

Gosforth Nursery Ltd
(A company limited by guarantee)

Trustees' report and financial statements
for the year ended 31 August 2022

Charity number: 1133546

Company number: 06952333

robinson+co (Gosforth) Limited

Chartered Accountants

GOSFORTH

Gosforth Nursery Ltd
(A company limited by guarantee)

Contents

	Page
Legal and administrative information	1
Trustees' report	2 - 4
Independent examiners' report	5
Statement of financial activities	6
Balance sheet	7 - 8
Cash flow statement	9
Notes to the financial statements	10 - 20

Gosforth Nursery Ltd
(A company limited by guarantee)

Legal and administrative information

Charity number 1133546

Company registration number 06952333

Business address Gosforth Nursery Ltd
Gosforth C of E School
Wasdale Road
GOSFORTH
CA20 1AZ

Registered office The Old Forge
Beck Place
GOSFORTH
CA20 1AT

Trustees D N Brooks
T A Morris
L J Risager Wilson Ponting
C K Pyke
P M I Ellis

Appointed 28 February 2022

Accountants robinson+co (Gosforth) Limited
The Old Forge
Beck Place
GOSFORTH
CA20 1AT

Bankers HSBC Bank plc
3 Pow Street
WORKINGTON
CA14 3AT

Gosforth Nursery Ltd
(A company limited by guarantee)

Report of the trustees (incorporating the directors' report)
for the year ended 31 August 2022

The trustees present their report and the financial statements for the year ended 31 August 2022. The trustees, who are also directors of Gosforth Nursery Ltd for the purposes of company law and who served during the year and up to the date of this report are set out on page 1.

Structure, governance and management

Governing document

Gosforth Nursery Limited is constituted as a company limited by guarantee and is a registered charity. The charitable company is governed by its Memorandum and Articles of Association dated 3 July 2009.

Day to day management

The Nursery is managed by Mrs Gillian Jackson.

Trustees

The aim is to maintain a trustee board with a range of skills which will be useful to the organisation. New trustees are taken through an induction procedure.

Key management personnel remuneration

The Trustees consider the Board of Trustees and the Nursery Manager as comprising the key management personnel of the charity in charge of directing and controlling the charity and running and operating the charity on a day to day basis. All Trustees give of their time freely and no trustee remuneration was paid in the year. The pay of the charity's senior staff is reviewed annually and assessed to ensure that the remuneration set is fair and not out of line with that generally paid for similar roles.

Objectives and activities

The Charitable Objects are:

To enhance the development and education of children primarily under statutory school age by encouraging parents to understand and provide for the needs of their children through communitiy groups and by:-

1. Offering appropriate play, education and care facilities and training courses, together with the right of parents to take responsibility and to become involved in the activities of such groups, ensuring that such groups offer opportunities for all children whatever their race, culture, religion, means or ability;
2. Encouraging the study of the needs of such children and their families and promoting public interest in and recognition of such needs;
3. Instigating and adhering to and furthering the aims and objects of the Pre-School Learning Alliance.

We aim to:-

1. Provide high quality care and education for children primarily below statutory school age;
2. Work in partnership with parents to help children learn and develop;
3. Add to the life and well being of our local community; and
4. Offer children and their parents a service which promotes equality and values diversity.

Public Benefit

The trustees have referred to the guidance contained in the Charity Commission's general guidance on public benefit when reviewing the charity's aims and objectives and in planning future activities. In particular, the trustees consider how planned activities will contribute to the aims and objectives they have set.

Achievements and performance

We were able to welcome back all families and children following the easement of all Covid-19 restrictions which allowed parents to return to their more 'normal' working practices and brought back a more regular income.

Gosforth Nursery Ltd
(A company limited by guarantee)

Report of the trustees (incorporating the directors' report)
for the year ended 31 August 2022

Achievements and performance (continued)

New international issues, including the war in Ukraine, impacted the cost of operation, most particularly with the increase in energy costs. In addition, the rate of inflation had started to rise outside of normal and reasonable expectation towards the end of the financial year.

Despite external factors driving up the cost of utilities and consumables the nursery remains financially stable. While the end of year figures appears to be poor, this correlates directly to the timing of in and outgoing funds, in particular for monies spent before grants were received.

Whilst there were some staffing difficulties, the nursery was able to secure a replacement for the cook who retired and employ a young apprentice who proved to be an asset to the nursery. The deputy manager stepped down from her role and a senior member of staff was appointed into this position.

