

The Hundred of Hoo Nursery and Kids Club Limited

Trustees' report and financial statements

31 August 2021

Company Limited by Guarantee
Registration Number 06389366
(England and Wales)

Charity Registration Number: 1131001

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Reference and administrative information 31 August 2021

Trustees Mr M Costello (Chair)
Ms E J Elwin
Mrs P Sanford

Company Secretary Mr N Willis

Registered office The Hundred of Hoo Academy
Main Road
Hoo St Werburgh
Rochester
Kent
ME3 9HH

Company registration number 06389366 (England and Wales)

Charity registered number 1131001

Auditors Buzzacott LLP
130 Wood Street
London
EC2V 6DL

Bankers NatWest Bank Plc
148 High Street
Chatham
Kent
ME4 4DB

Trustees' report 31 August 2021

The Trustees (who are also directors of the charity for the purposes of the Companies Act) present their annual report together with the audited financial statements of The Hundred of Hoo Nursery and Kids Club Limited (the charitable company) for the year ended 31 August 2021. This report has been prepared in accordance with Part 8 of the Charities Act 2011 and serves as a directors' report for the purposes of the Companies Act 2006.

The financial statements have been prepared in accordance with the accounting policies set out on pages 13 to 16 therein and comply with the charitable company's Memorandum and Articles of Association, applicable laws and Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102).

Structure, governance and management

The charitable company was incorporated on 3 October 2007 (Company Number 06389366). The charitable company is a company limited by guarantee and is governed by its Memorandum and Articles of Association. The members of the charitable company are the Trustees named on page 1. In the event of the charitable company being wound up, the liability in respect of the guarantee is limited to £1 per member of the charitable company. The charitable company registered as a charity on 7 August 2009 (Charity Registration Number 1131001).

Trustees

The Trustees who served during the period were as follows:

Trustees	Appointed/Resigned
Deborah Biggenden	Resigned 8 December 2020
Michael Costello (Chair)	
Susan Crocker	Resigned 15 July 2021
Emma Elwin	Appointed 8 December 2020
Pat Sanford	Appointed 8 December 2020
Neil Willis	Resigned 15 July 2021

Method of appointment or election of Trustees

The management of the charitable company is the responsibility of the Trustees who are elected and co-opted under the terms of the Memorandum and Articles of Association.

Remuneration of key management personnel

All Trustees give their time freely and receive no remuneration. The pay and remuneration of key management personnel is set by the Pay Committee. Key management personnel of the charity includes the Nursery Manager and the Deputy Nursery Manager.

Objectives and activities

The principal activity of the charitable company is the operation of a Nursery and Kids Club in Hoo St Werburgh, Rochester, for the purpose of the advancement of education. In setting our objectives and planning our activities, the Trustees have given careful consideration to the Charity Commission's general guidance on public benefit.

Achievements, performance and plans

The nursery continues to have strong links with its local community offering early education to around 175 children aged up to 11 years of age from the local community. The nursery continues to strengthen its offer to children and their families by accessing a range of service Leigh Academies Trust (LAT) is able to offer.

In July 2019, the nursery received an inspection by Ofsted. The overall quality and standards of the early provision was identified as Good, but the nursery was rated as Outstanding for the quality of personal development, behaviour and welfare. The report identified that children of all ages make good progress and gain good skills to support their future learning. The staff were described as inspirational role models, who establish outstanding relationships with the children and their families.

The nursery has continued to invest in the learning environment and resources with the support of the Trust. Consequently, enhancements have been made within the building to create more flexible spaces and the outdoor learning areas have been enhanced to improve opportunities for effective play.

The nursery team of Manager, Deputy Manager and early years practitioners remains strong and turnover of staff has remained low. Where new or additional team members have been required, high quality candidates have been supplied with the assistance of the LAT recruitment team. This ensures that every child receives consistently high quality care and quality of education. This year the nursery is working alongside the Trust's early years advisor to enhance the quality of education even further by setting out the knowledge and skills across each room provision, ensuring that experiences over time build consistently towards expected end points.

