

**LITTLE OAKS NURSERY, ACOMB**  
**ANNUAL REPORT AND UNAUDITED FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 29 AUGUST 2021**

# **LITTLE OAKS NURSERY, ACOMB**

## **LEGAL AND ADMINISTRATIVE INFORMATION**

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### **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	
Ms L Forsyth	(Appointed 11 November 2020)
Ms A R Johnson	(Appointed 7 October 2021)
Ms V Ferguson	(Appointed 11 November 2020)
Ms E L Thompson	(Appointed 7 October 2021)
Ms S Ross Tranter	(Appointed 11 November 2020)

### **Charity number**

1175448

### **Principal address**

Acomb First School  
Bishops Hill  
Acomb  
Hexham  
Northumberland  
United Kingdom  
NE46 4PL

### **Independent examiner**

Azets  
Bede House  
3 Belmont Business Park  
Durham  
United Kingdom  
DH1 1TW

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# **LITTLE OAKS NURSERY, ACOMB**

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# **LITTLE OAKS NURSERY, ACOMB**

## **TRUSTEES' REPORT**

### **FOR THE YEAR ENDED 29 AUGUST 2021**

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The trustees present their report and financial statements for the year ended 29 August 2021.

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**

In June 2021 we received Outstanding from Ofsted. This means that we have been outstanding since 2008. The uptake of provision has increased to 24 in September 2021. The breakfast club and after school club continues to be popular and we are offering home cooked food from our newly purchased kitchen. Part of the kitchen was donated from a local business Matthew Charlton and we purchased the white goods and paid for the installation. We did this as a long term investment in the sustainability of the nursery offering after school club for Acomb First School and extending nursery provision from 8am - 3pm to 8am - 6pm term time.

#### **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 has increased. The relaxation of Covid restrictions has resulted in children increasing their hours during the summer term together with increased numbers and attendance at breakfast and after school clubs.

Grant income is the most significant incoming resource with £64,220 being received in the year for Early Education Grant funding.

The income generated from session fees and fundraising events was £23,740.

The resources expended on charitable activities was £89,134.

Fundraising remains on hold as the committee are conscious of the impact on both the nursery and the community in regards to Covid transmission. We however continue to review both funding and fundraising opportunities.

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**

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# LITTLE OAKS NURSERY, ACOMB

## TRUSTEES' REPORT (CONTINUED)

**FOR THE YEAR ENDED 29 AUGUST 2021**

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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

Mrs J Wilson

Mrs A Wilson

Mrs C Watson

Ms L Forsyth

(Appointed 11 November 2020)

Ms A R Johnson

(Appointed 7 October 2021)

Ms V Ferguson

(Appointed 11 November 2020)


Ms E L Thompson

(Appointed 7 October 2021)

Ms S Ross Tranter

(Appointed 11 November 2020)

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



**Mrs C Fergus**

Trustee

Dated: 27 April 2022



# LITTLE OAKS NURSERY, ACOMB

## INDEPENDENT EXAMINER'S REPORT

### TO THE TRUSTEES OF LITTLE OAKS NURSERY, ACOMB

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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 2021.

#### **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.

Mrs Yasmin Bari (FCA)

Azets  
Bede House  
3 Belmont Business Park  
Durham  
DH1 1TW  
United Kingdom



Dated: 27/04/2022

# LITTLE OAKS NURSERY, ACOMB

## STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 29 AUGUST 2021

	Notes	Unrestricted funds 2021 £	Restricted funds 2021 £	Total 2021 £	Unrestricted funds 2020 £	Restricted funds 2020 £	Total 2020 £
<b>Income from:</b>							
Donations and legacies	3	8,122	64,221	72,343	4,990	57,914	62,904
Charitable activities	4	23,740	-	23,740	14,569	-	14,569
Investments	5	-	-	-	68	-	68
<b>Total income</b>		<b>31,862</b>	<b>64,221</b>	<b>96,083</b>	<b>19,627</b>	<b>57,914</b>	<b>77,541</b>
<b>Expenditure on:</b>							
Charitable activities	6	24,913	64,221	89,134	30,140	57,914	88,054
<b>Net income/(expenditure) for the year/ Net movement in funds</b>		<b>6,949</b>	<b>-</b>	<b>6,949</b>	<b>(10,513)</b>	<b>-</b>	<b>(10,513)</b>
Fund balances at 30 August 2020		35,905	-	35,905	46,418	-	46,418
<b>Fund balances at 29 August 2021</b>		<b>42,854</b>	<b>-</b>	<b>42,854</b>	<b>35,905</b>	<b>-</b>	<b>35,905</b>

