

Charity registration number 1150223

Company registration number 04586947 (England and Wales)

GRENDON & BILLESLEY NURSERY AND FAMILY CENTRE LIMITED
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 NOVEMBER 2022

GRENDON & BILLESLEY NURSERY AND FAMILY CENTRE LIMITED

LEGAL AND ADMINISTRATIVE INFORMATION

| | | |
|-----------------|--------------------|-----------------------------|
| Trustees | J S Jenkinson | -resigned 15 November 2022 |
| | L Pearce | |
| | O Styles | |
| | Dr R Rahimi | |
| | M Arif | |
| | S Fry | |
| | Reverend E Russell | |
| | S Ford | -appointed 15 November 2022 |
| | M Cox | -appointed 19 January 2023 |

Secretary Mrs L Smith

Charity number 1150223

Company number 04586947

Principal address 15 Grendon Road
Kings Heath
Birmingham
B14 4RB

Registered office 15 Grendon Road
Kings Heath
Birmingham
B14 4RB

Auditor M T Manley & Co. Limited
696 Yardley Wood Road
Billesley
Birmingham
B13 OHY

GRENDON & BILLESLEY NURSERY AND FAMILY CENTRE LIMITED

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GRENDON & BILLESLEY NURSERY AND FAMILY CENTRE LIMITED

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT)

FOR THE YEAR ENDED 30 NOVEMBER 2022

The trustees who are also directors of the Charitable company present their report and accounts for the year ended 30 November 2022.

The accounts have been prepared in accordance with the accounting policies set out in note 2 to the accounts and comply with the Charitable company's Articles of Association, the Companies Act 2006 and the Statement of Recommended Practice, "Accounting and Reporting by Charities", issued in March 2005.

Objectives and activities

The Charitable company's objects as set out more fully in the Charitable company's articles of association are:

1. To advance the education, development and well-being of children under the age of 13 years
2. To promote good quality childcare and to develop support services for parents and families
3. By involvement in the provision of the above services, to increase the education, health and wellbeing of parents and families.

In pursuance of these objects, the principle activity of the Charitable company is the running of childrens' nurseries in the Billesley area of Birmingham. The Charitable company has in addition entered into a contract for the provision of early years health and wellbeing services, Across the Selly Oak district of Birmingham.

The charity provides significant public benefit in the following areas:

- * advancement of early education
- * prevention of child poverty
- * advancement of child and parent health
- * promotion of social harmony
- * relief of social disadvantage

The trustees have paid due regard to public benefit guidance issued by the Charity Commission in deciding what activities the Charitable company should undertake.

The Charitable company's policy is to consult and discuss with employees, through unions, staff councils and at meetings, matters likely to affect employees' interests.

Information on matters of concern to employees is given through information bulletins and reports which seek to achieve a common awareness on the part of all employees of the financial and economic factors affecting the group's performance.

Achievements and performance

GBNFC has continued to keep up the high standard of care and education with all its Early Years settings and its Children's Centre contract always employing our service users feedback as a key focus for how we deliver our services to the wider community.

As well as continuing to hold the Quality Mark Award across the Early Years settings we have also achieved the Curiosity Approach (an environment award to support a natural, authentic use of resources), as well as level 3 in Start Well and advanced award (a healthy lifestyle award). We also hold the Sun Safety Award for providing the best guidance and practice for sun safety, and the Millie's Mark for Paediatric First Aid.

In order to further our early years work and objectives, and in an effort to ensure the continuance of children services in our area of Birmingham, the Charitable company has subcontracted to run a children's centre, known as GBNFC Children's Centre.

We continue to develop our partnership with other agencies and provisions across the local areas, to enhance the opportunities for learning.

