

Company No. 05850668
Charity No. 1130993

OAK HILL COMMUNITY NURSERY
(Limited by Guarantee)
TRUSTEES' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2021

OAK HILL COMMUNITY NURSERY

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OAK HILL COMMUNITY NURSERY

REFERENCE AND ADMINISTRATION DETAILS

Status Company Limited by Guarantee No. 05850668
Registered Charity No. 1130993, registered 6 August 2009
The Company's governing document is its Memorandum
and Articles of Association

Secretary and Registered Office: Denise Stultz
29 Wallbutton Road
Brockley
London
SE4 2NX

Trustees: Denise Stultz
John Fowler
Sandra Margolies
Gwenlian Evans

Key Management:
Nursery Manager: Paula Lane
Deputy Manager: Samantha Cordwell

Auditor: Azets Audit Services
Chartered Accountants
2nd Floor
Regis House
45 King William Street
London
EC4R 9AN

Bankers: National Westminster Bank plc
87 Sidcup High Street
Sidcup
Kent
DA14 6DL

OAK HILL COMMUNITY NURSERY

TRUSTEES' REPORT

FOR THE YEAR ENDED 30 SEPTEMBER 2021

The Trustees present their report and the audited financial statements of the charity for the year ended 30 September 2021. The trustees have adopted the provisions of the Statement of Recommended Practice (SORP) "Accounting and Reporting by Charities" (FRS 102) in preparing the annual report and financial statements of the charity.

Objectives and activities

2021: Another Extraordinary year

Oak Hill continued to be affected by the pandemic Covid 19 however remained open. Weekly updates continue to be circulated to parents to inform parents and carers of the children's weekly activities and any in-house or governmental updates. Once again special thanks are due to Paula and her team for the ongoing leadership and team efforts throughout some very difficult and demanding times.

Charitable purposes and aims

The nursery's primary charitable purpose is the advancement of the education of children aged from birth to five years whose parents/carers live or work locally. This it does by offering appropriate play and learning facilities with fees as low as possible. The aim of low fees is to support families who might not otherwise be able to afford high-quality childcare in order to seek or sustain employment and/or take an active role in community life. A retainer might be introduced should there be a similar lockdown in future.

The nursery is keen to offer the opportunity to parents and others to become involved in the activities of the nursery/day care provision; as it educates, supports and teaches local adults in the provision of care, learning and development for children. To this end the nursery also participates in an apprenticeship scheme.

The nursery offers support and advice to parents holding forums for parents to support them in their child's learning and development. Throughout 2021 a weekly emailed newsletter has been used to share details of the various activities that the children have been able to enjoy. Recruitment and retention were stable.

Approach to fundraising

There are two aspects to fundraising at the nursery. Every year the staff organise a fundraising event, usually a Summer Fair on a Saturday where a range of games for the children are on offer. The event raises funds for the nursery itself, generally with a particular purpose for example renovation of the outdoor play area. It's a popular occasion with participation entirely voluntary. Monitoring and evaluation, forms part of the annual appraisal of the Deputy Manager whose responsibilities include fundraising.

There are occasions when the Nursery feels that an external crisis or major need deserves fundraising and arrangements are made to collect gifts in kind as well as money. Parents are told in advance via weekly updates. These tend to be one off activities with the nursery acting as a convenient hub.

The nursery keeps its fees as low as it can, aware of the financial pressure that childcare can pose so it is careful to ensure that fundraising activities remain truly voluntary. No complaints have been recorded.

The special circumstances of 2021 precluded such a social event as the summer fair.

OAK HILL COMMUNITY NURSERY

TRUSTEES' REPORT

FOR THE YEAR ENDED 30 SEPTEMBER 2021

Objectives and activities - continued

Activities: childcare

The nursery is designed to provide 55 places to local families between the hours of 8.00 am and 6.00 pm Monday to Friday. There are spaces for up to 15 babies from 6 months to 2 years (Snowdrops) and 40 spaces for 2 to 5-year-olds (Sunbells). Children of all abilities are given an equal opportunity to enjoy and learn, with the highest level of childcare.

