

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	(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)
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

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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 regretfully 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						
Income and endowments from:							
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
Expenditure on:							
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><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	-
	<u>776</u>	<u>-</u>

6 Investments

	Unrestricted funds	Unrestricted funds
	2021 £	2020 £
Bank interest receivable	613	937
	<u>613</u>	<u>937</u>

7 Other income

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

8 Raising funds

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

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	-	4,127	4,127	-	3,124	3,124
	<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 Number	2020 Number
	26	24
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
	426,352	376,957

13 Other

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

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

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

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

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