

Charitable Incorporated Organisation - Registration number: 1154939

Kamelia Kids

Annual Report and Financial Statements

for the Year Ended 31 December 2021



Kamelia Kids

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Kamelia Kids

Reference and Administrative Details

Charity Registration Number	1154939
Patron	Lady Emma Barnard
Chair	K Haffenden
Trustees	P R Jarman L Smith G Launders K Thompson K Haffenden P Byfield A Harvey, (appointed on 6 September 2021)
Nursery Operations Director	S Charlesworth
Charity Communications Manager	D Calderwood
Principal Office	Wellesley Avenue Goring By Sea Worthing West Sussex BN12 4PN The charity is incorporated in England and Wales.
Bankers	HSBC Bank Warwick Street, Worthing 1 Warwick Street Worthing West Sussex BN11 3DE
Independent Examiner	Matthew Hodson FCA Hodson & Co Independent Examiner Wiston House 1 Wiston Avenue Worthing West Sussex BN14 7QL

Kamelia Kids

Trustees' Report

The Trustees' present the annual report together with the financial statements of the charity for the year ended 31 December 2021.

The accounts have been prepared in accordance with the accounting policies set out in note 2 to the accounts and comply with the Charity's governing document, the Charities Act 2011 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).

Objectives and activities

Objects and aims

The objects of the Charity are as follows:

"To support all children particularly those with special and additional needs due to sickness, physical or mental disability, poverty or social and economic circumstances through the provision of facilities, help and education, including support to their families and carers, to enable them to achieve the best possible educational, developmental and other outcomes."

Objectives, strategies and activities

The Charity continues to fulfil its objects through the provision of early years learning and development to children of all abilities within a fully inclusive and integrated environment. The activities continue to be provided from the purpose-built premises in Goring by Sea and our beach hut on Goring seafront.

The Early Years Foundation Stage (EYFS) is the statutory framework for all early year's providers in England and sets the standards that all early year's providers must meet, originally launched in 2008, it was revised in September 2021. Ofsted regulate and inspect all early year's providers against the safeguarding and welfare requirements and areas of learning to determine how well children are kept safe and healthy.

Kamelia Kids pedagogy focuses on providing an inclusive and rich learning environment to prepare children for life in the twenty first century. Moreover, it aspires to give children the best start in life and to help them grow and develop into emotionally healthy individuals. Kamelia Kids curriculum is guided by the four overarching principles of the EYFS:

- Unique child
- Positive relationships
- Enabling environments
- Learning and developing

Careful thought is given to inform our enabling environments (indoors and outdoors), to provide resources, activities, and learning opportunities to meet each child's unique requirements, our curriculum is very flexible and responsive to follow children's interests and those totally unplanned learning opportunities that sometimes come out of the blue, such as it unexpectedly snowing, etc!

Play is at the core of learning, together with play-based experiences we have designed our curriculum to encourage children to learn, develop and flourish through exploring, experiencing, creating, discovering, relating to, and interacting with the world around them.

Assessment plays an important part in helping practitioners to recognise children's progress, understand their needs, and to plan experiences and activities that support children to move forward. Ongoing informative assessment involves practitioners knowing children's level of achievement and interest, and then shaping teaching and learning experiences for each child reflecting that knowledge.

The notes on pages 13 to 23 form an integral part of these financial statements.

Kamelia Kids

Trustees' Report

Staff recruitment and retention in the Early Years sector remains a challenge. To ensure we have sufficient suitably qualified and experienced staff, Kamelia Kids Apprenticeship programme has been expanded and qualified staff are actively being encouraged to study for further Early Years qualifications. All staff take part in mandatory training and are continually upskilled to empower them to do their best with achievements being recognised through our policy of internal promotions and career advancements.

The Charity's commitment to ensuring that all children feel fully valued and cared for and that they and their families are given all the support they need remains our priority.

Public benefit

Activities undertaken to further public benefit

The trustees confirm that they have complied with the requirements of section 17 of the Charities Act 2011 to have due regard to the public benefit guidance published by the Charity Commission for England and Wales.

Achievements and performance

The nursery is regulated by OFSTED and currently has an OFSTED rating of 'Good' in all areas.

The considerable improvements in the nursery environment and growth in nursery occupancy achieved in 2020 has continued throughout 2021 despite the continued impact of the pandemic on our lives and operations. We have experienced an unprecedented increase in occupancy with the number of children on register increasing by 50% in 2021 and the trend is continuing into 2022. With this increase in occupancy has come an increase in SEND children now 33% of our total children on register. To meet the growing needs Kamelia Kids has employed more nursery staff including four Apprentices and all staff have been upskilled through continuous professional development and training. Our nursery staff includes several graduate level early years practitioners, a dedicated special educational needs co-ordinator (SENDCO) and Assistant SENDCO, all of whom are passionate about their profession and seek excellence in all they do.

