverbridge to ensure that all individuals, whatever their circumstances feel fully empowered and supported in the process of guiding their child on their educational journey. Alverbridge believes that positive relationship with parents is the key to not only the child's wellbeing but the wellbeing of the whole family, supporting individuals towards the future.

The Nursery continues to prioritise access for vulnerable 2 year olds into the nursery.

The Nursery continues to supply childcare directly to Hampshire County Council as an independent provider.

The HCC funding rate increased slightly by 8p an hour from April 2020 (1.7%), this is the first increase in the funding rate in over 4 years, despite this industry being directly affected by living wage increases.

30 hour funding is proving popular with parents, increasing the ratio of funded income to private in the summer term. The living wage increased significantly again in April 2020 by 51p per hour in April (5%), the nursery also wanted to recognise its skilled team which contributed to our Outstanding OFSTED result rewarding them with a 2.5% extra increase in salary, this will cost approx. £17k in salary costs over the next 12 months (wages being the most important cost to the nursery). The trustees continue to support parents taking full advantage of the 30 hour funding.

The Trustees ethos when setting hourly rates is to keep them as low as possible, enabling as many local children as possible to have access to Outstanding Nursery care. Regrettably the Nursery increased its hourly rate from September 2019 to £4.50 per hour to cover the cost of living wage increases which have an important impact on not only direct staffing costs, but also on cleaning and the lunch costs of the nursery. It also introduced a small contribution towards food for full time children receiving funding, children attending term time already pay for meal times. The Nursery remains much cheaper than other local nurseries, keeping its fees to a minimum to allow access to an outstanding setting for all.

The Cygnet room accommodates up to 12 babies. The Nursery continues to increase its staff cover as necessary to maintain the outstanding level of care it offers to each child.

ALVERBRIDGE NURSERY

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

The Nursery continues to be in a position to provide childcare for special needs children which regularly demands a higher number of staff hours. The Nursery also provides high levels of individual support to children and families requiring additional assistance and care or liaison with outside agencies.

The Nursery continues to work closely with Social Services to accommodate any identified vulnerable children into its setting, in exceptional circumstances providing unfunded free child care to ensure the needs of the children and family are met.

The Nursery maintained its level 5 hygiene classification. The nursery continue to encourage staff development. A member of staff successfully completed their level 4 qualifications and is now on her way to completing her level 5. Another member of staff is working towards her level 7. This year various staff have had access to training such as OFTG, Treasure baskets, busy playing, first aid, food hygiene, health and safety. Outstanding practice is supported and shared within Hampshire by our Manager Dawn Street who holds the LFSP role (Leading Foundation Stage Practitioner) hosting open evenings and supporting other settings in situ. Dawn assists other Early Year Settings through sharing Alverbridge's good practice. In house staff training continues to be given during termly during day closures, where we cover topics such as the role of the adult, planning, behaviour management and well being. A staff meeting is held once a month in the evening, this covers the general day to day aspects of the nursery.

The Nursery also offers childcare experience to local students and special needs young adults.

The Nursery offers a pension scheme through NEST (National Employment Saving Trust) offering staff a contribution based on Qualifying Earnings.

The Nursery introduced a cycle to work scheme in April 2015, this is repeated annually on request of its staff.

The Nursery has held various family events, including various open days, its Christmas show and a summer sports afternoon, increasing its involvement with its community and families. Regular parent evenings are also offered – currently via telephone. Unfortunately face to face events have been suspended during the covid pandemic, the nursery looks forward to re-introducing them when it is safe to do so. The nursery were developing their relationship with the library, with weekly visits to rhyme time, they look forward to being able to leave the nursery again when Covid guidance allows, but at this time for safety keep the children on site within their bubbles.

In addition to this the nursery has also had to close its doors to outside visitors in line with guidance only children and staff enter the nursery, with parents dropping off at the door. The staff have been relieved to see how resilient the children have been through all these changes; the happiness of those able to attend and the joy at returning to nursery after lock down by those who were kept off. The nursery has also admired the flexibility of its team, adapting to changing working practices and overcoming their worries by attending work and continuing to make the Nursery an amazing place for children to attend.