GRENDON & BILLESLEY NURSERY AND FAMILY CENTRE LIMITED

TRUSTEES' REPORT (CONTINUED)(INCLUDING DIRECTORS' REPORT) FOR THE YEAR ENDED 30 NOVEMBER 2022

Nursery income remained stable at £1,407,173 compared to £1,398,494 last year with nursery expenditure also remaining stable at £1,432,771 compared to £1,422,019 last year. This results in a deficit on nursery of £25,598 compared to a deficit of £23,525 last year. Unrestricted funds of £551,083 are carried forward.

The Children's Centre surplus for the year was £72,889 (2021 £165,413). Restricted funds of £885,317 are carried forward.

It is charity policy to obtain sufficient funding to successfully implement its core activities.

Financial review

Plans and budgets to facilitate the continued delivery of services at the current level have been agreed, and will continue to be carefully monitored in the light of uncertain economic and funding conditions.

It is the policy of the Charitable company that unrestricted funds which have not been designated for a specific use should be maintained at a level equivalent to between three and six months' expenditure. The trustees consider that reserves at this level will ensure that, in the event of a significant drop in funding, they will be able to continue the Charitable company's current activities while consideration is given to ways in which additional funds may be raised. The trustees are satisfied with unrestricted reserves of £551,083 and restricted reserves of £885,317 at 30 November, 2022.

The trustees are responsible for the management of risks faced by the charity. The principle risks are in areas of safeguarding, Child Protection and the need to ensure the continued funding of the activities. Risks are identified, assessed and controls established throughout the year.

The key controls employed are:

- * formal agendas for trustee and committee meetings
- * detailed terms of reference for sub-committees
- * strict adherence to Government Safeguarding and Child Protection legislation
- * comprehensive strategic planning, budgeting and management accounting
- * established organisational structure and lines of reporting
- * formal written policies
- * clear authorisation and approval levels.

Structure, governance and management

The Charitable company is a company limited by guarantee. It was set up in 2004, and obtained charitable status on 18 December, 2012.

The trustees, who are also the directors for the purpose of company law, and who served during the year were:

| | |
|--------------------|-----------------------------|
| J S Jenkinson | -resigned 15 November 2022 |
| L Pearse | |
| O Styles | |
| Dr R Rahimi | |
| M Arif | |
| S Fry | |
| Reverend E Russell | |
| S Ford | -appointed 15 November 2022 |

GRENDON & BILLESLEY NURSERY AND FAMILY CENTRE LIMITED

TRUSTEES' REPORT (CONTINUED)(INCLUDING DIRECTORS' REPORT) FOR THE YEAR ENDED 30 NOVEMBER 2022

Trustees are recruited from the local parent community and from other interested local residents. All trustees are required to obtain DBS certification and are required to familiarise themselves with the charities policies and practices. Knowledge and experience of the trustee's role is obtained by attendance at regular trustees and sub-committee meetings.

Trustee meetings are attended by members of the senior management team, who submit their reports on the conduct, achievements, finances and ongoing development of the charity. The senior management team in turn communicate trustees decisions to the staff of the nursery and have responsibility for day to day management.

None of the trustees has any beneficial interest in the company. All of the trustees are members of the company and guarantee to contribute £1 in the event of a winding up.

Auditor

In accordance with the company's articles, a resolution proposing that M T Manley & Co. Limited be reappointed as auditor of the company will be put at a General Meeting.

L Pearse

Trustee

Dated: 25 August 2023

GRENDON & BILLESLEY NURSERY AND FAMILY CENTRE LIMITED

STATEMENT OF TRUSTEES' RESPONSIBILITIES

FOR THE YEAR ENDED 30 NOVEMBER 2022

The trustees, who are also the directors of Grendon & Billesley Nursery and Family Centre Limited for the purpose of company law, are responsible for preparing the Trustees' Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company Law requires the trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the Charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that year.

