

BLACKHEATH MONTESSORI CENTRE LIMITED

England & Wales · Charity number 285105

Details

Status Registered

Legal form Charitable company

Company number [01622834](#)

Registered 1982-07-28

Register [View on the Charity Commission register](#)

Contact

Address Blackheath Montessori Centre
Independents Road
London
SE3 9LF

Phone 02088526765

Email blackheathmontessori@yahoo.co.uk

Website www.blackheathmontessoricentre.org

Activities

Objects: TO ADVANCE THE EDUCATION OF CHILDREN BELOW THE AGE OF SIX YEARS AND IN FURTHERANCE OF THOSE OBJECTS, TO PROVIDE EDUCATIONAL FACILITIES FOR SUCH CHILDREN IN THE LONDON BOROUGH OF GREENWICH AND/OR LEWISHAM AND ELSEWHERE AND TO STIMULATE THEIR NATURAL DEVELOPMENT AND ABILITIES.

Activities: Montessori Childrens Nursery Age 2.5 to 5 yrs old

Classification

- **How:** Provides Human Resources, Provides Buildings/facilities/open Space, Provides Services
- **What:** Education/training
- **Who:** Children/young People

Geography

- **Area of benefit:** LONDON BOROUGHS OF GREENWICH AND LEWISHAM
- Bexley
- Bromley
- Greenwich
- Lewisham

Finances

Period end	Income	Expenditure	Assets	Employees
2025-03-31	£641,907	£644,213	£428,326	15
2024-03-31	£611,671	£608,285	£430,632	14
2023-03-31	£555,843	£574,343	£427,246	15
2022-03-31	£571,290	£564,619	£445,746	18
2021-03-31	£499,707	£500,543	-	-

Trustees

Name	Role	Appointed
Clarisse Combe		2017-05-15
MRS L ATKINSON		
VICTORIA JEROME		2002-10-18

BLACKHEATH MONTESSORI CENTRE LIMITED

England & Wales - Charity number 285105

Accounts

BLACKHEATH MONTESSORI CENTRE LTD

(A company limited by guarantee)

UNAUDITED REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2025

REGISTERED NUMBER 01622834

CHARITY NUMBER 285105

Brendan P Byrne & Co Ltd
12 Old Bexley Lane
Bexley
Kent
DA5 2BN

Tel: 01322 555530

BLACKHEATH MONTESSORI CENTRE LTD
REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2025

CONTENTS

Pages

2 to 5	Directors' Report
6	Independent Examiners' Report
7	Statement of Financial Activities
8	Statement of Financial Position (Balance Sheet)
9 to 12	Notes to the Financial Statements

The following do not form part of the statutory financial statements:

13 to 15	Profit and Loss Account Summaries
----------	-----------------------------------

DIRECTORS' REPORT **FOR THE YEAR ENDED 31 MARCH 2025**

The directors are pleased to present their annual report together with the financial statements of the charity for the year ended 31 March 2024 which are also prepared to meet the requirements for a directors' report and accounts for Companies Act purposes.

The financial statements comply with the Charities Act 2011, the Companies Act 2006, the Memorandum and Articles of Association, 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 2015).

PURPOSE AND ACTIVITIES

The Blackheath Montessori Centre ("Centre") was established with the purpose of providing all year-round educational day care for children aged between two and five years based on the Montessori system.

The Centre provides a curriculum encompassing both the Montessori Method and the Early Years Foundation Stage (the recommended Ofsted regulated curriculum for nursery schools) – following an inspection in March 2020, the nursery has been graded as Good. Together they provide children with an all-round opportunity to develop a wide range of skills.

The main aim of a Montessori education is to cultivate and stimulate a child's natural curiosity and desire to learn. All children at the Blackheath Montessori Centre are openly encouraged by teachers to learn and experience through their own motivation and interactions. The nursery has its own garden, tucked away at the rear of the building, providing a safe haven for the children to play in all weathers. Additional activities are also offered which include dance, music, and sport.

The Centre encourages the children to adopt a healthy lifestyle, so meals are prepared on site by the Centre's own cook, and daily menus are displayed on the notice board for parent/carer's information. Menus are varied according to the season, using local suppliers for our fresh meat, fruit and vegetables. The Centre follows advice given by the London Borough of Lewisham, the NDNA, and The Early Years Alliance to ensure the healthiest and most appropriate food for our children, reflecting the cultures of children attending our nursery, as well as from other parts of the world.

The Centre opens from 8.00am to 6.00pm, Monday to Friday, for forty-eight weeks of the year. There is one intake each year in September, when we welcome children into the Centre who are aged two and nine months or older. The Centre caters for up to forty children to attend at one time on either a full time or a part time basis. The children are divided into three classes of twelve to fourteen per class, and there are a minimum of two teachers for each class. Each class enjoys imaginative play, expressive arts, construction, story time, messy games, the garden, cooking, rest and sleep time, and one to one time with teachers.

FINANCIAL REVIEW

The Centre is principally funded by the fees charged to parents based on a range of session options. Other income is generated from registration fees and events. Regular fundraising activities happen throughout the year to enable and support projects benefiting the children to be undertaken. During 2021-2022 a complete refurbishment of the children's toilets was carried out. Plans remain in place for the refurbishment works in the Lower Ground Floor area to recommence, however the Board decided that long term refurbishment works should continue to be put on hold until the financial situation improves and steadies, as the impact of the pandemic is still affecting the finances of the Centre. The main change has been in a variation to the pattern of childcare requirements by families, and the Local Authority advised that the Early Years sector as a whole and locally experienced a significant downturn in requirement for places over the last three years.

The directors consider the results for the year to be as expected in the current climate; they show net outgoing resources were £2,306 (31 March 2024 net incoming resources were £3,386). The directors believe they can continue to achieve their objectives based on the reserves in place, and the plans for improvement which should enhance income in the future.

The Board noted the additional expenditure on permanent staff and considered it reasonable to ensure that children attending with SEN received the one-to-one support that they required daily, as well as to allow the Centre's SENCO to spend a considerable amount of time obtaining EHC plans for the children in most need. By increasing the number of permanent staff, better deployment of temporary staff, and through a restructuring of the fees charged, the Board aim for results to improve in 2026.

The waiting lists for 2025-2026 have increased from prior years to 48 children on the secure list. The Board and Head made the decision based on previous years' experience of uptake of place offers, to extend the number of families allowed to register for secure places. The Head noted that late requests for places have been made more often in recent years. The initial place offers for September 2025 have been well received. There has also been significant interest in September 2026 places, and so the Head has agreed to extend the number of secure registrations to ensure a full intake in September 2026. There are already families registered for 2027 and 2028, and the level of enquiries about registration remains consistent for those intakes. Uptake of places in September 2024 increased compared to the intake in 2023, with some children joining later in the term and during Spring Term.

DIRECTORS' REPORT **FOR THE YEAR ENDED 31 MARCH 2025**

The Board have agreed to continue to consider the option of increasing capacity at the nursery through completion of building works in the basement. The Board are taking into account the cost of this work, which would potentially include financing costs as well as construction costs, and whether the increased revenue from up to a further 16-20 places would bring. The Board are also considering how an increased capacity would affect the nursery as a whole, after having run for so long as a 36-40 place nursery, as well as whether the demand for places will return. However, the Board are currently directing financing aims and fundraising towards renovation of the garden, due to a damaged outbuilding which will be subject to an insurance claim against London Borough of Lewisham. The Board will consider if any funds will need to be redirected to ensure the garden renovation is to a high standard for future families to benefit from. A significant donation from a local family for the renovation of the garden was gratefully received and will help to ensure the garden renovations will benefit the families currently registered to join the Centre in the next few years.

DIRECTORS, STRUCTURE, GOVERNANCE AND MANAGEMENT

Blackheath Montessori Centre Ltd is a company limited by guarantee governed by its Memorandum and Articles of Association dated 27 June 1982. It is registered as a charity with the Charity Commission.

The directors who served during the year were:

L J Atkinson

V Jerome, who also acted as the Company Secretary and Office Manager, with responsibility for payroll & other administrative tasks, and

C C Combe

Directors have been appointed under the terms of the Memorandum and Articles of Association to oversee the management of the Centre and to ensure that the Centre remains competitive in the local nursery sector.

Directors are recruited from the current and past parent base. All prospective nominees are invited to attend a board meeting when they are asked to provide details of their background and skills. The board undertakes an evaluation of the nominee and approves any appointment.

The daily operational management of the Centre is the responsibility of the Head of Centre, Jane Skillen. The directors of the Centre meet monthly with Jane. Formal minutes are written and distributed after each meeting.

The Centre, through its close relationship with parents, both current and past, has been able to draw on a wealth of professional support which is most important to ensure cost effective management of the Centre.

The Head, with the assistance of the Deputy Head and Office Manager review the Centre's policies annually and amend and update as appropriate. Advice on policies is sought from the Local Authority and recognised industry associations, and the Head ensures that the policies meet Ofsted's requirements at all times. Over 35 policies are in place to ensure the safeguarding of the children and families attending the Centre, as well as the staff working at the Centre. The Centre also has policies that set out the Centre's commitment to counter discrimination of any kind and to promote positive outcomes for all families attending the Centre.

The Board and the Head review staff salaries annually, and increases are awarded based on the budget arising from planned fee increases and staff qualifications. The Centre contributes to a workplace pension scheme for staff who have opted-in and follows current Government guidelines on contribution levels. The staff have a generous holiday allowance, dependent on length of service, along with paid absence for sickness. Staff turnover is generally low, and many members of staff have worked at the Centre for over fifteen years. The Centre invests in CPD for staff, as well statutory training requirements such as Safeguarding and First Aid.

RISKS AND UNCERTAINTIES

The Directors actively review the major risks that the Centre faces on a regular basis and believe that maintaining reserves at current levels, combined with an annual review of financial systems will provide sufficient resources in the event of adverse conditions. Following the Coronavirus pandemic, the Directors continue to work closely with the Head of Centre and Office Manager to monitor the financial stability. Increased focus is being placed on cleaning, PPE, risk assessments and policies at the nursery, as well as financial issues, in order to ensure continuity of provision of service, and income. A full restructure of the fees is taking place, in order to increase revenue and stability for the Centre, and to ensure that current legislation regarding the delivery of funded places is met. The Board is considering how the introduction of funding for working parents of two-year-olds will affect the Centre, to ensure that the Centre's revenue is not impacted.