Impact of Covid-19 on the charity

The Hundred of Hoo Nursery and Kids club remained opened for the majority of 2020/21, and did not proceed to a full closure due to the Covid-19 pandemic. The nursery furloughed staff who were responsible for children under 2 years old within the nursery, as the uptake was significantly low.

On fully reopening, young children have been observed to have a deficit in the usual language acquisition they would have as a result of not having the usual experiences and exposure to the world around them as a result of lockdown. Nursery leaders have responded by ensuring that the curriculum consistently gives opportunities for children to listen, hear and speak, alongside opportunities to experience new vocabulary so that they can develop vocabulary and language well, closing any gaps that exist.

Financial review

The attached financial statements show the current state of the finances, which the Trustees consider to be sound.

Reserves of £71,164 have been accumulated at 31 August 2021, which are all unrestricted funds.

Reserves policy

As described in the accounting policies, the Trustees have a policy that a fixed asset fund should be maintained to fund the future depreciation of fixed assets. This fund represents the net book value of fixed assets already purchased and so this fund is not available for spending. Beyond this, the policy on reserves is that restricted funds should not fall below zero. The level of restricted reserves tends to be modest. The Trustees have a policy to retain three months of running costs in reserves and at 31 August 2021 the level of unrestricted funds was approximately two months of running costs. Trustees will keep the policy under review if there should be a material change in financial circumstances.

Public Benefit

The Board of Trustees has taken account of the Charity Commission's guidance on public benefit in reviewing the charity's aims and objectives and planning future activities.

Fundraising

The charitable company does not actively solicit fundraising from the public. During the year there were no complaints in respect of fundraising.

Risk management

The charitable company has identified the following key risks and has put mitigation in place:

- ◆ a decrease in pupils on roll which would lead to a decrease in funding and fee income. This risk is mitigated by frequent review of pupils on roll at frequent intervals. There is also a very close working relationship with finance personnel to ensure frequent forecasting takes place.
- ◆ recruitment of appropriately qualified staff to meet the needs of the pupils of the nursery, especially the younger age group. This risk is mitigated by the nursery having full access to the LAT Talent Team who are able to support and advise on all of the nursery's recruitment needs.

Trustees' report 31 August 2021

Trustees' responsibilities statement

The Trustees (who are also directors of The Hundred of Hoo Nursery and Kids Club Limited 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 period. Under company law, the Trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the charitable company and of the income and expenditure of the charitable company for that period. 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;
- ◆ make judgments and accounting 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 financial statements 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 are sufficient to show and explain the charitable company's transactions and 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.

Each of the Trustees confirms that:

- ◆ so far as the Trustee is aware, there is no relevant audit information of which the charitable company's auditors are unaware; and
- ◆ the Trustee has taken all the steps that he ought to have taken as a trustee in order to make themselves aware of any relevant audit information and to establish that the charitable company's auditors are aware of that information.

In preparing this report, the Trustees have taken advantage of the small companies exemptions provided by section 415A of the Companies Act 2006.

This report was approved by the Trustees on 29-11-2021 and signed on their behalf by:



Trustee

Independent auditor's report 31 August 2021

Independent auditor's report to the members of The Hundred of Hoo Nursery and Kids Club Limited

We have audited the financial statements of The Hundred of Hoo Nursery and Kids Club Limited (the 'charitable company') for the year ended 31 August 2021 which comprise the statement of financial activities, the balance sheet, statement of cash flows, the principal accounting policies and the notes to the financial statements. 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 31 August 2021 and of its income and expenditure 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 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

In auditing the financial statements, we have concluded that the Trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the charitable company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the Trustees with respect to going concern are described in the relevant sections of this report.

Independent auditor's report 31 August 2021

Other information

The other information comprises the information included in the annual report and financial statements, other than the financial statements and our auditor's report thereon. The Trustees are responsible for the other information contained within the annual report and financial statements. 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.

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 course of 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 this gives rise to a material misstatement in the financial statements themselves. 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 is also the directors' report 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 Trustees' report, which is also the directors' report for the purposes of company law, has been prepared in accordance with applicable legal requirements.