Financial review

The Trustees consider that the state of affairs of the Nursery is satisfactory and that, on a fund by fund basis, the Charity's assets are available and adequate to fulfil its obligations.

The Nursery's policy on retention of reserves is to:

- utilise income received for restricted purposes as soon as reasonably possible after receipt.

ALVERBRIDGE NURSERY

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

- retain sufficient unrestricted funds to ensure that the Nursery has the resources to withstand any unforeseeable financial setback, take advantage of an opportunity, or temporarily finance a restricted activity in advance of the receipt of the related grant income. The nursery used its reserves to move the nursery to a new location in November 2017, it took out a loan with CAF Bank to act as its reserves until they are replaced over a period of 4 years. The members had voted to allow the trustees to take this loan at the AGM in March 2017. The trustees continue to decide against paying off the loan early due to the uncertainty surrounding Covid and its unpredictable impact on the business. However based on the information to date (April 2021 time of writing this report) the nursery has managed the impact of the pandemic on its cash flow and reserves, and it considers the business is continuing to operate as a going concern. The loan is currently paid regularly as planned, the loan will be paid back in full December 2021, the trustees believe this loan has successfully allowed the nursery time to replenish its reserves following the move and provided a safety margin during uncertain economic times.

The Committee has reviewed the major risks to which it considers the Nursery is exposed and has ensured that adequate systems have been established to mitigate those risks.

The Nursery had to increase its fees from September 2020 to £4.55 per hour, it continues to ask for a contribution from full time funded children towards the cost of lunch and tea (term time children already pay for these), and introduced a £5 contribution per term for snack. This is as a result of a 5% increase in living wage in April and only a 8p increase (1.7%) in government funding (the first increase in 4 years). The nursery continues not to set a limit on parents claiming 30 hour funding.

Living wage increases 2.2% in April 2021, the Trustees approve a 2.8% increase in wages to its team. It hopes by increasing the salaries slightly faster than the increase in living wage it commits to recognising the skill of the staff who work in a living wage industry, and will allow the nursery to retain and recruit in the coming year. The nursery receive a 5p increase in hourly rate from Hampshire County council (1% rise), this will not begin to cover the increase in living wage. The trustees decide that from September 2021 the private funding rate will be increased higher than the funded rate to £4.65/hour. They will keep other meal contributions the same as previously, continuing to subsidise the popular hot lunches it offers once a day. However, it replaces its termly snack donation with a daily snack and consumable donation of 50p per day for funded children.

Covid Control continues to be an important part of our focus, in April 2021 staff will have all been vaccinated a first time, voluntary testing will be carried out weekly, cleanliness will remain a priority in the building. Risk assessments and guidance will continue to be updated as needed to ensure everyone's safety. The nursery will have over 75% of children from vulnerable or critical worker families, as a result future lockdowns have little impact on the quantity of children attending. The nursery will continue to operate 2 bubbles with the extra staffing required and regular changes to shift patterns. Staff shielding and on maternity leave, plus two covid isolation periods, one in January and one in February for 10 days each during which a bubble closed completely will add to the pressure on staffing. Financially the furlough rules will change allowing the Nursery to claim furlough when staff isolate, and funding income will remain protected by the government until April 2021. In order to relieve the pressure on the staff the committee will authorise the temporary recruitment of additional staff. The nursery plan to begin a phased return to 1 bubble at the end of April if local covid statistics and guidelines are favourable.

Shirley Faichen the Founder of the Nursery and Nursery Manager of 24 years will retire at the end of the August, she leaves the Nursery in the capable hands of Dawn Street her Co- Manager, who joined the nursery 17 years ago, and shared the Management role for a few years in a transition plan for this retirement. The Nursery will recruit a second Deputy Manager to join Pauline Brazier supporting Dawn managing the Nursery, and ensuring it remains an outstanding setting for our local children.

Structure, governance and management

The charity is controlled by its governing document, a deed of trust, and constitutes a limited company, limited by guarantee, as defined by the Companies Act 2006.