The Directors ensure that the nursery is fully insured to meet legislation and Ofsted requirements. Policies are in place to minimise risk to the Centre and the families that attend.

The Directors review other situations that could cause risk to the Centre's financial stability, such as noted above regarding funded places. As more parents are now entitled to the additional funded hours, the Board considered that not offering the additional funding could reduce applicants for places.

The Head ensures she keeps abreast of other settings locally by participating in Local Authority networking meetings and training sessions. This allows the Board to be aware of the likelihood of reduced enrolments or other local factors, which could incur a downturn in income for the Centre. The Head recently made the Board aware of a new nursery opening in Blackheath Village, with potential capacity of 70+ children, and the impact that this may have on the Centre.

DIRECTORS' REPORT **FOR THE YEAR ENDED 31 MARCH 2025**

PLANS FOR FUTURE PERIODS

Due to the downturn in enrolments in 2022-2023, the Board agreed that only essential repairs should be carried out, and that the plans for the refurbishment of the Lower Ground Floor be put on hold, in order not to deplete income and reserves. The Board's opinion was that funds had been invested carefully over the preceding years in the gradual refurbishment of the classrooms, kitchen and bathroom, and in light of a reduction in applications for places, it was not appropriate to expend funds on a refurbishment project to increase spaces. The Board are also considering the difficulties faced by the Early Years Sector in the current climate, particularly regarding recruitment of staff with the appropriate levels of qualifications. As expected, costs of using temporary staff of a high level to ensure that ratios are met at all times impacted expenditure. A focus on recruitment and planned expenditure on highly qualified permanent staff providing three teaching staff per classroom, will mean future use of temporary staff will be significantly reduced. The Board are continuing to invest in staff training and wellbeing of the remaining staff, as the Board recognises they are key to the success of the nursery.

The Board continues to review the costs to the nursery, and the level of income required to ensure the nursery remains financially viable. Fee increases are reviewed carefully, and this financial year's level of resources will form the basis of analysis for future fee increases. The Board are also continuing to focus on the impact of the Government's and Local Authority's rules around providing funded hours. The stringent rules for offering funded sessions and how parents are charged for consumables concerns the Board, as should parents opt to not pay the consumables charge, it will have a detrimental financial effect on the nursery. The Board has agreed that should parents request a funded only place, it will be offered on the basis of spaces available. Parents wishing to apply for one of these places should contact the Board to discuss the matter.

The Board will be restructuring the fee profile of the nursery, to mitigate any losses of income due to parents opting out of the consumables charge.

The Board will be focussing on all areas where costs have increased significantly, and looking to reduce these costs in future years, where possible.

RESERVES POLICY

The directors are of the opinion that the present level of resources together with the level of designated reserves is adequate to support the continuation of the Centre's activities for the medium term, even in light of a predicted downturn in children attending.

Any renovation works are considered carefully and prioritised by importance and urgency. In recent years it was necessary to carry out costly repairs. In previous years funds had not been available to carry out works to a high standard, causing additional costs in later years. The Board carefully considers each project to ensure that funds spent will resolve maintenance issues for a number of years, rather than being 'quick fixes', and to ensure the long-term affordability of the project.

The Office Manager reports at Board Meetings of any potential bad debtors, and advice is sought on how to recoup unpaid fees. The Board's policy is to take legal action to recoup monies owed. The Board finds that bad debts do not occur regularly, and any potential bad debtors are reviewed and managed by the Office Manager.

Any expenditure over £1,000 is discussed at Board Meetings and approval sought for the expenditure. Management Accounts are reviewed termly by the Office Manager to give the Board an update on income and expenditure.

Previous losses have occurred due to the pressing nature of repairs and maintenance required. The Board fully assessed the cost impact of the repairs and agreed that the requirement to carry out repairs and maintenance necessitated the spending of reserves.

DIRECTORS' REPORT
FOR THE YEAR ENDED 31 MARCH 2025

REFERENCE AND ADMINISTRATIVE DETAILS

REGISTERED OFFICE:

Independents Road
Blackheath
London SE3 9LF

COMPANY NUMBER: 01622834

CHARITY NUMBER: 285105

BANKERS:

Natwest Bank plc

ACCOUNTANTS:

Brendan P Byrne & Co Ltd, Bexley

DIRECTORS RESPONSIBILITIES

The directors are responsible for preparing an annual report and financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice). Company law requires the directors to prepare financial statements for each year which give a true and fair view of the state of affairs of the charitable company and of the incoming resources and application of resources, including the income and expenditure for that period. In preparing the financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in business.

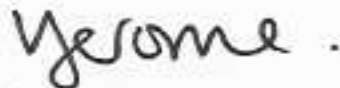
The directors are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the charity and to enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charity and the group and hence taking reasonable steps for the prevention and detection of fraud and other irregularities. The directors are responsible for the maintenance and integrity of the corporate and financial information included on the charitable company's website.

STATEMENT AS TO DISCLOSURE TO OUR ACCOUNTANTS

In so far as the directors are aware at the time of approving our annual report:

- there is no relevant information, being information needed by the accountant in connection with preparing their report, of which the accountant is unaware, and
- the directors, having made enquiries of fellow directors and the accountant, that they ought to have individually taken, have each taken all steps that he/she is obliged to take as a director in order to make themselves aware of any relevant audit information and to establish that the accountant is aware of that information.

This report was approved by the board on **1 December 2025** and signed on their behalf



Victoria Jerome

INDEPENDENT EXAMINERS' REPORT
ON THE UNAUDITED FINANCIAL STATEMENTS TO THE DIRECTORS OF
BLACKHEATH MONTESSORI CENTRE LTD
FOR THE YEAR ENDED 31 MARCH 2025

In accordance with the engagement letter dated 21 October 2008, and in order to assist you to fulfil your duties under the Companies Act 2006, we have compiled the financial statements of the company which comprise the Statement of Financial Activities, Balance Sheet and the related notes from the accounting records and information and explanations you have given to us.

This report is made to the Company's Board of Directors, as a body, in accordance with the terms of our engagement. Our work has been undertaken so that we might compile the financial statements that we have been engaged to compile, report to the Company's Board of Directors that we have done so, and state those matters that we have agreed to state to them in this report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's Board of Directors, as a body, for our work or for this report.

You have acknowledged on the Balance Sheet for the year ended 31 March 2025 your duty to ensure that the company has kept proper accounting records and to prepare financial statements that give a true and fair view under the Companies Act 2006. You consider that the company is exempt from the statutory requirement for an audit for the year.

We have not been instructed to carry out an audit of the financial statements. For this reason, we have not verified the accuracy or completeness of the accounting records or information and explanations you have given to us and we do not, therefore, express any opinion on the financial statements.



Brendan P Byrne & Co Ltd

12 Old Bexley Lane
Bexley
Kent
DA5 2BN

BLACKHEATH MONTESSORI CENTRE LTD
STATEMENT OF FINANCIAL ACTIVITIES
FOR THE YEAR ENDED 31 MARCH 2025

	General Fund	Restricted Fund	2025 £	2024 £
Incoming Resources				
Activities for generating funds				
Fees Receivable	613,862	-	613,862	603,146
Voluntary income				
Fundraising	-	1,967	1,967	2,986
Donations received	170	20,642	20,812	-
Other income	5,266	-	5,266	5,538
	<u>619,298</u>	<u>22,609</u>	<u>641,907</u>	<u>611,670</u>
Resources Expended				
Charitable activities				
Educational services	558,181	404	558,585	519,831
Cost of generating voluntary income				
Fundraising & publicity	-	-	-	-
Management & administration	85,628	-	85,628	88,304
	<u>643,809</u>	<u>404</u>	<u>644,213</u>	<u>608,135</u>
Net (outgoing) / incoming resources before transfers	(24,510)	22,204	(2,306)	3,386
Transfers	-	-	-	-
Net (outgoing) / incoming resources for the year	(24,510)	22,204	(2,306)	3,386
Total funds brought forward	371,714	58,918	430,632	427,246
Total funds carried forward	<u>347,204</u>	<u>81,122</u>	<u>428,326</u>	<u>430,632</u>

The statement of financial activities includes all gains and losses recognised in the year.
All income and expenditure derive from continuing operations.

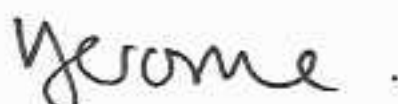
BLACKHEATH MONTESSORI CENTRE LTD
STATEMENT OF FINANCIAL POSITION (BALANCE SHEET)
AT 31 MARCH 2025

	Note	2025	2024
		£	£
FIXED ASSETS			
Tangible assets	8	293,170	292,243
CURRENT ASSETS			
Debtors	9	3,861	4,222
Cash at bank and in hand		230,993	232,877
		<u>234,854</u>	<u>237,099</u>
CREDITORS: Amounts falling due within one year	10	<u>(85,770)</u>	<u>(72,275)</u>
NET CURRENT ASSETS		149,084	164,824
TOTAL ASSETS LESS CURRENT LIABILITIES		442,255	457,067
CREDITORS: Amounts falling due after more than one year	11	<u>(13,929)</u>	<u>(26,435)</u>
NET ASSETS		<u>£428,326</u>	<u>£430,632</u>
THE FUNDS OF THE CHARITY			
Restricted income funds	14	81,122	59,918
Unrestricted income funds		347,204	371,714
TOTAL CHARITY FUNDS		<u>£428,326</u>	<u>£430,632</u>

In approving these financial statements as directors of the company we hereby confirm the following:
For the year in question the company was entitled to exemption under section 477 of the Companies Act 2006 relating to small companies.
Directors' responsibilities:
1) The members have not required the company to obtain an audit for its accounts for the year in question in accordance with section 476,
2) The directors acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and the preparation of accounts.

These accounts have been prepared in accordance with the provisions applicable to companies subject to the small companies' regime and the Charities Act 2011.