In preparing these financial statements, the trustees are required to:

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

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

GRENDON & BILLESLEY NURSERY AND FAMILY CENTRE LIMITED

INDEPENDENT AUDITOR'S REPORT

TO THE TRUSTEES OF GRENDON & BILLESLEY NURSERY AND FAMILY CENTRE LIMITED

Opinion

We have audited the financial statements of Grendon & Billesley Nursery and Family Centre Limited (the 'Charitable company') for the year ended 30 November 2022 which comprise the statement of financial activities, the balance sheet, the statement of cash flows and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 30 November 2022 and of its incoming resources and application of resources, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the financial statements* section of our report. We are independent of the Charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and 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.

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 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.

GRENDON & BILLESLEY NURSERY AND FAMILY CENTRE LIMITED

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE TRUSTEES OF GRENDON & BILLESLEY NURSERY AND FAMILY CENTRE LIMITED

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters in relation to which the Charities (Accounts and Reports) Regulations 2008 require us to report to you if, in our opinion:

- the information given in the financial statements is inconsistent in any material respect with the trustees' report; or
- sufficient accounting records have not been kept; or
- the financial statements are not in agreement with the accounting records; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of trustees

As explained more fully in the statement of trustees' responsibilities, the trustees, who are also the directors of the Charitable company for the purpose 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

We have been appointed as auditor under section 144 of the Charities Act 2011 and report in accordance with the Act and relevant regulations made or having effect thereunder.

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.

GRENDON & BILLESLEY NURSERY AND FAMILY CENTRE LIMITED

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE TRUSTEES OF GRENDON & BILLESLEY NURSERY AND FAMILY CENTRE LIMITED

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.

We design our procedures so as to obtain sufficient appropriate audit evidence that the financial statements are not materially misstated due to non-compliance with laws and regulations or due to fraud or error.

We are not responsible for preventing non-compliance and cannot be expected to detect non-compliance with all laws and regulations – this responsibility lies with management with the oversight of the Directors.

Based on our understanding of the company and industry and discussions with management we identified financial reporting standards and Companies Act 2006 as having a direct effect on the amounts and disclosures in the financial statements.

As part of the engagement team discussion about how and where the charitable company's financial statements may be materially misstated due to fraud, we did not identify any areas with an increased risk of fraud.

Our audit procedures included:

- enquiry of management about the charitable company's policies, procedures and related controls regarding compliance with laws and regulations and if there are any known instances of non-compliance;
- examining supporting documents for all material balances, transactions and disclosures;
- review of the Board of Trustees minutes;
- enquiry of management and review and inspection of relevant correspondence with any legal firms;
- evaluation of the selection and application of accounting policies related to subjective measurements and complex transactions;
- analytical procedures to identify any unusual or unexpected relationships;
- testing the appropriateness of journal entries recorded in the general ledger and other adjustments made in the preparation of the financial statements;
- review of accounting estimates for biases;

Owing to the inherent limitations of an audit, there is an unavoidable risk that some material misstatements of the financial statements may not be detected, even though the audit is properly planned and performed in accordance with the ISAs (UK).

The potential effects of inherent limitations are particularly significant in the case of misstatement resulting from fraud because fraud may involve sophisticated and carefully organized schemes designed to conceal it, including deliberate failure to record transactions, collusion or intentional misrepresentations being made to us.

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

GRENDON & BILLESLEY NURSERY AND FAMILY CENTRE LIMITED

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE TRUSTEES OF GRENDON & BILLESLEY NURSERY AND FAMILY CENTRE LIMITED

This report is made solely to the company's members, as a body, in accordance with section 391 of the Companies Act 2014. Our audit work has been undertaken so that we might state to the 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 company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Graham Collins (Senior Statutory Auditor)
for and on behalf of M T Manley & Co Limited
(Statutory Auditor)

25 August 2023

696 Yardley Wood Road
Billesley
Birmingham
B13 OHY

M T Manley & Co. Limited is eligible for appointment as auditor of the Charitable company by virtue of its eligibility for appointment as auditor of a company under section 1212 of the Companies Act 2006.