Staff were given a pay rise in June to help with their increasing costs of living.

As a charity we were able to access funding through Copeland GDF Partnership, bringing £49114 for an additional outdoor classroom and new play equipment for the outdoor spaces, including resources for a small unused piece of land that we secured from Gosforth School.

Additional funding came from a grant from Drigg Charity to provide 1:1 support for a child with additional needs, and a successful fundraising event was held to celebrate the Queen's diamond jubilee.

Financial review

At the balance sheet date the charity held £143,582 (2021: £160,708) on unrestricted funds and £217,974 (2021: £231,598) on restricted funds, a satisfactory position.

Reserves

Gosforth Nursery Management Committee seeks to hold 3 months operating costs in reserves as part of their contingency planning process. At the date of this report this reserve fund was complete and stood at £50,000.

Risk management

The trustees have assessed the major strategic, business and operational risks to which the organisation is exposed. They are satisfied that systems are in place to mitigate the exposure to these risks.

Plans for future periods

The year ahead is likely to be challenging. As a charity we must attempt to fulfil our role in the community by minimising the impact on the parents who rely on us. Whilst a non-profit making organisation, we will not be able to curb the impact of external factors throughout 2022/23. In particular, the directors/trustees will need to review charge rates to parents and staff salaries. They are committed to giving staff a salary that recognises their hard work and loyalty to the nursery but need to ensure the successful management of the rising costs of operation.

A further member will be required to join the management committee when the secretary ends her term of office in the coming year.

A full review of attendance patterns will be required as the numbers of children fluctuate in the next academic periods.

The directors/trustees need to give consideration to future staffing as the manager makes plans for retirement in the summer of 2025. There is unlikely to be a successor within the current staff team.

Gosforth Nursery Ltd
(A company limited by guarantee)

Report of the trustees (incorporating the directors' report)
for the year ended 31 August 2022

Statement of trustees' responsibilities

The trustees (who are also directors of Gosforth Nursery Ltd for the purpose of company law) are responsible for preparing the Trustees' Annual Report and the financial statements in accordance with applicable law and 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 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 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; and
- 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 proper accounting records which disclose with reasonable accuracy at any time the financial position of the charitable company and which 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.

Small company provisions

This report has been prepared in accordance with the special provisions for small companies under Part 15 of the Companies Act 2006.

On behalf of the board

D N Brooks
Director

Gosforth Nursery Ltd
(A company limited by guarantee)

Independent examiner's report to the trustees on the unaudited financial statements of Gosforth Nursery Ltd.

I report on the accounts of Gosforth Nursery Ltd for the year ended 31 August 2022 set out on pages 6 to 20.

Respective responsibilities of trustees and independent examiner

The charity's trustees (who are also the directors of the company for purposes of company law) are responsible for the preparation of the accounts. The trustees consider that an audit is not required for this year under section 144 of the Charities Act 2011 (the Charities Act), and that an independent examination is needed. It is my responsibility to examine the accounts under section 145 of the Charities Act, to follow the procedures laid down in the General Directions given by the Charity Commission under section 145(5)(b) of the Act, and to state whether particular matters have come to my attention.

Basis of independent examiner's statement

My examination was carried out in accordance with the General Directions given by the Charity Commission. An examination includes a review of the accounting records kept by the charity and a comparison of the accounts presented with those records. It also includes consideration of any unusual items or disclosures in the accounts, and seeking explanations from you as trustees concerning any such matters. The procedures undertaken do not provide all the evidence that would be required in an audit and consequently no opinion is given as to whether the accounts present a 'true and fair view' and the report is limited to those matters set out in the statement below.

Independent examiner's statement

In connection with my examination, no matter has come to my attention:

- (i) which gives me reasonable cause to believe that in any material respect the requirements:
 - to keep proper accounting records in accordance with section 386 of the Companies Act 2006; and
 - to prepare accounts which accord with the accounting records, comply with the accounting requirements of section 396 of the Companies Act 2006 and with the methods and principles of the Statement of Recommended Practice: Accounting and Reporting by Charitieshave not been met; or
- (ii) to which, in my opinion, attention should be drawn in order to enable a proper understanding of the accounts to be reached.