Places are allocated in line with our Admissions policy either full-time or part-time, for local parents/carers who need flexibility in their childcare arrangements to fit around their working or community life. Spaces are allocated on a first come/first served waiting-list basis to ensure equality and fairness.

Fees are kept low and set in order to support and attract low-income families, who can then sustain or seek employment. The nursery offers funded places to eligible parents; although this does involve additional work for nursery staff, the main bureaucratic burden falls on the parents themselves.

Healthy well-balanced meals are prepared and cooked from our own kitchen. All allergy and special dietary requirements are catered for within feasibility. The Nursery cook continually experiments with new recipes to provide the children with a range of meals on a rotating menu basis. The children have three meals a day, with a healthy snack in between meals.

Activities: education

The nursery implements the Early Years Foundation Stage (EYFS) curriculum alongside spontaneous planning. The staff team provide the children with activities around the children's interests and their learning needs. These are evaluated in order to ascertain the individual child's developmental stage. The nursery operates a key-person system where members of staff work with a small group of children, supporting them to build relationships, feel safe and secure and build a relationship with the parents. Staff make sure that the needs of the child are being met and regularly meet with and report to parents on their child's progress.

In April 2019 the nursery was inspected by Ofsted and once again were assessed as Good in all categories.

Activities: family support

The nursery staff team supports families by facilitating and sign-posting parents to training and support opportunities on aspects of childcare, learning and development. The nursery supports fathers in particular by encouraging them to take a more active role in their children's upbringing. *The manager provides forums to support parents in the care and education for their child. Forums are currently suspended but use is made of email and phone contact.*

Activities: staff and volunteer training

The nursery in conjunction with colleges, universities and training providers, provides a training and development base for local adults, volunteers and students who seek to establish a career in early years care and education, social work or paediatric nursing. These are supported through a mentor arrangement and regular supervisions to develop their skills and learning. The nursery welcomes students for work experience primarily from the 6th form college situated next door yet also from other Lewisham borough schools and colleges.

OAK HILL COMMUNITY NURSERY

TRUSTEES' REPORT

FOR THE YEAR ENDED 30 SEPTEMBER 2021

Objectives and activities - continued

Public benefit

The Trustees of Oak Hill Nursery have complied with the duty in section 17 of the Charities Act 2011 to have due regard to the public benefit guidance published by the Charity Commission.

The Charity's objectives are the advancement of education by offering appropriate play and learning facilities and by offering the opportunity for parents to take responsibility for and to become involved in the nursery.

The Trustees consider that Oak Hill's principal activities and aims, described on page 2-3 of this report (early years care, education, family support and training and development of adults and volunteers in early years practices), are consistent with the Charity's objectives.

The beneficiaries of the Charity are children of families/carers living or working locally.

The Charity charges a fee for its core services, although fees are kept low to benefit local families who would otherwise be unable to afford childcare, to enable them to sustain or seek employment, or maintain active community life. The charges are reasonable and maintain the services at the nursery.

The Early Learning Entitlement allows Oak Hill Nursery to offer provision to those who qualify but this entitlement is only sufficient to cover school hours and terms rather than the nursery's more extensive provision; thus it is important for many parents that the fees are kept as low as possible to enable them to extend their childcare.

The Trustees had wished to adopt a strategy to raise funds for bursary places, to be offered to those families struggling with the greatest levels of poverty. Plans remain on hold while the nursery monitored the level of maintenance and related costs arising from its tenancy agreement with the London Borough of Lewisham.

Given that there is a risk of rising unemployment the Board of Trustees is aware that they may need to address this again in the future.

Achievements and performance

Childcare and education

The Seeds of Empathy programme continues to be of influence in the nursery. The nursery staff have had both in-service and outsourced training on spontaneous planning as a means of enhancing the children's experiences and development and this training is demonstrably influencing practice. Staff also continue to implement the training received on 'Natural Thinkers' which is similar to The Forest School ethos.

Family support

The Nursery Manager and Special Educational Needs and Disability Co-ordinator (SENDCo) have supported a number of families with children with additional and/or special needs in accessing 1-1 support, funding or specialist support.

Staff and volunteer development

Oak Hill places considerable emphasis on staff growth and development with the manager and deputy providing in house training and off-site training with both proving positive. The Nursery takes part in an apprenticeship scheme and actively encourages staff to regularly assess their professional development and practice.