GRENDON & BILLESLEY NURSERY AND FAMILY CENTRE LIMITED

STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 30 NOVEMBER 2022

| | Notes | Unrestricted funds 2022 £ | Restricted funds 2022 £ | Total 2022 £ | Unrestricted funds 2021 £ | Restricted funds 2021 £ | Total 2021 £ |
|---|-------|---------------------------------|-------------------------------|-------------------------|---------------------------------|-------------------------------|-------------------------|
| Income from: | | | | | | | |
| Charitable activities | | | | | | | |
| Fees and grants | 3 | 1,332,062 | 780,984 | 2,113,046 | 1,325,986 | 822,946 | 2,148,932 |
| Investments | 4 | 75,111 | 88 | 75,199 | 72,508 | 2 | 72,510 |
| Total income | | <u>1,407,173</u> | <u>781,072</u> | <u>2,188,245</u> | <u>1,398,494</u> | <u>822,948</u> | <u>2,221,442</u> |
| Expenditure on: | | | | | | | |
| Charitable activities | 5 | <u>1,432,771</u> | <u>708,183</u> | <u>2,140,954</u> | <u>1,422,019</u> | <u>657,535</u> | <u>2,079,554</u> |
| Net (expenditure)/income for the year/ | | | | | | | |
| Net movement in funds | | (25,598) | 72,889 | 47,291 | (23,525) | 165,413 | 141,888 |
| Fund balances at 1 December 2021 | | <u>576,681</u> | <u>812,428</u> | <u>1,389,109</u> | <u>600,206</u> | <u>647,015</u> | <u>1,247,221</u> |
| Fund balances at 30 November 2022 | | <u><u>551,083</u></u> | <u><u>885,317</u></u> | <u><u>1,436,400</u></u> | <u><u>576,681</u></u> | <u><u>812,428</u></u> | <u><u>1,389,109</u></u> |

The statement of financial activities includes all gains and losses recognised in the year.

All income and expenditure derive from continuing activities.

The statement of financial activities also complies with the requirements for an income and expenditure account under the Companies Act 2006.

GRENDON & BILLESLEY NURSERY AND FAMILY CENTRE LIMITED

BALANCE SHEET

AS AT 30 NOVEMBER 2022

| | Notes | 2022 £ | £ | 2021 £ | £ |
|---|-------|------------------|------------------|------------------|------------------|
| Fixed assets | | | | | |
| Tangible assets | 10 | | 5,096 | | 5,951 |
| Current assets | | | | | |
| Debtors | 11 | 161,046 | | 112,885 | |
| Cash at bank and in hand | | 1,296,904 | | 1,300,107 | |
| | | <u>1,457,950</u> | | <u>1,412,992</u> | |
| Creditors: amounts falling due within one year | 12 | <u>(26,646)</u> | | <u>(29,834)</u> | |
| Net current assets | | | 1,431,304 | | 1,383,158 |
| Total assets less current liabilities | | | <u>1,436,400</u> | | <u>1,389,109</u> |
| Income funds | | | | | |
| Restricted funds | 13 | 885,317 | | 812,428 | |
| Unrestricted funds | | 551,083 | | 576,681 | |
| | | <u>1,436,400</u> | | <u>1,389,109</u> | |

The company is entitled to the exemption from the audit requirement contained in section 477 of the Companies Act 2006, for the year ended 30 November 2022, although an audit has been carried out under section 144 of the Charities Act 2011.

The trustees' are responsible for ensuring that the charity keeps accounting records which comply with section 386 of the Act and for preparing accounts which give a true and fair view of the state of affairs of the company as at the end of the financial year and of its incoming resources and application of resources, including its income and expenditure, for the financial year in accordance with the requirements of sections 394 and 395 and which otherwise comply with the requirements of the Companies Act 2006 relating to accounts, so far as applicable to the company.

These financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime.