The accounts were approved by the board of directors on 1 December 2025



V Jerome, Director

BLACKHEATH MONTESSORI CENTRE LTD
NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 31 MARCH 2025

1. ACCOUNTING POLICIES

1a Basis of preparation

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) and the Companies Act 2006. Blackheath Montessori Centre Ltd 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 note(s).

1b Tangible fixed assets

Land and building are shown at original historical cost, further depreciation is not considered necessary due to the maintenance and upkeep of the building undertaken.

Other fixed assets are shown at cost less depreciation provided, after taking account of any grants receivable, at the following annual rates in order to write off each asset over its estimated useful life by the reducing balance method.

	%
Plant and equipment	33
Fixtures and fittings	25
Equipment	25

1c Pensions

The company operates a defined contribution pension scheme and the pension charge represents the amounts payable by the company to the fund in the year.

1d Income

Income comprises the value of sales of educational day care for children, goods and services in the normal course of business based on invoices raised each school term. The company is not required to be registered for VAT. Deposits taken are held as liabilities until they are refunded.

1e Interest

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the charity; this is normally upon notification of the interest paid or payable by the Bank.

1f Funds

Unrestricted funds are available to spend on activities that further any of the purposes of charity. Designated funds are unrestricted funds of the charity which the directors have decided at their discretion to set aside to use for a specific purpose.

1g Expenditure

Expenditure, includes VAT if applicable, and is recognised once there is a legal or constructive obligation to make a payment to a third party, it is probable that settlement will be required and the amount of the obligation can be measured reliably.

1h Financial Instruments

The charity only has a bank mortgage which is measured at amortised cost using the effective interest method.

2. LEGAL STATUS

The Centre is a company limited by guarantee and has no share capital. In the event of the charity being wound up, the liability in respect of the guarantee is limited to £1 per member of the charity.

BLACKHEATH MONTESSORI CENTRE LTD
NOTES TO THE ACCOUNTS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2025

3. NET OPERATING EXPENSES

	2025 £	2024 £
Net operating expenses:		
Distribution costs	(113)	(169)
Administrative expenses	595,406	555,033
Depreciation	22,265	24,520
	<u>£ 617,558</u>	<u>£ 579,384</u>

4. OPERATING (LOSS)/PROFIT

	2025 £	2024 £
(Loss)/Profit on ordinary activities is stated after charging:		
Depreciation and amortisation of tangible assets: owned	22,265	24,520
Pension costs	9,427	8,773

5. INTEREST RECEIVABLE AND SIMILAR INCOME

	2025 £	2024 £
Bank interest receivable	5,266	4,975
Commissions	-	159
Other funding	-	404
	<u>£ 5,266</u>	<u>£ 5,538</u>

6. INTEREST PAYABLE AND SIMILAR CHARGES

	2025 £	2024 £
On bank loans, overdrafts and other loans		
Repayable within five years, by instalments	540	1,214
	<u>£ 540</u>	<u>£ 1,214</u>

7. STAFF COSTS

	2025 £	2024 £
Salaries and wages	459,045	393,869
Temporary and agency workers	15,590	49,765
Social security costs	38,391	31,433
Pension costs	9,427	8,773
	<u>£ 522,453</u>	<u>£ 483,840</u>

Average monthly headcount was 15 staff (2024: 16 staff).

No employees had employee benefits in excess of £60,000

None of the personnel costs are attributable as costs on restricted activities.

BLACKHEATH MONTESSORI CENTRE LTD
NOTES TO THE ACCOUNTS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2025

8. TANGIBLE FIXED ASSETS

	Land & Buildings £	Other Tangible Assets £	Total £
Cost			
At 1 April 2024	274,341	277,370	551,711
Additions	-	23,192	23,192
At 31 March 2025	274,341	300,562	574,903
Depreciation			
At 1 April 2024	23,014	236,454	259,468
For the year	-	22,265	22,265
At 31 March 2025	23,014	258,719	281,733
Net Book Amounts			
At 31 March 2025	£251,327	£41,843	£293,170
At 31 March 2024	£251,327	£40,916	£292,243

9. DEBTORS	2025 £	2024 £
Trade debtors and prepayments	3,861	4,222
	£ 3,861	£ 4,222

10. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR	2025 £	2024 £
Trade creditors	3,191	274
Accruals and sundry creditors	7,265	12,983
Other taxes and social security	12,653	10,917
Other creditors and deferred income	62,660	48,101
	£ 85,770	£ 72,275

11. CREDITORS: AMOUNTS FALLING DUE AFTER ONE YEAR	2025 £	2024 £
Bank loans and overdrafts	13,929	26,435
	£ 13,929	£ 26,435

12. TAXATION

The charity is exempt from tax on income and gains falling within section 505 of the Taxes Act 1988 as any excesses of income over expenditure, if made, are applied to its charitable objects.

BLACKHEATH MONTESSORI CENTRE LTD
NOTES TO THE ACCOUNTS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2025

13. RESOURCES EXPENDED

Analysis of expenditure on charitable activities:

	2025	2024
	£	£
<u>Educational activities</u>		
Staff costs*	470,207	435,456
Training & recruitment	11,480	5,883
Premises*	29,987	26,813
Catering	17,476	15,786
Equipment & materials	7,980	11,757
Office and other costs*	1,012	1,893
Depreciation*	20,038	22,068
	<u>558,181</u>	<u>519,656</u>
 <u>Cost of obtaining funds</u>	 <u>-</u>	 <u>-</u>
 <u>Management and administration</u>		
		of which Governance
Staff costs*	52,246	48,384
Other costs:		
Premises*	3,332	2,979
Office and other costs*	113	210
Hire costs	642	642
Computer costs	11,028	11,152
Legal & professional	3,014	3,295
Bank charges	471	498
Insurance	12,667	18,861
Depreciation*	2,226	2,452
Bad debts	(113)	(169)
	<u>85,628</u>	<u>88,304</u>
	<u>643,809</u>	<u>607,960</u>

The charity initially identifies the costs of its activities into either educational or management categories, those costs that cover both activities* are then apportioned based on an approximation of time spent. Governance costs are then identified from the management activities undertaken. All repairs were met from unrestricted funds.

The following pages do not form part of the Company's Statutory Financial Statements and are prepared for the information of the Directors only.

BLACKHEATH MONTESSORI CENTRE LTD
TRADING AND PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31 MARCH 2025

	2025		2024	
	£	£	£	£
Sales		614,032		603,147
Cost of sales:				
Purchases	25,069		26,720	
Other direct expenses	<u>642</u>		<u>642</u>	
		<u>25,711</u>		<u>27,362</u>
Gross profit		588,321		575,785
Other income		<u>5,266</u>		<u>5,538</u>
		593,587		581,323
Less:				
Selling and marketing costs	(113)		(169)	
Administrative expenses	595,945		556,247	
Depreciation and amortisation	<u>22,265</u>		<u>24,520</u>	
		<u>618,097</u>		<u>580,598</u>
Net (loss) / profit for the year		(24,510)		725
Transfer to designated fund	<u>-</u>		<u>-</u>	
		<u>-</u>		<u>-</u>
Transfer of funds to/from reserves		(24,510)		725
Retained profits brought forward		<u>371,714</u>		<u>370,989</u>
Retained profits carried forward		<u>£ 347,204</u>		<u>£ 371,714</u>

BLACKHEATH MONTESSORI CENTRE LTD
PROFIT AND LOSS ACCOUNT SUMMARIES
FOR THE YEAR ENDED 31 MARCH 2025

	2025	2024
	£	£
Purchases:		
Equipment and materials	7,593	10,934
Catering	17,476	15,786
	<u>£25,069</u>	<u>£26,720</u>
 Other direct expenses:		
Plant hire	<u>£642</u>	<u>£642</u>
 Other income:		
Trips	-	-
Other income, bank interest and commission	5,266	5,538
	<u>5,266</u>	<u>£5,538</u>
 Selling and marketing costs:		
Advertising & sales promotion	-	-
Bad debts (recovered)	(113)	(169)
	<u>£(113)</u>	<u>£(169)</u>

BLACKHEATH MONTESSORI CENTRE LTD
PROFIT AND LOSS ACCOUNT SUMMARIES
FOR THE YEAR ENDED 31 MARCH 2025

	2025	2024
	£	£
Parking (less contribution)	(2,000)	2,400
Rates	5,484	5,255
Light and heat	10,286	8,943
Repairs & renewals	8,581	4,942
Salaries	459,045	393,869
NIC employer	38,391	31,433
Agency staff	15,590	49,766
Pension contributions	9,427	8,773
Recruitment & training	11,480	5,883
Protective equipment	387	824
Computer costs	11,028	11,152
Accountancy	1,824	1,731
Professional Fees	1,190	1,563
Waste disposal	3,733	2,787
Insurance	12,667	18,861
Cleaning	6,696	4,251
Stationery & office supplies	477	1,348
Telephone	478	596
Sundry expenses	170	159
Bank charges	471	498
	<u>595,406</u>	<u>555,033</u>
Loan Interest	540	1,214
	<u>595,945</u>	<u>556,247</u>

BLACKHEATH MONTESSORI CENTRE LIMITED

England & Wales - Charity number 285105

Accounts

BLACKHEATH MONTESSORI CENTRE LTD
(A company limited by guarantee)

UNAUDITED REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2024

REGISTERED NUMBER 01622834

CHARITY NUMBER 285105

Brendan P Byrne & Co Ltd
12 Old Bexley Lane
Bexley
Kent
DA5 2BN

Tel; 01322 555530

BLACKHEATH MONTESSORI CENTRE LTD
REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2024

CONTENTS

Pages	
2 to 5	Directors' Report
6	Independent Examiners' Report
7	Statement of Financial Activities
8	Statement of Financial Position (Balance Sheet)
9 to 12	Notes to the Financial Statements

The following do not form part of the statutory financial statements:

13 to 15	Profit and Loss Account Summaries
----------	-----------------------------------

BLACKHEATH MONTESSORI CENTRE LTD
DIRECTORS' REPORT
FOR THE YEAR ENDED 31 MARCH 2024

The directors are pleased to present their annual report together with the financial statements of the charity for the year ended 31 March 2024 which are also prepared to meet the requirements for a directors' report and accounts for Companies Act purposes.

