

Charity Registration No. 1162242

**SEVENOAKS DAY NURSERY CIO
ANNUAL REPORT AND UNAUDITED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023**

SEVENOAKS DAY NURSERY CIO

LEGAL AND ADMINISTRATIVE INFORMATION

Trustees	Susan Dreksler Stephanie Jenkinson Abigail Wells Caroline Bramley Natasha Manson Chloe Ghuznavi
Charity number	1162242
Principal address	Rear of Community Centre Otford Road Sevenoaks Kent UK TN14 5DN
Independent examiner	Caroline Ward FCA A4G LLP Kings Lodge London Road West Kingsdown Kent UK TN15 6AR

SEVENOAKS DAY NURSERY CIO

CONTENTS

	Page
Trustees Report	1 - 3
Independent examiner's report	4
Statement of financial activities	5
Balance sheet	6
Notes to financial statements	7 - 13

TRUSTEES REPORT**FOR THE YEAR ENDED 31 DECEMBER 2023**

The Trustees present their report and financial statements for the year ended 31 December 2023.

The financial statements have been prepared in accordance with the accounting policies set out in note 1 to the financial statements and comply with the Charity's constitution, 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)" (as amended for accounting periods commencing from 1 January 2016).

Objectives and activities

The Charity's objectives are to enhance the development and education, and promote the care, safety, health and well-being, of children residing in Sevenoaks and its neighbourhood, by the provision of day care facilities, nursery education, alternatives to foster care and emergency care for children in cases of family crisis.

The policies adopted in furtherance of these objects are to maintain the level of charges for attendance at the Nursery considerably below the rates charged by commercial nurseries operating in the area and to provide free childcare, at the Trustees' discretion, to children of families at economic disadvantage or who would benefit from support due to illness or crisis and there has been no change in these during the year.

At the same time, it is the aim of the Charity to act to ensure the continued financial sustainability of the Nursery bearing in mind the need to accumulate, over time, sufficient funds to enable the Nursery to replace the current buildings when they reach the end of their useful life. The Nursery caters for up to 57 children a day with 2 reserved emergency sessions available. It also offers limited free sessions in the event of unforeseen circumstances

The Trustees have paid due regard to guidance issued by the Charity Commission in deciding what activities the Charity should undertake, including the guidance "Public benefit: running a charity (PB2)".

The Charity's policy is to consult and discuss with employees, through staff meetings, appraisals and at other meetings, matters likely to affect employees' interests.

Information on matters of concern to employees is given through letters and verbal updates which seek to achieve a common awareness on the part of all employees of the financial and economic factors affecting the Charity's performance.

Applications for employment by disabled persons are always fully considered, bearing in mind the aptitudes of the applicant concerned. In the event of members of staff becoming disabled, every effort is made to ensure that their employment within the Charity continues and that the appropriate training is arranged. It is the policy of the Charity that the training, career development and promotion of disabled persons should, as far as possible, be identical to that of other employees.

SEVENOAKS DAY NURSERY CIO

TRUSTEES REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2023

Achievements and Performance

Post pandemic the Nursery has been back to full operation this year, with few staff changes and continued long term service. The nursery achieved a Good Ofsted rating this year too.

During the year the Charity provided over 1,500 free childcare hours and coordinated several substantial collections for local food banks.

This year the Nursery held a Summer Garden party for all children and parents. The Christmas concert was held in the Bat & Ball centre followed by a tea and cake party for all children and carers.

Financial Review

There was a net surplus of income over expenditure in the year amounting to £15,383 (2022: £20,773). The surplus when added to the accumulated funds brought forward gives a balance to carry forward of £560,553 (2022: £538,843).

Our aim is to avoid making surpluses or deficits (after depreciation).

We are grateful to Sevenoaks Town Council for waiving our rent for the year and to Sevenoaks District Council for minimizing our rates bill.

The financial position is considered satisfactory with the overall aim to keep fees charged as low as possible with adequate levels of trained staff, well maintained accommodation enhanced by fundraising activities to support the nursery and provide additional equipment as required.

The principal source of income for the normal operation of the Nursery is from charges made for attending the Nursery which are maintained at a level considerably below the rates charged by commercial nurseries operating in the area.