The financial statements were approved by the Trustees on 25 August 2023

L Pearse
Trustee

Company Registration No. 04586947

GRENDON & BILLESLEY NURSERY AND FAMILY CENTRE LIMITED

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 30 NOVEMBER 2022

| | Notes | 2022 £ | £ | 2021 £ | £ |
|---|-------|-----------|-----------|-----------|-----------|
| Cash flows from operating activities | | | | | |
| Cash (absorbed by)/generated from operations | 17 | | (77,559) | | 9,093 |
| Investing activities | | | | | |
| Purchase of tangible fixed assets | | (842) | | (1,117) | |
| Investment income received | | 75,199 | | 72,510 | |
| Net cash generated from investing activities | | | 74,357 | | 71,393 |
| Net cash used in financing activities | | | - | | - |
| Net (decrease)/increase in cash and cash equivalents | | | (3,202) | | 80,486 |
| Cash and cash equivalents at beginning of year | | | 1,300,106 | | 1,219,620 |
| Cash and cash equivalents at end of year | | | 1,296,904 | | 1,300,106 |

GRENDON & BILLESLEY NURSERY AND FAMILY CENTRE LIMITED

STATEMENT OF CASH FLOWS (CONTINUED)

FOR THE YEAR ENDED 30 NOVEMBER 2022

1 Critical accounting estimates and judgements

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.

Trade debtors

Management have to make judgements on the recoverability of trade debtors based upon their historical knowledge and experience of their customers.

2 Accounting policies

Company information

Grendon & Billesley Nursery and Family Centre Limited is a private company limited by guarantee incorporated in England and Wales. The registered office is 15 Grendon Road, Kings Heath, Birmingham, B14 4RB.

2.1 Accounting convention

The financial statements have been prepared in accordance with the Charitable company's Memorandum and Articles of Association, the Companies Act 2006 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)" (as amended for accounting periods commencing from 1 January 2016). The Charitable company is a Public Benefit Entity as defined by FRS 102.

The financial statements are prepared in sterling, which is the functional currency of the Charitable company. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared under the historical cost convention. The principal accounting policies adopted are set out below.

2.2 Going concern

At the time of approving the financial statements, the trustees have a reasonable expectation that the Charitable company has adequate resources to continue in operational existence for the foreseeable future. Thus the trustees continue to adopt the going concern basis of accounting in preparing the financial statements.

2.3 Charitable funds

Unrestricted funds are available for use at the discretion of the trustees in furtherance of their charitable objectives.

Restricted funds are subject to specific conditions by donors as to how they may be used. The purposes and uses of the restricted funds are set out in the notes to the financial statements.

2.4 Incoming resources

Income is recognised when the Charitable company is legally entitled to it after any performance conditions have been met, the amounts can be measured reliably, and it is probable that income will be received.

GRENDON & BILLESLEY NURSERY AND FAMILY CENTRE LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 NOVEMBER 2022

2 Accounting policies

(Continued)

Cash donations are recognised on receipt. Other donations are recognised once the Charitable company has been notified of the donation, unless performance conditions require deferral of the amount. Income tax recoverable in relation to donations received under Gift Aid or deeds of covenant is recognised at the time of the donation.

Legacies are recognised on receipt or otherwise if the Charitable company has been notified of an impending distribution, the amount is known, and receipt is expected. If the amount is not known, the legacy is treated as a contingent asset.

2.5 Resources expended

Expenses are included in the financial statements as they become due.

2.6 Tangible fixed assets

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

| | |
|-------------------|----------------------|
| Nursery equipment | 25% reducing balance |
|-------------------|----------------------|

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is recognised in the statement of financial activities.

2.7 Impairment of fixed assets

At each reporting end date, the Charitable company reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any).

