

**OAK HILL COMMUNITY NURSERY**  
**(Limited by Guarantee)**  
**TRUSTEES' REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 SEPTEMBER 2022**

**OAK HILL COMMUNITY NURSERY**

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## OAK HILL COMMUNITY NURSERY

### REFERENCE AND ADMINISTRATION DETAILS

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**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  
2<sup>nd</sup> 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 2022

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The Trustees present their report and the audited financial statements of the charity for the year ended 30 September 2022. 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**

##### **2022: 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 and education 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 continues 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 2022 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 as expected.

##### ***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 activities are on offer for the whole family. 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 may have an external crisis or major need which 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 2022 precluded such a social event as the summer fair.

## OAK HILL COMMUNITY NURSERY

### TRUSTEES' REPORT

FOR THE YEAR ENDED 30 SEPTEMBER 2022

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#### 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 and education.

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 some fully 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 nutritious culturally diverse 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 and deputy provide additional support to the parents in the care and education for their child, especially in regards to key transitions.

##### **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 6<sup>th</sup> 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 2022

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#### 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 as low as possible 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 wish 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 continues to monitor the level of maintenance and related costs arising from its tenancy agreement with the London Borough of Lewisham.

#### 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 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) continue to regularly support 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.

#### 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.

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 £3,839 (2021: £24,143) during the year, decreasing the unrestricted reserve to £295,526 (2021: £299,365) of which £17,000 has been designated toward future IT upgrades and repairing the garden.

## OAK HILL COMMUNITY NURSERY

### TRUSTEES' REPORT

FOR THE YEAR ENDED 30 SEPTEMBER 2022

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#### **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 £273,609 at the year end. The reserves is set at 6 months expenditure 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 2022 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 and education 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 funded some staff salary increases in 2022 with a further increase being unavoidable in 2023.

#### **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. Despite Covid 19 continuing to be a factor it has nevertheless proved possible to consider ways in which the site could be used more effectively for the benefit of the community.

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.

The Board will be keeping recruitment to the nursery under constant review. Recruitment was healthy for September 2021 and for September 2022; however there were some late withdrawals because parents had suddenly become able to take up free part time places in schools which themselves had had space to make nursery provision. It is a situation which the Manager will be continuing to monitor.

## OAK HILL COMMUNITY NURSERY

### TRUSTEES' REPORT

FOR THE YEAR ENDED 30 SEPTEMBER 2022

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#### **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.

##### **Relationships**

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 rationalised its use of local premises and has vacated the front of the building; consultation about future was successfully undertaken by the borough and negotiations about future use are in progress.

## OAK HILL COMMUNITY NURSERY

### TRUSTEES' REPORT

FOR THE YEAR ENDED 30 SEPTEMBER 2022

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#### 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 by John Fowler, Director

John Fowler, Director

Date: 1 May 2023



## OAK HILL COMMUNITY NURSERY

### INDEPENDENT AUDITOR'S REPORT

#### TO THE MEMBERS OF OAK HILL COMMUNITY NURSERY

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#### Opinion

We have audited the financial statements of Oak Hill Community Nursery (the 'charitable company') for the year ended 30 September 2022 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 2022 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

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#### **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.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The specific procedures for this engagement and the extent to which these are capable of detecting irregularities, including fraud is detailed below:

- Enquiry of management and those charged with governance around actual and potential litigation and claims as well as actual, suspected and alleged fraud;
- Reviewing minutes of meetings of those charged with governance;
- Assessing the extent of compliance with the laws and regulations considered to have a direct material effect on the financial statements or the operations of the company through enquiry and inspection;
- Reviewing financial statement disclosures and testing to supporting documentation to assess compliance with applicable laws and regulations;
- Performing audit work over the risk of management bias and override of controls, including testing of journal entries and other adjustments for appropriateness, evaluating the business rationale of significant transactions outside the normal course of business and reviewing accounting estimates for indicators of potential bias.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

A further description of our responsibilities is available on the Financial Reporting Council's website at: <https://www.frc.org.uk/Our-Work/Audit/Audit-and-assurance/Standards-and-guidance/Standards-and-guidance-for-auditors/Auditors-responsibilities-for-audit/Description-of-auditors-responsibilities-for-audit.aspx>. This description forms part of our auditor's report.

