

LITTLE OAKS NURSERY, ACOMB
ANNUAL REPORT AND UNAUDITED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 29 AUGUST 2020

LITTLE OAKS NURSERY, ACOMB

LEGAL AND ADMINISTRATIVE INFORMATION

Trustees

Mrs R Reid
Mrs L Phillipson
Mrs R Stewart
Mrs C Fergus
Mrs L Taylor
Mrs J Wilson
Mrs A Wilson
Mrs C Watson

Charity number

1175448

Principal address

Acomb First School
Bishops Hill
Acomb
Hexham
Northumberland
NE46 4PL

Independent examiner

Azets
Bede House
3 Belmont Business Park
Durham
DH1 1TW

LITTLE OAKS NURSERY, ACOMB

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LITTLE OAKS NURSERY, ACOMB

TRUSTEES' REPORT

FOR THE YEAR ENDED 29 AUGUST 2020

The trustees present their report and financial statements for the year ended 29 August 2020.

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 CIO association, 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) (effective 1 January 2019)".

Objectives and activities

The principal activity of the charity is that of a pre-school nursery. The objectives are to enhance the development of children under statutory school age.

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

Achievements and performance

Little Oaks Nursery has had a positive year with children attending achieving a good standard of outcomes, all children being comfortable and happy within the setting, and parents providing great positive feedback.

The trustees continue to use social media and local parenting magazine to highlight and promote the nursery, our numbers are consistent with many new starters in the pipeline. Breakfast club and the after school club (which started in September 2020) are both well attended by both children from the nursery and Acomb First School. The working day for the staff has been adjusted so no additional salary costs are being incurred, unless in exceptional circumstances when cover is required.

The nursery continues to provide a well attended breakfast club, and from September 2020 will also be offering an after school club to provide wrap around care for the working parents of children attending Acomb First School.

Due to the current Covid-19 pandemic, we have not yet had an Ofsted inspection, however the manager is in regular contact with Ofsted and we await the inspection once circumstances allow.

All staff now have a level three early year qualification, and two of the staff are continuing to work towards their level five which will allow the nursery to maintain the current high standards in the future.

The committee are hugely proud of our dedicated staff who have continued to work through the current situation. They have done this with enthusiasm and care to all the families of key workers and vulnerable children.

LITTLE OAKS NURSERY, ACOMB

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 29 AUGUST 2020

Financial review

It is the policy of the charity that unrestricted funds which have not been designated for a specific use should be maintained at a level equivalent to between three and six month's expenditure. The trustees considers that reserves at this level will ensure that, in the event of a significant drop in funding, they will be able to continue the charity's current activities while consideration is given to ways in which additional funds may be raised. This level of reserves has been maintained throughout the year. Approximately £15,000 is held in a Reserve Account to cover two to three months of fixed costs (staffing and rent) as well as possible redundancy pay if the nursery ever had to suddenly close.

The grant income received in the year is far lower in the current period, this is due to receiving no funding for children who would have started or increased hours during the summer term. We also have reduced income due to restricted numbers attending school during lockdown and no requirement for breakfast club and non funded places during the term.

Grant income is the most significant incoming resource with £57,136 being received in the year for Early Education Grant funding.

The income generated from session fees and fundraising events was £14,569.

The resources expended on charitable activities was £88,054.

All fundraising since March has been cancelled, this has meant that all income previously generated from the Summer Fair, Cake Stall and the Christmas Fair has been lost. The committee are hoping to organise other events, however we need to be mindful of the financial position of both local businesses and individuals who have supported us in the past. We also continue to review any potential funding options available to us on a regular basis.

The trustees has assessed the major risks to which the charity is exposed, and are satisfied that systems are in place to mitigate exposure to the major risks.

As part of the major risks review the trustees continue to consider the impact of changes to other similar settings and the potential opening of a new nursery local to our setting. The manager and trustees have been in regular communication with those in charge of these settings and do not see this to be a current threat to our future. We continue to review and discuss both internally and externally.

Structure, governance and management

Little Oaks Nursery, Acomb, registered as a charity on 27 September 1994 and then incorporated as a company limited by guarantee on 19 April 2006. On 30th August 2018 the charity converted to a charitable incorporated organisation(CIO). On this date the entire funds held by Little Oaks (Acomb) Ltd were transferred to Little Oaks Nursery, Acomb.

The Trustees who served during the period and since the period end are set out in this report. Trustees are appointed by the Board of Trustees and serve continuously until such time as they step down or are voted out of office.