.....
Mr J Spires FCA DChA

Independent examiner

robinson+co (Gosforth) Limited
The Old Forge
Beck Place
Gosforth, Seascale
CA20 1AT

Gosforth Nursery Ltd
(A company limited by guarantee)

Statement of financial activities (incorporating the income and expenditure account)

For the year ended 31 August 2022

	Notes	Unrestricted funds £	Restricted funds £	2022 Total £	2021 Total £
Income					
Income from charitable activities	2	194,551	72,666	267,217	182,395
Income from other trading activities:					
Activities for generating funds	3	6,057	-	6,057	7,448
Investment income	4	20	-	20	7
Total income		<u>200,628</u>	<u>72,666</u>	<u>273,294</u>	<u>189,850</u>
Expenditure					
Charitable activities	5	<u>217,754</u>	<u>86,290</u>	<u>304,044</u>	<u>239,435</u>
Total expenditure		<u>217,754</u>	<u>86,290</u>	<u>304,044</u>	<u>239,435</u>
Net income/(expenditure) for the year		(17,126)	(13,624)	(30,750)	(49,585)
Total funds brought forward		<u>160,708</u>	<u>231,598</u>	<u>392,306</u>	<u>441,891</u>
Total funds carried forward		<u>143,582</u>	<u>217,974</u>	<u>361,556</u>	<u>392,306</u>

The statement of financial activities includes all gains and losses in the year and therefore a separate statement of total recognised gains and losses has not been prepared.

All of the above amounts relate to continuing activities.

The notes on pages 10 to 20 form an integral part of these financial statements.

Gosforth Nursery Ltd
(A company limited by guarantee)

Balance sheet
as at 31 August 2022

	Notes	2022	2021
		£	£
Fixed assets			
Tangible assets	12	324,257	309,068
Current assets			
Cash at bank and in hand		41,986	90,729
		41,986	90,729
Creditors: amounts falling due within one year	13	(4,687)	(7,491)
Net current assets		37,299	83,238
Net assets		361,556	392,306
Funds	15		
Restricted income funds		217,974	231,598
Unrestricted income funds		143,582	160,708
Total funds		361,556	392,306

The Balance Sheet continues on the following page.

The notes on pages 10 to 20 form an integral part of these financial statements.

Gosforth Nursery Ltd
(A company limited by guarantee)

Balance sheet (continued)

Trustees statements required by the Companies Act 2006
for the year ended 31 August 2022

In approving these financial statements as trustees of the company we hereby confirm:

(a) that for the year stated above the company was entitled to the exemption conferred by section 477 of the Companies Act 2006 ;

(b) that no notice has been deposited at the registered office of the company pursuant to section 476 of the Companies Act 2006 requesting that an audit be conducted for the year ended 31 August 2022.

(c) that we acknowledge our responsibilities for:

(1) ensuring that the company keeps proper accounting records which comply with section 386 of the Companies Act 2006, and

(2) preparing financial statements which give a true and fair view of the state of affairs of the company as at the end of the financial year and of its profit or loss for the year then ended in accordance with the requirements of sections 394 and 395, and which otherwise comply with the provisions of the Companies Act relating to financial statements, so far as applicable to the company.

These financial statements are prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small companies .

The financial statements were approved by the board on

and signed on its behalf by

D N Brooks
Director

The notes on pages 10 to 20 form an integral part of these financial statements.

Gosforth Nursery Ltd
(A company limited by guarantee)

Cash flow statement

for the year ended 31 August 2022

	Notes	2022 £	2021 £
Net cash used by operating activities	19	(12,527)	(22,764)
Cash flows from investing activities			
Interest and dividends		20	7
Purchase of tangible fixed assets		(36,236)	3,669
Net cash provided by investing activities		(36,216)	(3,662)
Change in cash and cash equivalents in the year		(48,743)	(26,426)
Cash and cash equivalents brought forward		90,729	117,155
Cash and cash equivalents carried forward		41,986	90,729

The notes on pages 10 to 20 form an integral part of these financial statements.

Gosforth Nursery Ltd
(A company limited by guarantee)

Notes to financial statements
for the year ended 31 August 2022

1. Accounting policies

The principal accounting policies adopted, judgements and key sources of estimation uncertainty in the preparation of the financial statements are summarised below.

1.1. Basis of accounting

The financial statements are prepared under the historical cost convention with items recognised at cost or transaction value unless otherwise stated in the relevant note(s) to these accounts. The financial statements have been prepared in accordance with the Statement of Recommended Practice: 'Accounting and Reporting by 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 and the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

The company constitutes a public benefit entity as defined by FRS 102.