The trustees, who are also the directors for the purpose of company law, and who served during the year and up to the date of signature of the financial statements were:

S A Faichen

ALVERBRIDGE NURSERY

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

Mr D P Harvey
Dr J K Perry
A J Somersel
E Daly
Mr L O Perry

The Nursery is a company limited by guarantee and a charity registered under the Charities Act 2011. The Company commenced activities on 1 September 2009 following the transfer to it of the activities of unincorporated charity known as Alverbridge Pre-School.

The articles of association require that the Nursery be managed by a Management Committee (the Committee) the members of which are directors and managing trustees respectively within the meaning of the Companies Act 2006 and the Charities Act 2011. The Nursery's registration details, members and professional advisers are to be found on page 3.

The Trustees have been appointed on the basis of their knowledge of the educational and socio-economic needs of the inhabitants in the area of benefit. Trustees have been in receipt of initial induction.

The Committee meets approximately every two months. Operating decisions are made by majority decision of a quorate Committee. Constitutional matters including election of trustees are decided by a simple majority unless a larger majority is required under the Companies Act 2006.

Responsibilities of the Trustees

The Companies Act 2006 requires the trustees to prepare statements of account which give a true and fair view of the state of affairs of the Company and of its surplus or deficit for the year. In preparing such statements, the trustees are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- prepare the financial accounts on a going concern basis unless it is inappropriate to presume that the Nursery will continue in operation.
- state whether the Financial Reporting Standard for Smaller Entities has been followed, subject to any material departures disclosed and explained in the accounts.

The trustees are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and to enable them to ensure the accounts comply with the Companies Act 2006. In addition, the trustees are responsible for safeguarding the assets of the Nursery and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The trustees' report was approved by the Board of Trustees.

Dr J K Perry
Trustee
Dated: 26 May 2021

ALVERBRIDGE NURSERY

INDEPENDENT EXAMINER'S REPORT TO THE TRUSTEES OF ALVERBRIDGE NURSERY

I report to the trustees on my examination of the financial statements of Alverbridge Nursery (the charity) for the year ended 31 August 2020.

Responsibilities and basis of report

As the trustees of the charity (and also its directors for the purposes of company law) you are responsible for the preparation of the financial statements in accordance with the requirements of the Companies Act 2006 (the 2006 Act).

Having satisfied myself that the financial statements 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 financial statements carried out under section 145 of the Charities Act 2011 (the 2011 Act). In carrying out my examination I have followed all the applicable 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 ACCA, 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 charity as required by section 386 of the 2006 Act; or
- 2 the financial statements do not accord with those records; or
- 3 the financial statements do not comply with the accounting requirements of section 396 of the 2006 Act other than any requirement that the accounts give a true and fair view which is not a matter considered as part of an independent examination; or
- 4 the financial statements have not been prepared in accordance with the methods and principles of the Statement of Recommended Practice for accounting and reporting by charities applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102).

I have no concerns and have come across no other matters in connection with the examination to which attention should be drawn in this report in order to enable a proper understanding of the financial statements to be reached.

James Reilly ACCA

Azets Audit Services
Carnac Place
Cams Hall Estate
Fareham
Hampshire
PO16 8UY
United Kingdom

Dated: 26 May 2021

ALVERBRIDGE NURSERY

STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT FOR THE YEAR ENDED 31 AUGUST 2020

		Unrestricted funds 2020 £	Restricted funds 2020 £	Total 2020 £	Unrestricted funds 2019 £	Restricted funds 2019 £	Total 2019 £
	Notes						
Income and endowments from:							
Donations and legacies	3	338,898	1,095	339,993	247,650	8,886	256,536
Charitable activities	4	181,070	-	181,070	241,344	-	241,344
Investments	5	937	-	937	884	-	884
Other income	6	766	-	766	-	-	-
Total income		521,671	1,095	522,766	489,878	8,886	498,764
Expenditure on:							
Raising funds	7	833	-	833	275	-	275
Charitable activities	8	487,812	759	488,571	457,022	15,039	472,061
Other	12	1,586	-	1,586	2,356	-	2,356
Total resources expended		490,231	759	490,990	459,653	15,039	474,692
Gross transfers between funds		-	-	-	(4,833)	4,833	-
Net income for the year/ Net movement in funds		31,440	336	31,776	25,392	(1,320)	24,072
Fund balances at 1 September 2019		282,258	-	282,258	256,866	1,320	258,186
Fund balances at 31 August 2020		313,698	336	314,034	282,258	-	282,258

The statement of financial activities includes all gains and losses recognised in the year.