Zoom meetings are used for staff meetings where possible to include part-time workers and online training has been increased to ensure continued professional development.

OAK HILL COMMUNITY NURSERY

TRUSTEES' REPORT

FOR THE YEAR ENDED 30 SEPTEMBER 2021

Financial review

Currently all training for staff has to be paid for and has been economically sourced from different providers to continue to offer the staff members appropriate continued professional development.

Nursery costs, play materials and outings increased as the nursery scaled up the extent of its charitable activities during the year. Premises, office and central costs were static.

Under the lease with Lewisham, for yet another year, maintenance problems have continued to arise too often and requests have been passed around from department to department. The landlord can seek to pass on as far as possible the maximum proportion of maintenance and repair costs. While this is understandable, all too often it has had the effect of increasing the time taken to secure necessary repairs. The system of using only an approved contractor can prove slow and too much nursery staff time has been taken up with progress chasing.

The Charity recorded a deficit of £24,143 (2020: £51,031) during the year, decreasing the unrestricted reserve to £299,365 (2020: £323,508) of which £17,000 has been designated toward future IT upgrades and repairing the garden.

Reserves policy

The Board continues to create adequate reserves to enable the Charity to meet any extraordinary payments and unforeseen expenditure. Free reserves (excluding fixed assets) amounted to £281,896 at the year end. Three years ago the Board agreed that the reserves target of 3 months annual budgeted expenditure should be increased to 6 months to reflect the absence of any capital assets in an organisation such as Oak Hill.

Risk management

The Trustees can confirm that the major risks, to which the Charity is exposed, as identified by Trustees, have been reviewed and systems or procedures have been established to manage those risks. During 2021 three main risks were identified for particular monitoring:

- The increased cost of using agencies to cover vacancies or to find permanent replacement staff.
- The local shortage of trained and experienced staff.
- The time taken to get maintenance works agreed by the landlord.

Arrangements were made to mitigate these risks as follows:

- Monitoring costs and ensuring Lewisham fulfilled its duties as landlord sufficiently promptly.
- Maintaining a sufficient pool of bank staff to cover short term absences.
- Supporting staff undertaking further career development.

However, it must be reported that the year has been characterised by recurring difficulties caused by landlord performance that has been less than satisfactory particularly in relation to maintenance issues.

Future costs

The charity has received the support of Lewisham Council for many years. The level of rent is subject to negotiation with the Council and the Board is actively exploring how the nursery can remain financially viable whilst preserving its charitable aims of maintaining low-cost childcare to low-income families. Oak Hill continues to keep salaries under review, bearing in mind the need for planning towards all staff receiving the Real Living Wage as minimum and maintaining pension contributions. A fees increase in 2021 will fund some staff salary increases in 2022.

Plans for the future

The business plan aims to find new sources of income to help fund the Charity's activities in addition to fee income. The Charity aims to retain its position as a low-cost provider of high quality childcare. Local authority cutbacks continue to create a more volatile financial environment and the Trustees had continued to look at all options. *Should Covid 19 come under control planning for the future will become a priority once again.*

The nursery gained charitable status in 2009. The management and governance systems have been updated reviewing to reflect the changes. The Board's review of the Charity's governance arrangements and financial systems was completed in July 2019 and the revised Articles of Association received Charities Commission approval in 2020.

OAK HILL COMMUNITY NURSERY

TRUSTEES' REPORT

FOR THE YEAR ENDED 30 SEPTEMBER 2021

Plans for the future - continued

The Board will be keeping recruitment to the nursery under constant review. Recruitment has proved problematic for September 2021. However this appears to be industry wide. *There remains uncertainty about the extent to which employment conditions will impact on Oak Hill's parents' post-Covid19 and the situation will be carefully monitored throughout 2021/2022.*

Structure, governance and management

Trustees of the charity

The directors of the charitable company are its trustees for the purposes of charity law. The trustees who have served during the year and since the year end were as follows:

Gwen Evans
John Fowler
Sandra Margolies
Denise Stultz

None of the Trustees had an interest in any contract or transaction during the year under review.