The trustees consider that there are no material uncertainties about the charity's ability to continue as a going concern.

The presentational currency is UK Sterling pounds (£).

1.2. Income

All income is included in the statement of financial activities once the charity has entitlement to the income, it is probable that the income will be received and the amount of income receivable can be measured reliably. The following specific policies are applied to particular categories of income:

Grants, including grants for the purchase of fixed assets, are recognised in full in the statement of financial activities in the year in which they are receivable.

Income from investments is included in the year in which it is receivable.

1.3. Expenditure

Expenditure is recognised on an accrual basis as a liability is incurred. Expenditure includes any VAT which cannot be fully recovered, and is reported as part of the expenditure to which it relates.

Costs of raising funds comprise the costs associated with attracting voluntary income and the costs of trading for fundraising purposes.

Charitable expenditure comprises those costs incurred by the charity in the delivery of its activities and services for its beneficiaries. It includes both costs that can be allocated directly to such activities and those costs of an indirect nature necessary to support them.

Support costs are those costs incurred directly in support of expenditure on the objects of the charity and include project management and governance costs.

Gosforth Nursery Ltd
(A company limited by guarantee)

Notes to financial statements
for the year ended 31 August 2022

1.4. Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost less accumulated depreciation. Depreciation is provided at rates calculated to write off the cost less residual value of each asset over its expected useful life, as follows:

Leasehold properties	-	Straight line over the life of the lease
Fixtures, fittings and equipment	-	25% straight line

1.5. Financial instruments

A financial asset or a financial liability is recognised only when the entity becomes a party to the contractual provisions of the instrument.

Basic financial instruments are initially recognised at the amount receivable or payable including any related transaction costs, unless the arrangement constitutes a financing transaction, where it is recognised at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

Current assets and current liabilities are subsequently measured at the cash or other consideration expected to be paid or received and not discounted.

Debt instruments are subsequently measured at amortised cost.

Financial assets that are measured at cost or amortised cost are reviewed for objective evidence of impairment at the end of each reporting date. If there is objective evidence of impairment, an impairment loss is recognised under the appropriate heading in the statement of financial activities in which the initial gain was recognised.

Any reversals of impairment are recognised immediately, to the extent that the reversal does not result in a carrying amount of the financial asset that exceeds what the carrying amount would have been had the impairment not previously been recognised.

1.6. Defined contribution pension schemes

The pension costs charged in the financial statements represent the contributions payable by the charity during the year.

Gosforth Nursery Ltd
(A company limited by guarantee)

Notes to financial statements
for the year ended 31 August 2022

1.7. Government grants

Government grants are recognised at the fair value of the asset received or receivable. Grants are not recognised until there is reasonable assurance that the company will comply with the conditions attaching to them and the grants will be received.

Government grants are recognised using the accrual model and the performance model.

Under the accrual model, government grants relating to revenue are recognised on a systematic basis over the periods in which the company recognises the related costs for which the grant is intended to compensate. Grants that are receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the entity with no future related costs are recognised in income in the period in which it becomes receivable.

Grants relating to assets are recognised in income on a systematic basis over the expected useful life of the asset. Where part of a grant relating to an asset is deferred, it is recognised as deferred income and not deducted from the carrying amount of the asset.

Under the performance model, where the grant does not impose specified future performance-related conditions on the recipient, it is recognised in income when the grant proceeds are received or receivable. Where the grant does impose specified future performance-related conditions on the recipient, it is recognised in income only when the performance-related conditions have been met. Where grants received are prior to satisfying the revenue recognition criteria, they are recognised as a liability.

2. Income from charitable activities

	Unrestricted funds £	Restricted funds £	2022 Total £	2021 Total £
Government grants	4,285	-	4,285	28,810
Fees from parents	190,266	-	190,266	75,516
Early years entitlements	-	72,666	72,666	78,069
	<u>194,551</u>	<u>72,666</u>	<u>267,217</u>	<u>182,395</u>

In 2021 of the income from charitable activities, £78,069 was attributable to restricted income funds, with the balance of £104,326 being unrestricted.

3. Activities for generating funds

	Unrestricted funds £	2022 Total £	2021 Total £
Fundraising events	3,572	3,572	945
Income from solar panels	2,485	2,485	6,503
	<u>6,057</u>	<u>6,057</u>	<u>7,448</u>

In 2021 all of the income from activities for generating funds was attributable to unrestricted income funds.

