

**ACORN EARLY YEARS FOUNDATION**

(A Charitable Company Limited by Guarantee)

FINANCIAL STATEMENTS

YEAR ENDING 31 DECEMBER 2023

Charity number: 1145108

Company number: 07703801

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## TRUSTEES' REPORT

The trustees, who are also the directors of the Charity for the purposes of the Companies Act, submit their Annual Report together with the audited financial statements for the year ended 31 December 2023.

The financial statements comply with the Charities Act 2011, the Companies Act 2006, the Memorandum and Articles of Association, and Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019).

### Reference and Administrative Details of the Charity, its trustees and advisors

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Charity registered number:	1145108
Company registered number:	07703801

The registered address for the Charity also houses the central support team:

Unit 47, Waterside Barns  
Lodge Farm Business Centre  
Castlethorpe  
Milton Keynes  
MK19 7ES

The following trustees served during the period, or were in office at the time these accounts were approved:

Eva Lloyd	Chair of trustees
Carolyn Norfolk	
Giles Chilton	
Narendra Laljani	
Vanessa Gwynn	
Damien Beedham	
Allawee Albaghdadi	
Robert Prosser-Dryer	
Tracey Coley	Resigned 25 April 2023
Laura Faulkner	
Hema Kotecha-Clarke	Appointed 13 January 2023
Katherine Pillai	Appointed 13 January 2023
Suzanne Dawes	Appointed 7 February 2024

## **TRUSTEES' REPORT**

### **Reference and Administrative Details of the Charity, its trustees and advisors (continued)**

The trustees delegate the day-to-day management of the charity to the Chief Executive Officer (CEO) and the Senior Leadership Team (SLT):

Zoe Raven	CEO	
Emily Hepden	Head of Finance	Appointed 6 March 2023
Sue Fenton	HR Manager	
Laura Andrews	Head of Early Years & Compliance	
Gabrielle Brandon	Marketing Manager	
Steve Petty	Facilities and Health & Safety Manager	
Santa Sviak	Sustainability Lead, Governance Lead & Content Co-ordinator	

Bankers: Handelsbanken  
Moorgate House  
201 Silbury Boulevard  
Milton Keynes  
MK9 1LZ

Solicitors: Geoffrey Leaver  
251 Upper Third Street  
Central Milton Keynes  
MK9 1DR

Auditors: MHA Chartered Accountants and Statutory Auditors  
Moorgate House  
201 Silbury Boulevard  
Milton Keynes  
MK9 1LZ



## **TRUSTEES' REPORT**

### **About Acorn Early Years Foundation**

#### **History**

Acorn Early Years Foundation (Acorn) began in 1989 with a single nursery in the village of Castlethorpe in Milton Keynes. The founder, Zoe Raven, still leads the organisation as Chief Executive Officer, but now works with a central support team to support 16 nurseries across four counties, as well as out-of-school clubs, holiday playschemes, nature kindergartens, forest schools, catering, training and consultancy. For the first 12 years, Acorn was a private company which used business angel investment to expand and open the next two nurseries. It then grew organically for several years, diversifying into school-age childcare provision, forest schools and training, as well as developing a catering hub to serve nurseries that do not have full catering facilities.

By 2011 the organisation had developed a cross-subsidy model to sustain nurseries in areas of economic deprivation, and Zoe realised that being a private company was inhibiting the social impact which had become a core objective. A separate not-for-profit social enterprise had already been created for the forest schools and training provision, and this then became a charitable organisation, into which the nurseries were transferred from the original company in stages. On completion of the transfers in 2016, the organisation changed its name from Acorn Childcare to Acorn Early Years Foundation. The board of trustees has since then developed and strengthened, and Acorn has adopted a social impact model to capture the implementation of its ethos and values.

#### **Mission and Objectives**

Acorn's mission statement is *'to be an inspirational learning organisation which operates a model of excellence for early years care and education which is accessible to all'*.

The charity's objectives are to enhance the development and education of children primarily under the age of eleven by:

1. The provision of high quality childcare in nurseries, out-of-school clubs and forest schools;
2. Working to ensure that high quality childcare is available to children and families regardless of means, race, disability, gender, religion, belief or any other factor;
3. Identifying other social and developmental support needs of children and families and seeking to ensure these are met;
4. Encouraging, enabling and supporting the involvement of parents and carers in their children's learning and development; and
5. Contributing to the professional development of those working in childcare.

## TRUSTEES' REPORT

### Ethos and Pedagogy

Acorn has embraced an ethic of care as a basis for its core values and a relational pedagogy. The ethic of care prioritises caring relationships and a responsive approach. It views care as a value, not just a practice, and this is applied to Acorn's dealings with everyone, including children, family members, staff members and the local community. Children need to experience and witness genuinely caring practices if they are to learn how to develop caring relations and a caring attitude themselves.

Acorn's relational pedagogy also recognises the importance of personal relationships, between children, parents/carers and staff. This also includes children's relationships with people in local communities, including the elderly, and with the natural world. Home visits are a key aspect of the settling-in process for children, laying the foundations of a partnership with parents/carers, and intergenerational visits to care homes and retirement accommodation are arranged to take place regularly where there are local opportunities. Acorn's relational pedagogy and ethic of care extends to encouraging care and respect for the natural environment, and to an environmentally sustainable approach to all areas of the organisation's work.

The five values that arise from this ethos are:

**Personal** – Personalising care and education, treating children, parents/carers and staff as individuals, within supportive, respectful relationships.

**Professional** – Striving to be a learning organisation, continually reflecting and developing the knowledge, skills and qualifications of their childcare workforce.

**Nurturing** – Putting children's needs first through a holistic approach that encompasses nutrition and encouragement of healthy lifestyles.

**Outdoor** – Encouraging play and learning in natural environments, through an extensive forest school provision, and every child spending time outdoors every day.

**Ethical** – Putting children before profit, and being inclusive and sustainable, both environmentally and financially. Seeking excellence, honesty and integrity in all aspects of Acorn's work.

## **TRUSTEES' REPORT**

### **Structure, Governance and Management**

Acorn Early Years Foundation is incorporated as a charitable company limited by guarantee.

The board of trustees delegates the administration, including financial management, to the CEO, who works with a Senior Leadership Team (SLT) to co-ordinate support for the nurseries, out-of-school clubs, forest schools, catering department and training centre. The trustees have approved a financial delegated authority framework, and a risk management framework and register. Role descriptions for the CEO, chair and trustees set out the scope of delegation, and trustees have adopted a code of conduct.

Annual skills audits are completed and used in the recruitment of new trustees. Policy reviews are presented to the trustees, and some trustees take a particular interest in different aspects of the organisation. Two trustees, Laura Faulkner and Hema Kotecha-Clarke, currently share the role of safeguarding trustee, working with Laura Tingey, the organisation's lead safeguarding officer, who is also the head of compliance, to ensure that correct procedures and practices are followed at all times. They scrutinise safeguarding policies, procedures, and practice to ensure that Acorn remains compliant and effective at safeguarding children.

Trustees discuss and approve the pay and remuneration of the CEO each year, and maintain an overview of Senior Leadership Team salaries and the overall pay scale and fair pay policy. There are four committees; Finance, Audit and Risk, chaired by Robert Prosser-Dryer; Governance and HR, chaired by Vanessa Gwynn; Childcare, Learning and Development, chaired by Laura Faulkner, and Remuneration, chaired by Eva Lloyd, as well as a Strategy and Impact working group, chaired by Narendra Laljani.

#### **The board of trustees**

Two new appointments to the board were made at the beginning of 2023. One trustee resigned during the year and a new trustee was appointed early in 2024. There were four full board meetings that were held in person, plus an exceptional meeting held online. A strategy day was also held in person, and each committee met several times, usually online.

#### **How Acorn's activities deliver public benefit**

Acorn provides accessible, high quality childcare and early education in its nurseries, out-of-school clubs, and forest schools for children from 4 months to 11 years. In safe and supportive learning environments, highly qualified and professional practitioners nurture each child's social, emotional, and physical development, building their self-confidence and love of learning, and thereby preparing them to take advantage of opportunities, responsibilities, and experiences in later life.



## TRUSTEES' REPORT

### Structure, Governance and Management (continued)

#### How Acorn's activities deliver public benefit (continued)

Acorn aims to be socially inclusive and seeks to give all children high quality childcare regardless of background. Acorn is committed to providing the government-funded entitlement to childcare and aims to ensure that children attending only the funded hours benefit from the full extent of the activities and resources provided within those sessions. Acorn's fees are set at rates which are as affordable as possible, without jeopardising quality. Acorn introduced a voluntary contribution in February 2023 towards the cost of food and activities for fully funded places only, to help bridge the gap between Acorn's costs and the funding rates. Since its introduction a number of these fully funded families have been happy to contribute. Places are also made available for the local authority and for children with additional needs. Acorn operates a cross-subsidy model which monitors and evaluates the financial viability and the social impact of each nursery to ensure a balance across the group.

We are in partnership with children's centres, local authorities, schools, and external agencies and this is a key feature of Acorn's success in supporting parents and carers, and in promoting the early years sector as a career pathway for both young people and adults seeking a change of career. Regular visits to care homes and retirement accommodations also enrich the lives of elderly residents in local communities.