Status

The nursery is constituted as a company limited by guarantee and was granted charitable status on 06 August 2009. The Charity's governing document is contained in its 2020 Articles of Association.

Company membership

Trustees are co-opted or can stand for election at the AGM.

Delegation

The day-to-day management of the nursery is delegated to Paula Lane, the Nursery Manager and the Deputy Manager Samantha Cordwell. The management team work with a close-knit team of 21 permanent staff, and if necessary agency workers. There is a robust system of staff development and support in place led by the manager and deputy. The staff members receive regular supervisions. There are regular staff meetings and the senior team meet once a month for support and development. The Nursery Manager reports regularly to the Trustees and is able to call upon them at short notice in any contingency. The strategic direction and development of the nursery is a matter for the Leadership Team consisting of the Nursery Manager, Deputy Manager and the Trustees as is the level of fees set for service users. Salaries are kept under regular review with the Manager presenting proposals to the Board of Trustees for discussion. *These arrangements have continued using zoom instead of on-site meetings.*

Relationships

The nursery is maintaining its notional relationship with the occupants in the Children's Centre with whom it shares the building. The nursery has built good relationships with local schools, colleges and universities and regularly has students complete their work placements at the nursery. The Children's Centre's main use of the building has been at weekends with little going on during the working week.

OAK HILL COMMUNITY NURSERY

TRUSTEES' REPORT

FOR THE YEAR ENDED 30 SEPTEMBER 2021

Statement of trustees' responsibilities

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

Company law requires the trustees to prepare financial statements for each financial year, which give a true and fair view of the state of affairs of the charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for the year. In preparing these financial statements, the trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP 2015 (FRS 102);
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the accounts on the going concern basis unless it is inappropriate to presume that the charitable company will continue in operation.

The trustees are responsible for keeping adequate accounting records that disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

In so far as the trustees are aware:

- there is no relevant audit information of which the charitable company's auditor is unaware; and
- the trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

This report has been prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to smaller entities.

Approved by the Board and signed on its behalf:


Gwenlian Evans

Date: 23 June 2022

OAK HILL COMMUNITY NURSERY

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF OAK HILL COMMUNITY NURSERY

Opinion

We have audited the financial statements of Oak Hill Community Nursery (the 'charitable company') for the year ended 30 September 2021 which comprise of the statement of Financial Activities, the Balance Sheet, the Cash Flow Statement and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 30 September 2021 and of its incoming resources and application of resources, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard and the provisions available for small entities, in the circumstances set out in note 2 to the financial statements, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the trustees' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the charitable company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information

The trustees are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the trustees' report, which includes the directors' report prepared for the purposes of company law, for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the directors' report included within the trustees' report has been prepared in accordance with applicable legal requirements.

OAK HILL COMMUNITY NURSERY

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF OAK HILL COMMUNITY NURSERY

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the directors' report included within the trustees' report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the trustees were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemptions in preparing the trustees' report and from the requirement to prepare a strategic report.

Responsibilities of trustees

As explained more fully in the trustees' responsibilities statement, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Use of our report

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Azets Audit Services

John Howard (Senior Statutory Auditor)
For and on behalf of Azets Audit Services
Statutory Auditor, Chartered Accountants
2nd Floor, Regis House
45 King William Street
London
EC4R 9AN

Date: 29 June 2022

OAK HILL COMMUNITY NURSERY

STATEMENT OF FINANCIAL ACTIVITIES (Including Income and Expenditure Account)

FOR THE YEAR ENDED 30 SEPTEMBER 2021

	Notes	Unrestricted Funds £	Total Funds 2021 £	Total Funds 2020 £
INCOME				
Charitable activities	3	562,048	562,048	452,479
Investment income	4	13	13	177
Other income	5	-	-	25,616
TOTAL INCOME		562,061	562,061	478,272
EXPENDITURE				
Charitable activities	6	586,204	586,204	529,303
TOTAL EXPENDITURE	7	586,204	586,204	529,303
NET INCOME		(24,143)	(24,143)	(51,031)
RECONCILIATION OF FUNDS				
Total funds brought forward		323,508	323,508	374,539
TOTAL FUNDS CARRIED FORWARD	17	299,365	299,365	323,508

All transactions are derived from continuing activities.