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 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 extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

Our approach to identifying and assessing the risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, was as follows:

- ◆ the engagement partner ensured that the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with applicable laws and regulations; and
- ◆ we obtained an understanding of the legal and regulatory frameworks that are applicable to the charitable company and determined that the most significant frameworks which are directly relevant to specific assertions in the financial statements are those that relate to the reporting framework (Statement of Recommended Practice: Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102), the Charities Act 2011 and the Companies Act 2006.

Auditor's responsibilities for the audit of the financial statements (continued)

We assessed the susceptibility of the charitable company's financial statements to material misstatement, including obtaining an understanding of how fraud might occur, by:

- ♦ making enquiries of management as to their knowledge of actual, suspected and alleged fraud; and
- ♦ considering the internal controls in place to mitigate risks of fraud and non-compliance with laws and regulations.

To address the risk of fraud through management bias and override of controls, we:

- ♦ performed analytical procedures to identify any unusual or unexpected relationships;
- ♦ tested journal entries to identify unusual transactions; and
- ♦ assessed whether judgements and assumptions made in determining the accounting estimates were indicative of potential bias.

In response to the risk of irregularities and non-compliance with laws and regulations, we designed procedures which included, but were not limited to:

- ♦ review of the minutes of meetings of those charged with governance; and
- ♦ enquiring of management as to actual and potential litigation and claims.

There are inherent limitations in our audit procedures described above. The more removed that laws and regulations are from financial transactions, the less likely it is that we would become aware of non-compliance. Auditing standards also limit the audit procedures required to identify non-compliance with laws and regulations to enquiry of the Trustees and other management and the inspection of regulatory and legal correspondence, if any.

Material misstatements that arise due to fraud can be harder to detect than those that arise from error as they may involve deliberate concealment or collusion.

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

Independent auditor's report 31 August 2021

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.



Katherine Patel (Senior Statutory Auditor)
For and on behalf of Buzzacott LLP, Statutory Auditor
130 Wood Street
London
EC2V 6DL

Date: 20 December 2021

Statement of financial activities
(incorporating income and expenditure account) Year to 31 August 2021

	Notes	Un- restricted funds 2021 £	Restricted funds 2021 £	2021 Total funds £	Unrestricted funds 2020 £	Restricted funds 2020 £	2020 Total funds £
Income from:							
Charitable activities	1	541,722	1,128	542,850	448,453	3,495	451,948
Total income		<u>541,722</u>	<u>1,128</u>	<u>542,850</u>	<u>448,453</u>	<u>3,495</u>	<u>451,948</u>
Expenditure on:							
Charitable activities	2	532,749	1,128	533,877	499,634	3,495	503,129
Total expenditure		<u>532,749</u>	<u>1,128</u>	<u>533,877</u>	<u>499,634</u>	<u>3,495</u>	<u>503,129</u>
Net income (expenditure) and net movement in funds		8,973	—	8,973	(51,181)	—	(51,181)
Reconciliation of funds							
Total funds brought forward at 1 September 2020		62,191	—	62,191	113,372	—	113,372
Total funds carried forward 31 August 2021		<u>71,164</u>	<u>—</u>	<u>71,164</u>	<u>62,191</u>	<u>—</u>	<u>62,191</u>

The notes on pages 17 to 21 form part of these financial statements

Balance sheet 31 August 2021

	Notes	2021 £	2021 £	2020 £	2020 £
Fixed assets					
Tangible fixed assets	5		13,643		25,597
Current assets					
Debtors	6	8,999		6,954	
Cash at bank and in hand		144,107		97,617	
		153,106		104,571	
Liabilities					
Creditors: amounts falling due within one year	7	(95,585)		(67,977)	
Net current assets			57,521		36,594
Total assets less current liabilities			71,164		62,191
Net assets			71,164		62,191
Funds and reserves:					
Restricted funds	8	—		—	
Unrestricted funds	8	71,164		62,191	
Total funds			71,164		62,191

The financial statements were approved and authorised for issue by the Trustees on and signed on their behalf, by:

 29/11/21

Trustee

The notes on pages 17 to 21 form part of these financial statements.