All income and expenditure derive from continuing activities.

The statement of financial activities also complies with the requirements for an income and expenditure account under the Companies Act 2006.

ALVERBRIDGE NURSERY

BALANCE SHEET

AS AT 31 AUGUST 2020

	Notes	2020		2019	
		£	£	£	£
Fixed assets					
Tangible assets	13		184,968		209,210
Current assets					
Stocks	14	88		114	
Debtors	15	6,273		3,883	
Cash at bank and in hand		158,909		119,236	
		<u>165,270</u>		<u>123,233</u>	
Creditors: amounts falling due within one year	17	<u>(29,426)</u>		<u>(23,851)</u>	
Net current assets			135,844		99,382
Total assets less current liabilities			<u>320,812</u>		<u>308,592</u>
Creditors: amounts falling due after more than one year	18		(6,778)		(26,334)
Net assets			<u><u>314,034</u></u>		<u><u>282,258</u></u>
Income funds					
Restricted funds			336		-
Unrestricted funds			313,698		282,258
			<u><u>314,034</u></u>		<u><u>282,258</u></u>

ALVERBRIDGE NURSERY

BALANCE SHEET (CONTINUED)

AS AT 31 AUGUST 2020

The company is entitled to the exemption from the audit requirement contained in section 477 of the Companies Act 2006, for the year ended 31 August 2020.

The directors acknowledge their responsibilities for ensuring that the charity keeps accounting records which comply with section 386 of the Act and for preparing financial statements which give a true and fair view of the state of affairs of the company as at the end of the financial year and of its incoming resources and application of resources, including its income and expenditure, for the financial year in accordance with the requirements of sections 394 and 395 and which otherwise comply with the requirements of the Companies Act 2006 relating to financial statements, so far as applicable to the company.

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

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

The financial statements were approved by the Trustees on 26 May 2021

A J Somerset
Trustee

Company Registration No. 06875332

ALVERBRIDGE NURSERY

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2020

1 Accounting policies

Charity Information

Alverbridge Nursery is a private company limited by guarantee incorporated in England and Wales. The registered office is 32 Linden Grove, Gosport, Hampshire, PO12 2EE, United Kingdom.

1.1 Accounting convention

The financial statements have been prepared in accordance with the charity's [governing document], the Companies Act 2006 and "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)". The charity is a Public Benefit Entity as defined by FRS 102.

The charity has taken advantage of the provisions in the SORP for charities applying FRS 102 Update Bulletin 1 not to prepare a Statement of Cash Flows.

The financial statements are prepared in sterling, which is the functional currency of the charity. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared under the historical cost convention, modified to include the revaluation of freehold properties and to include investment properties and certain financial instruments at fair value. The principal accounting policies adopted are set out below.

1.2 Going concern

At the time of approving the financial statements, the trustees have a reasonable expectation that the charity has adequate resources to continue in operational existence for the foreseeable future. Thus the trustees continue to adopt the going concern basis of accounting in preparing the financial statements.

1.3 Charitable funds

Unrestricted funds are available for use at the discretion of the trustees in furtherance of their charitable objectives.

Restricted funds are subject to specific conditions by donors as to how they may be used. The purposes and uses of the restricted funds are set out in the notes to the financial statements.

Endowment funds are subject to specific conditions by donors that the capital must be maintained by the charity.

1.4 Income

Income is recognised when the charity is legally entitled to it after any performance conditions have been met, the amounts can be measured reliably, and it is probable that income will be received.

Cash donations are recognised on receipt. Other donations are recognised once the charity has been notified of the donation, unless performance conditions require deferral of the amount. Income tax recoverable in relation to donations received under Gift Aid or deeds of covenant is recognised at the time of the donation.

Legacies are recognised on receipt or otherwise if the charity has been notified of an impending distribution, the amount is known, and receipt is expected. If the amount is not known, the legacy is treated as a contingent asset.

