

**Report of the Trustees and
Financial Statements for the Year Ended 31 August 2021
for
St John's Nursery Group CIO**

Warren House Accountants Limited
4 The Courtyard
Holmsted Farm
Staplefield Road
Haywards Heath
RH17 5JF

St John's Nursery Group CIO

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for the Year Ended 31 August 2021**

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St John's Nursery Group CIO
Report of the Trustees
for the Year Ended 31 August 2021

The trustees present their report with the financial statements of the charity for the year ended 31 August 2021. The trustees have adopted the provisions of Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019).

OBJECTIVES AND ACTIVITIES

Objectives and aims

The charity exists to advance the education of children below compulsory school age by providing satisfactory group play in a safe and secure environment. It aims to ensure to the best of its ability that excellent facilities and pre-school education are provided to each child who attends the nursery.

ACHIEVEMENT AND PERFORMANCE

Charitable activities

Like many small organisations, the last year has presented challenging conditions for the nursery. Ongoing uncertainty around lockdowns, employment conditions and government support made financial planning much harder. Uncertainty around the future was felt at all levels at the nursery. All our staff did a fantastic job to keep the nursery operating and our children supported over successive lockdowns and peaks in COVID rates.

January 2021 saw a transition in management at the nursery. Linda Innes's service to us has had a significant impact, and it is that service which is the foundation of our provision today. She championed links with other local charities and led our strong SEN support, which is now in high demand. We wish her the best in her new role with Surrey County Council.

We are delighted to welcome Maz Wilkinson as our new manager; I hope all of you have had a chance to meet her and understand her vision for the group and the children we look after. She impressed everyone she spoke to during the recruitment process. She also took on risk to join the nursery amid significant COVID-related uncertainty, and we are grateful for her commitment. She has already had a significant positive impact on our operations.

Our financial performance was hindered by uncertainty around our ability to operate on a day-to-day basis. The management team worked at a very high rate to monitor day-to-day performance, trying to support all our staff. We are grateful to Surrey County Council for their support through grants, which allowed us to enter 2021/22 with more confidence around our future.

In the latter half of the year, we saw a significant increase in staff turnover. There are different drivers for this in different areas of the business. At the senior staff level, the qualifications and experience open the door to alternative career paths that offer significantly higher pay. We cannot compete with these employers, so our focus here is to ensure we offer the best conditions and support our internal staff to grow into more senior roles. At lower levels, wage competition has increased significantly. With no comparable increase in government support, this will inevitably impact the fees we need to charge.

Looking to the next year, our focus is now on improving the business operations of the nursery whilst maintaining our support for local charities and the quality of the SEN provision. By maximising our occupancy for each location and staffing complement, we can limit the increase in fees for our parents. With a strong management team in place, I am confident we can deliver on this.

It has been a challenging year for the entire team, but I would like to close by extending my heartfelt thanks to everyone who has kept the nursery open in such difficult circumstances. It is no exaggeration to say that without everyone here working as a team - from the trustees to the management team and all our staff - we would not have been able to continue so strongly.

FINANCIAL REVIEW

Reserves policy

Recently due to the expansion to a second site, the Trustees have established a policy whereby the unrestricted funds not committed or invested in tangible fixed assets ('the free reserves') held by the charity should be equal to 1 month's operating costs plus redundancy costs.

Current redundancy costs are £3,800 and one month's operating costs have increased to £24,000 due to the additional costs of the second site.

This year the free reserves, which amount to £73,808 are in excess of this target level.

St John's Nursery Group CIO

Report of the Trustees for the Year Ended 31 August 2021

STRUCTURE, GOVERNANCE AND MANAGEMENT

Governing document

The Charity is controlled by its governing constitution, using the Charity commission CIO 'Association' model template.

Organisational structure

The members of the Management Committee are as follows:

Chris Kelly	Chairman	
Jonathan Cottrell	Treasurer	
Ellie Willis	Secretary	Resigned October 2020
Jodi Marsh	Secretary	Appointed October 2020
		Resigned January 2021
Vicki Edwards	Secretary	Appointed January 2021
Paul Corcoran	General Member	Resigned October 2020

Trustees and Management Committee members self-nominate for roles and are voted in at the charity's Annual General Meeting.

Advice and information

The nursery is a member of the Pre-School Learning Alliance (PLA) and as such is able to benefit from PLA training sessions in addition to free advice, both legal and otherwise. The nursery is registered with social services and is inspected by OFSTED.