In addition, the Charity aims to build up funds again for the Nursery to be able to replace the new building and the now acquired Pre-school room at the end of its expected useful life. Surplus funds held for this and other capital projects are held in a Charities Official Investment account.

The Trustees have assessed the major risks to which the Charity is exposed and are satisfied that systems are in place to mitigate exposure to major risks.

The reserves policy was adopted and updated 1st August 2024 and contains the following policies and required

- 1 To provide working capital for the day to day operation of the nursery. Funds for this purpose should not exceed an average of one month's cash outgoings. At 1st August 2024 this amounted to £45,000.
- 2 To provide for statutory obligations in the unlikely event of closure. At 1st August 2024 the only known obligation is redundancy pay which would amount to £65,000.
- 3 To provide funds for the future accommodation of the Nursery. The new building purchased in the year has an expected lifespan of 25 years. It is our intention that a reserve is accumulated over the next 25 years to provide for the future accommodation of the Nursery. At an average inflation rate of 2.5%, over the next 25 years we would need to save £880,000 to replace the new building. In addition to this, the now acquired Pre-school room £30,000 (Dec 23) we have factored in that over the next 10 years we would need to save £300,000 to replace this building.

SEVENOAKS DAY NURSERY CIO

TRUSTEES REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2023

Structure, governance and management

On 1 January 2017, the Charity was converted to a Charitable Incorporated Organisation (CIO) charity number 1162242, with a new constitution. The objectives and activities of the Charity are unchanged.

The principal address of the Charity can be found under Legal and Administrative Information.

The Trustees who served during the year and up to the date of signature of the financial statements were:

Susan Dreksler
Stephanie Jenkinson
Abigail Wells
Caroline Bramley
Natasha Manson
Chloe Ghuznavi

None of the Trustees has any beneficial interest in the Charity.

Appointment of the Trustees is governed by the constitution of the Charity. The Board of Trustees is authorised to fill vacancies arising through resignation or death of an existing Trustee, or to recruit additional Trustees.

Thus the day-to-day management of the Charity is vested in the Nursery Manager.

Nursery Manager:

Madde Eleby

The Board of Trustees keeps the skill requirements for the Trustee Board under review. Training expenses are provided for Trustees together with an induction pack for new trustees comprising a copy of the constitution, a copy of the previous year's annual report and accounts, copies of Board minutes and copy of the Charity Commission's guidance "The Essential Trustee".

As a provider of childcare, the Nursery is registered with Ofsted and must meet the conditions that Ofsted places on a registration at all times that we provide registered care, as well as other requirements for registration.

The Trustees report was approved by the Board of Trustees.

INDEPENDENT EXAMINER'S REPORT**FOR THE YEAR ENDED 31 DECEMBER 2023**

I report to the Trustees on my examination of the financial statements of Sevenoaks Day Nursery CIO (the Charity) for the year ended 31 December 2023.

Responsibilities and basis of report

As the Trustees of the Charity you are responsible for the preparation of the financial statements in accordance with the requirements of the Charities Act 2011 (the 2011 Act).

I report in respect of my examination of the Charity's financial statements carried out under section 145 of the 2011 Act. In carrying out my examination I have followed all the applicable Directions given by the Charities Commission under section 145(5)(b) of the 2011 Act.

The accounts are not required to be audited under Part 16 of the Companies Act 2006.

Independent examiner's statement

Since the Charity'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 the ICAEW, which is one of the listed bodies.

Your attention is drawn to the fact that the Charity has prepared financial statements in accordance with Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) in preference to the Accounting and Reporting by Charities: Statement of Recommended Practice issued on 1 April 2005 which is referred to in the extent regulations but has now been withdrawn.

I understand that this has been done in order for financial statements to provide a true and fair view in accordance with Generally Accepted Accounting Practice effective for reporting periods beginning on or after 1 January 2015.

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 that in any material respect:

- 1 accounting records were not kept in respect of the Charity as required by section 130 of the 2011 Act; or
- 2 the financial statements do not accord with those records; or
- 3 the financial statements 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.

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 financial statements to be reached.