**OAK HILL COMMUNITY NURSERY**

**INDEPENDENT AUDITOR'S REPORT**

**TO THE MEMBERS OF OAK HILL COMMUNITY NURSERY**

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**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  
2<sup>nd</sup> Floor, Regis House  
45 King William Street  
London  
EC4R 9AN

Date: 4 May 2023

**OAK HILL COMMUNITY NURSERY**

**STATEMENT OF FINANCIAL ACTIVITIES (Including Income and Expenditure Account)**

**FOR THE YEAR ENDED 30 SEPTEMBER 2022**

|                                    | Notes | Unrestricted<br>Funds<br>£ | Total Funds<br>2022<br>£ | Total Funds<br>2021<br>£ |
|------------------------------------|-------|----------------------------|--------------------------|--------------------------|
| <b>INCOME</b>                      |       |                            |                          |                          |
| Charitable activities              | 3     | 585,889                    | 585,889                  | 562,048                  |
| Investment income                  | 4     | 83                         | 83                       | 13                       |
| Other income                       | 5     | 4,468                      | 4,468                    | -                        |
| <b>TOTAL INCOME</b>                |       | <b>590,440</b>             | <b>590,440</b>           | <b>562,061</b>           |
| <b>EXPENDITURE</b>                 |       |                            |                          |                          |
| Charitable activities              | 6     | 594,279                    | 594,279                  | 586,204                  |
| <b>TOTAL EXPENDITURE</b>           | 7     | <b>594,279</b>             | <b>594,279</b>           | <b>586,204</b>           |
| <b>NET INCOME</b>                  |       | <b>(3,839)</b>             | <b>(3,839)</b>           | <b>(24,143)</b>          |
| <b>RECONCILIATION OF FUNDS</b>     |       |                            |                          |                          |
| Total funds brought forward        |       | 299,365                    | 299,365                  | 323,508                  |
| <b>TOTAL FUNDS CARRIED FORWARD</b> | 17    | <b>295,526</b>             | <b>295,526</b>           | <b>299,365</b>           |

All transactions are derived from continuing activities.

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

The notes on pages 14 to 21 form part of the financial statements.

OAK HILL COMMUNITY NURSERY

BALANCE SHEET

FOR THE YEAR ENDED 30 SEPTEMBER 2022

|                                     | Notes | £        | 2022 | £              | £        | 2021 | £              |
|-------------------------------------|-------|----------|------|----------------|----------|------|----------------|
| <b>FIXED ASSETS</b>                 |       |          |      |                |          |      |                |
| Tangible fixed assets               | 12    |          |      | 4,917          |          |      | 469            |
|                                     |       |          |      |                |          |      |                |
| <b>CURRENT ASSETS</b>               |       |          |      |                |          |      |                |
| Debtors                             | 13    | 21,528   |      |                | 13,867   |      |                |
| Cash at bank and in hand            |       | 324,307  |      |                | 320,395  |      |                |
|                                     |       |          |      |                |          |      |                |
|                                     |       |          |      | 345,835        |          |      | 334,262        |
| <b>CURRENT LIABILITIES</b>          |       |          |      |                |          |      |                |
| Creditors:                          |       |          |      |                |          |      |                |
| Amounts falling due within one year | 14    | (55,226) |      |                | (35,366) |      |                |
|                                     |       |          |      |                |          |      |                |
| <b>NET CURRENT ASSETS</b>           |       |          |      | 290,609        |          |      | 298,896        |
| <b>NET ASSETS</b>                   |       |          |      | <b>295,526</b> |          |      | <b>299,365</b> |
|                                     |       |          |      |                |          |      |                |
| <b>FUNDS</b>                        |       |          |      |                |          |      |                |
| Unrestricted funds:                 |       |          |      |                |          |      |                |
| General fund                        |       |          |      | 278,526        |          |      | 282,365        |
| Designated funds                    | 17    |          |      | 17,000         |          |      | 17,000         |
|                                     |       |          |      |                |          |      |                |
|                                     |       |          |      | <b>295,526</b> |          |      | <b>299,365</b> |

Approved on behalf of the board on 27 April 2023 and signed on their behalf by John Fowler, Director/Trustee



pp Gwenlian Evans  
Chair

Company No. 05850668

The notes on pages 14 to 21 form part of these financial statements.