All recognised gains and losses are included in the Statement of Financial Activities.

The notes on pages 13 to 20 form part of the financial statements.

OAK HILL COMMUNITY NURSERY

BALANCE SHEET

FOR THE YEAR ENDED 30 SEPTEMBER 2021

	Notes	£	2021	£	£	2020	£
FIXED ASSETS							
Tangible fixed assets	12			469			1,961
CURRENT ASSETS							
Debtors	13	13,867			5,327		
Cash at bank and in hand		320,395			371,465		
				334,262		376,792	
CURRENT LIABILITIES							
Creditors:							
Amounts falling due within one year	14	(35,366)			(55,245)		
NET CURRENT ASSETS				298,896			321,547
NET ASSETS				299,365			323,508
FUNDS							
Unrestricted funds:							
General fund				282,365			306,508
Designated funds	17			17,000			17,000
				299,365			323,508

Approved on behalf of the board on 23/6/22 and signed on their behalf by


Gwenlian Evans
Trustee

Company No. 05850668

The notes on pages 13 to 20 form part of these financial statements.

OAK HILL COMMUNITY NURSERY

CASH FLOW STATEMENT

FOR THE YEAR ENDED 30 SEPTEMBER 2021

	Notes	Total Funds 2021 £	Total Funds 2020 £
CASH FLOW FROM OPERATING ACTIVITIES			
Cash generated from operating activities	15	(50,833)	(65,010)
NET CASH FLOW FROM OPERATING ACTIVITIES		<u>(50,833)</u>	<u>(65,010)</u>
CASH FLOW FROM INVESTING ACTIVITIES			
Payments to acquire tangible fixed assets		(250)	(449)
Interest received		13	177
NET CASH FLOW FROM INVESTING ACTIVITIES		<u>(237)</u>	<u>(272)</u>
NET (DECREASE)/ INCREASE IN CASH AND CASH EQUIVALENTS		(51,070)	(65,282)
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR		371,465	436,747
TOTAL FUNDS CARRIED FORWARD		<u>320,395</u>	<u>371,465</u>
 Cash and cash equivalents consists of:			
Cash at bank and in hand		<u>320,395</u>	<u>371,465</u>

The notes on pages 13 to 20 form part of these financial statements.

OAK HILL COMMUNITY NURSERY

NOTES TO THE ACCOUNTS

AS AT 30 SEPTEMBER 2021

1. GENERAL INFORMATION

Oak Hill Community Nursery is a company limited by guarantee in the United Kingdom. The charitable company's registered number, charity number and address of the registered office is given in the reference and administration details on page 1 of these financial statements. The members of the company are the trustees named on page 1. In the event of the charity being wound up, the liability in respect of the guarantee is limited to £1 per member of the charity.

2. ACCOUNTING POLICIES

The principle accounting policies adopted, judgements and key sources of estimation uncertainty in the preparation of the financial statements are as follows:

(a) Basis of Accounting

The financial statements have been prepared in accordance with 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) issued on 16 July 2014, the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102), the Companies Act 2006 and UK Generally Accepted Practice.

Oak Hill Community Nursery meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy notes.

The financial statements are presented in sterling (£) which is also the functional currency for the charity.

(b) Preparation of the accounts on a going concern basis

Implications of the Covid-19 pandemic continue however the nursery has remained opened.

At the time of approving these financial statements the Trustees have assessed the financial consequences of the continued Covid-19 uncertainties and are confident that the charities financial resources are sufficient to meet its liabilities for 12 months from authorising these financial statements and the budgeted income and expenditure remains sufficient with the level reserves for the charity to continue as a going concern. The financial statements have therefore been prepared on a going concern basis.

(c) Fund Accounting

Unrestricted funds are available for use at the discretion of the trustees in furtherance of the general objectives of the company.

Designated funds are unrestricted funds earmarked by the trustees for particular purposes.

Restricted funds are subject to restrictions on their expenditure imposed by the donor or through the terms of an appeal.

