

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

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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

		Unrestricted funds 2024 £	Restricted funds 2024 £	Total 2024 £	Unrestricted funds 2023 £	Restricted funds 2023 £	Total 2023 £
	Notes						
<u>Income from:</u>							
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		688,913	13,842	702,755	597,286	5,855	603,141
<u>Expenditure on:</u>							
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		658,736	13,692	672,428	605,868	6,048	611,916
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							
		284,220	(43)	284,177	292,802	150	292,952
Fund balances at 31 August 2024							
		314,397	107	314,504	284,220	(43)	284,177

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
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
	342,978	13,842	356,820	275,864	5,855	281,719

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

6 Investments

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

7 Raising funds

	Unrestricted funds 2024 £	Unrestricted funds 2023 £
Fundraising and publicity		
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
Legal and professional	-	775	775	-	1,217
	<u>-</u>	<u>6,149</u>	<u>6,149</u>	<u>-</u>	<u>6,449</u>
Analysed between Charitable activities	-	6,149	6,149	-	6,449
	<u>-</u>	<u>6,149</u>	<u>6,149</u>	<u>-</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 Number	2023 Number
	26	24
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
	530,998	477,446

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

12 Other

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

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 2024 £	Total Unrestricted funds 2023 £	Restricted funds 2023 £	Total 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).