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. An impairment loss is recognised immediately in income/ expenditure for the year, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Recognised impairment losses are reversed if, and only if, the reasons for the impairment loss have ceased to apply. Where an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in prior years. A reversal of an impairment loss is recognised immediately, unless the relevant asset is carried in at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

2.8 Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

GRENDON & BILLESLEY NURSERY AND FAMILY CENTRE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 NOVEMBER 2022

2 Accounting policies

(Continued)

2.9 Financial instruments

The Charitable company has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the Charitable company's balance sheet when the Charitable company becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Basic financial assets

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

Basic financial liabilities

Basic financial liabilities, including creditors and bank loans are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of operations from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

Derecognition of financial liabilities

Financial liabilities are derecognised when the Charitable company's contractual obligations expire or are discharged or cancelled.

2.10 Employee benefits

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 Charitable company is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

GRENDON & BILLESLEY NURSERY AND FAMILY CENTRE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 NOVEMBER 2022

3 Charitable activities

| | Fees and grants | Fees and grants |
|-------------------------|--------------------|--------------------|
| | 2022 | 2021 |
| | £ | £ |
| Nursery fees and grants | 2,113,046 | 2,148,932 |
| | <u>2,113,046</u> | <u>2,148,932</u> |
| Analysis by fund | | |
| Unrestricted funds | 1,332,062 | 1,325,986 |
| Restricted funds | 780,984 | 822,946 |
| | <u>2,113,046</u> | <u>2,148,932</u> |

4 Investments

| | Unrestricted funds | Restricted funds | Total Unrestricted funds | Restricted funds | Total |
|---------------------|-----------------------|---------------------|-----------------------------|---------------------|---------------|
| | 2022 | 2022 | 2022 | 2021 | 2021 |
| | £ | £ | £ | £ | £ |
| Rental income | 75,027 | - | 75,027 | 72,491 | 72,491 |
| Interest receivable | 84 | 88 | 172 | 17 | 19 |
| | <u>75,111</u> | <u>88</u> | <u>75,199</u> | <u>2</u> | <u>72,510</u> |

GRENDON & BILLESLEY NURSERY AND FAMILY CENTRE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 NOVEMBER 2022

5 Charitable activities

| | Nursery and Children's Centre running costs 2022 £ | Nursery and Children's Centre running costs 2021 £ |
|--|---|---|
| Staff costs | 1,546,234 | 1,512,390 |
| Charitable activities | 590,070 | 562,724 |
| | <u>2,136,304</u> | <u>2,075,114</u> |
| Share of governance costs (see note 6) | 4,650 | 4,440 |
| | <u>2,140,954</u> | <u>2,079,554</u> |
| Analysis by fund | | |
| Unrestricted funds | 1,432,771 | 1,422,019 |
| Restricted funds | 708,183 | 657,535 |
| | <u>2,140,954</u> | <u>2,079,554</u> |

6 Support costs

| | Support costs £ | Governance costs £ | 2022 £ | Support costs £ | Governance costs £ | 2021 £ |
|-----------------------|--------------------|-----------------------|--------------|--------------------|-----------------------|--------------|
| Audit fees | - | 4,650 | 4,650 | - | 4,440 | 4,440 |
| | <u>-</u> | <u>4,650</u> | <u>4,650</u> | <u>-</u> | <u>4,440</u> | <u>4,440</u> |
| Analysed between | | | | | | |
| Charitable activities | - | 4,650 | 4,650 | - | 4,440 | 4,440 |
| | <u>-</u> | <u>4,650</u> | <u>4,650</u> | <u>-</u> | <u>4,440</u> | <u>4,440</u> |

7 Trustees

None of the trustees (or any persons connected with them) received any remuneration or expenses during the year.

GRENDON & BILLESLEY NURSERY AND FAMILY CENTRE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 NOVEMBER 2022

8 Employees

The average monthly number of employees during the year was:

| | 2022 Number | 2021 Number |
|------------------------------------|----------------|----------------|
| Nursery and Childrens Centre staff | 79 | 84 |

Employment costs

| | 2022 £ | 2021 £ |
|-----------------------|-----------|-----------|
| Wages and salaries | 1,374,154 | 1,344,634 |
| Social security costs | 91,756 | 82,887 |
| Other pension costs | 80,324 | 84,869 |
| | 1,546,234 | 1,512,390 |

There were no employees whose annual remuneration was more than £60,000.