REFERENCE AND ADMINISTRATIVE DETAILS

Registered Charity number

1163181

Principal address

Redstone Lodge
Philanthropic Road
Redhill
Surrey
RH1 4DG

Trustees

J Cottrell
C Kelly
Ms E Willis (resigned 1.1.21)
Ms V Edwards (appointed 1.1.21)

Independent Examiner

Warren House Accountants Limited
4 The Courtyard
Holmsted Farm
Staplefield Road
Haywards Heath
RH17 5JF

Approved by order of the board of trustees on and signed on its behalf by:

.....
C Kelly - Trustee

**Independent Examiner's Report to the Trustees of
St John's Nursery Group CIO**

Independent examiner's report to the trustees of St John's Nursery Group CIO

I report to the charity trustees on my examination of the accounts of St John's Nursery Group CIO (the Trust) for the year ended 31 August 2021.

Responsibilities and basis of report

As the charity trustees of the Trust 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 Trust's accounts carried out under section 145 of the Act and in carrying out my examination I have followed all applicable Directions given by the Charity Commission under section 145(5)(b) of the Act.

Independent examiner's statement

Since your charity's gross income exceeded £250,000 your examiner must be a member of a listed body. I can confirm that I am qualified to undertake the examination because I am a registered member of FCA which is one of the listed bodies.

I have completed my examination. I confirm that no material 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 Trust 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.

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.

P R Collins
FCA
Warren House Accountants Limited
4 The Courtyard
Holmsted Farm
Staplefield Road
Haywards Heath
RH17 5JF

Date:

St John's Nursery Group CIO

Statement of Financial Activities for the Year Ended 31 August 2021

		Unrestricted fund £	Restricted fund £	31.8.21 Total funds £	31.8.20 Total funds £
	Notes				
INCOME AND ENDOWMENTS FROM					
Charitable activities					
Grants Receivable Charitable Activities		259,095	-	259,095	204,427
		72,608	-	72,608	64,061
Other trading activities	2	745	-	745	867
Total		<u>332,448</u>	<u>-</u>	<u>332,448</u>	<u>269,355</u>
EXPENDITURE ON					
Charitable activities					
Charitable Activities					
		258,783	-	258,783	244,398
Support Costs		29,293	-	29,293	22,144
Total		<u>288,076</u>	<u>-</u>	<u>288,076</u>	<u>266,542</u>
NET INCOME		<u>44,372</u>	<u>-</u>	<u>44,372</u>	<u>2,813</u>
RECONCILIATION OF FUNDS					
Total funds brought forward		29,436	-	29,436	26,623
TOTAL FUNDS CARRIED FORWARD		<u><u>73,808</u></u>	<u><u>-</u></u>	<u><u>73,808</u></u>	<u><u>29,436</u></u>

The notes form part of these financial statements

St John's Nursery Group CIO

**Statement of Financial Position
31 August 2021**

	Notes	Unrestricted fund £	Restricted fund £	31.8.21 Total funds £	31.8.20 Total funds £
FIXED ASSETS					
Tangible assets	6	6,291	-	6,291	8,337
CURRENT ASSETS					
Debtors	7	5,083	-	5,083	1,876
Cash in hand		65,590	-	65,590	24,885
		<u>70,673</u>	<u>-</u>	<u>70,673</u>	<u>26,761</u>
CREDITORS					
Amounts falling due within one year	8	(3,156)	-	(3,156)	(5,662)
		<u>67,517</u>	<u>-</u>	<u>67,517</u>	<u>21,099</u>
NET CURRENT ASSETS					
		<u>73,808</u>	<u>-</u>	<u>73,808</u>	<u>29,436</u>
TOTAL ASSETS LESS CURRENT LIABILITIES					
		<u>73,808</u>	<u>-</u>	<u>73,808</u>	<u>29,436</u>
NET ASSETS					
		<u>73,808</u>	<u>-</u>	<u>73,808</u>	<u>29,436</u>
FUNDS	10				
Unrestricted funds				73,808	29,436
TOTAL FUNDS				<u>73,808</u>	<u>29,436</u>

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

.....
C Kelly - Trustee

St John's Nursery Group CIO

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

1. ACCOUNTING POLICIES

Basis of preparing the financial statements

The financial statements of the charity, which is a public benefit entity under FRS 102, have been prepared in accordance with the Charities SORP (FRS 102) 'Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019)', Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and the Charities Act 2011. The financial statements have been prepared under the historical cost convention.

The presentation currency of the financial statements is the Pound Sterling (£).

On 11th March 2020 the World Health Organisation declared COVID-19 a global pandemic. The trustees have considered the impact of the ongoing pandemic and have acknowledged that it has had and may still have an impact on the charity's activities for at least the next twelve months. The trustees are committed to pursuing financial support for the charity which will allow it to withstand any further impact and continue their activities for the foreseeable future. On this basis the trustees are that the going concern basis of preparing the financial statements is appropriate.