Caroline Ward FCA
A4G LLP
Chartered Accountants
Kings Lodge
London Road
West Kingsdown
Kent
UK
TN15 6AR

Dated:

STATEMENT OF FINANCIAL ACTIVITIES

FOR THE YEAR ENDED 31 DECEMBER 2023

	Note	Unrestricted funds 2023 £	Restricted income funds 2023 £	Total funds 2023 £	Prior year funds 2022 £
Income					
Income and endowments from:					
Donations and legacies	3	3,726	-	3,726	5,967
Charitable activities	3	498,743	-	498,743	438,738
Investments	3	13,109	-	13,109	7,200
Other	3	-	-	-	-
Total		515,578	-	515,578	451,905
Expenditure					
Charitable expenditure on:					
Teaching and care of children	4	430,647	-	430,647	377,809
Running costs and maintenance of the nursery	4	69,548	-	69,548	53,323
Total		500,195	-	500,195	431,132
Net income/(expenditure)		15,383	-	15,383	20,773
Transfers between funds				-	-
Other recognised gains/(losses):					
Net movement in funds		15,383	-	15,383	20,773
Reconciliation of funds:					
Total funds brought forward		541,712	3,468	545,180	524,407
Total funds carried forward		557,095	3,468	560,563	545,180

BALANCE SHEET**FOR THE YEAR ENDED 31 DECEMBER 2023**

	Note	Unrestricted funds 2023 £	Restricted income funds 2023 £	Total this year 2023 £	Total last year 2022 £
Fixed assets					
Tangible assets	7	321,227	-	321,227	336,525
Total fixed assets		321,227	-	321,227	336,525
Current assets					
Debtors	8	32,775	-	32,775	27,952
Cash at bank and in hand	10	297,611	-	297,611	246,601
Total current assets		330,387	-	330,387	274,553
Creditors: amounts falling due within one year	9	91,060	-	91,060	65,898
Net current assets/(liabilities)		239,326	-	239,326	208,655
Total assets less current liabilities		560,553	-	560,553	545,180
Creditors: amounts falling due after one year	9	-	-	-	-
Total net assets or liabilities		560,553	-	560,553	545,180
Funds of the Charity					
Restricted income funds	12		3,468	3,468	3,468
Unrestricted funds		557,095		557,095	541,712
Total funds		557,095	3,468	560,563	545,180

The financial statements were approved by the Trustees:

Susan Dreksler
Trustee
Dated:

Natasha Manson
Trustee
Dated:

NOTES TO THE FINANCIAL STATEMENTS**FOR THE YEAR ENDED 31 DECEMBER 2023**

1 Basis of preparation**Charity information**

Sevenoaks Day Nursery CIO is an incorporated charity and is constituted under a constitution. It is incorporated in England and Wales under charity number 1162242.

1.1 Basis of accounting

These accounts have been prepared under the historical cost convention with items recognised at cost or transaction value unless otherwise stated in the relevant note(s) to these accounts.

The accounts have been prepared in accordance with the Statement of Recommended Practice: Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) issued on 16 July 2014, the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102) and the Charities Act 2011.

1.2 Going Concern

At the time of approving the financial statements, there are no material uncertainties about the entity's ability to continue. The Trustees have a reasonable expectation that the Charity has adequate resources to continue in operational existence for the foreseeable future. The Trustees have considered the continued risk from inflation and operational running costs (such as Electricity cost increases etc) and believe that the Nursery holds sufficient financial reserves to continue operations through any likely restrictions. Thus the Trustees continue to adopt the going concern basis of accounting in preparing the financial accounts.

1.3 Charitable Funds

Unrestricted funds are available for use at the discretion of the Trustees in furtherance of their charitable objectives unless the funds have been designated for other purposes. 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. Endowment funds are subject to specific conditions by donors that the capital must be maintained by the Charity. No such funds are currently held.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**FOR THE YEAR ENDED 31 DECEMBER 2023****2 Accounting policies****2.1 Income**

Income is recognised in the Statement of Financial Activities (SoFA) when:

- the charity becomes entitled to the resources;
- it is more likely than not that the trustees will receive the resources;
- the monetary value can be measured with sufficient reliability.

There has been no offsetting of assets and liabilities, or income and expenses, unless required or permitted by the FRS 102 SORP or FRS 102.

Grants and donations are only included in the SoFA when the general income recognition criteria are met (5.10 to 5.12 FRS102 SORP).