The professional development of Acorn's childcare workforce is a key part of the strategy for maintaining high quality provision within the settings. Training and support is provided for all staff, from apprentices up to those working towards higher level qualifications. The support for the professional development of early years practitioners extends beyond the Acorn workforce through the training centre. Courses covering core subjects, such as safeguarding, inclusion and first aid, are run alongside a range of wider subjects, from forest school leader training to experiential play. Pay scales are improved annually, and Acorn's action research group is developing ways to support parents/carers, measure social impact and continually improve childcare practice.

Forest schools and outdoor play and learning are of particular importance in delivering public benefit to children who would otherwise miss out on the opportunity to engage with the natural world and benefit from the freedom, autonomy, and sensory experiences of the outdoor environment. Sessions are delivered to children attending Acorn nurseries during funded hours at no additional charge. During school holidays, forest school sessions are offered to school age children, accessed by a high number of children with additional needs.

The trustees have had regard to the Charity Commission's guidance on public benefit.

## **TRUSTEES' REPORT**

### **Achievements and Performance in 2023**

#### **Early Years**

The primary focus of the Early Years team in 2023 was to continue supporting the integration of the four new nurseries taken on in the previous year. Taking on another full time Early Years Manager provided the additional resource needed to do this effectively.

There were two Ofsted inspections in the year, at Jubilee Wood and Rowans, and both achieved a 'Good' judgement. All nurseries within Acorn's portfolio have either a 'Good' or 'Outstanding' Ofsted judgement.

At the end of the calendar year, the difficult decision was made to close the nursery at the YMCA in Milton Keynes due to ongoing difficulties in the immediate external environment of the nursery, which prompted concern about potential risks to the children's health and wellbeing, and about whether the nursery would remain able to meet health and safety requirements under the Early Years Foundation Stage. This was handled very carefully, ensuring that every family was offered a place for their child at one of Acorn's other nurseries, with the majority of children and staff transferring to Jubilee Wood, which is only just over a mile away. The transition for both children and staff was tailored to the needs of individuals, and settling in visits were arranged prior to the nursery closure. The after-school club at Castlethorpe, which was linked to the nursery, was transferred to the school at the end of the academic year.

#### **Forest Schools**

The forest school provision continued to go from strength to strength, with the forest school holiday clubs maintaining their immense popularity. Further forest school training courses resulted in 17 more forest school leaders becoming qualified to level 3, three of whom were Acorn employees. The forest school team also supported the outdoor provision at both Emberton and Cold Harbour, and outdoor holiday clubs were successfully launched at both nurseries, running on similar lines to the forest school holiday club at Salcey Forest.

External sessions also continued, with 19 schools and pre-schools having a total of 70 sessions. Two scout groups had two sessions each, and two schools received training sessions. There were 58 sessions for home educated children and 24 tots stay and play sessions.

Acorn's associate trainer, Great and Small, also achieved ten qualified level 3 Forest School leaders.

#### **The Acorn Training Centre**

Safeguarding training in partnership with Tammie Redman continued to be a core offering of the training centre, alongside a range of other courses. 48 courses were offered to external delegates, and 23 internally (in addition to the four training days). Of these courses 46 were held in person, and 25 online. A total of 503 external delegates and 278 internal delegates received Acorn training.

## **TRUSTEES' REPORT**

### **Achievements and Performance in 2023 (continued)**

#### **Catering**

The Acorn catering hub continued to supply freshly prepared meals to seven internal nurseries which do not have their own full catering facilities and four external nurseries in similar situations. In total, just under 75,000 lunches were provided (60,214 internally, and 14,735 externally) and just under 38,000 teas (37,089 internally, and 815 externally). 40 lunches were also provided externally as part of the Milton Keynes City Council holiday meal provision.

The catering provision at Acorn was also a finalist in the Nursery Food category of the 2023 Nursery World awards, and a book of favourite nursery recipes was printed at the end of the year, and offered for sale to nursery families, with some copies also given away.

#### **Acorn's People**

Acorn had a workforce of 464 employees by the end of 2023, which is an increase of 6% from the prior year. This reflects the gradually increasing occupancy of the four nurseries acquired in 2022 and an increase in the number of apprenticeships offered in the year. Turnover remained relatively high, although slightly reduced from 2022, and recruitment remained challenging throughout the year in line with the sector. Salary increases were implemented in April, with some additional interim increases implemented during the year, to ensure parity and recognition for qualifications.

37 awards for long service were made during the year, including four for 10 years, seven for 15 years and one for 25 years, and more than 25% of employees have more than five years' service. 48 apprentices were signed up during the year, with 28 as a cohort with Pen Green, who have regular face-to-face workshops and training sessions. 18 apprentices completed their level 3 qualification during the year.

Training and development continued to be a key focus, with four training days proving to be very beneficial and popular with the staff teams. The average Net Promoter Score for the training days was 74, an increase from 69 in the prior year, and with a score of 77 for the staff conference, where all sites joined together at the Ridgeway Centre in Milton Keynes. 378 employees also attended additional courses throughout the year. Overall training was rated as 'good' or 'very good' by 97% of delegates.

#### **Central Support Office**

During 2023 the central support team increased from 20 to 22 staff working to support the nurseries, forest schools and out of school clubs. This included creating a new Head of Finance role, as well as expanding the Early Years and Compliance team and facilities team.



## TRUSTEES' REPORT

### Achievements and Performance in 2023 (continued)

#### Reinvestment and development of key assets

Acorn continued to invest in improving the physical environment and equipment at all sites, investing £356,060 in capital expenditure during the year. In 2023 these improvements included: air conditioning in part of the Burton Latimer nursery, and an evaporation unit at Kents Hill; a commercial electric cooker at Castlethorpe in place of the previous gas cooker, thus reducing carbon emissions, and an upgrading of the cooker at the catering hub; the installation of an outdoor shelter and two compost toilets at the Emberton outdoor learning centre; sound clouds in the Emberton nursery; a pergola to replace the shaded area and screening at Kents Hill, which had previously been provided by two trees; new flooring throughout the nursery at New Bradwell; and sensory rooms at both the Hedgerows and Burton Latimer nurseries, the latter being partially funded by a generous donation from Scott Bader.

#### The year in numbers

- 99% of our families rated the friendliness of our nursery staff as good or excellent
- 98% of our families rated the professionalism of our nursery staff as good or excellent
- 98% of our families are satisfied or very satisfied with the management of their setting
- 97% of our families rated the relationship our nursery staff have with their children as good or excellent
- Acorn supported 2,279 children via its nurseries, out of school clubs and holiday clubs
- 1,985 children attended Forest School holiday club sessions, 928 children attended Forest School home educated sessions, and 288 parents/carers and children attended Forest School Tots Stay and Play sessions
- 173 children were in receipt of 2-year-funding, 23 children were in receipt of SEN inclusion funding, and 14 children were in receipt of Disability Access Funding
- Acorn received a Net Promoter Score of 76 in the 2023 Family Questionnaire
- Acorn Forest Schools delivered 70 sessions to 19 external schools and pre-schools, 2 scout sessions and external Forest School training sessions at 2 schools
- 17 trainees qualified as Level 3 Forest School leaders, including 3 internal members of staff
- 18 Acorn apprentices qualified as Level 3 practitioners, 8 of which achieved a distinction
- 71 Acorn training courses delivered
- 881 attendees of Acorn training courses, 378 of which were internal staff members and 503 were external delegates
- Acorn received an average Net Promoter Score as a training provider of 74
- £356,060 of our funds invested into Acorn settings
- 2 awards won in the year being; 'Eco-Friendly Early Years Award' at the 2023 Nursery World Awards and 'Top 20 Daynurseries Group Award 2023'

## **TRUSTEES' REPORT**

### **Achievements and Performance in 2023 (continued)**

#### **The year in numbers (continued)**

- 10 nurseries achieved their Eco-Schools Green Flag Award (6 achieved it for the first time and 4 achieved it for the second or third year in a row, with a distinction)
- 97% of delegates rated the overall enjoyability of Acorn's training courses as 'very good' or 'good'
- 74,949 hot lunches provided by the catering hub
- Acorn awarded 40 long term employment service awards in the year, including 27 five-year awards, six ten-year awards, six 15-year awards and one 25-year award.

#### **Sustainability**

In summer 2023 Acorn's journey towards sustainability began to grow with the appointment of a Sustainability Lead, who has been supporting nursery eco-leads to implement, develop and celebrate eco-friendly practices. For the first time, ten of Acorn's nurseries achieved the internationally accredited Eco-Schools Green Flag award, recognising the work of nursery practitioners to engage and empower children (as well as the wider staff teams and families) to respect and protect our natural environment. Six of these ten nurseries achieved the award for the first time and the other four achieved it with a distinction, either for the second or the third year in a row.

One of the changes implemented was reducing the list of food items that are permitted for play. This change was initiated by a reflection on ethical practice, which involved the consideration of the negative impacts of food waste on the planet, the cost-of-living crisis in the UK and what playing with food may be teaching children. Now the focus has been placed on more sustainable, non-food alternatives that can provide the same or a very similar sensory benefit for the children, such as natural loose parts, as well as exploring food in more meaningful ways such as cooking experiences that help to educate children about the value of food.

Acorn's efforts in its sustainability journey were further recognised in September 2023, when Acorn won the Eco-Friendly Early Years award at the 2023 Nursery World Awards.