The financial statements comply with the Charities Act 2011, the Companies Act 2006, the Memorandum and Articles of Association, 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 2015).

PURPOSE AND ACTIVITIES

The Blackheath Montessori Centre ("Centre") was established with the purpose of providing all year round educational day care for children aged between two and five years based on the Montessori system.

The Centre provides a curriculum encompassing both the Montessori Method and the Early Years Foundation Stage (the recommended Ofsted regulated curriculum for nursery schools) – following an inspection in March 2020, the nursery has been graded as Good. Together they provide children with an all-round opportunity to develop a wide range of skills.

The main aim of a Montessori education is to cultivate and stimulate a child's natural curiosity and desire to learn. All children at the Blackheath Montessori Centre are openly encouraged by teachers to learn and experience through their own motivation and interactions. The nursery has its own garden, tucked away at the rear of the building, providing a safe haven for the children to play in all weathers. Additional activities are also offered which include dance, music, sport and French.

The Centre encourages the children to adopt a healthy lifestyle so meals are prepared on site by the Centre's own cook, and daily menus are displayed on the notice board for parent/carer's information. Menus are varied according to the season, using local suppliers for our fresh meat, fruit and vegetables. The Centre follows advice given by The Children's Food Trust, the NDNA, and London Borough of Lewisham to ensure the healthiest and most appropriate food for our children, reflecting the cultures of children attending our nursery, as well as from other parts of the world.

The Centre opens from 8.00am to 6.00pm, Monday to Friday, for forty eight weeks of the year. There is one intake each year in September, when we welcome children into the Centre who are aged two and nine months or older. The Centre caters for up to forty children attending on either a full time or a part time basis. The children are divided into three classes of twelve to fourteen per class, and there are a minimum of two teachers for each class. Each class enjoys imaginative play, expressive arts, construction, story time, messy games, the garden, cooking, rest and sleep time, ball pool, and one to one time with teachers.

FINANCIAL REVIEW

The Centre is principally funded by the fees charged to parents based on a range of session options. Other income is generated from registration fees and events. Regular fundraising activities happen throughout the year to enable projects to be undertaken. During 2021-2022 a complete refurbishment of the children's toilets was carried out. Plans remain in place for the refurbishment works in the Lower Ground Floor area to recommence, however the Board decided that all refurbishment works should continue to be put on hold until the financial situation improves, post pandemic, as the intakes for both 2021-2022, and 2022-2023 were significantly lower than pre-pandemic years. This was due to a change in childcare requirements by families, subsequent to the pandemic, rather than a specific issue to the nursery. The Local Authority advised that the Early Years sector as a whole and locally had a significant downturn in requirement for places.

The directors consider the results for the year to be as expected in the current climate, they show net incoming resources were £3,386 (31 March 2023 net outgoing resources were £18,500). The directors believe they can continue to achieve their objectives based on the reserves in place, and the plans for improvement which should enhance income in the future.

The waiting lists for 2024-2025 have 25 children on the secure list and 25 on the reserve list; although this number is lower again, a reasonable response to initial place offers has been received. There are no guaranteed places left for 2025, and families are registering on the reserve list for that intake. There are already families registered for 2026 and 2027, and the level of enquiries about registration remains consistent. Uptake of places in September 2023 increased compared to the intake in 2022, with some children joining later in the term and during Spring Term.

The Board will continue to consider the option of increasing capacity at the nursery through completion of building works in the basement. The Board are taking into account the cost of this work, which would potentially include financing costs as well as construction costs, and whether the increased revenue from up to a further 16-20 places would bring. The Board are also considering how an increased capacity would affect the nursery as a whole, after having run for so long as a 36-40 place nursery.

BLACKHEATH MONTESSORI CENTRE LTD
DIRECTORS' REPORT, CONTINUED
FOR THE YEAR ENDED 31 MARCH 2024

DIRECTORS, STRUCTURE, GOVERNANCE AND MANAGEMENT

Blackheath Montessori Centre Ltd is a company limited by guarantee governed by its Memorandum and Articles of Association dated 27 June 1982. It is registered as a charity with the Charity Commission.

The directors who served during the year were:

L J Atkinson

V Jerome, who also acted as the Company Secretary and Office Manager, with responsibility for payroll & other administrative tasks, and

C C Combe

Directors have been appointed under the terms of the Memorandum and Articles of Association to oversee the management of the Centre and to ensure that the Centre remains competitive in the local nursery sector.

Directors are recruited from the current and past parent base. All prospective nominees are invited to attend a board meeting when they are asked to provide details of their background and skills. The board undertakes an evaluation of the nominee and approves any appointment.

The daily operational management of the Centre is the responsibility of the Head of Centre, Jane Skillen. The directors of the Centre meet monthly with Jane. Formal minutes are written and distributed after each meeting.

The Centre, through its close relationship with parents, both current and past, has been able to draw on a wealth of professional support which is most important to ensure cost effective management of the Centre.

The Head, with the assistance of the Deputy Head and Office Manager review the Centre's policies annually, and amend and update as appropriate. Advice on policies is sought from the Local Authority, and the Head ensures that the policies meet Ofsted's requirements at all times. Over 35 policies are in place to ensure the safeguarding of the children and families attending the Centre, as well as the staff working at the Centre. The Centre also has policies that set out the Centre's commitment to counter discrimination of any kind and to promote positive outcomes for all families attending the Centre.

The Board and the Head review staff salaries annually, and increases are awarded based on the budget arising from planned fee increases and staff merit. The Centre contributes to a workplace pension scheme for staff who have opted in, and follows current Government guidelines on contribution levels. The staff have a generous holiday allowance, dependent on length of service, along with paid absence for sickness. Staff turnover is generally low, and many members of staff have worked at the Centre for over fifteen years. The Centre invests in CPD for staff, as well statutory training requirements such as Safeguarding and First Aid.

RISKS AND UNCERTAINTIES

The Directors actively review the major risks that the Centre faces on a regular basis and believe that maintaining reserves at current levels, combined with an annual review of financial systems will provide sufficient resources in the event of adverse conditions. Following the Coronavirus pandemic, the Directors continue to work closely with the Head of Centre and Office Manager to monitor the financial stability. Increased focus is being placed on cleaning, PPE, risk assessments and policies at the nursery, as well as financial issues, in order to ensure continuity of provision of service, and income.

The Directors ensure that the nursery is fully insured to meet legislation and Ofsted requirements. Policies are in place to minimise risk to the Centre and the families that attend.

The Directors review other situations that could cause risk to the Centre's financial stability. For example, the introduction of 30 hours funded childcare for eligible families could have potentially caused financial harm to the Centre.

However, the Board reviewed the situation and liaised with the Local Authority, and found a way to introduce the additional funding for parents, without causing a loss of income to the nursery. As more parents were enquiring about the additional funded hours, the Board considered that not offering the additional funding could reduce applicants for places.

The Head ensures she keeps abreast of other settings locally by participating in Local Authority networking meetings and training sessions. This allows the Board to be aware of the likelihood of reduced enrolments, which could incur a downturn in income for the Centre.

BLACKHEATH MONTESSORI CENTRE LTD
DIRECTORS' REPORT, CONTINUED
FOR THE YEAR ENDED 31 MARCH 2024

PLANS FOR FUTURE PERIODS

Due to the downturn in enrolments in 2022-2023, the Board agreed that only essential repairs should be carried out, and that the plans for the refurbishment of the Lower Ground Floor be put on hold, in order not to deplete income and reserves. The Board's opinion was that funds had been invested carefully over the preceding years in the gradual refurbishment of the classrooms, kitchen and bathroom, and in light of a reduction in applications for places, it was not appropriate to expend funds on a refurbishment project to increase spaces. The Board are also considering the difficulties faced by the Early Years Sector in the current climate, particularly regarding recruitment of staff with the appropriate levels of qualifications. As expected, costs of using temporary staff of a high level to ensure that ratios are met at all times impacted expenditure. A focus on recruitment, and planned expenditure on highly qualified permanent staff providing three teaching staff per classroom, will mean future use of temporary staff will be significantly reduced. The Board are continuing to invest in staff training and wellbeing of the remaining staff, as the Board recognises they are key to the success of the nursery.

The Board continues to review the costs to the nursery, and the level of income required to ensure the nursery remains financially viable. Fee increases are reviewed carefully, and this financial year's level of resources will form the basis of analysis for future fee increases.

The Board are also continuing to focus on the impact of the Government's and Local Authority's rules around providing funded hours. The stringent rules for offering funded sessions and how parents are charged for consumables concerns the Board, as should parents opt to not pay the consumables charge, it will have a detrimental financial effect on the nursery. The Board has agreed that a very limited number of funded only places can be offered, and parents wishing to apply for one of these places should contact the Board to discuss the matter.

The Board are also considering restructuring the fee profile of the nursery, to mitigate any losses of income due to parents opting out of the consumables charge.

The Board will be focussing on all areas where costs have increased significantly, and looking to reduce these costs in future years, where possible.

RESERVES POLICY

The directors are of the opinion that the present level of resources together with the level of designated reserves is adequate to support the continuation of the Centre's activities for the medium term, even in light of a predicted downturn in children attending.

Any renovation works are considered carefully, and prioritised by importance and urgency. In recent years it was necessary to carry out costly repairs. In previous years funds had not been available to carry out works to a high standard, causing additional costs in later years. The Board carefully considers each project to ensure that funds spent will resolve maintenance issues for a number of years, rather than being 'quick fixes', and to ensure the long term affordability of the project.

The Office Manager reports at Board Meetings of any potential bad debtors, and advice is sought on how to recoup unpaid fees. The Board's policy is to take legal action to recoup monies owed. The Board finds that bad debts do not occur regularly, and any potential bad debtors are reviewed and managed by the Office Manager.

Any expenditure over £1,000 is discussed at Board Meetings and approval sought for the expenditure. Management Accounts are reviewed termly by the Office Manager to give the Board an update on income and expenditure.

Previous losses have occurred due to the pressing nature of repairs and maintenance required. The Board fully assessed the cost impact of the repairs and agreed that the requirement to carry out repairs and maintenance necessitated the spending of reserves.