The nursery environment is continually enhanced to facilitate this growth. Indoors practical additions such as new toilet cubicles to meet the criteria specified by Ofsted have been installed along with a commercial dishwasher and washing machine to replace the domestic appliances which were struggling to cope with the increased usage.

The outside areas have been further developed during 2021 with all three gardens now having a mud kitchen and work has started on a vegetable garden which is teaching children patience, responsibilities, developing their fine motor skills and promoting healthy eating. As well as having a sensory experience, they learn new vocabulary, improve their well-being, and stimulate their learning of all things new and wonderful. The plants are grown in raised beds making the vegetable garden accessible to all the children to benefit from and take part in the learning, the fun and the exercise.

Other new outdoor resources include a purpose built easily accessed stage area suitable for all our children where they can sing and act, either individually or as a group, this develops their speech and language skills, encourages role play and storytelling and improves listening skills. The purchase of a collection of teepees used as multi-functional dens has not only encouraged imagination and role play but also doubled up as a calm safe space for children who experience sensory overload.

Each child's needs and interests are different, so our practitioners use their professional judgement to understand what children know, what they can do, and what to do next to support and extend development and learning. In their day-to-day interactions with children, practitioners will respond to their own day-to-day observations about children's progress and the observations that parents and carers share.

The notes on pages 13 to 23 form an integral part of these financial statements.

Kamelia Kids

Trustees' Report

Kamelia Kids is known for its high standard of care and support of pre-school children living with a range of special needs and disabilities, as well as social, educational and additional needs. Around 33% of the children registered with us, have a Special Educational Need or Disability including complex medical needs requiring specialist care. A further 15% experience a range of milder educational needs and behavioural difficulties; whilst some children have poor verbal communication skills, reduced mobility, or struggle to understand, express their emotions or make confident, independent choices. Children's emotional wellbeing can also be compromised, and challenging behaviour is common. The remaining 52% are 'mainstream' children.

A Discretionary Charitable Discount (DCD) was introduced during the pandemic to support some families whereby Kamelia Kids waives part or all the nursery fees and/or cost of hot lunches on a temporary or ongoing basis depending on the circumstances of the child. By offering this charitable discount we can be sure that children with vulnerable backgrounds and/or living in households experiencing financial difficulty are getting a hot meal each day, are able to be cared for in a safe environment and provided with some stability and continuity in their lives. During 2021 the Charitable discretionary discount given amounted to £15,835.

The Snowdrop project was inspired by an increasing need for more childcare for disadvantaged families who are eligible for, or are in receipt of, the universal 15 hours of Free Entitlement funding. The project was launched in 2021 providing additional Early Years Funded sessions during term time for pre-school children of families experiencing financial hardship or other challenges and that do not require or cannot afford our regular day nursery sessions. The Snowdrop initiative has proved popular with 30 families so far benefitting from the project.

As part of our local authority's continued development of inclusive practice they ran a series of workshops on sharing developing inclusive practice and partnerships between schools and Early Years settings and our SENDCO was selected to be the Early Years representative demonstrating best practice to the attendees.

Financial review

2021 has been a year of substantial growth with occupancy and income increasing by 49%.

Kamelia Kids secured funding of £110k during 2021 for various projects and initiatives through the collaborative bid writing between the part-time fundraising consultant and the Charity Communications Manager, the main ones being: -

SENDCO project £43.5k

Health & Physical development project £1.3k

Snowdrop Project £14.6k

CAF Resilience Fund £17.7k

Local fundraising and donation support fared better this year at £4.8k.

Staff salaries continue to be our main expenditure.

Total income from activities has increased by 49% from £573,971 in 2020 to £857,204 in 2021, with expenditure increasing by 16% to £704,311 in 2021. The net income for 2021 was an amazing £152,893 compared to net loss of £30,996 in 2020. Unrestricted reserves not invested in property at 31st December 2021 increased significantly to £223,607 (2020 £58,684) of which £24,700 (2020 £21,609) was invested in fixtures and equipment. Currently the level of free reserves is £198,907 (2020 £37,075).

The Structure and Organisation Review carried out in the final quarter of 2020 was implemented in early 2021 and considerable progress has been made in overall efficiency savings and improving financial sustainability as demonstrated in the financial figures. The senior management team (SMT) are intent on building on the progress made and effecting continuous improvement.

The notes on pages 13 to 23 form an integral part of these financial statements.

Kamelia Kids

Trustees' Report

Policy on reserves

The Trustees have reviewed their policy, taking into account guidance by the Charity Commission, so as to establish an acceptable level of reserves which is the cornerstone of the prudent financial management of the Charity.