## TRUSTEES' REPORT

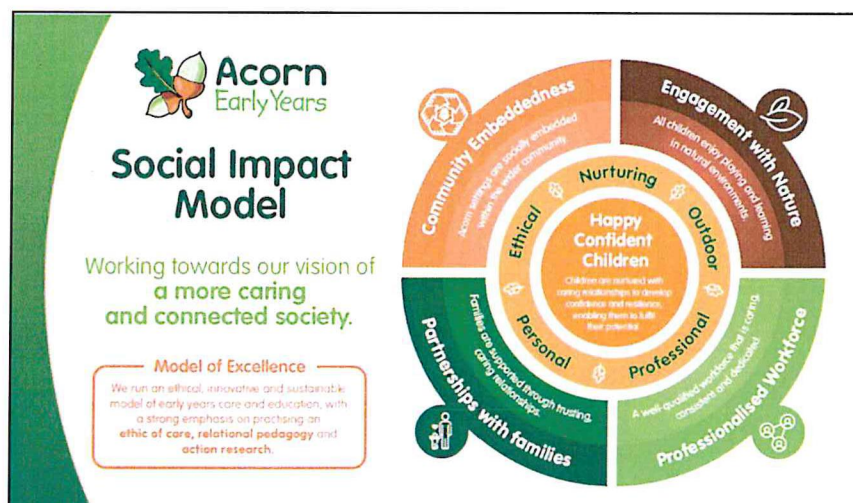
### Social Impact

Acorn is working towards a vision of a more caring and connected society by putting children's wellbeing and development at the centre of everything. Its key social impact outcome is to enable children to fulfil their potential by ensuring that they are supported in the critical period of their early years to be happy, emotionally secure, confident and eager to learn. This is achieved through four social impact areas, which in 2023, were reviewed, bringing the launch of a new, revised social impact model.

The original social impact model consisted of four segments, starting with children, then partnerships with families, community embeddedness and an engagement with nature, underpinned by Acorn's model of excellence.



The new social impact model has not only been redesigned to help further emphasise the place of children at the centre of all of Acorn's work, but it now has an additional fifth segment – a professionalised workforce. The professional development of the early years workforce has always been a part of Acorn's charitable objectives and Acorn recognises that its key social outcome of happy, confident children is not possible without the passion, dedication and professionalism of its staff and the ethic of care that underpins the Acorn ethos.



## TRUSTEES' REPORT

### Social Impact (continued)

#### Happy, confident children

Throughout 2023 Acorn staff teams have worked in multitudes of ways to support children to be happy and confident, recognising that children learn most effectively when they are nurtured in caring environments with opportunities to explore a range of activities and experiences. Acorn places its values around the children, emphasising the importance of **nurturing**, through its ethic of care, of a **personal**, individualised approach, **professional** development, **ethical** policies and practices and of valuing the **outdoor** environment. At several of Acorn's nurseries this approach took form in additional home visits for children with additional needs; provision of 'emotions bags' for children with parents/carers who are going through a difficult time; a temporary space given to a child from Germany whose sibling is in Great Ormond Street Hospital; enabling a child on a protection plan to attend nursery for additional sessions (whilst the social worker was away) to ensure the child's safety by being seen by a professional for this time; creating book bags for the children to take home and providing ad hoc sessions at short notice to a child whose parent was in hospital.

#### Social Impact Story

At Kents Hill nursery one of the children was diagnosed with cancer. To support the child and their family, the nursery waived the nursery fees and the staff team kept in touch with the child and their family by regularly sending videos of songs and nursery rhymes, as well as cards and artwork with messages of support through the post. The child's key person visited the family at home, helping with the process of settling back into nursery.

#### Impact from parent perspective:

"After being given the worst imaginable news we had a lot to manage practically such as work, childcare, finances, etc. and Acorn immediately appeased one of our concerns that our daughter would lose her space at the nursery amidst all of the absences due to her chemotherapy. However, that was not the case at all and we immediately felt supported throughout the whole terrible time. Not only could we keep her space but all of the staff made so much effort in supporting us all through it with regular videos to our daughter and even coming to see her when she was fit and well enough for visitors.

All of the touching support helped us manage through it together and we will be eternally grateful for all of the care that the staff at Acorn have, and continue to, show us and our daughter.

She is now back to herself and loving life back at nursery with all her friends. Thank you so much for all of your help and support."



## TRUSTEES' REPORT

### Social Impact (continued)

#### Happy, confident children (continued)

Social Impact Story
<p>In the local area of Burton Latimer there is a significant shortage of support for children with additional needs, where many nursery settings are declining families due to a lack of funds, as well as the lack of special education schools in general, resulting in children being deferred at nursery for an additional year. The Burton Latimer nursery is continuously recommended to families by health visitors due to its recognised experience in supporting children with additional needs, and its inclusive and personalised practice. To expand and improve the level of support the nursery can provide, and with the help of a Scott Bader grant, the nursery transformed one of its spaces into a sensory room, providing a safe, calm and stimulating environment that provides awe and wonder for all children, but particularly benefiting children with additional needs.</p> <p>The nursery also secured SENIF funding that has been used towards a private speech therapist who attends the nursery and provides one-to-one sessions with each child to improve their speech and language skills, supporting the children's transitions into school and enable them to have a voice that can be heard and understood.</p> <p><b>Impact:</b></p> <ul style="list-style-type: none"><li>• Improved level of support for children with additional needs such as speech and language and/or physical development delays</li><li>• Enhanced learning through play, improving the stimulation of all children's senses</li><li>• Increased children's wellbeing</li><li>• Improved children's regulation of focus and promotion of socialisation skills and vocalisation</li><li>• Improved children's fine and gross motor skills</li><li>• Families with children with additional needs feeling more supported, as well as more confident about their child's transition to school.</li></ul>

## TRUSTEES' REPORT

### Social Impact (continued)

#### Happy, confident children (continued)

Social Impact Story
<p>Acorn's action research group conducted a research study exploring the impact of Acorn's Forest School holiday club on children with additional needs. Questionnaires and interviews were completed, capturing the experience of three different families and five children.</p> <p><b>Impact from family perspectives:</b></p> <p>"It's one of the only holiday clubs that have been fully understanding of their additional needs and have accepted them and worked with them."</p> <p>"It is a very welcoming and inclusive environment. While being a relaxed and informal learning environment, there are clear physical boundaries and expectations for behaviour which has helped them to take part in all activities on offer and gain more independence. They love the freedom of choosing what they do, and have learned so many different skills. The environment fosters understanding and respect and all the children attending respond well to this. As a result my children have made friends with nice children, which can be difficult for my children to achieve. Staff are very familiar with my children as they have been attending Forest Schools for a long time, and the staff have adapted to my children's changing additional needs seamlessly over this time. Nothing appears to be too difficult to manage, ranging from toileting to using visual cues and aids, to helping my children to resolve communication breakdowns. Forest School provides a complete break from my children's school environment and lots of fresh air, keeping my children away from screens when they would otherwise probably choose to be sedentary. There are not many places that can not only handle my children for the day, but also facilitate them to have a lovely, positive day."</p> <p>"It has given him a further love of nature and he loves to go to the forest with us and show us various things like climbing trees, building dens, talking about trees. He has been in the same Forest School since he was very young and the staff are amazing with him, accepting him for exactly who he is. They have supported him when he was very unhappy in school."</p> <p><b>Impact from a child's perspective:</b></p> <p>"I love being free outside, it's relaxing and I have different friends at Forest School. I really look forward to going to Forest School."</p>



## TRUSTEES' REPORT

### Social Impact (continued)

#### Professionalised workforce

Acorn is committed to the continuous professional development of its staff teams and dedicates four days each year to staff training days, including an annual conference. During 2023, training topics covered by internal and external trainers included supporting children with Special Educational Needs (SEN); safeguarding; the power of engagement; race, inequality and unconscious bias; signing for babies; loose parts; creating enabling environments; first aid; effective leadership and many more.

Some of the staff feedback in 2023:

- "Excellent. I am thoroughly buzzing with ideas, want to get started now! Really enjoyed the subject and the trainer knew her subject inside and out. Can't wait to start this project."
- "I liked the atmosphere of all the nurseries together. It created a sense of something bigger and that what we do is important!"
- "My favourite conference yet and really informative!"
- "Very much enjoyed the sustainability workshop, it allowed us to share knowledge and ideas, and motivated us to do more within our nursery."
- "A very helpful and informative approach to health and safety. I found the training subjects, although serious, thought provoking, and I will use these in my nursery."
- "It was good to reflect on our practice and listen to others share their practices, great opportunity."
- "Her courses are always great, they are interactive and she is very passionate about her work. She gives us the opportunity to try out the ideas she is teaching us which for me is the perfect way to learn."
- "Loved seeing practitioners from the other Acorn sites and sharing views and ideas!"
- "Both sessions were great and each had plenty of time of everyone to have meaningful discussions."
- "What I found most helpful were the ideas of how to lead my team effectively and how to inspire a more positive and proactive input from everyone."
- "Both trainers have given me lots of food for thought. I have taken lots of notes on things I would like to use during my practice, which will hopefully impact the children in a more beneficial way. I love having professional discussions with other people with the same passion but who have had different experiences."
- "Great ideas to take back to my settings and implement in my day-to-day role."

Acorn also held its first ever sustainability workshops for its staff, covering the meaning of sustainability and its importance in the early years, Acorn's eco journey so far and new ideas for practice.