Contractual income and performance related grants are only included in the SoFA once the charity has provided the related goods or services or met the performance related conditions.

The charity has incurred expenditure on support costs.

Income from interest is included in the accounts when receipt is probable and the amount receivable can be measured reliably.

2.2 Expenditure and liabilities

Liabilities are recognised where it is more likely than not that there is a legal or constructive obligation committing the charity to pay out resources and the amount of the obligation can be measured with reasonable

Support costs have been allocated between governance costs and other support. Governance costs comprise all costs involving public accountability of the charity and its compliance with regulation and good practice.

The charity made no redundancy payments during the reporting period.

No material item of deferred income has been included in the accounts.

The charity accounts for basic financial instruments on initial recognition as per paragraph 10.7 FRS102 SORP. Subsequent measurement is as per paragraphs 11.17 to 11.19, FRS102 SORP.

Costs have been allocated by activity in the SoFA as per FRS102 SORP 8.1-8.3.

Expenditure relating to teaching and care of children includes direct staff costs, art materials and kitchen and meal costs for the children.

Expenditure on running costs and maintenance of the Nursery includes all costs relating to the running of the premises, governance costs and support costs.

2.3 Assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Land and buildings	4% on cost
Fixtures, fittings & equipment	20% on cost

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 net income/(expenditure) for the year.

Debtors (including trade debtors and loans receivable) are measured on initial recognition at settlement amount after any trade discounts or amount advanced by the Charity. Subsequently, they are measured at the cash amount or other consideration expected to be received.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2023

3 Income

Analysis of income	Unrestricted funds 2023 £	Restricted income funds 2023 £	Total funds 2023 £	Prior year 2022 £
Donations and legacies:				
Donations and gifts	1,129		1,129	1,818
Gift Aid	1,445		1,445	-
General grants provided by government/other charities	1,152	-	1,152	4,149
Total	3,726	-	3,726	5,967
Charitable activities:				
Fundraising events	-	-	-	-
Fees receivable	498,743	-	498,743	438,738
Total	498,743	-	498,743	438,738
Income from investments:				
Interest income	5,583	-	5,583	1,080
Rental and leasing	7,526	-	7,526	6,120
Total	13,109	-	13,109	7,200
Other:				
Coronavirus Job Retention Scheme grant		-	-	
Other		-	-	
Insurance settlement		-	-	-
Total	-	-	-	-
TOTAL INCOME	515,578	-	515,578	451,905

4 Expenditure

Analysis	This year- 2023				Last year- 2022			
	Teaching and care of children (unrestricted)	Running costs and maintenance of the nursery (unrestricted)	Teaching and care of children (restricted)	Running costs and maintenance of the nursery (restricted)	Teaching and care of children (unrestricted)	Running costs and maintenance of the nursery (unrestricted)	Teaching and care of children (restricted)	Running costs and maintenance of the nursery (restricted)
Expenditure on charitable activities:								
Wages and salaries	350,662	25,137		375,799	310,796	23,400	-	334,196
Social security costs	19,653	2,214		21,866	16,733	1,922		18,655
Employer's contribution to defined contribution pension schemes	5,719	557		6,276	5,407	515		5,922
Depreciation and impairment	20,312			20,312	19,899			19,899
Loss on Disposal of Fixed Assets				-	-			-
Food and milk	22,099			22,099	15,920			15,920
Art, materials and kitchen	9,283			9,283	7,173		-	7,173
Recruitment expenses	1,027			1,027	575			575
Training costs	1,892			1,892	1,306			1,306
Rent collection, property repairs and maintenance charges		791		791		968		968
Rates and water		1,938		1,938		1,830		1,830
Insurance		4,575		4,575		4,005		4,005
Light and heat		15,165		15,165		3,965		3,965
Postage, stationery and advertising		875		875		861		861
Telephone		749		749		1,001		1,001
Subscriptions		850		850		804		804
Maintenance and cleaning		12,484		12,484		6,778		10,095
Share of support costs		67		67		202		202
Share of governance costs		4,147		4,147		3,754		3,754
TOTAL EXPENDITURE	430,647	69,548	-	500,195	377,809	50,005	-	431,131