9 Taxation

The charity is exempt from tax on income and gains falling within section 505 of the Taxes Act 1988 or section 252 of the Taxation of Chargeable Gains Act 1992 to the extent that these are applied to its charitable objects.

10 Tangible fixed assets

| | Nursery equipment £ |
|------------------------------------|------------------------|
| Cost | |
| At 1 December 2021 | 25,875 |
| Additions | 843 |
| At 30 November 2022 | 26,718 |
| Depreciation and impairment | |
| At 1 December 2021 | 19,923 |
| Depreciation charged in the year | 1,698 |
| At 30 November 2022 | 21,621 |
| Carrying amount | |
| At 30 November 2022 | 5,097 |
| At 30 November 2021 | 5,952 |

GRENDON & BILLESLEY NURSERY AND FAMILY CENTRE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 NOVEMBER 2022

11 Debtors

| | 2022 £ | 2021 £ |
|--------------------------------------|-----------|-----------|
| Amounts falling due within one year: | | |
| Trade debtors | 161,046 | 112,885 |

12 Creditors: amounts falling due within one year

| | 2022 £ | 2021 £ |
|------------------------------------|-----------|-----------|
| Other taxation and social security | 15,447 | 18,075 |
| Accruals and deferred income | 11,199 | 11,759 |
| | 26,646 | 29,834 |

13 Restricted funds

The income funds of the charity include restricted funds comprising the following unexpended balances of donations and grants held on trust for specific purposes:

| | Balance at 1 December 2020 £ | Childrens Centre income and grants £ | Childrens Centre running costs £ | Balance at 1 December 2021 £ | Childrens Centre income and grants £ | Childrens Centre running costs £ | Balance at 30 November 2022 £ |
|-----------------------|---------------------------------------|--|---|---------------------------------------|--|---|--|
| Childrens Centre | 647,015 | 765,350 | (615,237) | 797,128 | 729,365 | (667,607) | 858,886 |
| Community Projects | - | 57,598 | (42,298) | 15,300 | 51,707 | (40,576) | 26,431 |
| | 647,015 | 822,948 | (657,535) | 812,428 | 781,072 | 708,183 | 885,317 |

14 Analysis of net assets between funds

| | Unrestricted funds 2022 £ | Restricted funds 2022 £ | Total 2022 £ | Unrestricted funds 2021 £ | Restricted funds 2021 £ | Total 2021 £ |
|---|------------------------------------|----------------------------------|--------------------|------------------------------------|----------------------------------|--------------------|
| Fund balances at 30 November 2022 are represented by: | | | | | | |
| Tangible assets | 5,096 | - | 5,096 | 5,952 | - | 5,952 |
| Current assets/(liabilities) | 545,987 | 885,317 | 1,431,304 | 570,729 | 812,428 | 1,383,157 |
| | 551,083 | 885,317 | 1,436,400 | 576,681 | 812,428 | 1,389,109 |

15 Related party transactions

There were no disclosable related party transactions during the year (2021 - none).

GRENDON & BILLESLEY NURSERY AND FAMILY CENTRE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 NOVEMBER 2022

16 Analysis of changes in net funds

The Charitable company had no debt during the year.

| 17 Cash generated from operations | 2022 £ | 2021 £ |
|--|-------------------|-------------------|
| Surplus for the year | 47,291 | 141,888 |
| Adjustments for: | | |
| Investment income recognised in profit or loss | (75,199) | (72,510) |
| Depreciation and impairment of tangible fixed assets | 1,698 | 1,984 |
| Movements in working capital: | | |
| (Increase) in debtors | (48,161) | (66,555) |
| (Decrease)/increase in creditors | (3,188) | 4,286 |
| Cash (absorbed by)/generated from operations | (77,559) | 9,093 |