Based on six months running costs, the aspiration of the Trustees is to hold sufficient unrestricted funds not committed or invested in tangible fixed assets ('the free reserves') held by the Charity. This amounts to approximately £300k, currently the level of free reserves is £198,907 (2020 £37,075). The trustees continue to monitor this closely to safeguard the 'free reserves' and continue to increase them to an appropriate level.

Plans for future periods

Aims and key objectives for future periods

The Quality Improvement and Business Development Plan has short, medium and long-term objectives alongside key objectives, guiding principles and outcomes. This plan has enabled Kamelia Kids to extend and expand its range of services to accommodate children of all abilities, heighten our profile and increase our overall occupancy. Headed up by the senior management and nursery management teams the following five key areas from 2021 are to be taken forward for development/improvement in 2022.

- SEND
- Communication and Language
- Physical, Oral Health and Nutrition – for both children and staff
- Outside Gardens and Play Area
- Sustainability – environmentally and financially

Kamelia Kids is committed to teaching children the impact of climate change and to protect our environment.

Our staff are our greatest asset, their wellbeing is crucial to the successful operation of the nursery, the last two years have seen unprecedented challenges with the pandemic, so investment in staff health and wellbeing is a priority for the future to ensure the effective operation of the nursery and staff retention.

Going concern

Kamelia Kids has gone from strength to strength in this last year and with the free reserves now standing at £198,907 the Trustees are confident that Kamelia Kids has a sound future.

Structure, governance and management

Nature of governing document

The Charity became a Charitable Incorporated Organisation (CIO) with a revised Constitution and a new charity number (1154939) in December 2013. For accounting purposes, the transfer was effective from 1st January 2014. A year later the Charity amended its objects and adopted the working name Kamelia Kids. In December 2019 the working name of Kamelia Kids was adopted as the legal name of the Charity.

Recruitment and appointment of trustees

Trustees are elected and removed by the Board of Trustees. The maximum number of Trustees shall be 9 and the minimum shall be 3.

The Trustees who served during the year are listed on Page 1. The Trustees at the date of approval of the Financial Statements remain the same as those listed on Page 1.

The notes on pages 13 to 23 form an integral part of these financial statements.

Kamelia Kids

Trustees' Report

Induction and training of trustees

Prospective Trustees are invited to the nursery and shown the range of activities that the Charity provides, and they are also invited to attend a Trustees meeting. Once appointed Trustees undergo relevant induction training including a welcome pack.

The Board of Trustees continue to look to recruit new trustees with relevant skills.

Organisational structure

The Charity is managed by a board of Trustees who meet at least quarterly (with management attending as appropriate). The implementation of the Structure and Organisation Review in early 2021 resulted in the Trustees delegating overall day-to-day management of the organisation to the Nursery Operations Director (formerly Nursery Manager). The Charity Communications Manager (formerly Marketing and Communications Manager) the Finance Manager and the two joint Deputy Nursery Managers all report directly to the Nursery Operations Director.

The Nursery is regulated by OFSTED.

Financial instruments

Objectives and policies

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.

Kamelia Kids

Trustees' Report

Statement of Trustees' Responsibilities

The trustees 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).

The law applicable to charities in England and Wales 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 charity and of the incoming resources and application of resources of the charity for that period. In preparing these financial statements, the trustees are required to:

- select suitable accounting policies and apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any 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 business.

The trustees are responsible for maintaining proper accounting records which disclose with reasonable accuracy at any time the financial position of the charity and to enable them to ensure that the accounts comply with the Charities Act 2011, the Charity (Accounts and Reports) Regulations 2008 and the provisions of the trust deed. 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.

The annual report was approved by the trustees of the charity on 26/5/2022 and signed on its behalf by:



K Haffenden
Chair and Trustee

Kamelia Kids

Independent Examiner's Report to the trustees of Kamelia Kids

I report to the charity trustees on my examination of the accounts of the charity for the year ended 31 December 2021 which are set out on pages 9 to 23.

Respective responsibilities of trustees and examiner

As the charity's trustees of Kamelia Kids you are responsible for the preparation of the accounts in accordance with the requirements of the Charities Act 2011 ('the Act').

I report in respect of my examination of the Trustees' accounts carried out under section 145 of the 2011 Act, and in carrying out my examination I have followed the Directions given by the Charity Commission under section 145(5)(b) of the 2011 Act.

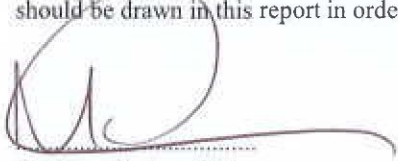
Independent examiner's statement

Since Kamelia Kids's gross income exceeded £250,000 your examiner must be a member of a body listed in section 145 of the 2011 Act. I confirm that I am qualified to undertake the examination because I am a member of ICAEW, which is one of the listed bodies.