## **TRUSTEES' REPORT**

### **Social Impact (continued)**

#### **Professionalised workforce (continued)**

The annual conference invited practitioners to take part in a World Ocean Day themed competition, to set up an invitation to play that enables children to learn more about the wonders and importance of the world's oceans, as well as to explore the impact of negative human behaviour and what can be done to help. Following a sign language course during one of the staff training days, a member of staff implemented the learning by teaching a child by practising together – the child became confident very quickly, despite sign language being completely new to them.

In the context of the early years recruitment crisis, Acorn focuses on ensuring that its staff teams have varied opportunities for progression to support staff engagement, retention and performance. In 2023, 21 apprentices and nursery assistants gained their Level 3 qualification, with 8 passing with a distinction, and some progressing further to become lead practitioners and senior practitioners. One of Acorn's Eco-Leads was the first to qualify in the organisation with a Level 4 Sustainability in the Early Years qualification. She commented that "The impact of this sustainability course on my work with the children has been momentous! Not only have I become really passionate about ensuring that we recycle to the best ability we can, but I have also expanded my knowledge about issues such as greenwashing and have begun implementing a long-term project of a kitchen garden within our nursery. It has been fantastic to expand children's opportunities to plant seeds and learn how to nurture what is growing!"

In addition, two of Acorn's Early Years managers, Becky Watanabe and Kim Langstaff featured in Nursery World Magazine, discussing what makes a good working relationship. Kim confirmed that "The secret to a good working relationship is mutual respect, collaboration and being ready to hear each other's ideas. Becky and I are on the same page. We share the same early years ethos, but we're also always learning and are open to new ideas. I know Becky will always put our children first."

#### **Partnership with families**

Working closely with families and developing relationships with parents/carers and other family members such as grandparents, is one of the key components that enables Acorn to support children to be happy, confident and able to learn effectively. Acorn's nurseries value regular, personalised communication with families, ensuring that they feel supported in every way possible. Through the year examples of family partnerships included:

- Continuation of a winter clothing bank at a couple of Acorn's nurseries, including donations from the other Acorn nurseries, to support families in need
- Toys and books that were no longer in use at the nursery were donated to a family in need
- A grandparent coming in and playing their guitar to the children every two weeks
- Regularly checking in with parent wellbeing during times when they have been struggling at home, and signposting them to external agencies



## TRUSTEES' REPORT

### Social Impact (continued)

#### Partnership with families (continued)

- A Father's Day stay and play session where one of the fathers commented on the quality time spent with the other fathers and his child - "It's important that men get time together for their mental health, we all need to work together."
- A parent offered to volunteer their time by helping the nursery to prepare their garden space for planting
- Prepared special interest bags for children with additional/behavioural needs, enabling a sense of belonging for the children both at home and nursery
- Building relationships with the Family Centre on site by working together and sharing event information to reach more families
- Provided emotional support to parents during a relationship break-up
- Put together 'Left-over Friday' bags that contained any perishable food items and a recipe for families to make over the weekend, inspiring families to cook healthy recipes with their children and reducing any potential food waste
- Supported a single parent with autism by adjusting day-to-day communication (i.e. sending emails as this supported the parent more than verbal communication). The grandfather was also heavily involved in supporting the child, and so the nursery invited him to all the nursery meetings
- Delivered parent training sessions focused on promoting positive behaviour and fostering emotional health in children

Family responses from annual feedback survey included:

- "As a parent of a child with additional needs we were apprehensive about nursery. The attention and care of all the staff has meant he has a wonderful experience and we have no hesitation that this is a great environment. The relationships that the staff build with the children is absolutely lovely. They always make sure they are going at the child's pace and are incredibly receptive to their needs. My son loves being at nursery, I genuinely feel like he sees it as an extension of home."
- "Consistent quality. First child was here seven years ago for four years and the quality of care is still excellent with my second child who started four months ago. Some of the staff are even the same!"
- "The staff have gone above and beyond to support our son, who has additional needs. He is included in every aspect of nursery life."
- "The Acorn nursery has changed everything for us, from a little boy who cried at every drop off to a little man who cannot get in the gate quick enough!"
- "I love the nursery and it is very well managed. The staff have the children's needs as a top priority, and it is very clear to see how strong the bond between the children and staff is, especially the management, they are very hands on."
- "The range of healthy snacks offered to the children is really good and I always know my son is eating well and healthy."

## TRUSTEES' REPORT

### Social Impact (continued)

#### Partnership with families (continued)

- "I had separation anxiety from my children, but the staff were so understanding and supportive from the day I walked into the nursery. Any moment I need clarity, they have been there. My kids mentally, emotionally and intellectually have really grown and improved from the day they started at the nursery (9 months) to now."
- "The whole ethos of Acorn is wonderful. Every child is treated as an individual and the people that work in the nursery, every single one of them, are passionate about creating a great environment for the children."
- "We both parents came from different country and we have no family help in the UK. Acorn is honestly biggest help for us to grow up my little boy. We are so pleased to find Acorn and much appreciate all carers."
- "Overall brilliant setting/company. My child loves forest school and all the outdoor play, we really love the Acorn ethos and values."
- "Food and care of children is exceptional."
- "I love the outdoor emphasis and focus of the nursery. It has helped to really cultivate an appreciation of the environment with my older child."
- "Acorn is inspiring for the children, a fun place to learn and grow. An emphasis on playing outside in all weathers and being creative was a huge plus point for us & our daughter absolutely loves going to nursery. So thank you all at Acorn, you are fantastic!"

Key statistics from annual family feedback survey:

- 99% of our families rated the **friendliness** of our nursery staff as good or excellent.
- 98% of our families rated the **professionalism** of our nursery staff as good or excellent.
- 98% of our families are satisfied or very satisfied with the **management** of their setting.
- 97% of our families rated the **relationship our nursery staff have with their children** as good or excellent.
- 97% of our families rated the **security measures** at their nursery as good or excellent.
- 96% of our families rated the **caring of their children and meeting their children's needs** by our nursery staff, as good or excellent.
- 96% of our families rated the **outdoor environment** at their nursery as good or excellent.
- 96% of our families rated the **range of activities on offer** at their nursery as good or excellent.
- 96% of our families rated the **Famly app** at their nursery as good or excellent.
- 95% of our families rated the **indoor environment** of their nursery as good or excellent.
- 95% of our families rated the **toys and equipment** at their nursery as good or excellent.
- 94% of our families rated the **meals and snacks** at their nursery as good or excellent.



## TRUSTEES' REPORT

### Social Impact (continued)

#### Community embeddedness

Another key aspect of the Acorn's social impact is providing children with opportunities to engage in their local community. Through the year this took form in collections of food donations which the children delivered to their local food banks. Some of the children and their families even helped towards achieving the Guinness World Record for longest line of food cans, helping to reach 10km line of food cans in Milton Keynes. Regular involvement in donating to local food banks is not only making a positive difference to people in the local community, but it is also helping the children to develop an ethic of care towards the people around them.

Nurseries also engaged in different initiatives such as World Kindness Day and World Smile Day and used these as an opportunity to connect to the local community and teach children about the power of positive action, even when it takes form in small interactions such as greeting community members and surprising them with a random act of kindness.

Children also had the opportunity to learn about cars by visiting the local mechanic, to explore new books by visiting the local library and to walk to the local church to see the poppy display during Remembrance Day. Some of the children were also visited by the local fire brigade and police team and went litter picking with the local Parish Council to keep the local area clean and tidy.

The nurseries that are close to a residential care home were also able to connect to the elderly members of the community by reading books together, talking about their favourite animals and singing their favourite songs. During Christmas time, some of the residents from Elizabeth House visited our Stony Stratford nursery and joined the children for Christmas dinner. One of the residents even wrote a poem to read to the children.

During December, instead of doing 'Secret Santa', the staff team at the Jubilee Wood nursery donated gifts to the Dunelm Delivering Joy Scheme, to help make a difference to the local community – the gifts were given to young adults in the community who are being supported by Macmillan.

#### Children engaged with nature

Nature pedagogy is embedded in the everyday practice of Acorn's nurseries, all the way from the use of natural materials for play and crafts and free-flow access to garden areas, to taking care of the natural world and creating a positive impact on the environment.

Throughout the year this involved:

- Allotment visits, enabling children to learn about how to grow their own food
- Litter picking, teaching children about keeping the green spaces of their community clean, as well as protecting wildlife
- Learning about the amazing roles of bees and being visited by a local beekeeper on World Bee Day
- Visiting a green roof, exploring the different flowers and vegetables growing on it and the importance of biodiversity in the city
- Looking after different plants in the nursey garden spaces, including raspberry picking and tasting
- Learning about rainforests and their incredible habitats for different wildlife

## TRUSTEES' REPORT

### Social Impact (continued)

#### Children engaged with nature (continued)

To help embed regular engagement with nature as well as environmental learning and responsibility, many of Acorn's nurseries took part in the Eco-Schools programme, exploring various different topics such as biodiversity, water and waste, and 10 nurseries achieved their Eco-Schools Green Flag award, recognising and celebrating their efforts towards sustainability. Five of Acorn's nurseries achieved the award with a distinction and 5 achieved it for the very first time.