The CIO has regular management committee meetings once a month. The Trustees and Co-opted Members of the committee attend these meetings to discuss the position of Little Oaks Nursery, with specific reference to numbers of children, activities, finances and any fundraising events which need organisation. The Covid situation postponed these for a period, but we are now running online meetings.

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

Mrs R Reid
Mrs L Phillipson
Mrs R Stewart
Mrs C Fergus
Mrs L Taylor

LITTLE OAKS NURSERY, ACOMB

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 29 AUGUST 2020

Mrs J Wilson
Mrs A Wilson
Mrs C Watson

The trustees' report was approved by the Board of Trustees.



Mrs C Fergus

Trustee

Dated: 14 May 2021

LITTLE OAKS NURSERY, ACOMB

INDEPENDENT EXAMINER'S REPORT

TO THE TRUSTEES OF LITTLE OAKS NURSERY, ACOMB

I report to the trustees on my examination of the financial statements of Little Oaks Nursery, Acomb (the charity) for the year ended 29 August 2020.

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 Charity Commission under section 145(5)(b) of the 2011 Act.

Independent examiner's statement

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.



Peter Ledgerwood FCCA

Azets
Bede House
3 Belmont Business Park
Durham
DH1 1TW

Dated: 15/05/2021

LITTLE OAKS NURSERY, ACOMB

STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 29 AUGUST 2020

		Unrestricted funds 2020 £	Restricted funds 2020 £	Total 2020 £	Unrestricted funds 2019 £	Restricted funds 2019 £	Total 2019 £
	Notes						
Income from:							
Donations and legacies	3	4,990	57,914	62,904	197	64,263	64,460
Charitable activities	4	14,569	-	14,569	18,438	-	18,438
Investments	5	68	-	68	65	-	65
Total income		<u>19,627</u>	<u>57,914</u>	<u>77,541</u>	<u>18,700</u>	<u>64,263</u>	<u>82,963</u>
Expenditure on:							
Charitable activities	6	<u>30,140</u>	<u>57,914</u>	<u>88,054</u>	<u>21,103</u>	<u>64,263</u>	<u>85,366</u>
Funds transferred on conversion to CIO		-	-	-	48,821	-	48,821
Net (expenditure)/income for the year/							
Net movement in funds		(10,513)	-	(10,513)	46,418	-	46,418
Fund balances at 30 August 2019		<u>46,418</u>	<u>-</u>	<u>46,418</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balances at 29 August 2020		<u>35,905</u>	<u>-</u>	<u>35,905</u>	<u>46,418</u>	<u>-</u>	<u>46,418</u>

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

All income and expenditure derive from continuing activities.

LITTLE OAKS NURSERY, ACOMB

BALANCE SHEET

AS AT 29 AUGUST 2020

	Notes	2020 £	£	2019 £	£
Fixed assets					
Tangible assets	9		3,133		3,956
Current assets					
Debtors	10	2,234		606	
Cash at bank and in hand		47,310		43,436	
		49,544		44,042	
Creditors: amounts falling due within one year	11	(16,772)		(1,580)	
Net current assets			32,772		42,462
Total assets less current liabilities			35,905		46,418
Income funds					
Unrestricted funds			35,905		46,418
			35,905		46,418

The financial statements were approved by the Trustees on 14 May 2021

Mrs C Fergus
Trustee

LITTLE OAKS NURSERY, ACOMB

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 29 AUGUST 2020

1 Accounting policies

Charity information

Little Oaks Nursery, Acomb is a charitable incorporated organisation which was registered on 30th October 2017. The organisation previously traded as a company limited by guarantee under the name of Little Oaks (Acomb) Ltd. However the company converted to a CIO on 30th August 2018. On this date the entire reserves of the Little Oaks (Acomb) Ltd were transferred to Little Oaks Nursery, Acomb.

1.1 Accounting convention

The financial statements have been prepared in accordance with the charity's CIO association, 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) (effective 1 January 2019)". The charity is a Public Benefit Entity as defined by FRS 102.

The charity has taken advantage of the provisions in the SORP for charities applying FRS 102 Update Bulletin 1 not to prepare a Statement of Cash Flows.

The financial statements have departed from the Charities (Accounts and Reports) Regulations 2008 only to the extent required to provide a true and fair view. This departure has involved following the Statement of Recommended Practice for charities applying FRS 102 rather than the version of the Statement of Recommended Practice which is referred to in the Regulations but which has since been withdrawn.