Gosforth Nursery Ltd
(A company limited by guarantee)

Notes to financial statements
for the year ended 31 August 2022

4. Investment income

	Unrestricted funds £	2022 Total £	2021 Total £
Bank interest receivable	20	20	7
	<u>20</u>	<u>20</u>	<u>7</u>

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

5. Costs of charitable activities - by fund type

	Unrestricted funds £	Restricted funds £	2022 Total £	2021 Total £
Operation of nursery	217,754	86,290	304,044	239,435
	<u>217,754</u>	<u>86,290</u>	<u>304,044</u>	<u>239,435</u>

In 2021 of the costs of charitable activities, £91,693 was attributable to restricted funds, with the balance of £147,742 being unrestricted.

6. Costs of charitable activities - by activity

	Activities undertaken directly £	Support costs £	2022 Total £	2021 Total £
Operation of nursery	301,265	2,779	304,044	239,435
	<u>301,265</u>	<u>2,779</u>	<u>304,044</u>	<u>239,435</u>

Gosforth Nursery Ltd
(A company limited by guarantee)

Notes to financial statements
for the year ended 31 August 2022

7. Analysis of support costs

	Operation of nursery £	2022 Total £	2021 Total £
Accountancy charges	996	996	972
Legal and professional fees	870	870	1,392
Bank charges	103	103	108
Sundry expenses	810	810	665
	<u>2,779</u>	<u>2,779</u>	<u>3,137</u>

8. Net outgoing resources for the year

	2022 £	2021 £
Net outgoing resources is stated after charging:		
Depreciation and other amounts written off tangible fixed assets	<u>21,047</u>	<u>18,628</u>

Gosforth Nursery Ltd
(A company limited by guarantee)

Notes to financial statements
for the year ended 31 August 2022

9. Employees

Employment costs	2022	2021
	£	£
Wages and salaries	229,806	184,632
Social security costs	8,400	6,626
Pension costs	3,386	2,705
	<u>241,592</u>	<u>193,963</u>

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

Number of employees

The average monthly numbers of employees (including the trustees) during the year was as follows:

	2022	2021
	Number	Number
Staff	<u>19</u>	<u>18</u>

During the year no expenses were paid to trustees (2021 - £nil).

The key management personnel of the charity is comprised of the Board of Trustees and Nursery Manager. The total employment benefits of the key management personnel were £42,884 (2021: £38,063).

10. Pension costs

The company operates a defined contribution pension scheme in respect of the NEST pension scheme. The scheme and its assets are held by independent managers. The pension charge represents contributions due from the company and was as follows:

	2022	2021
	£	£
Pension charge	<u>3,386</u>	<u>2,705</u>

Contributions amounting to £1,465 (2021: £1,176) were outstanding at the year end and are included within other creditors.

11. Taxation

The charity's activities fall within the exemptions afforded by the provisions of the Income and Corporation Taxes Act 1988. Accordingly, there is no taxation charge in these accounts.

Gosforth Nursery Ltd
(A company limited by guarantee)

Notes to financial statements
for the year ended 31 August 2022

12. Tangible fixed assets	Short leasehold property	Fixtures, fittings and equipment	Total
	£	£	£
Cost			
At 1 September 2021	450,087	6,897	456,984
Additions	34,732	1,504	36,236
At 31 August 2022	<u>484,819</u>	<u>8,401</u>	<u>493,220</u>
Depreciation			
At 1 September 2021	142,833	5,083	147,916
Charge for the year	20,066	981	21,047
At 31 August 2022	<u>162,899</u>	<u>6,064</u>	<u>168,963</u>
Net book values			
At 31 August 2022	<u>321,920</u>	<u>2,337</u>	<u>324,257</u>
At 31 August 2021	<u>307,254</u>	<u>1,814</u>	<u>309,068</u>

Cost of short leasehold property consists of expenditure incurred constructing the purpose-built nursery (£434,647), the Pine Lodge (£6,690), a shed (£7,500), and property improvements (£1,250), together with the construction of an outdoor area in the year of £34,732. The nursery is leased from Cumbria County Council.