Green Flag Award feedback from Eco-Schools includes:

- "Staff members should be proud for providing the children with a good awareness of environmental issues and strong foundations for them to build on as they progress to school and hopefully continue their journey as environmentalists. Your greatest successes link clearly to the experiences of the children. We loved reading about your success in improving awareness, opportunities and enthusiasm across your setting and your families!"
- "Reducing your waste has clearly been a great success, well done! This is what the best forms of climate action are about – impactful but achievable things that create a positive experience and prompt more action. Your garden sounded a huge success with lots of healthy vegetables grown – well done!"
- "It was amazing to see how your Eco-Committee maximised the impacts of their Eco-Schools work by reaching out to their local council to work together. It's a great initiative to start involving the wider community!"
- "We love the range of activities that you and your Eco-Committee planned for delivery. The fact that they cover regular litter-picks, planting bee-friendly flowers, creating a garden sensory space and improving your frog pond and nature area is excellent."
- "We are certain that the children will have greatly benefited from your involvement with such outside organisations as the RSPB and The Wildlife Trust."
- "We were impressed with the way you conducted your environmental review! You held a discussion with the children, to answer the questions. The review gave you the chance to find what the children were interested in and what ideas they had. Your action plan focused on topics children were excited about, like biodiversity, healthy living, and litter. This will increase their engagement and allow them to take ownership of the programme, even at a young age!"
- "We love the range of activities that you and your Eco-Committee planned for delivery. The fact that they cover both indoor (recycling bins and plants in every room, and using wet bags instead of nappy sacks) and outdoor (regular litter-picks, growing fruit, vegetables, herbs and flowers, promoting outdoor learning and the Great British Spring Clean) activities is excellent!"
- "We love the open and inclusive approach you've taken to appointing your Eco-Committee, welcoming parent/carers members who are passionate about supporting your young people to make a difference through drop-ins. This sets a positive and encouraging tone for your work and supports a collaborative and community ethos."

Parent feedback includes:

- "We chose Acorn because we both really care about sustainability and we could see that this is baked into what the nursery is about. We love the fact that there is an eco-committee and that the children learn from a very young age just how important our planet is."

In further recognition of Acorn's progress in its eco-journey, in September, Acorn won the Nursery World 'Eco-Friendly Early Years' Award!



## TRUSTEES' REPORT

### Financial Review

2023 was another challenging year financially, although Acorn grew its revenue with a full year contribution of new nurseries and organic growth, cost pressures including underfunding of the early education entitlement meant that this did not translate into profits. This particularly affected nurseries that had a high proportion of children attending funded-only sessions. The four nurseries that were acquired in 2022 also had a slower than expected rise in occupancy. The cross-subsidy model, whereby profitable nurseries contribute a higher proportion towards central costs than those in areas of greater deprivation, supports Acorn's ethos to provide affordable childcare to all.

Acorn's turnover grew 19.2% in the year to £11,419,095 (2022: £9,575,853). The growth in turnover is expected to continue into 2024 as a result of a higher demand for nursery places following the expansion of funded childcare from April and September 2024.

Staff salaries were increased in line with fee increases during the year, but balancing affordability and the cost of providing high quality care and education continues to be challenging.

The Finance, Audit and Risk Committee monitors the cash position on a quarterly basis. There was a short-term reduction in working capital at the end of 2023, but this was resolved by February 2024. Decisions regarding capital investment projects take account of cash flow projections. In the year to December 2023 £356,060 was approved by the trustees for ongoing investment in nurseries.

### Social Investment and loans

Repayments for the social investment loan from the Charities Aid Foundation continued throughout the year. No further loans were taken out in 2023.

### Reserves policy

The reserves policy was reviewed in November 2023 and it was agreed to increase the unrestricted funds to £150,000 being readily available with the aim to increase this each year. On 31 December 2023 the charity had unrestricted reserves of £483,952 (2022: £536,636). In the opinion of the trustees, the level of unrestricted reserves is appropriate.

### Fundraising

A small proportion of Acorn's income is generated from fundraising activities and is used for specific projects. In the year, £13,712 was raised through donations, of which £7,647 was donated by Scott Bader and used at Burton Latimer to create a sensory room. Acorn's fundraising policy outlines appropriate fundraising activities and the ethical considerations. All fundraising income in 2023 is accurately documented in the accounts.

### Future Plans

The trustees continue to drive financial stability through the expansion of spaces at our current nurseries or adding nurseries to the portfolio.

## **TRUSTEES' REPORT**

### **Financial Review (continued)**

#### **Principal risks and uncertainties**

The trustees regularly review major strategic and operational risks and have a risk matrix and a risk register, which identifies risks and how these may be mitigated. Areas of risk that are assessed include finance, operations, governance, environmental issues, regulatory and compliance, and external issues that may affect the early years sector are carefully monitored.

Acorn's business continuity plan details actions and responses that may be required in the event of major incidents and this is regularly reviewed. The board of trustees are regularly kept informed of the charity's financial and operational position and the frequency of updates and meetings is adjusted to meet the severity or exposure to risks. The board is satisfied that effective systems are in place to monitor and control identifiable risks.

Major risks that have been identified for the year ahead include the following:

- The impact of the recruitment and retention crisis in the early years sector, and the resulting pressure on salaries and in some instances on occupancy levels. Staff shortages also affect staff morale and the consistency of high quality provision, particularly with the difficulty of recruiting qualified practitioners.
- Cashflow sensitivities, given the relatively low level of reserves at the end of 2023.
- Inadequate funding levels for the 'free entitlement,' which particularly affects nurseries with a higher proportion of funded-only places.

#### **Going Concern**

Having reviewed the cash flow forecast and underlying assumptions for the next 12 months the trustees remain confident in the ability of the management team to maintain the charity's financial viability. On this basis the trustees continue to adopt the going concern basis of accounting in preparing the financial statements.

#### **Disclosure of information to Auditor**

The trustees who held office at the date of approval of the Trustee's Report confirm that, so far as they are each aware, there is no relevant audit information of which the Charity's auditor is unaware; and each trustee has taken all the steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the Charity's auditor is aware of that information.

#### **Auditor**

The charity's previous auditors, Mercer & Hole LLP, were superseded by MHA on 5 September 2023. The trustees who held office at the date of approval of the financial statements have confirmed the reappointment of MHA for 2024.

Following a rebranding exercise on 15 May 2023 the trading name of the charity's independent auditor changed from MHA MacIntyre Hudson to MHA.



## Financial Review (continued)

### Trustees' Responsibility Statement

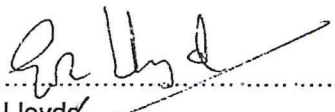
The trustees (who are also directors of Acorn Early Years Foundation for the purposes of company law) are responsible for preparing the trustees' annual report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting 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 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 of the Charities SORP (FRS 102);
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards (FRS 102) 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 charity 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 charity 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 charity 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. 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.

  
.....  
Eva Lloyd  
Trustee

Date... 31 May 2024 .....

## **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ACORN EARLY YEARS FOUNDATION**

### **Opinion**

We have audited the financial statements of Acorn Early Years Foundation (the 'charity') for the year ended 31 December 2023 which comprise the Statement of Financial Activities, the Balance Sheet, the Statement of Cash Flows and the related notes, 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 31 December 2023 and of its incoming resources and application of resources, including 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 United Kingdom, including the Financial Reporting Council'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 TO THE MEMBERS OF ACORN EARLY YEARS FOUNDATION (CONTINUED)**

### **Other information**

The other information comprises the information included in the Annual Report other than the financial statements and our Auditor's Report thereon. The Trustees are responsible for the other information contained within the Annual Report. 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.

### **Opinion 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 for the financial year for which the financial statements are prepared is consistent with the financial statements.
- the Trustees' Report has been prepared in accordance with applicable legal requirements.

### **Matters on which we are required to report by exception**

In the light of our 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 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.

## **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ACORN EARLY YEARS FOUNDATION (CONTINUED)**

### **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:

- Discussions held with management and those charged with governance around any legal claim.
- Audit work performed over key risks areas identified such as management override and reviewing accounting estimates for bias.
- Review of financial statement disclosures to ensure accounting policies have been correctly followed.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our Auditor's Report.



**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ACORN EARLY YEARS FOUNDATION (CONTINUED)**

**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 its members, as a body, for our audit work, for this report, or for the opinions we have formed.



**Elizabeth Newell BA (Hons) FCA (Senior Statutory Auditor)**

for and on behalf of

**MHA**

Chartered Accountants

Statutory Auditors

Milton Keynes

Date: 11 JUNE 2024

MHA is the trading names of MacIntyre Hudson LLP, a limited liability partnership in England and Wales (registered number OC312313)

## STATEMENT OF FINANCIAL ACTIVITIES (INCLUDING INCOME AND EXPENDITURE ACCOUNT)

	Note	Unrestricted Funds £	Restrict ed Funds £	Total 2023 £	Total 2022 £
<b>Income and Expenditure</b>					
<b>INCOME:</b>					
Donations and legacies	4	6,065	7,647	13,712	4,295
Income from charitable activities	5	11,246,721	157,222	11,403,943	9,571,541
Investment income		1,440	-	1,440	17
<b>Total Income</b>		<u>11,254,226</u>	<u>164,869</u>	<u>11,419,095</u>	<u>9,575,853</u>
<b>EXPENDITURE:</b>					
Expenditure on charitable activities	6	(11,305,841)	(174,498)	(11,480,339)	(9,568,685)
<b>Total Expenditure</b>		<u>(11,305,841)</u>	<u>(174,498)</u>	<u>(11,480,339)</u>	<u>(9,568,685)</u>
<b>Income/(expenditure) movement in funds for the year before tax</b>		(51,615)	(9,629)	(61,244)	7,168
Tax on expenditure	7	(1,069)	-	(1,069)	-
<b>Net (expenditure)/income movement in funds for the year</b>		(52,684)	(9,629)	(62,313)	7,168
<b>Reconciliation of funds</b>					
Total funds brought forward		536,636	20,546	557,182	550,014
<b>Total funds carried forward</b>		<u>483,952</u>	<u>10,917</u>	<u>494,869</u>	<u>557,182</u>

The Statement of Financial Activities includes all gains and losses recognised in the year. All income and expenditure derive from continued activities.