BLACKHEATH MONTESSORI CENTRE LTD
DIRECTORS' REPORT, CONTINUED
FOR THE YEAR ENDED 31 MARCH 2024

REFERENCE AND ADMINISTRATIVE DETAILS

REGISTERED OFFICE:
Independents Road
Blackheath
London SE3 9LF

COMPANY NUMBER: 01622834

CHARITY NUMBER: 285105

BANKERS:
Natwest Bank plc

ACCOUNTANTS:
Brendan P Byrne & Co Ltd, Bexley

DIRECTORS RESPONSIBILITIES

The directors are responsible for preparing an annual report and financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice). Company law requires the directors to prepare financial statements for each year which give a true and fair view of the state of affairs of the charitable company and of the incoming resources and application of resources, including the income and expenditure for that period. In preparing the financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in business.

The directors are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the charity and to enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charity and the group and hence taking reasonable steps for the prevention and detection of fraud and other irregularities. The directors are responsible for the maintenance and integrity of the corporate and financial information included on the charitable company's website.

STATEMENT AS TO DISCLOSURE TO OUR ACCOUNTANTS

In so far as the directors are aware at the time of approving our annual report:

- there is no relevant information, being information needed by the accountant in connection with preparing their report, of which the accountant is unaware, and
- the directors, having made enquiries of fellow directors and the accountant, that they ought to have individually taken, have each taken all steps that he/she is obliged to take as a director in order to make themselves aware of any relevant audit information and to establish that the accountant is aware of that information.

This report was approved by the board on 04/12/2024 and signed on their behalf



Victoria Jerome

INDEPENDENT EXAMINERS' REPORT
ON THE UNAUDITED FINANCIAL STATEMENTS TO THE DIRECTORS OF
BLACKHEATH MONTESSORI CENTRE LTD
FOR THE YEAR ENDED 31 MARCH 2024

In accordance with the engagement letter dated 21 October 2008, and in order to assist you to fulfil your duties under the Companies Act 2006, we have compiled the financial statements of the company which comprise the Statement of Financial Activities, Balance Sheet and the related notes from the accounting records and information and explanations you have given to us.

This report is made to the Company's Board of Directors, as a body, in accordance with the terms of our engagement. Our work has been undertaken so that we might compile the financial statements that we have been engaged to compile, report to the Company's Board of Directors that we have done so, and state those matters that we have agreed to state to them in this report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's Board of Directors, as a body, for our work or for this report.

You have acknowledged on the Balance Sheet for the year ended 31 March 2024 your duty to ensure that the company has kept proper accounting records and to prepare financial statements that give a true and fair view under the Companies Act 2006. You consider that the company is exempt from the statutory requirement for an audit for the year.

We have not been instructed to carry out an audit of the financial statements. For this reason, we have not verified the accuracy or completeness of the accounting records or information and explanations you have given to us and we do not, therefore, express any opinion on the financial statements.



Brendan P Byrne & Co Ltd

12 Old Bexley Lane
Bexley
Kent
DA5 2BN

BLACKHEATH MONTESSORI CENTRE LTD
STATEMENT OF FINANCIAL ACTIVITIES
FOR THE YEAR ENDED 31 MARCH 2024

	General Fund	Restricted Fund	2024 £	2023 £
Incoming Resources				
Activities for generating funds				
Fees Receivable	603,147	-	603,147	548,983
Voluntary income				
Fundraising	-	2,986	2,986	3,931
Grants received	-			
Other income	5,538	-	5,538	2,929
	<u>608,685</u>	<u>2,986</u>	<u>611,671</u>	<u>555,843</u>
Resources Expended				
Charitable activities				
Educational services	519,656	325	519,981	491,103
Cost of generating voluntary income				
Fundraising & publicity	-	-	-	-
Management & administration	88,304	-	88,304	83,240
	<u>607,960</u>	<u>325</u>	<u>608,285</u>	<u>574,343</u>
Net (outgoing) / incoming resources before transfers	725	2,661	3,386	(18,500)
Transfers	-	-	-	-
Net (outgoing) / incoming resources for the year	725	2,661	3,386	(18,500)
Total funds brought forward	<u>370,989</u>	<u>56,257</u>	<u>427,246</u>	<u>445,746</u>
Total funds carried forward	<u>371,714</u>	<u>58,918</u>	<u>430,632</u>	<u>427,246</u>

The company made no recognised gains or losses other than those reported in the income and expenditure account.

The statement of financial activities includes all gains and losses recognised in the year.
All income and expenditure derive from continuing operations.

BLACKHEATH MONTESSORI CENTRE LTD
STATEMENT OF FINANCIAL POSITION (BALANCE SHEET)
AT 31 MARCH 2024

	Note	2024 £	£	2023 £
FIXED ASSETS				
Tangible assets	8		292,243	315,359
CURRENT ASSETS				
Debtors	9	4,222		1,857
Cash at bank and in hand		232,877		227,692
		<u>237,099</u>		<u>229,549</u>
CREDITORS: Amounts falling due within one year	10	<u>(72,275)</u>		<u>(73,663)</u>
NET CURRENT ASSETS			164,824	155,886
TOTAL ASSETS LESS CURRENT LIABILITIES			457,067	471,245
CREDITORS: Amounts falling due after more than one year	11		(26,435)	(43,999)
NET ASSETS			<u>£ 430,632</u>	<u>£ 427,246</u>
THE FUNDS OF THE CHARITY				
Restricted income funds	14		58,918	56,257
Unrestricted income funds			371,714	370,989
TOTAL CHARITY FUNDS			<u>£ 430,632</u>	<u>£ 427,246</u>

In approving these financial statements as directors of the company we hereby confirm the following:
For the year in question the company was entitled to exemption under section 477 of the Companies Act 2006 relating to small companies.
Directors' responsibilities:
1) The members have not required the company to obtain an audit for its accounts for the year in question in accordance with section 476,
2) The directors acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and the preparation of accounts.

These accounts have been prepared in accordance with the provisions applicable to companies subject to the small companies' regime and the Charities Act 2011.

The accounts were approved by the board of directors on 04/12/2024

V Jerome

V Jerome, Director

BLACKHEATH MONTESSORI CENTRE LTD
NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 31 MARCH 2024

1. ACCOUNTING POLICIES

1a Basis of preparation

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) and the Companies Act 2006. Blackheath Montessori Centre Ltd 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 note(s).

1b Tangible fixed assets

Land and building are shown at original historical cost, further depreciation is not considered necessary due to the maintenance and upkeep of the building undertaken.

Other fixed assets are shown at cost less depreciation provided, after taking account of any grants receivable, at the following annual rates in order to write off each asset over its estimated useful life by the reducing balance method.

	%
Plant and equipment	33
Fixtures and fittings	25
Equipment	25

1c Pensions

The company operates a defined contribution pension scheme and the pension charge represents the amounts payable by the company to the fund in the year.

1d Income

Income comprises the value of sales of educational day care for children, goods and services in the normal course of business based on invoices raised each school term. The company is not required to be registered for VAT. Deposits taken are held as liabilities until they are refunded.

1e Interest

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the charity; this is normally upon notification of the interest paid or payable by the Bank.

1f Funds

Unrestricted funds are available to spend on activities that further any of the purposes of charity. Designated funds are unrestricted funds of the charity which the directors have decided at their discretion to set aside to use for a specific purpose.

1g Expenditure

Expenditure, includes VAT if applicable, and is recognised once there is a legal or constructive obligation to make a payment to a third party, it is probable that settlement will be required and the amount of the obligation can be measured reliably.

1h Financial Instruments

The charity only has a bank mortgage which is measured at amortised cost using the effective interest method.

2. LEGAL STATUS

The Centre is a company limited by guarantee and has no share capital. In the event of the charity being wound up, the liability in respect of the guarantee is limited to £1 per member of the charity.

BLACKHEATH MONTESSORI CENTRE LTD
NOTES TO THE ACCOUNTS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2024

3. NET OPERATING EXPENSES

	2024 £	2023 £
Net operating expenses:		
Distribution costs	(169)	(229)
Administrative expenses	555,033	524,418
Depreciation	24,520	24,539
	<u>£ 579,384</u>	<u>£ 549,728</u>

4. OPERATING (LOSS)/PROFIT

	2024 £	2023 £
(Loss)/Profit on ordinary activities is stated after charging:		
Depreciation and amortisation of tangible assets: owned	24,520	24,539
Pension costs	8,773	9,255

5. INTEREST RECEIVABLE AND SIMILAR INCOME

	2024 £	2023 £
Bank interest receivable	4,975	1,752
Commissions	159	88
Other funding	404	-
	<u>£ 5,538</u>	<u>£ 1,840</u>

6. INTEREST PAYABLE AND SIMILAR CHARGES

	2024 £	2023 £
On bank loans, overdrafts and other loans repayable within five years, by instalments		
	1,214	1,544
	<u>£ 1,214</u>	<u>£ 1,544</u>

7. STAFF COSTS

	2024 £	2023 £
Salaries and wages	393,869	412,027
Temporary and agency workers	49,765	2,470
Social security costs	31,433	34,310
Pension costs	8,773	9,255
	<u>£ 483,840</u>	<u>£ 458,062</u>

Average monthly headcount was 16 staff (2023: 16 staff).

No employees had employee benefits in excess of £60,000

None of the personnel costs are attributable as costs on restricted activities.

BLACKHEATH MONTESSORI CENTRE LTD
NOTES TO THE ACCOUNTS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2024

8. TANGIBLE FIXED ASSETS

	Land & Buildings £	Other Tangible Assets £	Total £
Cost			
At 1 April 2023	274,341	275,966	550,307
Additions	-	1,404	1,404
At 31 March 2024	274,341	277,370	551,711
Depreciation			
At 1 April 2023	23,014	211,934	234,948
For the year	-	24,520	24,520
At 31 March 2024	23,014	236,454	259,468
Net Book Amounts			
At 31 March 2024	£251,327	£40,916	£292,243
At 31 March 2023	£251,327	£64,032	£315,359

9. DEBTORS

	2024 £	2023 £
Trade debtors and prepayments	4,222	1,857
	£ 4,222	£ 1,857

10. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2024 £	2023 £
Trade creditors	274	6,286
Accruals and sundry creditors	12,983	6,913
Other taxes and social security	10,917	11,136
Other creditors and deferred income	48,101	49,328
	£ 72,275	£ 73,663

11. CREDITORS: AMOUNTS FALLING DUE AFTER ONE YEAR

	2024 £	2023 £
Bank loans and overdrafts	26,435	43,999
	£ 26,435	£ 43,999

12. TAXATION

The charity is exempt from tax on income and gains falling within section 505 of the Taxes Act 1988 as any excesses of income over expenditure, if made, are applied to its charitable objects.