The charity has taken advantage of the following disclosure exemptions in preparing these financial statements, as permitted by FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland':

- the requirements of Section 7 Statement of Cash Flows;
- the requirement of paragraph 3.17(d);
- the requirements of paragraphs 11.42, 11.44, 11.45, 11.47, 11.48(a)(iii), 11.48(a)(iv), 11.48(b) and 11.48(c);
- the requirements of paragraphs 12.26, 12.27, 12.29(a), 12.29(b) and 12.29A.

Income

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

Expenditure

Liabilities are recognised as expenditure as soon as there is a legal or constructive obligation committing the charity to that expenditure, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. Expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all cost related to the category. Where costs cannot be directly attributed to particular headings they have been allocated to activities on a basis consistent with the use of resources.

Tangible fixed assets

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life.

Fixtures and fittings	- 25% on cost
Computer equipment	- 25% on cost

Taxation

The charity is exempt from tax on its charitable activities.

Fund accounting

Unrestricted funds can be used in accordance with the charitable objectives at the discretion of the trustees.

Restricted funds can only be used for particular restricted purposes within the objects of the charity. Restrictions arise when specified by the donor or when funds are raised for particular restricted purposes.

St John's Nursery Group CIO

Notes to the Financial Statements - continued for the Year Ended 31 August 2021

1. ACCOUNTING POLICIES - continued

Fund accounting

Further explanation of the nature and purpose of each fund is included in the notes to the financial statements.

Government grants

The government grants have been recognised under the performance model. An amount of £70,000 (2020 - £10,000) was received in response to the COVID-19 pandemic to support the company and an amount of £8,769 (2020 - £34,514) was received under the job retention scheme, there are no unfulfilled conditions or other contingencies.

2. OTHER TRADING ACTIVITIES

	31.8.21	31.8.20
	£	£
Other Income	745	867
	<u>745</u>	<u>867</u>

3. TRUSTEES' REMUNERATION AND BENEFITS

There were no trustees' remuneration or other benefits for the year ended 31 August 2021 nor for the year ended 31 August 2020.

Trustees' expenses

During the year, £3,316 (2020: £17) of expenses were reimbursed to the trustees in respect of items purchased on behalf of the charity.

4. STAFF COSTS

The average monthly number of employees during the year was as follows:

	31.8.21	31.8.20
	18	19
Nursery Staff	<u>18</u>	<u>19</u>

No employees received emoluments in excess of £60,000.

5. COMPARATIVES FOR THE STATEMENT OF FINANCIAL ACTIVITIES

	Unrestricted fund £	Restricted fund £	Total funds £
INCOME AND ENDOWMENTS FROM			
Charitable activities			
Grants Receivable	204,427	-	204,427
Charitable Activities			
	64,061	-	64,061
Other trading activities	867	-	867
Total	<u>269,355</u>	<u>-</u>	<u>269,355</u>

EXPENDITURE ON

St John's Nursery Group CIO

**Notes to the Financial Statements - continued
for the Year Ended 31 August 2021**

5. COMPARATIVES FOR THE STATEMENT OF FINANCIAL ACTIVITIES - continued

	Unrestricted fund £	Restricted fund £	Total funds £
Charitable activities			
Charitable Activities			
	244,398	-	244,398
Support Costs	22,080	64	22,144
	<hr/>	<hr/>	<hr/>
Total	266,478	64	266,542
	<hr/>	<hr/>	<hr/>
NET INCOME/(EXPENDITURE)	2,877	(64)	2,813
	<hr/>	<hr/>	<hr/>
RECONCILIATION OF FUNDS			
Total funds brought forward	26,559	64	26,623
	<hr/>	<hr/>	<hr/>
TOTAL FUNDS CARRIED FORWARD	29,436	-	29,436
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

6. TANGIBLE FIXED ASSETS

	Fixtures and fittings £	Computer equipment £	Totals £
COST			
At 1 September 2020	34,822	4,132	38,954
Additions	525	2,843	3,368
	<hr/>	<hr/>	<hr/>
At 31 August 2021	35,347	6,975	42,322
	<hr/>	<hr/>	<hr/>
DEPRECIATION			
At 1 September 2020	26,762	3,855	30,617
Charge for year	4,422	992	5,414
	<hr/>	<hr/>	<hr/>
At 31 August 2021	31,184	4,847	36,031
	<hr/>	<hr/>	<hr/>
NET BOOK VALUE			
At 31 August 2021	4,163	2,128	6,291
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>
At 31 August 2020	8,060	277	8,337
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

St John's Nursery Group CIO

**Notes to the Financial Statements - continued
for the Year Ended 31 August 2021**

7. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	31.8.21	31.8.20
	£	£
Other debtors	3,702	495
Prepayments and accrued income	1,381	1,381
	<u>5,083</u>	<u>1,876</u>

8. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	31.8.21	31.8.20
	£	£
Trade creditors	-	548
Taxation and social security	-	1,397
Other creditors	3,156	3,717
	<u>3,156</u>	<u>5,662</u>

9. LEASING AGREEMENTS

Minimum lease payments under non-cancellable operating leases fall due as follows:

	31.8.21	31.8.20
	£	£
Within one year	18,000	31,000
Between one and five years	72,000	86,000
In more than five years	250,500	250,500
	<u>340,500</u>	<u>367,500</u>

10. MOVEMENT IN FUNDS

	At 1.9.20	Net movement in funds	At 31.8.21
	£	£	£
Unrestricted funds			
General fund	29,436	44,372	73,808
	<u>29,436</u>	<u>44,372</u>	<u>73,808</u>
TOTAL FUNDS	<u>29,436</u>	<u>44,372</u>	<u>73,808</u>

Net movement in funds, included in the above are as follows:

	Incoming resources	Resources expended	Movement in funds
	£	£	£
Unrestricted funds			
General fund	332,448	(288,076)	44,372
	<u>332,448</u>	<u>(288,076)</u>	<u>44,372</u>
TOTAL FUNDS	<u>332,448</u>	<u>(288,076)</u>	<u>44,372</u>

St John's Nursery Group CIO

**Notes to the Financial Statements - continued
for the Year Ended 31 August 2021**

10. MOVEMENT IN FUNDS - continued

Comparatives for movement in funds

	At 1.9.19 £	Net movement in funds £	At 31.8.20 £
Unrestricted funds			
General fund	26,559	2,877	29,436
Restricted funds			
New Place Grant	64	(64)	-
TOTAL FUNDS	<u>26,623</u>	<u>2,813</u>	<u>29,436</u>

Comparative net movement in funds, included in the above are as follows:

	Incoming resources £	Resources expended £	Movement in funds £
Unrestricted funds			
General fund	269,355	(266,478)	2,877
Restricted funds			
New Place Grant	-	(64)	(64)
TOTAL FUNDS	<u>269,355</u>	<u>(266,542)</u>	<u>2,813</u>

A current year 12 months and prior year 12 months combined position is as follows:

	At 1.9.19 £	Net movement in funds £	At 31.8.21 £
Unrestricted funds			
General fund	26,559	47,249	73,808
Restricted funds			
New Place Grant	64	(64)	-
TOTAL FUNDS	<u>26,623</u>	<u>47,185</u>	<u>73,808</u>

St John's Nursery Group CIO

**Notes to the Financial Statements - continued
for the Year Ended 31 August 2021**

10. MOVEMENT IN FUNDS - continued

A current year 12 months and prior year 12 months combined net movement in funds, included in the above are as follows:

	Incoming resources £	Resources expended £	Movement in funds £
Unrestricted funds			
General fund	601,803	(554,554)	47,249
Restricted funds			
New Place Grant	-	(64)	(64)
	<hr/>	<hr/>	<hr/>
TOTAL FUNDS	601,803	(554,618)	47,185
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

11. RELATED PARTY DISCLOSURES

There were no related party transactions for the year ended 31 August 2021.

St John's Nursery Group CIO

Detailed Statement of Financial Activities for the Year Ended 31 August 2021

	31.8.21 £	31.8.20 £
INCOME AND ENDOWMENTS		
Other trading activities		
Other Income	745	867
Charitable activities		
Fees	68,593	59,586
Hot Lunches	3,897	3,878
Fundraising	118	597
Grants	259,095	204,427
	<hr/>	<hr/>
	331,703	268,488
Total incoming resources	<hr/>	<hr/>
	332,448	269,355
EXPENDITURE		
Charitable activities		
Wages	200,279	197,732
Pensions	2,337	2,262
Session Expenses	6,304	4,999
Hot Lunches	7,692	4,847
Fundraising costs	-	167
Rent and Insurance	33,494	29,134
Training courses	1,269	1,283
Advertising	4,322	665
Sundries	106	200
Refurbishment of new premises	1,216	2,167
Uniform Costs	1,764	942
	<hr/>	<hr/>
	258,783	244,398
Support costs		
Management		
Legal and Professional	-	1,328
Committee Administration	500	180
Nursery Utilities	9,855	7,676
Telephone	2,929	2,551
Accountancy	2,432	2,678
Website Maintenance	8,079	2,617
Bank Charges	84	130
Depreciation of tangible fixed assets	5,414	4,984
	<hr/>	<hr/>
	29,293	22,144
Total resources expended	<hr/>	<hr/>
	288,076	266,542
Net income	<hr/>	<hr/>
	44,372	2,813

This page does not form part of the statutory financial statements