The accompanying accounting policies and notes on pages 33 to 48 form an integral part of the financial statements.

The 2022 comparative includes both restricted and unrestricted funds, a breakdown of the comparatives can be found in note 23 to these financial statements.

**ACORN EARLY YEARS FOUNDATION**  
Financial statements for the year ended 31 December 2023


**BALANCE SHEET**

	Note	2023		2022	
		£	£	£	£
<b>Fixed Assets</b>					
Intangible assets	11		146,379		181,133
Tangible assets	12		<u>1,028,732</u>		<u>972,347</u>
			1,175,111		1,153,480
<b>Current Assets</b>					
Debtors	13	322,259		183,586	
Stock		717		-	
Cash at bank		<u>24,680</u>		<u>146,036</u>	
<b>Total Current Assets</b>		347,656		329,622	
<b>Creditors:</b>					
Amounts falling due within one year	14	<u>(1,027,898)</u>		<u>(828,526)</u>	
<b>Net Current Liabilities</b>			<u>(680,242)</u>		<u>(498,904)</u>
<b>Total Assets less Current Liabilities</b>			494,869		654,576
<b>Creditors:</b>					
Amounts falling due after one year	15		<u>-</u>		<u>(97,394)</u>
<b>Net Assets</b>			<u>494,869</u>		<u>557,182</u>
<b>The funds of the charity</b>					
Restricted Funds	18		10,917		20,546
General Unrestricted Funds	18		<u>483,952</u>		<u>536,636</u>
<b>Total Charity Funds</b>			<u>494,869</u>		<u>557,182</u>

The notes on pages 33 to 48 form part of these financial statements.

The Board of Trustees acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and preparation of the financial statements.

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



Eva Lloyd  
Trustee

Date: 31 May 2024

Company number: 07703801

## STATEMENT OF CASH FLOWS

	Note	2023 £	2022 £
<b>Net cash used in operating activities</b>	19	349,466	378,420
<b>Cash flows from investing activities</b>			
Purchase of intangible fixed assets	11	(12,495)	-
Purchase of tangible fixed assets	12	(356,060)	(361,670)
<b>Net cash used in investing activities</b>		<u>(368,555)</u>	<u>(361,670)</u>
<b>Cash flows from financing activities</b>			
Investment income		1,440	17
Repayment of borrowings		(91,281)	(85,551)
Interest paid		(12,426)	(18,156)
<b>Net cash from financing activities</b>		<u>(102,267)</u>	<u>(103,690)</u>
Decrease in cash and cash equivalents in the year		(121,356)	(86,940)
Cash and cash equivalents at the beginning of the year		146,036	232,976
<b>Cash and cash equivalents at the end of the year</b>		<u>24,680</u>	<u>146,036</u>

Analysis of changes in net debt	1 January 2023 £	Cash flows £	31 December 2023 £
Cash at bank	146,036	(121,356)	24,680
Borrowings	<u>(188,675)</u>	<u>91,281</u>	<u>(97,394)</u>
	<u>(42,639)</u>	<u>(30,075)</u>	<u>(72,714)</u>

## **NOTES TO THE FINANCIAL STATEMENTS**

### **1. Accounting Policies**

The principal accounting policies adopted, judgements and key sources of estimation uncertainty in the preparation of the financial statements are set out below. These policies have been consistently applied to all years presented unless otherwise stated.

#### **a) Basis of preparation**

Acorn Early Years Foundation is a charitable company limited by guarantee registered in England and Wales. In the event of the Charity being wound up, the liability in respect of the guarantee is limited to £10 per member of the Charity. The address of the registered office is given in the Reference and Administrative Details on page 3 of these financial statements. The nature of the charity's operations and principal activity is the provision of childcare in nurseries, out of school clubs and forest schools.

The financial statements have been prepared in accordance with the Charities SORP (FRS 102) - 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 issued in October 2019, the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102), the Charities Act 2011, the Companies Act 2006 and UK Generally Accepted Accounting Practice.

Acorn Early Years Foundation 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 prepared on a going concern basis under the historical cost convention. The financial statements are presented in sterling which is the functional currency of the Charity and rounded to the nearest £.

#### **b) Preparation of the accounts on a going concern basis**

Having reviewed the cash flow forecast and underlying assumptions for the next 12 months the trustees remain confident in the ability of the management team to maintain the charity's financial viability. On this basis the trustees continue to adopt the going concern basis of accounting in preparing the financial statements.

#### **c) Income**

Income is recognised when the Charity has entitlement to the funds, any performance conditions attached to the items of income have been met, it is probable that the income will be received, and the amount can be measured reliably.

Fee income is allocated to the month to which it relates, and the free entitlement funding is allocated on the same basis, with policies in place to ensure entitlement is verified prior to headcount dates.

#### **d) Government Grants**

Income from government and other grants, whether 'capital' grants or 'revenue' grants, is recognised when the Charity has entitlement to the funds, any performance conditions attached to the grants have been met, it is probable that the income will be received and the amount can be measured reliably.



## NOTES TO THE FINANCIAL STATEMENTS

### 1. Accounting Policies (continued)

#### e) Investment income

Interest on funds held on deposit is included when received and the amount can be measured reliably by the Charity. This is normally upon notification of the interest paid by the Bank.

#### f) Fund accounting

Unrestricted funds are available to spend on activities that further any of the purposes of the Charity.

Designated funds are unrestricted funds of the Charity which the trustees have decided at their discretion to set aside to use for a specific purpose.

Restricted funds are funds which are used in accordance with specific restrictions and raised by the Charity for a particular purpose. The aim and use of each restricted fund is set out in the notes of the financial statements. Restricted funds can include donations which the donor has specified are to be solely used for particular areas of the Charity's work or for specific projects being undertaken by the Charity.

#### g) Expenditure

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

Expenditure is classified under the following activity headings:

1. Cost of raising funds comprises the costs of activities outside the regular operation of the nurseries, forest schools, out of school clubs, catering and training department.
2. Expenditure on charitable activities comprises the costs of commercial trading including the running of the nurseries and their associated costs.

Irrecoverable VAT is charged as a cost against the activity for which the expenditure was incurred.

#### h) Governance costs

Governance costs are those functions that assist the strategic work of the Charity but do not directly undertake charitable activities. These costs have been allocated to expenditure on charitable activities.

Governance costs are set out in note 8.

#### i) Employee benefits

The costs of short-term employee benefits are recognised as a liability and an expense, unless those costs are required to be recognised as part of the tangible assets.

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the Charity is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

## NOTES TO THE FINANCIAL STATEMENTS

### 1. Accounting Policies (continued)

#### j) Operating leases

Rentals applicable to operating leases where substantially all the benefits and risks of ownership remain with the lessor are charged to the Statement of Financial Activities on a straight-line basis.

#### k) Finance leases

Assets held under hire purchase agreements are capitalised and disclosed under tangible fixed assets at their fair value. The capital element of the future payments is treated as a liability and the interest is charged to the Statement of Financial Activities on a straight-line basis.

#### l) Tangible fixed assets

Tangible fixed assets are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical costs includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by the Charity.

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using a straight-line basis.

Depreciation is provided on the following basis:

<b>Asset Category</b>	<b>Annual rate</b>
Leasehold Improvements	Lower of 20% of cost and length of lease
Office Equipment	20% - 33.3% of cost
Fixtures and Fittings	20% of cost
Motor Vehicles	20% of cost
Play Equipment	20% of cost

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in the Statement of Financial Activities (including income and expenditure account).

#### m) Intangible fixed assets

Intangible assets acquired separately from a business are recognised at cost and are subsequently measured at cost less accumulated amortisation and accumulated impairment losses. Intangible assets acquired on business combinations are recognised separately from goodwill at the acquisition date if the fair value can be measured reliably. All intangible fixed assets related to business combinations are amortised on a straight-line basis over the estimated economic life of 10 years.

Intangible assets related to computer software are amortised over 3 years.

#### n) Debtors

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

#### o) Stock

Stocks are valued at the lower of cost and net realisable value.

## NOTES TO THE FINANCIAL STATEMENTS

### 1. Accounting Policies (continued)

#### p) Cash at bank

Cash at bank includes cash within a current or deposit account.

#### q) Creditors

Creditors are recognised where the Charity 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. Creditors are normally recognised at their settlement amount after allowing for any trade discounts due.

#### r) Financial instruments

The Charity 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 with the exception of bank loans which are subsequently measured at amortised cost using the effective interest method.

#### s) Pension costs

The Charity operates a defined contribution pension scheme for employees. The assets of the scheme are held separately from those of the Charity. The annual contributions payable are charged to the Statement of Financial Activities.

The Charity is also part of the Bucks CC LGPS which is a defined benefit scheme. The Charity has three employees in this scheme. Bucks CC LGPS has confirmed that when the Charity took over these nurseries, the portion of the LGPS relating to it was transferred at no deficit/no surplus. As there is no deficit, a valuation has not been obtained under FRS 102 section 28. The payments have been expensed in the same way as that of defined contribution scheme payments.