Statement of cash flows Year to 31 August 2021

		2021 £	2020 £
Net cash flows from operating activities			
Net cash provided by (used in) operating activities	A	46,490	(26,347)
Cash flows from investing activities:			
Purchase of tangible fixed assets		—	(27,998)
Net cash used in investing activities		—	(27,998)
Change in cash and cash equivalents in the year		46,490	(54,345)
Cash and cash equivalents at 1 September 2020	B	97,617	151,962
Cash and cash equivalents at 31 August 2021	B	144,107	97,617

A. Reconciliation of net movement in funds to net cash flow from operating activities

	2021 £	2020 £
Net (expenditure) income for the year (as per statement of financial activities)	8,973	(51,181)
Adjustment for:		
Depreciation charges	11,954	11,529
(Increase) in debtors	(2,045)	(285)
Increase in creditors	27,608	13,590
Net cash provided by (used in) operating activities	46,490	(26,347)

B. Analysis of cash and cash equivalents

	2021 £	2020 £
Cash at bank and in hand	144,107	97,617
Total	144,107	97,617

No separate reconciliation of net debt has been prepared as there is no difference between the net cash (debt) of the charity and the above cash and cash equivalents.

Basis of preparation of financial statements

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) - (Charities SORP), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

The Hundred of Hoo Nursery and Kids Club Limited 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.

Critical accounting estimates and areas of judgement

Preparation of the accounts requires the trustees to make significant judgements and estimates. The items in the accounts where these judgements and estimates have been made include:

- ◆ estimating future income and expenditure flows and the charity's financial position; and
- ◆ estimating the economic useful life of fixed assets.

Going concern

The Trustees assess whether the use of going concern is appropriate i.e. whether there are any material uncertainties related to events or condition that may cast significant doubt on the ability of the charitable company to continue as a going concern. The Trustees make this assessment in respect of a period of one year from the date of approval of the financial statements. In making this assessment the Trustees have considered the ongoing impact of Covid-19.

Income

All income is recognised once the charitable company has entitlement to the income, it is probable that the income will be received and the amount of income receivable can be measured reliably.

Expenditure

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably.

Support costs are those costs incurred directly in support of expenditure on the objects of the charitable company.

Charitable activities are costs incurred on the charitable company's educational operations, including support costs and costs relating to the governance of the charitable company apportioned to charitable activities.

Tangible fixed assets and depreciation

All assets costing more than £500 are capitalised.

A review for impairment of a fixed asset is carried out if events or changes in circumstances indicate that the carrying value of any fixed asset may not be recoverable. Shortfalls between the carrying value of fixed assets and their recoverable amounts are recognised as impairments. Impairment losses are recognised in the statement of financial activities.

Tangible fixed assets are carried at cost, net of depreciation and any provision for impairment. Depreciation is provided at rates calculated to write off the cost of fixed assets, less their estimated residual value, over their expected useful lives on the following bases:

Improvement to premises	Over the term of the lease
Furniture fixtures and fittings	15% straight line basis
Other equipment	20% straight line basis
Computer equipment	33% straight line basis

Operating leases

Rentals under operating leases are charged to the statement of financial activities on a straight line basis over the lease term.

Debtors

Trade and other debtors are recognised at the settlement amount after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due.

Cash at bank and in hand

Cash at bank and 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 account.

Liabilities and provisions

Liabilities are recognised when there is an obligation at the balance sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably. Liabilities are recognised at the amount that the charitable company anticipates it will pay to settle the debt or the amount it has received as advanced payments for the goods or services it must provide. Provisions are measured at the best estimate of the amounts required to settle the obligation. Where the effect of the time value of money is material, the provision is based on the present value of those amounts, discounted at the pre-tax discount rate that reflects the risks specific to the liability. The unwinding of the discount is recognised within interest payable and similar charges.

Financial instruments

The charitable company only has financial assets and financial liabilities that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value with the exception of bank loans which are subsequently measured at amortised cost using the effective interest method.

Pensions

The charitable company operates a defined contribution pension scheme and the pension charge represents the amounts payable by the charity to the pension fund in respect of the year.

Fund accounting

General funds are unrestricted funds which are available for use at the discretion of the Trustees in furtherance of the general objectives of the charity and which have not been designated for other purposes.