**OAK HILL COMMUNITY NURSERY**

**CASH FLOW STATEMENT**

**FOR THE YEAR ENDED 30 SEPTEMBER 2022**

|                                                              | <b>Notes</b> | <b>Total Funds<br/>2022<br/>£</b> | <b>Total Funds<br/>2021<br/>£</b> |
|--------------------------------------------------------------|--------------|-----------------------------------|-----------------------------------|
| <b>CASH FLOW FROM OPERATING ACTIVITIES</b>                   |              |                                   |                                   |
| Cash generated from operating activities                     | <b>15</b>    | 9,772                             | (50,833)                          |
| <b>NET CASH FLOW FROM OPERATING ACTIVITIES</b>               |              | <u>9,772</u>                      | <u>(50,833)</u>                   |
| <b>CASH FLOW FROM INVESTING ACTIVITIES</b>                   |              |                                   |                                   |
| Payments to acquire tangible fixed assets                    |              | (5,943)                           | (250)                             |
| Interest received                                            |              | 83                                | 13                                |
| <b>NET CASH FLOW FROM INVESTING ACTIVITIES</b>               |              | <u>(5,860)</u>                    | <u>(237)</u>                      |
| <b>NET (DECREASE)/ INCREASE IN CASH AND CASH EQUIVALENTS</b> |              | <b>3,912</b>                      | <b>(51,070)</b>                   |
| <b>CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR</b>        |              | <b>320,395</b>                    | <b>371,465</b>                    |
| <b>TOTAL FUNDS CARRIED FORWARD</b>                           |              | <u><b>324,307</b></u>             | <u><b>320,395</b></u>             |
| <b>Cash and cash equivalents consists of:</b>                |              |                                   |                                   |
| Cash at bank and in hand                                     |              | <u><b>324,307</b></u>             | <u><b>320,395</b></u>             |

The notes on pages 14 to 21 form part of these financial statements.

## OAK HILL COMMUNITY NURSERY

### NOTES TO THE ACCOUNTS

AS AT 30 SEPTEMBER 2022

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#### 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 2022

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#### 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 2022

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#### 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 2022

### 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<br>Funds<br>£ | Total<br>2022<br>£ | Total<br>2021<br>£ |
|----------------------------|----------------------------|--------------------|--------------------|
| Fees                       | 504,035                    | 504,035            | 465,709            |
| LB Nursery Education grant | 79,897                     | 79,897             | 96,956             |
| Donations and fundraising  | 1,957                      | 1,957              | (617)              |
|                            | <u>585,889</u>             | <u>585,889</u>     | <u>562,048</u>     |

In 2021 all of the income was attributable to the unrestricted fund.

### 4. INVESTMENT INCOME

|               | Unrestricted<br>Funds<br>£ | Total<br>2022<br>£ | Total<br>2021<br>£ |
|---------------|----------------------------|--------------------|--------------------|
| Bank interest | 83                         | 83                 | 13                 |
|               | <u>83</u>                  | <u>83</u>          | <u>13</u>          |

In 2021 all of the investment income was attributable to the unrestricted fund.

### 5. OTHER INCOME

|              | Unrestricted<br>Funds<br>£ | Total<br>2022<br>£ | Total<br>2021<br>£ |
|--------------|----------------------------|--------------------|--------------------|
| Other income | 4,468                      | 4,468              | -                  |
|              | <u>4,468</u>               | <u>4,468</u>       | <u>-</u>           |

In 2021 all of the other income was attributable to the unrestricted fund.

OAK HILL COMMUNITY NURSERY

NOTES TO THE ACCOUNTS

AS AT 30 SEPTEMBER 2022

**6. CHARITABLE ACTIVITIES**

|                                          | <b>Unrestricted<br/>Funds<br/>£</b> | <b>Total<br/>2022<br/>£</b> | <b>Total<br/>2021<br/>£</b> |
|------------------------------------------|-------------------------------------|-----------------------------|-----------------------------|
| Advancement of the education of children | 594,279                             | 594,279                     | 586,204                     |

In 2021 all of the expenditure was attributable to the unrestricted fund.

**7. ANALYSIS OF EXPENDITURE**

|                                          | <b>Direct<br/>Charitable<br/>£</b> | <b>Support<br/>costs<br/>£<br/>(note 8)</b> | <b>Total<br/>2022<br/>£</b> | <b>Total<br/>2021<br/>£</b> |
|------------------------------------------|------------------------------------|---------------------------------------------|-----------------------------|-----------------------------|
| Advancement of the education of children | 487,015                            | 107,264                                     | 594,279                     | 586,204                     |

In 2021 £509,718 of the expenditure related to direct charitable expenditure, and the remaining £76,486 related to support costs.