BLACKHEATH MONTESSORI CENTRE LTD
NOTES TO THE ACCOUNTS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2024

13. RESOURCES EXPENDED

Analysis of expenditure on charitable activities:

	2024 £	2023 £
<u>Educational activities</u>		
Staff costs*	435,456	414,224
Training & recruitment	5,883	4,050
Premises*	26,813	29,227
Catering	15,786	12,656
Equipment & materials	11,757	3,966
Office and other costs*	1,893	2,073
Depreciation*	22,068	22,085
	<u>519,656</u>	<u>488,281</u>
 <u>Cost of obtaining funds</u>	 <u>-</u>	 <u>-</u>
 <u>Management and administration</u>		
	of which Governance is £1,260 (2023: £1,260)	
Staff costs*	48,384	46,025
Other costs:		
Premises*	2,979	3,247
Office and other costs*	210	230
Hire costs	642	642
Computer costs	11,152	10,093
Legal & professional	3,295	2,793
Bank charges	498	477
Insurance	18,861	17,536
Depreciation*	2,452	2,454
Bad debts	(169)	(258)
	<u>88,304</u>	<u>83,240</u>
	<u>607,960</u>	<u>571,521</u>

The charity initially identifies the costs of its activities into either educational or management categories, those costs that cover both activities* are then apportioned based on an approximation of time spent. Governance costs are then identified from the management activities undertaken. All repairs were met from unrestricted funds.

The following pages do not form part of the Company's Statutory Financial Statements and are prepared for the information of the Directors only.

BLACKHEATH MONTESSORI CENTRE LTD
TRADING AND PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31 MARCH 2024

	2024		2023
	£	£	£
Sales		603,147	548,983
Cost of sales:			
Purchases	26,720		19,607
Other direct expenses	<u>642</u>		<u>642</u>
		<u>27,362</u>	<u>20,249</u>
Gross profit		575,785	528,734
Other income		<u>5,538</u>	<u>2,929</u>
		581,323	531,663
Less:			
Selling and marketing costs	(169)		(229)
Administrative expenses	556,247		529,962
Depreciation and amortisation	<u>24,520</u>		<u>24,539</u>
		<u>580,598</u>	<u>551,272</u>
Net (loss) / profit for the year		725	(19,609)
Transfer to designated fund	<u>-</u>		<u>-</u>
		<u>-</u>	<u>-</u>
Transfer of funds to/from reserves		725	(19,609)
Retained profits brought forward		<u>370,989</u>	<u>390,598</u>
Retained profits carried forward		<u><u>£ 371,714</u></u>	<u><u>£ 370,989</u></u>

BLACKHEATH MONTESSORI CENTRE LTD
PROFIT AND LOSS ACCOUNT SUMMARIES
FOR THE YEAR ENDED 31 MARCH 2024

	2024	2023
	£	£
Purchases:		
Equipment and materials	10,934	6,951
Catering	15,786	12,656
	<u>£26,720</u>	<u>£19,607</u>
 Other direct expenses:		
Plant hire	<u>£642</u>	<u>£642</u>
 Other income:		
Trips	-	1,089
Other income, bank interest and commission	5,538	1,840
	<u>5,538</u>	<u>£2,929</u>
 Selling and marketing costs:		
Advertising & sales promotion	-	30
Bad debts (recovered)	(169)	(259)
	<u>£(169)</u>	<u>£(229)</u>

BLACKHEATH MONTESSORI CENTRE LTD
PROFIT AND LOSS ACCOUNT SUMMARIES
FOR THE YEAR ENDED 31 MARCH 2024

	2024	2023
	£	£
Parking (less contribution)	2,400	1,800
Rates	5,255	6,065
Light and heat	8,943	8,318
Repairs & renewals	4,942	6,661
Salaries	393,869	412,027
NIC employer	31,433	34,310
Agency staff	49,766	2,470
Pension contributions	8,773	9,255
Recruitment & training	5,883	2,186
Protective equipment	824	1,144
Computer costs	11,152	10,105
Accountancy	1,731	1,632
Professional Fees	1,563	1,161
Waste disposal	2,787	4,017
Insurance	18,861	17,536
Cleaning	4,251	4,070
Stationery & office supplies	1,348	1,414
Telephone	596	495
Sundry expenses	159	276
Bank charges	498	477
	<u>555,033</u>	<u>525,418</u>
Loan Interest	1,214	1,544
	<u>556,247</u>	<u>526,962</u>
Depreciation and amortisation:	2024	2023
	£	£
Depreciation of plant & machinery	10,114	10,113
Depreciation of fixtures & fittings	13,462	13,832
Depreciation of equipment	944	94
	<u>£24,520</u>	<u>£24,539</u>

BLACKHEATH MONTESSORI CENTRE LIMITED

England & Wales - Charity number 285105

Accounts

BLACKHEATH MONTESSORI CENTRE LTD

(A company limited by guarantee)

UNAUDITED REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2023

REGISTERED NUMBER 01622834

CHARITY NUMBER 285105

Brendan P Byrne & Co Ltd
12 Old Bexley Lane
Bexley
Kent
DA5 2BN

Tel; 01322 555530

BLACKHEATH MONTESSORI CENTRE LTD
REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023

CONTENTS

Pages

2 to 5	Directors' Report
6	Independent Examiners' Report
7	Statement of Financial Activities
8	Statement of Financial Position (Balance Sheet)
9 to 12	Notes to the Financial Statements

The following do not form part of the statutory financial statements:

13 to 15	Profit and Loss Account Summaries
----------	-----------------------------------

BLACKHEATH MONTESSORI CENTRE LTD
DIRECTORS' REPORT
FOR THE YEAR ENDED 31 MARCH 2023

The directors are pleased to present their annual report together with the financial statements of the charity for the year ended 31 March 2023 which are also prepared to meet the requirements for a directors' report and accounts for Companies Act purposes.

The financial statements comply with the Charities Act 2011, the Companies Act 2006, the Memorandum and Articles of Association, 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 2015).

PURPOSE AND ACTIVITIES

The Blackheath Montessori Centre ("Centre") was established with the purpose of providing all year round educational day care for children aged between two and five years based on the Montessori system.

The Centre provides a curriculum encompassing both the Montessori Method and the Early Years Foundation Stage (the recommended Ofsted regulated curriculum for nursery schools) – following an inspection in March 2020, the nursery has been graded as Good. Together they provide children with an all-round opportunity to develop a wide range of skills.

The main aim of a Montessori education is to cultivate and stimulate a child's natural curiosity and desire to learn. All children at the Blackheath Montessori Centre are openly encouraged by teachers to learn and experience through their own motivation and interactions. The nursery has its own garden, tucked away at the rear of the building, providing a safe haven for the children to play in all weathers. Additional activities are also offered which include dance, music, sport and French.

The Centre encourages the children to adopt a healthy lifestyle so meals are prepared on site by the Centre's own cook, and daily menus are displayed on the notice board for parent/carer's information. Menus are varied according to the season, using local suppliers for our fresh meat, fruit and vegetables. The Centre follows advice given by The Children's Food Trust, the NDNA, and London Borough of Lewisham to ensure the healthiest and most appropriate food for our children, reflecting the cultures of children attending our nursery, as well as from other parts of the world.

The Centre opens from 8.00am to 6.00pm, Monday to Friday, for forty eight weeks of the year. There is one intake each year in September, when we welcome children into the Centre who are aged two and nine months or older. The Centre caters for up to forty children attending on either a full time or a part time basis. The children are divided into three classes of twelve to fourteen per class, and there are a minimum of two teachers for each class. Each class enjoys imaginative play, expressive arts, construction, story time, messy games, the garden, cooking, rest and sleep time, ball pool, and one to one time with teachers.

FINANCIAL REVIEW

The Centre is principally funded by the fees charged to parents based on a range of session options. Other income is generated from registration fees and events. Regular fundraising activities happen throughout the year to enable projects to be undertaken. During 2021-2022 a complete refurbishment of the children's toilets was carried out. Plans remain in place for the refurbishment works in the Lower Ground Floor area to recommence, however the Board decided that all refurbishment works should continue to be put on hold until the financial situation improves, post pandemic, as the intakes for both 2021-2022, and 2022-2023 were significantly lower than pre-pandemic years. This was due to a change in childcare requirements by families, subsequent to the pandemic, rather than a specific issue to the nursery. The Local Authority advised that the Early Years sector as a whole and locally had a significant downturn in requirement for places.

The directors consider the results for the year to be as expected in the current climate, they show net outgoing resources were £18,500 (31 March 2022 net incoming resources were £6,671). The directors believe they can continue to achieve their objectives based on the reserves in place, and the plans for improvement which should enhance income in the future.

The waiting lists for 2023-2024 have 28 children on the secure list and 38 on the reserve list, a reasonable number. There are no guaranteed places left for 2024, and families are registering on the reserve list for that intake. There are already families registered for 2025 and 2026, and the level of enquiries about registration remains consistent. Uptake of places in September 2022 was lower than 2021, and was concerning. However, by January 2023, new children were accepted into nursery, and increased the numbers attending by 25%. The interest in places for September 2023 greatly increased from the previous year, and initial indications of place acceptances are for a return to more pre-pandemic levels of children enrolled.

The Board will continue to consider the option of increasing capacity at the nursery through completion of building works in the basement. The Board are taking into account the cost of this work, which would potentially include financing costs as well as construction costs, and whether the increased revenue from up to a further 16-20 places would bring. The Board are also considering how an increased capacity would affect the nursery as a whole, after having run for so long as a 36-40 place nursery.