ALVERBRIDGE NURSERY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

1 Accounting policies

(Continued)

1.5 Expenditure

Liabilities are recognised as expenditure as soon as there is a legal or constructive obligation committing the charity to that expenditure, 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 accounted for on an accruals basis and has been classified under headings that aggregate all cost related to the category. Where costs cannot be directly attributed to particular headings they have been allocated to activities on a basis consistent with the use of resources.

1.6 Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Leasehold improvements	- Over the term of the lease 10 years
Playground equipment	- 33% on cost
Kitchen and office equipment	- 25% on cost and 25% on reducing balance
Baby room equipment	- 25% on reducing balance

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is recognised in net income/(expenditure) for the year.

1.7 Impairment of fixed assets

At each reporting end date, the charity reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any).

1.8 Stocks

Stocks are stated at the lower of cost and estimated selling price less costs to complete and sell. Cost comprises direct materials and, where applicable, direct labour costs and those overheads that have been incurred in bringing the stocks to their present location and condition. Items held for distribution at no or nominal consideration are measured the lower of replacement cost and cost.

Net realisable value is the estimated selling price less all estimated costs of completion and costs to be incurred in marketing, selling and distribution.

1.9 Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

ALVERBRIDGE NURSERY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

1 Accounting policies

(Continued)

1.10 Financial instruments

The charity has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the charity's balance sheet when the charity becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Basic financial assets

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

Basic financial liabilities

Basic financial liabilities, including creditors and bank loans are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of operations from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

Derecognition of financial liabilities

Financial liabilities are derecognised when the charity's contractual obligations expire or are discharged or cancelled.

1.11 Employee benefits

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the charity is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

1.12 Retirement benefits

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

ALVERBRIDGE NURSERY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

2 Critical accounting estimates and judgements

In the application of the charity's accounting policies, the trustees are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

3 Donations and legacies

	Unrestricted funds	Restricted funds	Total	Unrestricted funds	Restricted funds	Total
	2020	2020	2020	2019	2019	2019
	£	£	£	£	£	£
Donations and gifts	1,529	-	1,529	17,586	-	17,586
Grants	337,369	1,095	338,464	230,064	8,886	238,950
	<u>338,898</u>	<u>1,095</u>	<u>339,993</u>	<u>247,650</u>	<u>8,886</u>	<u>256,536</u>

4 Charitable activities

	2020	2019
	£	£
Fees receivable	177,813	236,476
Other income	3,257	4,868
	<u>181,070</u>	<u>241,344</u>

5 Investments

	Unrestricted funds	Unrestricted funds
	2020	2019
	£	£
Interest receivable	937	884
	<u>937</u>	<u>884</u>

ALVERBRIDGE NURSERY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

6 Other income

	Unrestricted funds	Total
	2020	2019
	£	£
Net gain on disposal of tangible fixed assets	766	-
	<u>766</u>	<u>-</u>

7 Raising funds

	Unrestricted funds	Unrestricted funds
	2020	2019
	£	£
<u>Fundraising and publicity</u>		
Other fundraising costs	2,055	583
	<u>2,055</u>	<u>583</u>
<u>Trading costs</u>		
Other trading activities	(1,222)	(308)
	<u>(1,222)</u>	<u>(308)</u>
	<u>833</u>	<u>275</u>

ALVERBRIDGE NURSERY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

8 Charitable activities

	2020	2019
	£	£
Staff costs	376,957	356,857
Depreciation and impairment	32,568	33,143
Didactic equipment and toys	4,220	3,168
Food and nappies	18,375	26,857
Staff training	911	2,193
Local projects	334	156
Rent of rooms	18,383	17,900
Travelling	2	110
Postage and stationery	660	706
Telephone	461	483
Repairs and maintenance	11,712	6,323
Cleaning	13,479	12,298
Sports	-	1,480
Insurance	2,467	2,452
Computer consumables	2,624	1,513
Bank charges	2,294	3,538
	<u>485,447</u>	<u>469,177</u>
Share of governance costs (see note 9)	3,124	2,884
	<u>488,571</u>	<u>472,061</u>
Analysis by fund		
Unrestricted funds	487,812	457,022
Restricted funds	759	15,039
	<u>488,571</u>	<u>472,061</u>

ALVERBRIDGE NURSERY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

9 Support costs	Support costs	Governance costs	2020	Support costs	Governance costs	2019
	£	£	£	£	£	£
Legal and professional	-	3,124	3,124	-	2,884	2,884
	-	3,124	3,124	-	2,884	2,884
Analysed between Charitable activities	-	3,124	3,124	-	2,884	2,884

Governance costs includes payments to the auditors of £3,124 (2019- £2,884) for audit fees.