Designated funds comprise unrestricted funds that have been set aside by the Trustees for particular purposes. The aim and use of each designated fund is set out in the notes to the financial statements.

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by donors. The costs of raising and administering such funds are charged against the specific fund. The aim and use of each restricted fund is set out in the notes to the financial statements.

Critical accounting estimates and areas of judgment

Estimates and judgments 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.

Critical accounting estimates and assumptions

The charitable company makes estimates and assumptions concerning the future. The resulting accounting estimates and assumptions will, by definition seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

Lease commitments

The charitable company has entered into a range of lease commitments in respect of property, plant and equipment. The classification of these leases as either financial or operating leases requires the Trustees to consider whether the terms and conditions of each lease are such that the charitable company has acquired the risks and rewards associated with the ownership of the underlying assets.

1. Income from charitable activities

	Unrestricted funds 2021 £	Restricted funds 2021 £	2021 Total funds £	Unrestricted funds 2020 £	Restricted funds 2020 £	2020 Total funds £
Fees receivable	277,197	—	277,197	191,380	—	191,380
Nurse Vouchers	264,525	—	264,525	257,073	—	257,073
EYPP funding	—	1,128	1,128	—	1,895	1,895
DAF funding	—	—	—	—	1,600	1,600
	541,722	1,128	542,850	448,453	3,495	451,948

2. Analysis of expenditure on charitable activities

	Unrestricted funds 2021 £	Restricted funds 2021 £	2021 Total funds £	Unrestricted funds 2020 £	Restricted funds 2020 £	2020 Total funds £
Charitable activities	532,749	1,128	533,877	499,634	3,495	503,129

	2021 Total £	2020 Total £
Wages and salaries	438,307	409,561
Food and drinks	35,420	20,013
Rent	20,000	20,000
Depreciation	11,954	11,529
Accounting and professional fees	5,842	7,459
Equipment hire	4,949	6,151
Hygiene, cleaning and waste disposal	4,761	2,501
Subscriptions and software	3,890	3,273
Insurance	1,985	1,886
Toys, books, magazines and materials	1,533	217
Repairs and renewals	1,482	16,425
Stationery, printing, photocopying and postage	1,199	1,750
Advertising	903	1,072
Telephone	677	551
Bank charges	537	526
Uniforms and protective clothing	294	100
Training	90	—
Sundry expenses	50	49
Gifts for staff and clients	4	66
Total	533,877	503,129

3. Net income (expenditure)

This is stated after charging:

	2021 Total £	2020 Total £
Depreciation of tangible fixed assets	11,954	11,529
Audit fees	2,900	2,800

4. Staff costs

Staff costs were as follows:

	2021 Total £	2020 Total £
Wages and salaries	401,698	385,027
Social security costs	30,067	19,077
Other pension costs	6,542	5,457
	438,307	409,561

The average number of persons employed by the charitable company during the year was 27 (2020: 29).

Average headcount expressed as a full time equivalent was 22 (2020 – 24).

No employee received remuneration amounting to more than £60,000 in either year.

During the financial year the remuneration and benefits received by the charity's key management personnel amounted to £68,484 (2020 – £70,015). Key management personnel included the Nursery Manager and Deputy Nursery Manager.

During the year, no Trustees received any remuneration (2020 – none).

During the year, no Trustees received any reimbursement of expenses (2020 – none).

5. Tangible fixed assets

	Improvements to premises £	Furniture, fixtures & fittings £	Computer and other equipment £	Total funds £
Cost				
At 1 September 2020	17,461	21,341	31,320	70,122
Additions	—	—	—	—
At 31 August 2021	17,461	21,341	31,320	70,122
Depreciation				
At 1 September 2020	17,461	14,545	12,519	44,525
Charge in year	—	2,766	9,188	11,954
At 31 August 2021	17,461	17,311	21,707	56,479
Net book value				
At 31 August 2021	—	4,030	9,613	13,643
At 31 August 2020	—	6,796	18,801	25,597

6. Debtors

	2021 Total £	2020 Total £
Due within one year		
Other debtors	6,278	4,073
Prepayment and accrued income	2,721	2,881
	8,999	6,954

7. Creditors: Amounts falling due within one year

	2021 Total £	2020 Total £
Trade creditors	1,373	1,865
Other taxation and social security	5,132	4,685
Other creditors	1,488	1,791
Amount due to parent undertaking (note 13)	56,433	32,709
Accruals and deferred income	31,159	26,927
	95,585	67,977

Included within accruals and deferred income above is the following deferred income balance relating to funding received in August relating to 2021/22 and fees received in advance in August for 2021/22.