OAK HILL COMMUNITY NURSERY

NOTES TO THE ACCOUNTS

AS AT 30 SEPTEMBER 2021

2. ACCOUNTING POLICIES (continued)

(d) Income

All income is recognised in the Statement of Financial Activities once the Nursery has entitlement to the funds, it is probable that the income will be received and the amount can be measured reliably. Income is deferred when the fees or donations are received in advance of the period in which they relate.

- Donations and other voluntary income is recognised in the Statement of Financial Activities when entitlement arises, the amount can be reliably quantified and the economic benefit to the Nursery is considered probable.
- Incoming resources from charitable activities are received by way of nursery fees, and includes income for childcare vouchers and early learning grants. The income is recognised in the Statement of Financial Activities for the year in which they relate.
- Donated services and facilities are included at the value to the charitable company where this can be quantified. The value of services provided by volunteers has not been included in these accounts.
- Investment income is recognised on an accruals basis.

(e) Expenditure

Expenditure is recognised in the Statement of Financial Activities once there is a legal 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.

- Expenditure on charitable activities comprises those costs incurred by the Nursery in the delivery of its activities and services. It includes both costs that can be allocated directly to such activities and those costs of an indirect nature necessary to support them.
- Irrecoverable VAT is charged as a cost against the activity for which the expenditure was incurred.

All costs are allocated between the expenditure categories of the SOFA on a basis designed to reflect the use of the resource. Costs relating to a particular activity are allocated directly, others are apportioned on an appropriate basis.

(f) Allocation of support and governance costs

Support costs are those that assist the work of the charitable company but do not directly represent charitable activities. Support costs include governance costs, premises costs, office and central costs and depreciation. They are incurred directly in support of expenditure on the objects of the charitable company.

Governance costs comprise all costs involving the public accountability of the charitable company and its compliance with regulation and good practice. These costs include costs related to statutory audit, accountancy fees, legal fees and consultancy fees.

Support and Governance costs are allocated to charitable activities in proportion to the direct charitable expenditure on that activity, where the charitable company considers that support costs are incurred as part of the delivery of that activity.

(g) Pensions

The Nursery operates a defined contribution scheme. Contributions payable to the charitable company's pension scheme are charged to the Statement of Financial Activities in the period to which they relate.

OAK HILL COMMUNITY NURSERY

NOTES TO THE ACCOUNTS

AS AT 30 SEPTEMBER 2021

2. ACCOUNTING POLICIES (continued)

(h) Employee benefits

Short term employee benefits, including holiday entitlement, are recognised as an expense in the period which they are incurred.

(i) Operating leases

Rentals applicable to operating leases, where substantially all of the benefits and risks of ownership remain with the lessor, are charged to the Statement of Financial Activities as incurred.

(j) Tangible fixed assets

Tangible fixed assets are stated at cost less accumulated depreciation. The cost of minor additions or those costing below £100 are not capitalised. Depreciation is provided at rates calculated to write off the cost of each asset over its expected useful life. The rates used are as follows:

Office equipment:	33%
Furniture and fixtures	25%

(k) Debtors

Trade and other debtors are recognised at the settlement amount due. Prepayments are valued at the amount prepaid. Accrued income is measured at the amount due to be received.

(l) Cash at bank and in hand

Cash at bank and cash in hand includes cash and short term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar accounts.

(m) Creditors

Creditors are recognised where the charitable company has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably.

Trade, other creditors and accruals are recognised at their settlement amount due.

Deferred income is where income is received, some or all of which is specifically in relation to future periods, the relevant amount is deferred and credited to the Statement of Financial Activities in the period to which it relates.

(n) Financial instruments

The charitable company only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value.

(o) Taxation

As a charitable company, the nursery is not liable to taxation on its income or on surpluses on disposal of investments.

OAK HILL COMMUNITY NURSERY

NOTES TO THE ACCOUNTS

AS AT 30 SEPTEMBER 2021

2. ACCOUNTING POLICIES (continued)

(p) Judgements and key sources of estimation uncertainty

Accounting estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The following judgements (apart from those involving estimates) have been made in the process of applying the above accounting policies that have had the most significant effect on amounts recognised in the financial statements:

Useful economic lives of tangible assets

The annual depreciation charge for tangible assets is sensitive to changes in the estimated useful economic lives and residual values of the assets. The useful economic lives and residual values are re-assessed annually. They are amended when necessary to reflect current estimates, based on technological advancement, future investments, economic utilisation and the physical condition of the assets. See note 12 for the carrying amount of the furniture and fittings and office equipment, and note j for the useful economic lives for each class of assets.