I have completed my examination. I confirm that no matters have come to my attention in connection with the examination giving me cause to believe:

1. accounting records were not kept in respect of Kamelia Kids as required by section 130 of the Act; or
2. the accounts do not accord with those records; or
3. the accounts do not comply with the applicable requirements concerning the form and content of accounts set out in the Charities (Accounts and Reports) Regulations 2008 other than any requirement that the accounts give a 'true and fair view' which is not a matter considered as part of an independent examination. ; or
4. the accounts have not been prepared in accordance with the methods and principles of the Statement of Recommended Practice for accounting and reporting by charities applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102).

I have no concerns and have come across no other matters in connection with the examination to which attention should be drawn in this report in order to enable a proper understanding of the accounts to be reached.



Matthew Hodson FCA
Independent Examiner
Wiston House
1 Wiston Avenue
Worthing
West Sussex
BN14 7QL

Date: 26/05/22

Kamelia Kids

Statement of Financial Activities for the Year Ended 31 December 2021 (Including Income and Expenditure Account and Statement of Total Recognised Gains and Losses)

	Note	Unrestricted funds £	Restricted funds £	Total 2021 £
Income and Endowments from:				
Donations and legacies	3	30,335	80,474	110,809
Charitable activities	4	735,216	9,522	744,738
Other trading activities	5	522	-	522
Investment income		43	-	43
Other income		1,092	-	1,092
Total income		<u>767,208</u>	<u>89,996</u>	<u>857,204</u>
Expenditure on:				
Raising funds	6	(13,433)	-	(13,433)
Charitable activities	7	<u>(601,556)</u>	<u>(89,322)</u>	<u>(690,878)</u>
Total expenditure		<u>(614,989)</u>	<u>(89,322)</u>	<u>(704,311)</u>
Net income		152,219	674	152,893
Transfers between funds		<u>6,512</u>	<u>(6,512)</u>	<u>-</u>
Net movement in funds		158,731	(5,838)	152,893
Reconciliation of funds				
Total funds brought forward		<u>336,581</u>	<u>31,667</u>	<u>368,248</u>
Total funds carried forward	16	<u>495,312</u>	<u>25,829</u>	<u>521,141</u>

The notes on pages 13 to 23 form an integral part of these financial statements,

Kamelia Kids

Statement of Financial Activities for the Year Ended 31 December 2021 (Including Income and Expenditure Account and Statement of Total Recognised Gains and Losses)

Comparative - 31 December 2020

	Note	Unrestricted funds £	Restricted funds £	Total 2020 £
Income and Endowments from:				
Donations and legacies	3	36,233	68,577	104,810
Charitable activities	4	456,410	11,476	467,886
Other trading activities	5	437	-	437
Investment income		155	-	155
Other income		683	-	683
Total income		<u>493,918</u>	<u>80,053</u>	<u>573,971</u>
Expenditure on:				
Raising funds	6	(10,265)	-	(10,265)
Charitable activities	7	(519,296)	(75,406)	(594,702)
Total expenditure		<u>(529,561)</u>	<u>(75,406)</u>	<u>(604,967)</u>
Net (expenditure)/income		(35,643)	4,647	(30,996)
Transfers between funds		21,724	(21,724)	-
Net movement in funds		(13,919)	(17,077)	(30,996)
Reconciliation of funds				
Total funds brought forward		350,500	48,744	399,244
Total funds carried forward	16	<u>336,581</u>	<u>31,667</u>	<u>368,248</u>

All of the charity's activities derive from continuing operations during the above two periods.

The funds breakdown for 2021 and 2020 is shown in note 16.

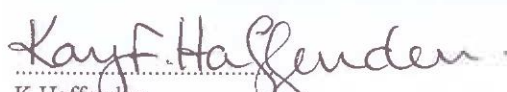
The notes on pages 13 to 23 form an integral part of these financial statements.

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(Registration number: 1154939)
Balance Sheet as at 31 December 2021

	Note	2021 £	2020 £
Fixed assets			
Tangible assets	10	300,512	308,406
Current assets			
Debtors	11	4,391	4,148
Cash at bank and in hand	12	<u>378,209</u>	<u>174,517</u>
		382,600	178,665
Creditors: Amounts falling due within one year	13	<u>(114,043)</u>	<u>(68,823)</u>
Net current assets		<u>268,557</u>	<u>109,842</u>
Total assets less current liabilities		569,069	418,248
Creditors: Amounts falling due after more than one year	14	<u>(47,928)</u>	<u>(50,000)</u>
Net assets		<u>521,141</u>	<u>368,248</u>
Funds of the charity:			
Restricted income funds			
Restricted funds	16	25,829	31,667
Unrestricted income funds			
Unrestricted funds		<u>495,312</u>	<u>336,581</u>
Total funds	16	<u>521,141</u>	<u>368,248</u>

The financial statements on pages 9 to 23 were approved by the trustees, and authorised for issue on 26/5/2022 and signed on their behalf by:


K Haffenden
Chair and Trustee

The notes on pages 13 to 23 form an integral part of these financial statements.