**8. SUPPORT COSTS**

|                           | <b>2022<br/>£</b> | <b>2021<br/>£</b> |
|---------------------------|-------------------|-------------------|
| Governance costs (note 9) | 20,075            | 9,360             |
| Premises costs            | 79,601            | 58,413            |
| Office and central costs  | 6,093             | 6,971             |
| Depreciation              | 1,495             | 1,742             |
|                           | <u>107,264</u>    | <u>76,486</u>     |

**9. GOVERNANCE COSTS**

|                            | <b>2022<br/>£</b> | <b>2021<br/>£</b> |
|----------------------------|-------------------|-------------------|
| Auditors remuneration      |                   |                   |
| - Audit fee                | 7,500             | 6,600             |
| - Accounting, current year | 1,200             | 1,395             |
| - Other non-audit services | 9,039             | -                 |
| Other governance costs     | 2,336             | 1,365             |
|                            | <u>20,075</u>     | <u>9,360</u>      |

Other governance costs consist of legal fees and consultancy fees.

**10. NET INCOME/(EXPENDITURE) FOR THE YEAR**

|                                | <b>2022<br/>£</b> | <b>2021<br/>£</b> |
|--------------------------------|-------------------|-------------------|
| This is stated after charging: |                   |                   |
| Depreciation                   | 1,495             | 1,742             |
| Audit fee                      | 7,500             | 6,600             |
| Operating lease costs          | 48,000            | 48,000            |

# OAK HILL COMMUNITY NURSERY

## NOTES TO THE ACCOUNTS

AS AT 30 SEPTEMBER 2022

| 11. ANALYSIS OF STAFF COSTS, TRUSTEE REMUNERATION AND EXPENSES AND THE COST OF KEY MANAGEMENT PERSONNEL | 2022<br>£      | 2021<br>£      |
|---------------------------------------------------------------------------------------------------------|----------------|----------------|
| Wages and salaries                                                                                      | 410,977        | 417,290        |
| Social security                                                                                         | 18,414         | 20,336         |
| Defined contribution pension costs                                                                      | 9,711          | 10,341         |
| Agency staff                                                                                            | 10,071         | 8,125          |
|                                                                                                         | <u>449,173</u> | <u>456,182</u> |
| The average number of full-time equivalent employees:                                                   |                |                |
| Nursery staff                                                                                           | <u>24</u>      | <u>26</u>      |

Employee time has been allocated to direct charitable expenditure.

No employee received emoluments of more than £60,000 (2021: none).

During 2021, no trustees (2021: £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 (2021: £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 £85,891 (2021: £78,920).

| 12. TANGIBLE FIXED ASSETS | Furniture<br>and fittings<br>£ | Office<br>equipment<br>£ | Total<br>£    |
|---------------------------|--------------------------------|--------------------------|---------------|
| <b>Cost</b>               |                                |                          |               |
| At 1 October 2021         | 5,532                          | 15,606                   | 21,138        |
| Additions                 | -                              | 5,943                    | 5,943         |
| Disposals                 | -                              | -                        | -             |
| At 30 September 2022      | <u>5,532</u>                   | <u>21,549</u>            | <u>27,081</u> |
| <b>Depreciation</b>       |                                |                          |               |
| At 1 October 2021         | 5,532                          | 15,137                   | 20,669        |
| Charge for the year       | -                              | 1,495                    | 1,495         |
| Disposals                 | -                              | -                        | -             |
| At 30 September 2022      | <u>5,532</u>                   | <u>16,632</u>            | <u>22,164</u> |
| <b>Net Book Value</b>     |                                |                          |               |
| At 30 September 2022      | <u>-</u>                       | <u>4,917</u>             | <u>4,917</u>  |
| At 30 September 2021      | <u>-</u>                       | <u>469</u>               | <u>469</u>    |