BLACKHEATH MONTESSORI CENTRE LTD
DIRECTORS' REPORT, CONTINUED
FOR THE YEAR ENDED 31 MARCH 2023

DIRECTORS, STRUCTURE, GOVERNANCE AND MANAGEMENT

Blackheath Montessori Centre Ltd is a company limited by guarantee governed by its Memorandum and Articles of Association dated 27 June 1982. It is registered as a charity with the Charity Commission.

The directors who served during the year were:

L J Atkinson

V Jerome, who also acted as the Company Secretary and Office Manager, with responsibility for payroll & other administrative tasks, and

C C Combe

Directors have been appointed under the terms of the Memorandum and Articles of Association to oversee the management of the Centre and to ensure that the Centre remains competitive in the local nursery sector.

Directors are recruited from the current and past parent base. All prospective nominees are invited to attend a board meeting when they are asked to provide details of their background and skills. The board undertakes an evaluation of the nominee and approves any appointment.

The daily operational management of the Centre is the responsibility of the Head of Centre, Jane Skillen. The directors of the Centre meet monthly with Jane. Formal minutes are written and distributed after each meeting.

The Centre, through its close relationship with parents, both current and past, has been able to draw on a wealth of professional support which is most important to ensure cost effective management of the Centre.

The Head, with the assistance of the Deputy Head and Office Manager review the Centre's policies annually, and amend and update as appropriate. Advice on policies is sought from the Local Authority, and the Head ensures that the policies meet Ofsted's requirements at all times. Over 35 policies are in place to ensure the safeguarding of the children and families attending the Centre, as well as the staff working at the Centre. The Centre also has policies that set out the Centre's commitment to counter discrimination of any kind and to promote positive outcomes for all families attending the Centre.

The Board and the Head review staff salaries annually, and increases are awarded based on the budget arising from planned fee increases and staff merit. The Centre contributes to a workplace pension scheme for staff who have opted in, and follows current Government guidelines on contribution levels. The staff have a generous holiday allowance, dependent on length of service, along with paid absence for sickness. Staff turnover is generally low, and many members of staff have worked at the Centre for over fifteen years. The Centre invests in CPD for staff, as well statutory training requirements such as Safeguarding and First Aid.

RISKS AND UNCERTAINTIES

The Directors actively review the major risks that the Centre faces on a regular basis and believe that maintaining reserves at current levels, combined with an annual review of financial systems will provide sufficient resources in the event of adverse conditions. Following the Coronavirus pandemic, the Directors continue to work closely with the Head of Centre and Office Manager to monitor the financial stability. Increased focus is being placed on cleaning, PPE, risk assessments and policies at the nursery, as well as financial issues, in order to ensure continuity of provision of service, and income.

The Directors ensure that the nursery is fully insured to meet legislation and Ofsted requirements. Policies are in place to minimise risk to the Centre and the families that attend.

The Directors review other situations that could cause risk to the Centre's financial stability. For example, the introduction of 30 hours funded childcare for eligible families could have potentially caused financial harm to the Centre.

However, the Board reviewed the situation and liaised with the Local Authority, and found a way to introduce the additional funding for parents, without causing a loss of income to the nursery. As more parents were enquiring about the additional funded hours, the Board considered that not offering the additional funding could reduce applicants for places.

The Head ensures she keeps abreast of other settings locally by participating in Local Authority networking meetings and training sessions. This allows the Board to be aware of the likelihood of reduced enrolments, which could incur a downturn in income for the Centre.

BLACKHEATH MONTESSORI CENTRE LTD
DIRECTORS' REPORT, CONTINUED
FOR THE YEAR ENDED 31 MARCH 2023

PLANS FOR FUTURE PERIODS

Due to the downturn in enrolments in 2022-2023, the Board agreed that only essential repairs should be carried out, and that the plans for the refurbishment of the Lower Ground Floor be put on hold, in order not to deplete income and reserves. The Board's opinion was that funds had been invested carefully over the preceding years in the gradual refurbishment of the classrooms, kitchen and bathroom, and in light of a reduction in applications for places, it was not appropriate to expend funds on a refurbishment project to increase spaces. The Board are also considering the difficulties faced by the Early Years Sector in the current climate, particularly regarding recruitment of staff with the appropriate levels of qualifications. The Board expects to expend income on temporary staff of a high level to ensure that ratios are met at all times, in light of two members of staff leaving (one to a promoted position, one to resume their own business). Recruitment will be a focus during the coming financial year. The Board are continuing to invest in staff training and wellbeing of the remaining staff, as the Board recognises they are key to the success of the nursery.

The Board continues to review the costs to the nursery, and the level of income required to ensure the nursery remains financially viable. Fee increases are reviewed carefully, and this financial year's level of outgoing resources will form the basis of analysis for future fee increases.

The Board are also considering the impact of the Government's and Local Authority's rules around providing funded hours. The stringent rules for offering funded sessions and how parents are charged for consumables concerns the Board, as should parents opt to not pay the consumables charge, it will have a detrimental financial effect on the nursery. The Board has agreed that a very limited number of funded only places can be offered, and parents wishing to apply for one of these places should contact the Board to discuss the matter.

The Board are also considering restructuring the fee profile of the nursery, to mitigate any losses of income due to parents opting out of the consumables charge.

The Board will be focussing on all areas where costs have increased significantly, and looking to reduce these costs in future years, where possible.

RESERVES POLICY

The directors are of the opinion that the present level of resources together with the level of designated reserves is adequate to support the continuation of the Centre's activities for the medium term, even in light of a predicted downturn in children attending.

Any renovation works are considered carefully, and prioritised by importance and urgency. In recent years it was necessary to carry out costly repairs to the roof, as leakages were causing damage elsewhere in the building. In previous years funds had not been available to carry out works to a high standard, causing additional costs in later years. The Board carefully considers each project to ensure that funds spent will resolve maintenance issues for a number of years, rather than being 'quick fixes', and to ensure the long term affordability of the project.

The Office Manager reports at Board Meetings of any potential bad debtors, and advice is sought on how to recoup unpaid fees. The Board's policy is to take legal action to recoup monies owed. The Board finds that bad debts do not occur regularly, and any potential bad debtors are reviewed and managed by the Office Manager.

Any expenditure over £1,000 is discussed at Board Meetings and approval sought for the expenditure. Management Accounts are reviewed termly by the Office Manager to give the Board an update on income and expenditure.

Previous losses have occurred due to the pressing nature of repairs and maintenance required. The Board fully assessed the cost impact of the repairs and agreed that the requirement to carry out repairs and maintenance necessitated the spending of reserves.

BLACKHEATH MONTESSORI CENTRE LTD
DIRECTORS' REPORT, CONTINUED
FOR THE YEAR ENDED 31 MARCH 2023

REFERENCE AND ADMINISTRATIVE DETAILS

REGISTERED OFFICE:

Independents Road
Blackheath
London SE3 9LF

COMPANY NUMBER: 01622834

CHARITY NUMBER: 285105

BANKERS:

Natwest Bank plc

ACCOUNTANTS:

Brendan P Byrne & Co Ltd, Bexley

DIRECTORS RESPONSIBILITIES

The directors are responsible for preparing an annual report and financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice). Company law requires the directors to prepare financial statements for each year which give a true and fair view of the state of affairs of the charitable company and of the incoming resources and application of resources, including the income and expenditure for that period. In preparing the financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in business.

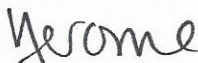
The directors are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the charity and to enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charity and the group and hence taking reasonable steps for the prevention and detection of fraud and other irregularities. The directors are responsible for the maintenance and integrity of the corporate and financial information included on the charitable company's website.

STATEMENT AS TO DISCLOSURE TO OUR ACCOUNTANTS

In so far as the directors are aware at the time of approving our annual report:

- there is no relevant information, being information needed by the accountant in connection with preparing their report, of which the accountant is unaware, and
- the directors, having made enquiries of fellow directors and the accountant, that they ought to have individually taken, have each taken all steps that he/she is obliged to take as a director in order to make themselves aware of any relevant audit information and to establish that the accountant is aware of that information.

This report was approved by the board on **13/11/2023** and signed on their behalf


Victoria Jerome

INDEPENDENT EXAMINERS' REPORT
ON THE UNAUDITED FINANCIAL STATEMENTS TO THE DIRECTORS OF
BLACKHEATH MONTESSORI CENTRE LTD
FOR THE YEAR ENDED 31 MARCH 2023

In accordance with the engagement letter dated 21 October 2008, and in order to assist you to fulfil your duties under the Companies Act 2006, we have compiled the financial statements of the company which comprise the Statement of Financial Activities, Balance Sheet and the related notes from the accounting records and information and explanations you have given to us.

This report is made to the Company's Board of Directors, as a body, in accordance with the terms of our engagement. Our work has been undertaken so that we might compile the financial statements that we have been engaged to compile, report to the Company's Board of Directors that we have done so, and state those matters that we have agreed to state to them in this report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's Board of Directors, as a body, for our work or for this report.

You have acknowledged on the Balance Sheet for the year ended 31 March 2023 your duty to ensure that the company has kept proper accounting records and to prepare financial statements that give a true and fair view under the Companies Act 2006. You consider that the company is exempt from the statutory requirement for an audit for the year.

We have not been instructed to carry out an audit of the financial statements. For this reason, we have not verified the accuracy or completeness of the accounting records or information and explanations you have given to us and we do not, therefore, express any opinion on the financial statements.



Brendan P Byrne & Co Ltd

12 Old Bexley Lane
Bexley
Kent
DA5 2BN

BLACKHEATH MONTESSORI CENTRE LTD
STATEMENT OF FINANCIAL ACTIVITIES
FOR THE YEAR ENDED 31 MARCH 2023

	General Fund	Restricted Fund	2023 £	2022 £	The
Incoming Resources					
Activities for generating funds					
Fees Receivable	548,983	-	548,983	529,757	
Voluntary income					
Fundraising	-	3,931	3,931	1,549	
Grants received	-				
Other income	2,929	-	2,929	39,984	
	<u>551,912</u>	<u>3,931</u>	<u>555,843</u>	<u>571,290</u>	
Resources Expended					
Charitable activities					
Educational services	488,281	2,822	491,103	484,667	
Cost of generating voluntary income					
Fundraising & publicity	-	-	-	-	
Management & administration	83,240	-	83,240	79,952	
	<u>571,521</u>	<u>2,822</u>	<u>574,343</u>	<u>564,619</u>	
Net (outgoing) / incoming resources before transfers	(19,609)	1,109	(18,500)	6,671	
Transfers	-	-	-	-	
Net (outgoing) / incoming resources for the year	(19,609)	1,109	(18,500)	6,671	
Total funds brought forward	<u>390,598</u>	<u>55,148</u>	<u>445,746</u>	<u>439,075</u>	
Total funds carried forward	<u>370,989</u>	<u>56,257</u>	<u>427,246</u>	<u>445,746</u>	

company made no recognised gains or losses other than those reported in the income and expenditure account.