Kamelia Kids

Statement of Cash Flows for the Year Ended 31 December 2021

	Note	2021 £	2020 £
Cash flows from operating activities			
Net cash income/(expenditure)		152,893	(30,996)
Adjustments to cash flows from non-cash items			
Depreciation	7	18,664	16,961
Investment income		<u>(43)</u>	<u>(155)</u>
		171,514	(14,190)
Working capital adjustments			
Increase in debtors	11	(243)	(645)
Increase in creditors	13	<u>45,220</u>	<u>7,515</u>
Net cash flows from operating activities		<u>216,491</u>	<u>(7,320)</u>
Cash flows from investing activities			
Interest receivable and similar income		43	155
Purchase of tangible fixed assets	10	<u>(10,770)</u>	<u>(24,869)</u>
Net cash flows from investing activities		(10,727)	(24,714)
Cash flows from financing activities			
Repayment of loans and borrowings	13	<u>(2,072)</u>	<u>50,000</u>
Net increase in cash and cash equivalents		203,692	17,966
Cash and cash equivalents at 1 January		<u>174,517</u>	<u>156,551</u>
Cash and cash equivalents at 31 December		<u><u>378,209</u></u>	<u><u>174,517</u></u>

All of the cash flows are derived from continuing operations during the above two periods.

The notes on pages 13 to 23 form an integral part of these financial statements.

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Notes to the Financial Statements for the Year Ended 31 December 2021

1 Charity status

The charity is a charitable incorporated organisation, incorporated in England and Wales under the Charities Act 2011. The address of the registered office is provided in Reference and administrative details. Details of the charity's operations are provided in the Report of the Trustees.

2 Accounting policies

Summary of significant accounting policies and key accounting estimates

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

Statement of compliance

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2015) - (Charities SORP (FRS 102)), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102). The accounts include the results of the charity's operations which are described in the Trustees' report, all of which are continuing.

Basis of preparation

Kamelia Kids 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.

Going concern

The trustees consider that there are no material uncertainties about the charity's ability to continue as a going concern nor any significant areas of uncertainty that affect the carrying value of assets held by the charity.

Income and endowments

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

Donations and legacies

Donations are recognised when the charity has been notified in writing of both the amount and settlement date. In the event that a donation is subject to conditions that require a level of performance by the charity before the charity is entitled to the funds, the income is deferred and not recognised until either those conditions are fully met, or the fulfilment of those conditions is wholly within the control of the charity and it is probable that these conditions will be fulfilled in the reporting period.

Grants receivable

Grants are recognised when the charity has an entitlement to the funds and any conditions linked to the grants have been met. Where performance conditions are attached to the grant and are yet to be met, the income is recognised as a liability and included on the balance sheet as deferred income to be released.

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Notes to the Financial Statements for the Year Ended 31 December 2021

Gifts in kind

Gifts in kind are recognised in different ways dependent on how they are used by the charity:

- (i) Those donated for resale produce income when they are sold. They are valued at the amount actually realised.
- (ii) Those donated for onward transmission to beneficiaries are included in the Statement of Financial Activities as incoming resources and resources expended when they are distributed. They are valued at the amount the charity would have had to pay to acquire them.
- (iii) Those donated for use by the charity itself are included when receivable. They are valued at the amount the charity would have had to pay to acquire them.

Expenditure

All expenditure is recognised once there is a legal or constructive obligation to that expenditure, it is probable settlement is required and the amount can be measured reliably. All costs are allocated to the applicable expenditure heading that aggregate similar costs to that category. Where costs cannot be directly attributed to particular headings they have been allocated on a basis consistent with the use of resources, with central staff costs allocated on the basis of time spent, and depreciation charges allocated on the portion of the asset's use. Other support costs are allocated based on the spread of staff costs.

Raising funds

These are costs incurred in attracting voluntary income, the management of investments and those incurred in trading activities that raise funds.

Charitable activities

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

Governance costs

These include the costs attributable to the charity's compliance with constitutional and statutory requirements, including audit, strategic management and trustees's meetings and reimbursed expenses.

Taxation

The charity is considered to pass the tests set out in Paragraph 1 Schedule 6 of the Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes. Accordingly, the charity is potentially exempt from taxation in respect of income or capital gains received within categories covered by Chapter 3 Part 11 of the Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

Tangible fixed assets

Individual fixed assets costing £500.00 or more are initially recorded at cost.