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 2021

	Notes	2021 £	£	2020 £	£
<b>Fixed assets</b>					
Tangible assets	9		2,491		3,133
<b>Current assets</b>					
Debtors	10	1,213		2,234	
Cash at bank and in hand		40,410		47,310	
		<u>41,623</u>		<u>49,544</u>	
<b>Creditors: amounts falling due within one year</b>	11	(1,260)		(16,772)	
Net current assets			40,363		32,772
<b>Total assets less current liabilities</b>			<u>42,854</u>		<u>35,905</u>
<b>Income funds</b>					
Unrestricted funds			42,854		35,905
			<u>42,854</u>		<u>35,905</u>

The financial statements were approved by the Trustees on 27 April 2022



Mrs C Fergus  
Trustee



# **LITTLE OAKS NURSERY, ACOMB**

## **NOTES TO THE FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 29 AUGUST 2021**

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### **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 2021

### 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 2021

### 1 Accounting policies

(Continued)

#### **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
	2021 £	2021 £	2021 £	2020 £	2020 £	2020 £
Donations and gifts	122	-	122	4,990	-	4,990
Grants receivable for core activities	8,000	64,221	72,221	-	57,914	57,914
	<u>8,122</u>	<u>64,221</u>	<u>72,343</u>	<u>4,990</u>	<u>57,914</u>	<u>62,904</u>

# LITTLE OAKS NURSERY, ACOMB

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 29 AUGUST 2021

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### 4 Charitable activities

	2021 £	2020 £
Session fees and other self generated income	23,740	13,492
Fundraising income	-	1,077
	<u>23,740</u>	<u>14,569</u>

### 5 Investments

	Total	Unrestricted funds
	2021 £	2020 £
Interest receivable	-	68
	<u>-</u>	<u>68</u>

# LITTLE OAKS NURSERY, ACOMB

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 29 AUGUST 2021

### 6 Charitable activities

	2021 £	2020 £
Staff costs	75,153	70,102
Depreciation and impairment	642	823
Consumables & food	3,365	4,057
Staff training	270	2,127
Rent & service charges	6,195	6,000
Insurance	877	779
Small equipment and repair costs	140	265
Sundry expenses	927	1,338
Licences and subscriptions	305	1,303
Accountancy	1,260	1,260
	<u>89,134</u>	<u>88,054</u>
	<u>89,134</u>	<u>88,054</u>
<b>Analysis by fund</b>		
Unrestricted funds	24,913	30,140
Restricted funds	64,221	57,914
	<u>89,134</u>	<u>88,054</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:

	2021 Number	2020 Number
	6	6
	<u>6</u>	<u>6</u>
<b>Employment costs</b>		
	2021 £	2020 £
Wages and salaries	75,153	70,102
	<u>75,153</u>	<u>70,102</u>



# LITTLE OAKS NURSERY, ACOMB

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 29 AUGUST 2021

### 9 Tangible fixed assets

	Fixtures and fittings £
<b>Cost</b>	
At 30 August 2020	5,014
At 29 August 2021	5,014
<b>Depreciation and impairment</b>	
At 30 August 2020	1,881
Depreciation charged in the year	642
At 29 August 2021	2,523
<b>Carrying amount</b>	
At 29 August 2021	2,491
At 29 August 2020	3,133

### 10 Debtors

	2021 £	2020 £
<b>Amounts falling due within one year:</b>		
Trade debtors	713	799
Prepayments and accrued income	500	1,435
	1,213	2,234

### 11 Creditors: amounts falling due within one year

	2021 £	2020 £
Accruals and deferred income	1,260	16,772

### 12 Related party transactions

There were no disclosable related party transactions during the year (2020 - none).