10 Trustees

None of the trustees (or any persons connected with them) received any remuneration or benefits from the charity during the year.

11 Employees

The average monthly number of employees during the year was:

	2020 Number	2019 Number
	24	23
Employment costs	2020	2019
	£	£
Wages and salaries	352,971	334,704
Social security costs	17,965	17,742
Other pension costs	6,021	4,411
	376,957	356,857

12 Other

	Unrestricted funds	Unrestricted funds
	2020	2019
Net loss on disposal of tangible fixed assets	365	-
Sundries	1,221	2,356
	1,586	2,356

ALVERBRIDGE NURSERY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

12 Other (Continued)

13 Tangible fixed assets

	Leasehold improvements	Playground equipment	Kitchen and office equipment	Baby room equipment	Total
	£	£	£	£	£
Cost					
At 1 September 2019	246,163	12,410	40,043	13,996	312,612
Additions	-	360	7,377	2,485	10,222
Disposals	-	-	(2,298)	(743)	(3,041)
At 31 August 2020	246,163	12,770	45,122	15,738	319,793
Depreciation and Impairment					
At 1 September 2019	49,213	10,220	33,445	10,523	103,401
Depreciation charged in the year	24,616	638	5,916	1,398	32,568
Eliminated in respect of disposals	-	-	(766)	(378)	(1,144)
At 31 August 2020	73,829	10,858	38,595	11,543	134,825
Carrying amount					
At 31 August 2020	172,334	1,912	6,527	4,195	184,968
At 31 August 2019	196,950	2,190	6,598	3,472	209,210

14 Stocks

	2020 £	2019 £
Finished goods and goods for resale	88	114

15 Debtors

	2020 £	2019 £
Amounts falling due within one year:		
Trade debtors	3,690	1,300
Prepayments and accrued income	2,583	2,583
	6,273	3,883

ALVERBRIDGE NURSERY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

16 Loans and overdrafts

	2020 £	2019 £
Bank overdrafts	215	92
Bank loans	26,333	44,867
	<u>26,548</u>	<u>44,959</u>
Payable within one year	19,770	18,625
Payable after one year	6,778	26,334
	<u>6,778</u>	<u>26,334</u>

17 Creditors: amounts falling due within one year

	Notes	2020 £	2019 £
Bank loans and overdrafts	16	19,770	18,625
Trade creditors		450	2,255
Other creditors		6,117	10
Accruals and deferred income		3,089	2,961
		<u>29,426</u>	<u>23,851</u>

18 Creditors: amounts falling due after more than one year

	Notes	2020 £	2019 £
Bank loans	16	6,778	26,334
		<u>6,778</u>	<u>26,334</u>

19 Analysis of net assets between funds

	Unrestricted funds 2020 £	Restricted funds 2020 £	Total 2020 £	Unrestricted funds 2019 £	Restricted funds 2019 £	Total 2019 £
Fund balances at 31 August 2020 are represented by:						
Tangible assets	184,968	-	184,968	209,210	-	209,210
Current assets/(liabilities)	135,844	-	135,844	99,382	-	99,382
Long term liabilities	(6,778)	-	(6,778)	(26,334)	-	(26,334)
	<u>314,034</u>	<u>-</u>	<u>314,034</u>	<u>282,258</u>	<u>-</u>	<u>282,258</u>

ALVERBRIDGE NURSERY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

20 Related party transactions

There were no disclosable related party transactions during the year (2019 - none).

This document was delivered using electronic communications and authenticated in accordance with the registrar's rules relating to electronic form, authentication and manner of delivery under section 1072 of the Companies Act 2006.