Depreciation and amortisation

Depreciation is provided on tangible fixed assets so as to write off the cost or valuation, less any estimated residual value, over their expected useful economic life as follows:

Asset class

Freehold property (beach hut)

Depreciation method and rate

10% straight line

Kamelia Kids

Notes to the Financial Statements for the Year Ended 31 December 2021

Leasehold buildings, extensions and alterations	Period of lease (99 years from 11.9.78)
Property improvements	20% straight line
Equipment	20% straight line
Computer equipment	25% straight line

Trade debtors

Trade debtors are amounts due from customers for merchandise sold or services performed in the ordinary course of business.

Trade debtors are recognised initially at the transaction price. They are subsequently measured at amortised cost using the effective interest method, less provision for impairment. A provision for the impairment of trade debtors is established when there is objective evidence that the charity will not be able to collect all amounts due according to the original terms of the receivables.

Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and call deposits, and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of change in value.

Trade creditors

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if the charity does not have an unconditional right, at the end of the reporting period, to defer settlement of the creditor for at least twelve months after the reporting date. If there is an unconditional right to defer settlement for at least twelve months after the reporting date, they are presented as non-current liabilities.

Trade creditors are recognised initially at the transaction price and subsequently measured at amortised cost using the effective interest method.

Borrowings

Interest-bearing borrowings are initially recorded at fair value, net of transaction costs. Interest-bearing borrowings are subsequently carried at amortised cost, with the difference between the proceeds, net of transaction costs, and the amount due on redemption being recognised as a charge to the Statement of Financial Activities over the period of the relevant borrowing.

Interest expense is recognised on the basis of the effective interest method and is included in interest payable and similar charges.

Borrowings are classified as current liabilities unless the charity has an unconditional right to defer settlement of the liability for at least twelve months after the reporting date.

Fund structure

Unrestricted income funds are general funds that are available for use at the trustees's discretion in furtherance of the objectives of the charity.

Designated funds are unrestricted funds set aside for specific purposes at the discretion of the trustees.

Restricted income funds are those donated for use in a particular area or for specific purposes, the use of which is restricted to that area or purpose.

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Notes to the Financial Statements for the Year Ended 31 December 2021

Financial instruments

Classification

The charity only has financial assets and 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.

3 Income from donations and legacies

	Note	2021 £	2020 £
<u>Restricted</u>			
Individuals		2,004	83
BBC Children In Need		10,000	10,000
Camelia Botnar Foundation		-	25,000
Trusts - various		18,550	20,594
Early Years Teacher Status grant		-	4,900
Peter Harrison Foundation		8,000	8,000
West Sussex County Council		1,600	-
CAF Resilience Fund		17,685	-
Henry Smith Charitable Trust		10,000	-
Sussex Community Foundation		4,511	-
Southover Manor Educational Trust		8,124	-
		<u>80,474</u>	<u>68,577</u>
<u>Unrestricted</u>			
Individuals		544	2,395
Trusts - other		2,750	-
Other organisations		12,976	550
Government grants - CJRS/Covid SSP		14,065	33,288
		<u>30,335</u>	<u>36,233</u>
		<u>110,809</u>	<u>104,810</u>

4 Income from charitable activities

	Unrestricted funds General £	Restricted funds £	Total funds £
	735,216	9,522	744,738
Total for 2021	<u>735,216</u>	<u>9,522</u>	<u>744,738</u>
Total for 2020	<u>456,410</u>	<u>11,476</u>	<u>467,886</u>

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Notes to the Financial Statements for the Year Ended 31 December 2021

5 Income from other trading activities

	Unrestricted funds General £	Total funds £
Fundraising income; Other fundraising income	522	522
Total for 2021	522	522
Total for 2020	437	437

6 Expenditure on raising funds

a) Costs of generating donations and legacies

	Note	Unrestricted funds General £	Total 2021 £	Total 2020 £
Marketing and publicity		2,513	2,513	2,026
Other direct costs of generating voluntary income		10,920	10,920	8,239
		<u>13,433</u>	<u>13,433</u>	<u>10,265</u>

7 Expenditure on charitable activities

	Activity undertaken directly £	Activity support costs £	2021 £
Staff and support costs	461,575	111,159	572,734
Premises	39,548	17,768	57,316
Nursery expenses	40,371	-	40,371
Depreciation	17,763	665	18,428
Governance costs	-	2,029	2,029
	<u>559,257</u>	<u>131,621</u>	<u>690,878</u>

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Notes to the Financial Statements for the Year Ended 31 December 2021

	Activity undertaken directly	Activity support costs	2020
	£	£	£
Staff and support costs	376,447	107,151	483,598
Premises	60,422	17,901	78,323
Nursery expenses	14,079	-	14,079
Depreciation	16,062	665	16,727
Governance costs	-	1,975	1,975
	<u>467,010</u>	<u>127,692</u>	<u>594,702</u>

£601,556 (2020 - £519,296) of the above expenditure was attributable to unrestricted funds and £89,322 (2020 - £75,406) to restricted funds.