#### t) Taxation

The income and expenditure relating directly to the charitable activities is exempt from corporation tax. The income and expenditure relating to the non-charitable activities is eligible for corporation tax. The non-charitable activities relate to training room hire and external catering.

#### u) Disclosure reclassification for 2022 expenditure

As part of finalising the 2023 annual report it was identified that comparatives within note 6 were incorrect between childcare costs, training costs and catering costs. Therefore a reclassification of note 6 between these categories has taken place. No changes have been made to the Statement of Financial Activities as the overall expenditure of £9,568,685 remains correct.

### 2. Judgements and key sources of estimation uncertainty

In the application of the charitable company's accounting policies, the trustees are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.



**NOTES TO THE FINANCIAL STATEMENTS****3. Company limited by guarantee**

The charity is a Company limited by guarantee and has no share capital. In the event of the charitable company being wound up, the liability in respect of the guarantee is limited to £10 per member of the Charity.

**4. Income earned from donations and legacies**

	Unrestricted Funds	Restricted Funds	Total 2023	Total 2022
	£	£	£	£
Donations	6,065	7,647	13,712	4,295
	<u>6,065</u>	<u>7,647</u>	<u>13,712</u>	<u>4,295</u>

Of the £13,712 donations received in the year, £7,647 was received from Scott Bader that contributed towards the new sensory room at the Burton Latimer nursery. In accordance with FRS 102 and the Charities SORP (FRS 102), the economic contribution of general volunteers is not recognised in the accounts.

**5. Income from charitable activities**

	Unrestricted Funds	Restricted Funds	Total 2023	Total 2022
	£	£	£	£
Childcare income	11,022,944	157,222	11,180,166	9,362,846
Training courses	42,802	-	42,802	34,293
Forest school activities	101,368	-	101,368	77,187
Catering income	51,247	-	51,247	59,428
Consultancy income	-	-	-	1,974
Other income	<u>28,360</u>	<u>-</u>	<u>28,360</u>	<u>35,813</u>
	<u>11,246,721</u>	<u>157,222</u>	<u>11,403,943</u>	<u>9,571,541</u>

Local authority grants totalling £2,500,745 (2022: £2,326,514) received relates to the 2 year old offer and the Early Years Funding for all 3-4 year olds. Restricted local authority grants of £154,622 (2022: £93,370) relate to deprivation funding, inclusion and disability access funding grants. Further information can be found in note 18.

## NOTES TO THE FINANCIAL STATEMENTS

### 6. Analysis of expenditure on charitable activities

	Unrestricted Funds £	Restricted Funds £	Total 2023 £	Restated Total 2022 £
Childcare costs	9,836,036	174,498	10,010,534	8,355,116
Training costs	38,292	-	38,292	30,350
Catering costs	40,099	-	40,099	32,169
Forest school activities costs	112,512	-	112,512	92,183
Property and administration	1,222,280	-	1,222,280	984,086
Accountancy fees	840	-	840	4,440
Auditor's remuneration	13,200	-	13,200	8,160
Legal and professional fees	18,092	-	18,092	34,132
Other financial costs	24,490	-	24,490	28,049
	<u>11,305,841</u>	<u>174,498</u>	<u>11,480,339</u>	<u>9,568,685</u>

### 7. Taxation

#### (a) Tax on (expenditure)/income

The tax charge/(credit) is made up as follows:

	2023 £	2022 £
<i>Current tax:</i>		
UK corporation tax at 19% (2022: 19%)	(245)	-
Previous year's tax correction	1,314	-
	<u>(1,069)</u>	<u>-</u>

#### (b) Factors affecting the total tax charge

The tax assessed on the (expenditure)/income before tax for the year is lower than the standard rate of corporation tax in the UK of 19% (2022:19%). The differences are reconciled below:

## NOTES TO THE FINANCIAL STATEMENTS

### 7. Taxation (continued)

#### (b) Factors affecting the total tax charge (continued)

	2023 £	2022 £
(Expenditure)/income before tax	(61,224)	7,168
(Expenditure)/income before tax multiplied by standard rate of corporation tax in the UK of 19% (2022: 19%)	(11,633)	1,362
(Expenditure)/income not deductible for tax purposes (exempt due to derived from charity activities)	12,702	(1,362)
Previous year's tax correction	(1,314)	-
	<u>(245)</u>	<u>-</u>

### 8. Net income / (expenditure) for the year

#### This is stated after charging:

	2023 £	2022 £
Depreciation	299,675	216,092
Amortisation	47,249	46,905
Operating lease payments	567,913	493,756
<b>Auditor's remuneration:</b>		
Audit fees	13,200	8,160
Accountancy services	<u>840</u>	<u>4,440</u>

#### Analysis of governance costs:

	2023 £	2022 £
Audit fees	13,200	8,160
Trustees' expenses	129	146
Consultancy fees	12,830	5,924
	<u>26,159</u>	<u>14,230</u>



## NOTES TO THE FINANCIAL STATEMENTS

### 9. Analysis of staff costs, trustee remuneration and expenses, and the cost of Key Management Personnel

	2023 £	2022 £
Salaries and wages	7,583,625	6,418,608
Social security costs	490,551	433,235
Pension costs	339,177	277,772
	<u>8,413,353</u>	<u>7,129,615</u>

One employee had employee benefits in excess of £60,000, with total employee benefits excluding employer pension costs falling within the band of £110,001 to £120,000 (2022: one employee falling within the band of £100,001 to £110,000). Pension costs are allocated to activities in proportion to the related staffing costs incurred and are wholly charged to unrestricted funds.

The Charity trustees were not paid or received any other benefits from employment with the Charity in the year (2022: £nil). Trustees were reimbursed expenses during the year totalling £129 (2022: £146). The amount of consultancy fees paid to trustees in the year was £nil (2022: £nil).

The Key Management Personnel of the Charity comprise the trustees, who receive no remuneration, the Chief Executive Officer, and the Senior Leadership Team (SLT). The total employee benefits of Key Management Personnel of the Charity were £349,230 (2022: £386,276).

### 10. Staff numbers

The average monthly number of persons (including directors) employed by the Charity during the year was as follows:

	2023 Number	2022 Number
Total staff	<u>467</u>	<u>408</u>
	<u>467</u>	<u>408</u>

## NOTES TO THE FINANCIAL STATEMENTS

### 11. Intangible assets

	Computer software £	Goodwill £	Total £
<b>Cost</b>			
As at 1 January 2023	-	470,732	470,732
Additions	12,495	-	12,495
As at 31 December 2023	<u>12,495</u>	<u>470,732</u>	<u>483,227</u>
<b>Amortisation</b>			
As at 1 January 2023	-	289,599	289,599
Charge for the year	344	46,905	47,249
Amortisation on disposals	-	-	-
As at 31 December 2023	<u>344</u>	<u>336,504</u>	<u>336,848</u>
<b>Net book value</b>			
As at 31 December 2023	<u>12,151</u>	<u>134,228</u>	<u>146,379</u>
As at 31 December 2022	<u>-</u>	<u>181,133</u>	<u>181,133</u>

### 12. Tangible fixed assets

	Leasehold Improvements £	Office Equipment £	Fixtures & Fittings £	Motor Vehicles £	Play Equipment £	Total £
<b>Cost</b>						
As at 1 January 2023	1,186,218	104,836	348,516	42,626	115,802	1,797,998
Additions	245,010	19,541	60,941	-	30,568	356,060
Disposals	(18,471)	(64,110)	(38,840)	-	(10,187)	(131,608)
As at 31 December 2023	<u>1,412,757</u>	<u>60,267</u>	<u>370,617</u>	<u>42,626</u>	<u>136,183</u>	<u>2,022,450</u>
<b>Depreciation</b>						
As at 1 January 2023	446,568	76,288	211,732	26,274	64,789	825,651
Charge for the year	210,384	14,277	48,586	6,323	20,105	299,675
On disposals	(18,471)	(64,110)	(38,840)	-	(10,187)	(131,608)
As at 31 December 2023	<u>638,481</u>	<u>26,455</u>	<u>221,478</u>	<u>32,597</u>	<u>74,707</u>	<u>993,718</u>
<b>Net book value</b>						
As at 31 December 2023	<u>774,276</u>	<u>33,812</u>	<u>149,139</u>	<u>10,029</u>	<u>61,476</u>	<u>1,028,732</u>
As at 31 December 2022	<u>739,650</u>	<u>28,548</u>	<u>136,784</u>	<u>16,352</u>	<u>51,013</u>	<u>972,347</u>

## NOTES TO THE FINANCIAL STATEMENTS

### 13. Debtors

	2023	2022
	£	£
Trade debtors	112,229	22,313
Other debtors	46,771	34,884
Prepayments	163,259	126,389
	<u>322,259</u>	<u>183,586</u>

### 14. Creditors: amounts falling due within one year

	2023	2022
	£	£
Bank loan	97,394	91,281
Trade creditors	174,784	97,754
Taxation and social security	127,734	101,355
Other creditors	541,948	493,563
Accruals	86,038	44,573
	<u>1,027,898</u>	<u>828,526</u>

Acorn Early Years Foundation operates a defined contribution pension scheme for all eligible staff. Outstanding contributions awaiting payment at the 31 December 2023 were £51,081 (2022: £48,138).