There are no key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

3. INCOME FROM CHARITABLE ACTIVITIES

	Unrestricted Funds £	Total 2021 £	Total 2020 £
Fees	465,709	465,709	338,784
LB Nursery Education grant	96,956	96,956	92,870
Donations and fundraising	(617)	(617)	20,825
	<u>562,048</u>	<u>562,048</u>	<u>452,479</u>

In 2020 all of the income was attributable to the unrestricted fund.

4. INVESTMENT INCOME

	Unrestricted Funds £	Total 2021 £	Total 2020 £
Bank interest	13	13	177
	<u>13</u>	<u>13</u>	<u>177</u>

In 2020 all of the investment income was attributable to the unrestricted fund.

5. OTHER INCOME

	Unrestricted Funds £	Total 2021 £	Total 2020 £
Job retention scheme	-	-	25,616
Other income	-	-	-
	<u>-</u>	<u>-</u>	<u>25,616</u>

In 2020 all of the other income was attributable to the unrestricted fund.

OAK HILL COMMUNITY NURSERY

NOTES TO THE ACCOUNTS

AS AT 30 SEPTEMBER 2021

6. CHARITABLE ACTIVITIES

	Unrestricted Funds £	Total 2021 £	Total 2020 £
Advancement of the education of children	586,204	586,204	529,303

In 2020 all of the expenditure was attributable to the unrestricted fund.

7. ANALYSIS OF EXPENDITURE

	Direct Charitable £	Support costs £ (note 8)	Total 2021 £	Total 2020 £
Advancement of the education of children	509,718	76,486	586,204	529,303

In 2020 £458,941 of the expenditure related to direct charitable expenditure, and the remaining £70,362 related to support costs.

8. SUPPORT COSTS

	2021 £	2020 £
Governance costs (note 9)	9,360	9,917
Premises costs	58,413	53,261
Office and central costs	6,971	5,336
Depreciation	1,742	1,848
	76,486	70,362

9. GOVERNANCE COSTS

	2021 £	2020 £
Auditors remuneration		
- Audit fee	6,600	6,240
- Accounting, current year	1,395	1,020
Other accountancy costs	-	667
Other governance costs	1,365	1,810
	9,360	9,917

Other governance costs consist of legal fees and consultancy fees.

10. NET INCOME/(EXPENDITURE) FOR THE YEAR

	2021 £	2020 £
This is stated after charging:		
Depreciation	1,742	1,848
Audit fee	6,600	6,420
Operating lease costs	48,000	48,000

OAK HILL COMMUNITY NURSERY

NOTES TO THE ACCOUNTS

AS AT 30 SEPTEMBER 2021

11. ANALYSIS OF STAFF COSTS, TRUSTEE REMUNERATION AND EXPENSES AND THE COST OF KEY MANAGEMENT PERSONNEL	2021 £	2020 £
Wages and salaries	417,290	376,501
Social security	20,336	23,907
Defined contribution pension costs	10,431	9,139
Agency staff	8,125	7,393
	<u>456,182</u>	<u>416,940</u>
 The average number of full-time equivalent employees: Nursery staff	 <u>26</u>	 <u>24</u>

Employee time has been allocated to direct charitable expenditure.

No employee received emoluments of more than £60,000 (2020: none).

During 2021, no trustees (2020: £nil) were paid or received any other benefits from employment with the charitable company. No trustee or any person connected with them received any expenses during the year (2020: £nil).

The key management of the charitable company comprise the trustees, the nursery manager and the deputy manager. The trustees do not receive any remuneration for this role.

The total employee benefits of the key management personnel of the charitable company were £78,920 (2020: £87,997).