**OAK HILL COMMUNITY NURSERY**

**NOTES TO THE ACCOUNTS**

**AS AT 30 SEPTEMBER 2022**

|                                                                                              |                   |                   |
|----------------------------------------------------------------------------------------------|-------------------|-------------------|
| <b>13. DEBTORS</b>                                                                           | <b>2022<br/>£</b> | <b>2021<br/>£</b> |
| Trade debtors                                                                                | 9,395             | 1,604             |
| Other debtors                                                                                | -                 | 149               |
| Prepayments                                                                                  | 12,133            | 12,114            |
|                                                                                              | <u>21,528</u>     | <u>13,867</u>     |
| <b>14. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR</b>                                    | <b>2022<br/>£</b> | <b>2021<br/>£</b> |
| Trade creditors                                                                              | 3,273             | 3,231             |
| Other creditors                                                                              | 29,278            | 19,235            |
| Accruals                                                                                     | 12,000            | 7,680             |
| Deferred income (note 14.1)                                                                  | 10,675            | 5,220             |
|                                                                                              | <u>55,226</u>     | <u>35,366</u>     |
| <b>14.1 DEFERRED INCOME</b>                                                                  | <b>2022<br/>£</b> | <b>2021<br/>£</b> |
| At 1 October 2021                                                                            | 5,220             | 19,257            |
| Additional during the year                                                                   | 10,675            | 5,220             |
| Amounts released to income                                                                   | (5,220)           | (19,257)          |
| At 30 September 2022                                                                         | <u>10,675</u>     | <u>5,220</u>      |
| Deferred income in both 2022 and 2021 relates to nursery fees for the following autumn term. |                   |                   |
| <b>15. RECONCILIATION OF NET INCOME TO CASH GENERATED FROM OPERATING ACTIVITIES</b>          | <b>2022<br/>£</b> | <b>2021<br/>£</b> |
| Net income for the year                                                                      | (3,839)           | (24,143)          |
| Depreciation charges                                                                         | 1,495             | 1,742             |
| Interest receivable                                                                          | (83)              | (13)              |
|                                                                                              | <u>(2,427)</u>    | <u>(22,414)</u>   |
| Decrease in trade and other debtors                                                          | (7,661)           | (8,540)           |
| (Decrease) in trade and other creditors                                                      | 19,860            | (19,879)          |
|                                                                                              | <u>9,772</u>      | <u>(50,833)</u>   |
| <b>16. ANALYSIS OF NET ASSETS BETWEEN FUNDS</b>                                              | <b>2022<br/>£</b> | <b>2021<br/>£</b> |
| Tangible fixed assets                                                                        | 4,917             | 469               |
| Current assets                                                                               | 345,835           | 334,262           |
| Current liabilities                                                                          | (55,226)          | (35,366)          |
|                                                                                              | <u>295,526</u>    | <u>299,365</u>    |

# OAK HILL COMMUNITY NURSERY

## NOTES TO THE ACCOUNTS

### AS AT 30 SEPTEMBER 2022

#### 17. MOVEMENT IN FUNDS

|                     | At 1<br>October<br>2021<br>£ | Incoming<br>Resources<br>£ | Outgoing<br>Resources<br>£ | Transfer<br>£ | At 30<br>September<br>2022<br>£ |
|---------------------|------------------------------|----------------------------|----------------------------|---------------|---------------------------------|
| Unrestricted funds: |                              |                            |                            |               |                                 |
| General funds       | 282,365                      | 590,440                    | (594,279)                  | -             | 278,526                         |
| Designated funds    | 17,000                       | -                          | -                          | -             | 17,000                          |
|                     | <u>299,365</u>               | <u>590,440</u>             | <u>(594,279)</u>           | <u>-</u>      | <u>295,526</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 2022 (2021: £nil).

#### 17.A MOVEMENT IN FUNDS – Prior year

|                     | At 1<br>October<br>2020<br>£ | Incoming<br>Resources<br>£ | Outgoing<br>Resources<br>£ | Transfer<br>£ | At 30<br>September<br>2021<br>£ |
|---------------------|------------------------------|----------------------------|----------------------------|---------------|---------------------------------|
| 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>                  |

#### 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 £9,711 (2021: £10,431).

#### 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:

|                                              | 2022<br>£      | 2021<br>£      |
|----------------------------------------------|----------------|----------------|
| Not later than one year                      | 48,000         | 48,000         |
| Later than one and not later than five years | 72,000         | 120,000        |
| Later than five years                        | -              | -              |
|                                              | <u>120,000</u> | <u>168,000</u> |

#### 20. RELATED PARTY TRANSACTIONS

There are no related party transactions during the year (2021: none)