13. Creditors: amounts falling due within one year	2022	2021
	£	£
Other taxes and social security	1,374	2,786
Other creditors	1,465	1,176
Accruals and deferred income	1,848	3,529
	<u>4,687</u>	<u>7,491</u>

Gosforth Nursery Ltd
(A company limited by guarantee)

Notes to financial statements
for the year ended 31 August 2022

14. Financial instruments

The carrying amount for each category of financial instrument is as follows:

	2022	2021
	£	£
Financial liabilities measured at amortised cost		
Other creditors	1,465	1,176
Accruals	1,848	3,529
	<u>3,313</u>	<u>4,705</u>

15. Analysis of net assets between funds

	Unrestricted funds	Restricted funds	Total funds
	£	£	£
Fund balances at 31 August 2022 as represented by:			
Tangible fixed assets	106,283	217,974	324,257
Current assets	41,986	-	41,986
Current liabilities	(4,687)	-	(4,687)
	<u>143,582</u>	<u>217,974</u>	<u>361,556</u>
	Unrestricted funds	Restricted funds	Total funds
	£	£	£
Fund balances at 31 August 2021 as represented by:			
Tangible fixed assets	77,470	231,598	309,068
Current assets	90,729	-	90,729
Current liabilities	(7,491)	-	(7,491)
	<u>160,708</u>	<u>231,598</u>	<u>392,306</u>

Gosforth Nursery Ltd
(A company limited by guarantee)

Notes to financial statements
for the year ended 31 August 2022

16. Analysis of movements in unrestricted funds - current year

	At 1 September 2021 £	Incoming resources £	Outgoing resources £	At 31 August 2022 £
General funds	<u>160,708</u>	<u>200,628</u>	<u>(217,754)</u>	<u>143,582</u>

Analysis of movements in unrestricted funds - previous year

	At 1 September 2020 £	Incoming resources £	Outgoing resources £	At 31 August 2021 £
General funds	<u>196,669</u>	<u>111,781</u>	<u>(147,742)</u>	<u>160,708</u>

Purposes of unrestricted funds

The charity's unrestricted funds can be used with the approval of the board of trustees to fund any expenditure which falls within the charity's general aims and objectives.

Gosforth Nursery Ltd
(A company limited by guarantee)

Notes to financial statements
for the year ended 31 August 2022

17. Analysis of movements in restricted funds - current year

	At 1 September 2021 £	Incoming resources £	Outgoing resources £	At 31 August 2022 £
Building grants and donations	231,598	-	(13,624)	217,974
Other restricted funds	-	72,666	(72,666)	-
	<u>231,598</u>	<u>72,666</u>	<u>(86,290)</u>	<u>217,974</u>

Analysis of movements in restricted funds - previous year

	At 1 September 2020 £	Incoming resources £	Outgoing resources £	At 31 August 2,021 £
Building grants and donations	245,222	-	(13,624)	231,598
Other restricted funds	-	78,069	(78,069)	-
	<u>245,222</u>	<u>78,069</u>	<u>(91,693)</u>	<u>231,598</u>

Purposes of restricted funds

Building grants and donations - these funds arise from grants and donations given for the building of a purpose-built nursery. The balance at the year end is represented entirely by building improvements made from the restricted fund, less accumulated depreciation thereon, with a net book value of £217,974.

Other restricted funds include grants and donations where the funder or donor has specified the purpose for which the funds must be used. All such funding was fully spent at the balance sheet date.

18. Financial commitments

At 31 August 2022 the company had annual commitments under non-cancellable operating leases as follows:

	Land and buildings 2022 £	2021 £
Expiry date:		
In over five years	<u>344</u>	<u>737</u>

Gosforth Nursery Ltd
(A company limited by guarantee)

Notes to financial statements
for the year ended 31 August 2022

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

	2022	2021
	£	£
Net movement in funds	(30,750)	(49,585)
Add back depreciation charge	21,047	18,628
Deduct interest income shown in investing activities	(20)	(7)
(Increase)/decrease in debtors	-	7,310
(Decrease)/increase in creditors	(2,804)	890
Net cash used by operating activities	<u>(12,527)</u>	<u>(22,764)</u>

20. Analysis of changes in net funds

	Opening balance	Cash flows	Closing balance
	£	£	£
Cash at bank and in hand	90,729	(48,743)	41,986
Net funds	<u>90,729</u>	<u>(48,743)</u>	<u>41,986</u>

21. Company limited by guarantee

Gosforth Nursery Ltd is a company limited by guarantee and accordingly does not have a share capital.

Every member of the company undertakes to contribute such amount as may be required not exceeding £1 to the assets of the charitable company in the event of its being wound up while he or she is a member, or within one year after he or she ceases to be a member.