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

The financial statements have been prepared under the historical cost convention, modified to include the revaluation of freehold properties and to include investment properties and certain financial instruments at fair value. The principal accounting policies adopted are set out below.

1.2 Going concern

At the time of approving the financial statements, the trustees have a reasonable expectation that the charity 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.

1.3 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.

Endowment funds are subject to specific conditions by donors that the capital must be maintained by the charity.

1.4 Income

Income is recognised when the charity 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.

Cash donations are recognised on receipt. Other donations are recognised once the charity 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.

LITTLE OAKS NURSERY, ACOMB

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 29 AUGUST 2020

1 Accounting policies

(Continued)

Legacies are recognised on receipt or otherwise if the charity 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.

1.5 Expenditure

All expenditure is recognised by the charity when the liability has been incurred. Expenditure has been recognised on an accruals basis as the liability has been incurred.

1.6 Tangible fixed 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:

Fixtures and fittings	33% Straight Line & 15% & 25% Reducing Balance
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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.

1.7 Impairment of fixed assets

At each reporting end date, the charity 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).

1.8 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.

1.9 Financial instruments

The charity 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 charity's balance sheet when the charity 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.

LITTLE OAKS NURSERY, ACOMB

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 29 AUGUST 2020

(Continued)

1 Accounting policies

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 charity's contractual obligations expire or are discharged or cancelled.

1.10 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 charity is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

2 Critical accounting estimates and judgements

In the application of the charity'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.

3 Donations and legacies

	Unrestricted funds	Restricted funds	Total	Unrestricted funds	Restricted funds	Total
	2020 £	2020 £	2020 £	2019 £	2019 £	2019 £
Donations and gifts	4,990	-	4,990	197	-	197
Grants receivable for core activities	-	57,914	57,914	-	64,263	64,263
	<u>4,990</u>	<u>57,914</u>	<u>62,904</u>	<u>197</u>	<u>64,263</u>	<u>64,460</u>

LITTLE OAKS NURSERY, ACOMB

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 29 AUGUST 2020

4 Charitable activities

	2020	2019
	£	£
Session fees and other self generated income	13,492	16,802
Fundraising income	1,077	1,636
	<u>14,569</u>	<u>18,438</u>

5 Investments

	Unrestricted funds	Unrestricted funds
	2020	2019
	£	£
Interest receivable	<u>68</u>	<u>65</u>

LITTLE OAKS NURSERY, ACOMB

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 29 AUGUST 2020

6 Charitable activities

	2020 £	2019 £
Staff costs	70,102	68,021
Depreciation and impairment	823	1,058
Consumables & food	4,057	3,139
Staff training	2,127	590
Fundraising costs	-	166
Rent & service charges	6,000	6,180
Insurance	779	742
Small equipment and repair costs	265	2,758
Sundry expenses	1,338	931
Licences and subscriptions	1,303	461
Accountancy	1,260	1,320
	<u>88,054</u>	<u>85,366</u>
	<u>88,054</u>	<u>85,366</u>
Analysis by fund		
Unrestricted funds	30,140	21,103
Restricted funds	57,914	64,263
	<u>88,054</u>	<u>85,366</u>

7 Trustees

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

8 Employees

The average monthly number of employees during the year was:

	2020 Number	2019 Number
	6	6
	<u>6</u>	<u>6</u>
Employment costs		
	2020 £	2019 £
Wages and salaries	70,102	68,021
	<u>70,102</u>	<u>68,021</u>

LITTLE OAKS NURSERY, ACOMB

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 29 AUGUST 2020

9 Tangible fixed assets

Fixtures and fittings
£

Cost	5,014
At 30 August 2019	
	<u>5,014</u>
At 29 August 2020	
Depreciation and impairment	1,058
At 30 August 2019	823
Depreciation charged in the year	
	<u>1,881</u>
At 29 August 2020	
Carrying amount	3,133
At 29 August 2020	<u><u>3,956</u></u>
At 29 August 2019	<u><u>3,956</u></u>

10 Debtors

2020 £	2019 £
Amounts falling due within one year:	
799	-
Trade debtors	606
Prepayments and accrued income	
<u>2,234</u>	<u>606</u>

11 Creditors: amounts falling due within one year

2020 £	2019 £
-	260
Other creditors	1,320
Accruals and deferred income	
<u>16,772</u>	<u>1,580</u>

12 Related party transactions

There were no disclosable related party transactions during the year (2019 - none).