In addition to the expenditure analysed above, there are also governance costs of £2,029 (2020 - £1,975) which relate directly to charitable activities. See note 8 for further details.

8 Analysis of governance and support costs

Governance costs

	Unrestricted funds General	Total 2021	Total 2020
	£	£	£
Independent examiner fees			
Examination of the financial statements	1,794	1,794	1,740
Depreciation, amortisation and other similar costs	<u>235</u>	<u>235</u>	<u>235</u>
	<u>2,029</u>	<u>2,029</u>	<u>1,975</u>

9 Staff costs

The aggregate payroll costs were as follows:

	2021	2020
	£	£
Staff costs during the year were:		
Wages and salaries	509,948	435,063
Social security costs	26,781	22,156
Pension costs	<u>7,999</u>	<u>6,480</u>
	<u>544,728</u>	<u>463,699</u>

The monthly average number of persons (including senior management team) employed by the charity during the year expressed as full time equivalents was as follows:

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Notes to the Financial Statements for the Year Ended 31 December 2021

	2021 No	2020 No
Direct charitable expenditure	22	18
Support costs	4	4
	<u>26</u>	<u>22</u>

No employee received emoluments of more than £60,000 during the year.

The Trustees' consider the key management personnel of the charity to consist of the Nursery Operations Director, the Charity Communications Manager, The Finance Manager, and the Deputy Nursery Manager. The total employee benefits of the key management personnel of the charity were £125,220 (2020 - £129,663).

10 Tangible fixed assets

	Land and buildings £	Furniture and equipment £	Total £
Cost			
At 1 January 2021	718,540	213,583	932,123
Additions	-	10,770	10,770
At 31 December 2021	<u>718,540</u>	<u>224,353</u>	<u>942,893</u>
Depreciation			
At 1 January 2021	440,643	183,074	623,717
Charge for the year	6,192	12,472	18,664
At 31 December 2021	<u>446,835</u>	<u>195,546</u>	<u>642,381</u>
Net book value			
At 31 December 2021	<u>271,705</u>	<u>28,807</u>	<u>300,512</u>
At 31 December 2020	<u>277,897</u>	<u>30,509</u>	<u>308,406</u>

Included within the net book value of land and buildings above is £9,000 (2020 - £10,500) in respect of freehold land and buildings and £262,705 (2020 - £267,397) in respect of leaseholds.

11 Debtors

	2021 £	2020 £
Trade debtors	-	234
Prepayments	3,388	3,440
Other debtors	1,003	474
	<u>4,391</u>	<u>4,148</u>

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Notes to the Financial Statements for the Year Ended 31 December 2021

12 Cash and cash equivalents

	2021	2020
	£	£
Cash on hand	68	70
Cash at bank	67,160	33,514
Short-term deposits	310,981	140,933
	<u>378,209</u>	<u>174,517</u>

13 Creditors: amounts falling due within one year

	2021	2020
	£	£
Trade creditors	4,244	3,104
Other taxation and social security	6,956	6,849
Other creditors	98,836	52,913
Accruals	4,007	5,957
	<u>114,043</u>	<u>68,823</u>

14 Creditors: amounts falling due after one year

	2021	2020
	£	£
Other loans	<u>47,928</u>	<u>50,000</u>

15 Pension and other schemes

Defined contribution pension scheme

The charity operates a defined contribution pension scheme. The pension cost charge for the year represents contributions payable by the charity to the scheme and amounted to £7,999 (2020 - £6,480).

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Notes to the Financial Statements for the Year Ended 31 December 2021

16 Funds

	Balance at 1 January 2021 £	Incoming resources £	Resources expended £	Transfers £	Balance at 31 December 2021 £
Unrestricted funds					
<i>General</i>					
General Fund	58,684	767,208	(614,989)	12,704	223,607
<i>Designated</i>					
Capital Reserve	277,897	-	-	(6,192)	271,705
Total unrestricted funds	<u>336,581</u>	<u>767,208</u>	<u>(614,989)</u>	<u>6,512</u>	<u>495,312</u>
Restricted funds					
SENDCO salary grants	10,000	28,000	(28,000)	-	10,000
Magic Carpet	1,952	-	(1,952)	-	-
Early Years Pupil Premium	2,651	4,602	(2,821)	(1,919)	2,513
Disability AccessFund	4,904	4,920	(3,742)	-	6,082
Other assets funded by grants	8,901	-	(4,793)	-	4,108
Sensory Garden Project	3,259	-	(3,259)	-	-
Dishwasher	-	2,004	(2,004)	-	-
Salaries	-	17,685	(17,685)	-	-
Assistant SENDCO project	-	15,511	(15,511)	-	-
Bluebell mud kitchen	-	200	(200)	-	-
Health and physical development project	-	1,300	(1,203)	-	97
Snowdrop project	-	14,624	(7,852)	(4,593)	2,179
CalCo training	-	850	-	-	850
WSCC inclusion and improvement course	-	300	(300)	-	-
Total restricted funds	<u>31,667</u>	<u>89,996</u>	<u>(89,322)</u>	<u>(6,512)</u>	<u>25,829</u>
Total funds	<u>368,248</u>	<u>857,204</u>	<u>(704,311)</u>	<u>-</u>	<u>521,141</u>