12. TANGIBLE FIXED ASSETS	Furniture and fittings £	Office equipment £	Total £
Cost			
At 1 October 2020	5,532	15,397	20,929
Additions	-	250	250
Disposals	-	(41)	(41)
At 30 September 2021	<u>5,532</u>	<u>15,606</u>	<u>21,138</u>
Depreciation			
At 1 October 2020	5,532	13,436	18,968
Charge for the year	-	1,742	1,742
Disposals	-	(41)	(41)
At 30 September 2021	<u>5,532</u>	<u>15,137</u>	<u>20,669</u>
Net Book Value			
At 30 September 2021	<u>-</u>	<u>469</u>	<u>469</u>
At 30 September 2020	<u>-</u>	<u>1,961</u>	<u>1,961</u>

OAK HILL COMMUNITY NURSERY

NOTES TO THE ACCOUNTS

AS AT 30 SEPTEMBER 2021

13. DEBTORS	2021 £	2020 £
Trade debtors	1,604	2,213
Other debtors	149	2,661
Prepayments	12,114	453
	<u>13,867</u>	<u>5,327</u>
14. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR	2021 £	2020 £
Trade creditors	3,231	166
Other creditors	19,235	12,534
Accruals	7,680	23,288
Deferred income (note 14.1)	5,220	19,257
	<u>35,366</u>	<u>55,245</u>
14.1 DEFERRED INCOME	2021 £	2020 £
At 1 October 2020	19,257	-
Additional during the year	5,220	19,257
Amounts released to income	(19,257)	-
At 30 September 2021	<u>5,220</u>	<u>19,257</u>
Deferred income in both 2021 and 2020 relates to nursery fees for the autumn term.		
15. RECONCILIATION OF NET INCOME TO CASH GENERATED FROM OPERATING ACTIVITIES	2021 £	2020 £
Net income for the year	(24,143)	(51,031)
Depreciation charges	1,742	1,848
Interest receivable	(13)	(177)
	<u>(22,414)</u>	<u>(49,360)</u>
Decrease in trade and other debtors	(8,540)	1,581
(Decrease) in trade and other creditors	(19,879)	(17,231)
Cash generated from operating activities	<u>(50,833)</u>	<u>(65,010)</u>
16. ANALYSIS OF NET ASSETS BETWEEN FUNDS	2021 £	2020 £
Tangible fixed assets	469	1,961
Current assets	334,262	376,792
Current liabilities	(35,366)	(55,245)
	<u>299,365</u>	<u>323,508</u>

OAK HILL COMMUNITY NURSERY

NOTES TO THE ACCOUNTS

AS AT 30 SEPTEMBER 2021

17. MOVEMENT IN FUNDS

	At 1 October 2020 £	Incoming Resources £	Outgoing Resources £	Transfer £	At 30 September 2021 £
Unrestricted funds:					
General funds	306,508	562,061	(586,204)	-	282,365
Designated funds	17,000	-	-	-	17,000
	<u>323,508</u>	<u>562,061</u>	<u>(586,204)</u>	<u>-</u>	<u>299,365</u>

Designated funds

Designated funds form part of Unrestricted Funds and are amounts set aside by the Trustees to meet specific future requirements of the organisation.

In 2019 expenditure of £7,000 spent towards the IT upgrade was allocated against the designated fund leaving a designated fund of £17,000 to meet the remaining IT upgrade costs and costs towards repairing the garden. No expenditure was incurred during 2021 (2020: £nil).

17.A MOVEMENT IN FUNDS – Prior year

	At 1 October 2019 £	Incoming Resources £	Outgoing Resources £	Transfer £	At 30 September 2020 £
Unrestricted funds:					
General funds	357,539	478,272	(529,303)	-	306,508
Designated funds	17,000	-	-	-	17,000
	<u>374,539</u>	<u>478,272</u>	<u>(529,303)</u>	<u>-</u>	<u>323,508</u>

18. PENSION SCHEME

The charitable company operates a defined contribution pension plan for its employees. The amount recognised as an expense in the year was £10,431 (2020: £9,139).

19. LEASE COMMITMENTS

The charitable company sole lease commitment is its tenancy at Oakhill Nursery. Total future minimum lease payments under the operating lease are as follows:

	2021 £	2020 £
Not later than one year	48,000	48,000
Later than one and not later than five years	120,000	168,000
Later than five years	-	-
	<u>168,000</u>	<u>216,000</u>

20. RELATED PARTY TRANSACTIONS

There are no related party transactions during the year (2020: none)