	2021 Total £	2020 Total £
Deferred income		
Deferred income at 1 September 2020	23,805	15,948
Resources deferred during the year	25,501	23,805
Amounts released from previous year	(23,805)	(15,948)
Deferred income at 31 August 2021	25,501	23,805

8. Funds

	Balance at 1 September 2020 £	Income £	Expenditure £	Balance at 31 August 2021 £
2021				
Unrestricted funds:				
Designated funds				
Fixed asset fund	25,597	—	(11,954)	13,643
General funds				
General fund	36,594	541,722	(520,795)	57,521
	62,191	541,722	(532,749)	71,164
Restricted funds				
EYPP	—	1,128	(1,128)	—
	—	1,128	(1,128)	—
Total funds	62,191	542,850	(533,877)	71,164

8. Funds (continued)

	Balance at 1 September 2019 £	Income £	Expenditure £	Transfers £	Balance at 31 August 2020 £
2020					
Unrestricted funds:					
Designated funds					
Fixed asset fund	9,129	—	(11,529)	27,997	25,597
General funds					
General fund	104,243	448,453	(488,105)	(27,997)	36,594
	<u>113,372</u>	<u>448,453</u>	<u>(499,634)</u>	<u>—</u>	<u>62,191</u>
Restricted funds					
EYPP	—	1,895	(1,895)	—	—
DAF	—	1,600	(1,600)	—	—
	<u>—</u>	<u>3,495</u>	<u>(3,495)</u>	<u>—</u>	<u>—</u>
Total funds	<u>113,372</u>	<u>451,948</u>	<u>(503,129)</u>	<u>—</u>	<u>62,191</u>

9. Analysis of net assets between funds

	Unrestricted funds 2021 £	Restricted funds 2021 £	Total funds 2021 £
2021			
Tangible fixed assets	13,643	—	13,643
Current assets	153,106	—	153,106
Creditors due within one year	(95,585)	—	(95,585)
	<u>71,164</u>	<u>—</u>	<u>71,164</u>
	Unrestricted funds 2020 £	Restricted funds 2020 £	Total funds 2020 £
2020			
Tangible fixed assets	25,597	—	25,597
Current assets	104,571	—	104,571
Creditors due within one year	(67,977)	—	(67,977)
	<u>62,191</u>	<u>—</u>	<u>62,191</u>

10. Pension commitments

The charitable company operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the charitable company in an independently administered fund. The pension cost charge represents contributions payable to the fund and amounted to £6,542 (2020 - £5,457). At the balance sheet date £1,266 was payable to the fund (2020 - £1,176).

11. Operating lease commitments

At 31 August 2021 the total of the charitable company's future minimum lease payments under non-cancellable operating leases was:

	2021 £	2020 £
Equipment		
Amounts payable:		
within 1 year	2,916	2,964
within 2-5 years	851	3,705

12. Related party transactions

During the year following amounts were paid to Leigh Academies Trust, the ultimate parent undertaking:

- ♦ Rent: £20,000 (2020: £20,000)
- ♦ Reimbursed purchases: £27,200 (2020: £10,371)

At 31 August 2021, £56,433 (2020: £32,709) was owed to Leigh Academies Trust.

13. Ultimate parent undertaking

The parent undertaking is Leigh Academies Trust by virtue of assuming legal ownership of the Nursery from 1 January 2019 following a merger with the Nursery's previous parent company. Leigh Academies Trust, is incorporated in England and Wales as a company limited by guarantee (Company Registration Number 02336587), its registered office is Carnation Road, Strood, Rochester, Kent ME2 2SX.