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2023

5 Support Costs

	Support costs	Governance	Grand total	
	2023	2023	2023	2022
	£	£	£	£
Bank charges	67			202
Independent examiners fees for preparation of accounts and external scrutiny	-	1,440	1,440	1,440
Other accountancy and professional fees not by the Independent examiner	-	2,707	2,707	2,315
Total	67	4,147	4,147	3,957

6 Paid employees**6.1 Staff Costs**

	2023	2022
	£	£
Salaries and wages	375,799	334,196
Social security costs	21,866	18,655
Pension costs (defined contribution scheme)	6,276	5,922
Total staff costs	403,942	358,773

	2023	2022
	£	£
Total amount paid to key management personnel	87,329	55,838

6.2 Average head count in the year

	This year	Last year
	Number	Number
Charitable Activities- Nursery	17	16
Charitable Activities- Admin	1	1
Total	18	17

6.3 There were no ex-gratia payments to employees and others

6.4 No employees received employee benefits (excluding employer pension costs) for the reporting period of more than £60,000

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2023

7 Tangible fixed assets**7.1 Cost or valuation**

	Freehold land & buildings £	Fixtures, fittings and equipment £	Total £
At the beginning of the year	422,164	25,505	447,669
Additions	2,664	2,350	5,014
Revaluations			-
Disposals			-
At end of the year	<u>424,828</u>	<u>27,855</u>	<u>452,682</u>

7.2 Depreciation and impairments

	Straight line 4%	Straight line 20%	Total
At beginning of the year	93,223	17,920	111,143
At beginning of the year			-
Depreciation	15,704	4,608	20,312
Impairment			-
At end of the year	<u>108,927</u>	<u>22,528</u>	<u>131,455</u>

7.3 Net book value

	£	£	£
Net book value at the beginning of the year	328,941	7,585	336,526
Net book value at the end of the year	315,900	5,326	321,227

8 Debtors and prepayments**8.1 Analysis of debtors**

	This year £	Last year £
Trade debtors	26,768	22,698
Prepayments and accrued income	6,007	5,046
Other Debtor		208
Total	<u>32,775</u>	<u>27,952</u>

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2023

9 Creditors and accruals

9.1 Analysis of creditors

	Amounts falling due within one year		Amounts falling due after more than one year	
	2023	2022	2023	2022
	£	£	£	£
Other taxation and social security	5,653	5,150	-	-
Pension	1,273	1,039	-	-
Trade creditors	34,322	26,237	-	-
Other creditors	37	37	-	-
Accruals and deferred income	49,775	33,435	-	-
Prepaid fees	-	-	-	-
Total	91,060	65,898	-	-

10 Cash at bank and in hand

	2023	2022
	£	£
Cash at bank and in hand	297,611	246,601
Total	297,611	246,601

11 Events after the end of the reporting period

There have been no subsequent events after the reporting period

12 Charity funds- current year

Fund names	Restricted income funds	Purpose and Restrictions	Fund balances brought forward	Income	Expenditure	Fund balances carried forward
	£		£	£	£	£
Fixtures and Fittings Fund	3,468	Designated for the purchase of fixtures and fittings for the new building	3,468	-	-	3,468
Garden fund	0	To be spent on the garden	-	-	-	-
KCC grant	0	For furniture to encourage social interaction	-	-	-	-
Total Funds as per balance sheet			3,468	-	-	3,468

12.1 Charity funds- last year

Fund names	Restricted income funds	Purpose and Restrictions	Fund balances brought forward	Income	Expenditure	Fund balances carried forward
	£		£	£	£	£
Fixtures and Fittings Fund	3,468	Designated for the purchase of fixtures and fittings for the new building	3,468			3,468
Garden fund	0	To be spent on the garden	-	-	-	-
The Coronavirus Job Retention Scheme	0	To be spent on furloughed staff members wages	-	-	-	-
KCC grant	0	For furniture to encourage social interaction	-	-	-	-
Total Funds as per balance sheet			3,468	-	0	3,468

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2023

13 Transactions with trustees and related parties

13.1 Trustee remuneration and benefits

None of the Trustees have been paid any remuneration or received any other benefits from an employment with this charity or a related entity

13.2 Trustees' expenses

No Trustee expenses have been incurred

13.3 Transaction(s) with related parties

There have been no related party transactions in the reporting period