In 2020 the charity borrowed £380,000 from the Charities Aid Foundation. This loan is secured with a fixed and floating charge over all the Charity's assets and repayable over four years from September 2020 at an interest rate of 6.5% above the base rate, after a six month capital and repayment holiday. At 31 December 2023 the loan balance outstanding is £97,394 (2022: £188,675). This is expected to be fully paid by 31 December 2024.

### 15. Creditors: amounts falling due after one year

	2023	2022
	£	£
Bank Loan	-	97,394
	<u>-</u>	<u>97,394</u>



## NOTES TO THE FINANCIAL STATEMENTS

### 16. Deferred Income

Included within other creditors are balances relating to deferred income. Deferred income comprise fees and grant income receipts related to financial year 2024.

	2023	2022
	£	£
Balance as at 1 January	414,709	357,115
Amounts released to income earned from charitable activities	(414,709)	(357,115)
Amount deferred in year	451,847	414,709
Balance as at 31 December	451,847	414,709

### 17. Commitments under operating leases

As at 31 December the Charity had annual commitments under non-cancellable operating leases as set out below:

	2023			2022		
	Property leases	Other operating leases	Total	Property leases	Other operating leases	Total
	£	£	£	£	£	£
Amounts payable within 1 year	507,154	23,999	531,153	451,802	22,425	474,227
Amounts payable between 2 to 5 years	1,331,626	28,546	1,360,172	1,668,329	28,849	1,697,178
Amounts payable after 5 years	860,004	-	860,004	1,008,370	-	1,008,370
	2,698,784	52,545	2,751,329	3,128,501	51,274	3,179,775

## NOTES TO THE FINANCIAL STATEMENTS

### 18. Analysis of charitable funds

#### Analysis of movements in unrestricted funds

	Balance at 1 January 2023	Income	Expenditure	Balance at 31 December 2023
	£	£	£	£
General Unrestricted Funds	536,636	11,254,226	(11,306,910)	483,952
Designated Funds	-	-	-	-
<b>Total</b>	<b>536,636</b>	<b>11,254,226</b>	<b>(11,306,910)</b>	<b>483,952</b>

#### Analysis of movements in unrestricted funds - previous year

	Balance at 1 January 2022	Income	Expenditure	Balance at 31 December 2022
	£	£	£	£
General Unrestricted Funds	544,081	9,405,598	(9,413,043)	536,636
Designated Funds	-	-	-	-
<b>Total</b>	<b>544,081</b>	<b>9,405,598</b>	<b>(9,413,043)</b>	<b>536,636</b>

Name of unrestricted fund	Description, nature and purposes of the fund
General Unrestricted Funds	The 'free reserves' to cover normal fluctuations of working capital.
Designated Funds	Funds set aside by the trustees for specific purposes. There are no designated funds during the year.

## NOTES TO THE FINANCIAL STATEMENTS

**18. Analysis of charitable funds (continued)**  
**Analysis of movements in restricted funds**

	Balance at 1 January 2023	Income	Expenditure	Balance at 31 December 2023
	£	£	£	£
MKC Jubilee Wood deprivation	2,899	12,187	(14,017)	1,069
Restricted Higher Needs & DAF	-	126,837	(126,837)	-
Mulberry Bear Reserve	2,768	-	(2,768)	-
Enjoy Benefit donations	200	2,600	(2,800)	-
Scott Bader donations	-	7,647	(7,647)	-
MKC Hedgerows deprivation	7,312	6,520	(7,317)	6,515
MKC Rowans deprivation	7,367	8,394	(13,112)	2,649
MKC Ukrainian fund	-	684	-	684
<b>Total</b>	<b>20,546</b>	<b>164,869</b>	<b>(174,498)</b>	<b>10,917</b>

**Analysis of movements in restricted funds - previous year**

	Balance at 1 January 2022	Income	Expenditure	Balance at 31 December 2022
	£	£	£	£
MKC Jubilee Wood deprivation	5,933	13,884	(16,918)	2,899
Restricted Higher Needs & DAF	-	59,382	(59,382)	-
Mulberry Bear Reserve	-	75,485	(72,717)	2,768
Enjoy Benefit donations	-	1,400	(1,200)	200
MKC Hedgerows deprivation	-	10,737	(3,425)	7,312
MKC Rowans deprivation	-	9,367	(2,000)	7,367
<b>Total</b>	<b>5,933</b>	<b>170,255</b>	<b>(155,642)</b>	<b>20,546</b>

**Name of restricted fund**

**Description, nature and purposes of the fund**

Scott Bader donations

Company who provided a donation for specific contribution towards the sensory room at Burton Latimer nursery.

Enjoy Benefits donations

Parents use the childcare voucher offer from Enjoy Benefits and in return the nursery receives payments from the company.

Restricted Higher Needs & DAF

The charity receives Disability Access Funding (DAF) and Restricted Higher Needs funding for children who meet these criterion. This type of funding varies year on year depending on the children attending the nurseries.



## NOTES TO THE FINANCIAL STATEMENTS

### 18. Analysis of charitable funds (continued)

Mulberry Bear Reserve	Mulberry Bear was an existing nursery (under a different charity - Mulberry Bear Day Nursery and Pre-School) that has now been taken over by the charity. In this process, the charity received the closing bank balance from the nursery which was subsequently restricted to expenditure on this site only. The remaining reserve was utilised in 2023.
Deprivation Funds	The purpose of these funds is to increase the learning opportunities and improve achievement of the children in areas of deprivation. This can be done via enhancing indoor and outdoor learning environments to increase wellbeing and learning opportunities.
Ukrainian Funds	The purpose of these funds is to increase the learning opportunities for children from Ukraine. This can be done via enhancing indoor and outdoor learning environments to increase wellbeing and learning opportunities.

### Analysis of net asset movements between funds

	Fixed Assets	Net Liabilities	Total 2023	Total 2022
	£	£	£	£
Restricted Funds	-	10,917	10,917	20,546
General Unrestricted Funds	1,175,111	(691,159)	483,952	536,636
	<u>1,175,111</u>	<u>(680,242)</u>	<u>494,869</u>	<u>557,182</u>

### Analysis of net asset movements between funds - previous year

	Fixed Assets	Net Liabilities	Total 2022	Total 2021
	£	£	£	£
Restricted Funds	-	20,546	20,546	5,933
General Unrestricted Funds	1,153,480	(616,844)	536,636	544,081
	<u>1,153,480</u>	<u>(596,298)</u>	<u>557,182</u>	<u>550,014</u>

## NOTES TO THE FINANCIAL STATEMENTS

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

	2023	2022
	£	£
Net movement in funds	(62,313)	7,168
Add back depreciation charge	299,675	216,092
Add back amortisation charge	47,249	46,905
Deduct bank interest received	(1,440)	(17)
Add back loan interest paid	12,426	18,156
(Increase)/decrease in stock	(717)	10,776
Increase in debtors	(138,673)	(37,553)
Decrease in creditors	193,259	116,893
	349,466	378,420

### 20. Related party transactions

Related party transactions across the year, and balances at the year-end were payments for childcare made by trustees who are also nursery parents, and reimbursement to trustees for travel expenses. This totalled £32,190 for the year to 31 December 2023 (2022: £20,061), with a further £271 being paid in advance for 2024 childcare (2023: £654). Furthermore, we provided £258 of free sessions to trustees in the year to cover their childcare on days when they were required to attend trustee meetings (2022: £nil).

In October 2023 the CEO took out a loan for £1,000. At the year end the remaining balance of this loan was £500.

In November 2023 we received a £500 donation from one of the trustee's employers acknowledging their contribution to a charitable organisation.

In addition, Acorn Nursery Properties Limited (ANP), the landlord for two of the nursery buildings, is a related party, as the CEO is the majority shareholder in ANP. ANP charged the charity rent on two properties, totalling £69,000 (2022: £69,000). Acorn further charged book-keeping of £600 (2022: £600) to ANP.

### 21. Post balance sheet events

The YMCA nursery closed on 31 December 2023, Acorn remains contractually tied to a lease agreement for the building until February 2025. The remaining lease payments total £50,050. At 31 December 2023 the ongoing capitalised value of the investment is shown in the financial statements at £271,251. Subsequent to the closure, certain furniture, fixtures and fittings were removed for reuse. Any value to be written off in the financial statements will be crystallised when ongoing negotiations with the landlord conclude.

### 22. Controlling Party

The Charity is ultimately controlled by the Board of Trustees.

## NOTES TO THE FINANCIAL STATEMENTS

### 23. Comparative Statement of Financial Activities

	Unrestricted Funds	Restricted Funds	Total 2022
	£	£	£
<b>Income and Expenditure</b>			
<b>INCOME:</b>			
Donations and legacies	4,295	-	4,295
Income from charitable activities	9,401,286	170,255	9,571,541
Investment income	17	-	17
<b>Total Income</b>	<u>9,405,598</u>	<u>170,255</u>	<u>9,575,853</u>
<b>EXPENDITURE:</b>			
Expenditure on charitable activities	9,413,043	155,642	9,568,685
<b>Total Expenditure</b>	<u>9,413,043</u>	<u>155,642</u>	<u>9,568,685</u>
<b>Net income /(expenditure) movement in funds for the year</b>	(7,445)	14,613	7,168
<b>Reconciliation of funds</b>	544,081	5,933	550,014
<b>Total funds carried forward</b>	<u>536,636</u>	<u>20,546</u>	<u>557,182</u>