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Notes to the Financial Statements for the Year Ended 31 December 2021

	Balance at 1 January 2020 £	Incoming resources £	Resources expended £	Transfers £	Balance at 31 December 2020 £
Unrestricted funds					
<i>General</i>					
General Fund	66,411	493,918	(529,561)	27,916	58,684
<i>Designated</i>					
Capital Reserve	284,089	-	-	(6,192)	277,897
Total unrestricted funds	<u>350,500</u>	<u>493,918</u>	<u>(529,561)</u>	<u>21,724</u>	<u>336,581</u>
Restricted					
Makaton Training	150	-	(150)	-	-
Support staff and staff cover	-	4,900	(4,900)	-	-
SENDCO salary grants	10,000	28,000	(28,000)	-	10,000
Magic Carpet	19,442	-	(1,578)	(15,912)	1,952
Early Years Pupil Premium	394	3,481	(550)	(674)	2,651
Building Maintenance	1,541	-	(1,541)	-	-
Disability Access Fund	3,171	7,995	(3,648)	(2,614)	4,904
Other assets funded by grants	14,046	-	(5,145)	-	8,901
Sensory Garden Project	-	6,449	(666)	(2,524)	3,259
Boiler/heating Project	-	29,228	(29,228)	-	-
Total restricted funds	<u>48,744</u>	<u>80,053</u>	<u>(75,406)</u>	<u>(21,724)</u>	<u>31,667</u>
Total funds	<u>399,244</u>	<u>573,971</u>	<u>(604,967)</u>	<u>-</u>	<u>368,248</u>

The specific purposes for which the funds are to be applied are as follows:

Grants were received from sources including the Peter Harrison Foundation, BBC Children in Need, Henry Smith Charitable Trust, Sussex Community Foundation and Southover Manor Educational Trust during the year to meet specific costs, including salaries and capital expenditure. Grants for funding fixed assets have been transferred to general funds at the date of the purchase of the asset. Other balances carried forward are expected to be spent in 2022.

The capital reserve is a designated fund, reflecting the net book value of the freehold and leasehold buildings, which is maintained for the purposes of fulfilling the charity's principal objects and so as to distinguish such amounts from those remaining available in the General Fund to service the day to day commitments.

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Notes to the Financial Statements for the Year Ended 31 December 2021

17 Analysis of net assets between funds

	Unrestricted funds		Restricted funds	Total funds at 31 December 2021
	General	Designated		
	£	£	£	£
Tangible fixed assets	24,700	271,705	4,107	300,512
Current assets	360,878	-	21,722	382,600
Current liabilities	(114,043)	-	-	(114,043)
Creditors over 1 year	(47,928)	-	-	(47,928)
Total net assets	<u>223,607</u>	<u>271,705</u>	<u>25,829</u>	<u>521,141</u>

	Unrestricted funds		Restricted funds	Total funds at 31 December 2020
	General	Designated		
	£	£	£	£
Tangible fixed assets	21,609	277,897	8,900	308,406
Current assets	155,898	-	22,767	178,665
Current liabilities	(68,823)	-	-	(68,823)
Creditors over 1 year	(50,000)	-	-	(50,000)
Total net assets	<u>58,684</u>	<u>277,897</u>	<u>31,667</u>	<u>368,248</u>

18 Analysis of net funds

	At 1 January 2021	Financing cash flows	At 31 December 2021
	£	£	£
Cash at bank and in hand	<u>174,517</u>	<u>203,692</u>	<u>378,209</u>
Net debt	<u>174,517</u>	<u>203,692</u>	<u>378,209</u>
	At 1 January 2020	Financing cash flows	At 31 December 2020
	£	£	£
Cash at bank and in hand	<u>156,551</u>	<u>17,966</u>	<u>174,517</u>
Net debt	<u>156,551</u>	<u>17,966</u>	<u>174,517</u>

19 Related party transactions

There were no related party transactions in the year.