The statement of financial activities includes all gains and losses recognised in the year.
All income and expenditure derive from continuing operations.

BLACKHEATH MONTESSORI CENTRE LTD
STATEMENT OF FINANCIAL POSITION (BALANCE SHEET)
AT 31 MARCH 2023

	Note	2023 £	2022 £
FIXED ASSETS			
Tangible assets	8	315,359	338,196
CURRENT ASSETS			
Debtors	9	1,857	1,268
Cash at bank and in hand		227,692	234,605
		<u>229,549</u>	<u>235,873</u>
CREDITORS: Amounts falling due within one year	10	<u>(73,663)</u>	<u>(67,246)</u>
NET CURRENT ASSETS		155,886	168,627
TOTAL ASSETS LESS CURRENT LIABILITIES		471,245	506,823
CREDITORS: Amounts falling due after more than one year	11	<u>(43,999)</u>	<u>(61,077)</u>
NET ASSETS		<u>£ 427,246</u>	<u>£ 445,746</u>
THE FUNDS OF THE CHARITY			
Restricted income funds	14	56,257	55,148
Unrestricted income funds		370,989	390,598
TOTAL CHARITY FUNDS		<u>£ 427,246</u>	<u>£ 445,746</u>

In approving these financial statements as directors of the company we hereby confirm the following:

For the year in question the company was entitled to exemption under section 477 of the Companies Act 2006 relating to small companies.

Directors' responsibilities:

- 1) The members have not required the company to obtain an audit for its accounts for the year in question in accordance with section 476,
- 2) The directors acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and the preparation of accounts.

These accounts have been prepared in accordance with the provisions applicable to companies subject to the small companies' regime and the Charities Act 2011.

The accounts were approved by the board of directors on 13/11/2023

V Jerome

V Jerome, Director

BLACKHEATH MONTESSORI CENTRE LTD
NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 31 MARCH 2023

1. ACCOUNTING POLICIES

1a Basis of preparation

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) and the Companies Act 2006. Blackheath Montessori Centre Ltd 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 note(s).

1b Tangible fixed assets

Land and building are shown at original historical cost, further depreciation is not considered necessary due to the maintenance and upkeep of the building undertaken.

Other fixed assets are shown at cost less depreciation provided, after taking account of any grants receivable, at the following annual rates in order to write off each asset over its estimated useful life by the reducing balance method.

	%
Plant and equipment	33
Fixtures and fittings	25
Equipment	25

1c Pensions

The company operates a defined contribution pension scheme and the pension charge represents the amounts payable by the company to the fund in the year.

1d Income

Income comprises the value of sales of educational day care for children, goods and services in the normal course of business based on invoices raised each school term. The company is not required to be registered for VAT. Deposits taken are held as liabilities until they are refunded.

1e Interest

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the charity; this is normally upon notification of the interest paid or payable by the Bank.

1f Funds

Unrestricted funds are available to spend on activities that further any of the purposes of charity. Designated funds are unrestricted funds of the charity which the directors have decided at their discretion to set aside to use for a specific purpose.

1g Expenditure

Expenditure, includes VAT if applicable, and is recognised once there is a legal or constructive obligation to make a payment to a third party, it is probable that settlement will be required and the amount of the obligation can be measured reliably.

1h Financial Instruments

The charity only has a bank mortgage which is measured at amortised cost using the effective interest method.

2. LEGAL STATUS

The Centre is a company limited by guarantee and has no share capital. In the event of the charity being wound up, the liability in respect of the guarantee is limited to £1 per member of the charity.

BLACKHEATH MONTESSORI CENTRE LTD
NOTES TO THE ACCOUNTS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2023

3. NET OPERATING EXPENSES

	2023	2022
	£	£
Net operating expenses:		
Distribution costs	(229)	385
Administrative expenses	525,418	509,956
Depreciation	24,539	33,835
	£ 549,728	£ 544,176

4. OPERATING (LOSS)/PROFIT

	2023	2022
	£	£
(Loss)/Profit on ordinary activities is stated after charging:		
Depreciation and amortisation of tangible assets: owned	24,539	33,835
Pension costs	9,255	8,433

5. INTEREST RECEIVABLE AND SIMILAR INCOME

	2023	2022
	£	£
Bank interest receivable	1,752	41
Commissions	88	150
Statutory sick pay	-	2,059
	£ 1,840	£ 201

6. INTEREST PAYABLE AND SIMILAR CHARGES

	2023	2022
	£	£
On bank loans, overdrafts and other loans repayable within five years, by instalments	1,544	1,231
	£ 1,544	£ 1,231

7. STAFF COSTS

	2023	2022
	£	£
Salaries and wages	412,027	395,579
Temporary and agency workers	2,470	15,052
Social security costs	34,310	31,258
Pension costs	9,255	8,433
	£ 458,062	£ 450,322

Average monthly headcount was 16 staff (2022: 18 staff).

No employees had employee benefits in excess of £60,000

None of the personnel costs are attributable as costs on restricted activities.

BLACKHEATH MONTESSORI CENTRE LTD
NOTES TO THE ACCOUNTS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2023

8. TANGIBLE FIXED ASSETS

	Land & Buildings £	Other Tangible Assets £	Total £
Cost			
At 1 April 2022	274,341	274,264	548,605
Additions	-	1,702	1,702
At 31 March 2023	274,341	275,966	550,307
Depreciation			
At 1 April 2022	23,014	187,395	210,409
For the year	-	24,539	24,539
At 31 March 2023	23,014	211,934	234,948
Net Book Amounts			
At 31 March 2023	£251,327	£64,032	£315,359
At 31 March 2022	£251,327	£86,869	£338,196

9. DEBTORS

	2023 £	2022 £
Trade debtors and prepayments	1,857	1,268
	£ 1,741	£ 1,268

10. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2023 £	2022 £
Trade creditors	6,286	4,349
Accruals and sundry creditors	6,913	5,936
Other taxes and social security	11,136	11,211
Other creditors and deferred income	49,328	45,750
	£ 73,663	£ 67,246

11. CREDITORS: AMOUNTS FALLING DUE AFTER ONE YEAR

	2023 £	2022 £
Bank loans and overdrafts	43,999	61,077
	£ 43,999	£ 61,077

12. TAXATION

The charity is exempt from tax on income and gains falling within section 505 of the Taxes Act 1988 as any excesses of income over expenditure, if made, are applied to its charitable objects.

BLACKHEATH MONTESSORI CENTRE LTD
NOTES TO THE ACCOUNTS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2023

13. RESOURCES EXPENDED

Analysis of expenditure on charitable activities:

	2023	2022
	£	£
<u>Educational activities</u>		
Staff costs*	414,224	405,290
Training & education	4,050	5,600
Premises*	29,227	23,315
Catering	12,656	12,555
Equipment & materials	3,966	5,495
Office and other costs*	2,073	1,317
Depreciation*	22,085	30,452
	<u>£488,281</u>	<u>£484,024</u>
 <u>Cost of obtaining funds</u>	 <u>-</u>	 <u>-</u>
 <u>Management and administration</u>		
	of which Governance is £1,260 (2022: £1,260)	
Staff costs*	46,025	45,032
Other costs:		
Premises*	3,247	2,591
Office and other costs*	230	146
Hire costs	642	642
Computer costs	10,093	9,383
Legal & professional	2,793	3,515
Bank charges	477	499
Insurance	17,536	14,499
Depreciation*	2,454	3,383
Bad debts	(258)	385
	<u>83,240</u>	<u>80,075</u>
	<u>£571,521</u>	<u>£564,099</u>

The charity initially identifies the costs of its activities into either educational or management categories, those costs that cover both activities* are then apportioned based on an approximation of time spent. Governance costs are then identified from the management activities undertaken. All repairs were met from unrestricted funds.

The following pages do not form part of the Company's Statutory Financial Statements and are prepared for the information of the Directors only.

BLACKHEATH MONTESSORI CENTRE LTD
TRADING AND PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31 MARCH 2023

	2023		2022
	£	£	£
Sales		548,983	529,757
Cost of sales:			
Purchases	19,606		18,050
Other direct expenses	<u>642</u>		<u>642</u>
		<u>20,248</u>	<u>18,692</u>
Gross profit		528,735	511,065
Other income		<u>2,929</u>	<u>39,984</u>
		531,664	551,049
Less:			
Selling and marketing costs	(229)		385
Administrative expenses	526,962		511,187
Depreciation and amortisation	<u>24,539</u>		<u>33,835</u>
		<u>551,272</u>	<u>545,407</u>
Net (loss) / profit for the year		(19,608)	5,642
Transfer to designated fund	<u>-</u>		<u>-</u>
		<u>-</u>	<u>-</u>
Transfer of funds to/from reserves		(19,608)	5,642
Retained profits brought forward		<u>390,598</u>	<u>384,956</u>
Retained profits carried forward		<u><u>£ 370,990</u></u>	<u><u>£ 390,598</u></u>

BLACKHEATH MONTESSORI CENTRE LTD
PROFIT AND LOSS ACCOUNT SUMMARIES
FOR THE YEAR ENDED 31 MARCH 2023

	2023	2022
	£	£
Purchases:		
Equipment and materials	6,950	5,495
Catering	12,656	12,555
	<u>£19,606</u>	<u>£18,050</u>
Other direct expenses:		
Plant hire	<u>£642</u>	<u>£642</u>
Other income:		
Grants	-	37,734
Trips	1,089	-
Other income, bank interest and commission	1,840	2,250
	<u>£2,929</u>	<u>£39,984</u>
Selling and marketing costs:		
Advertising & sales promotion	30	-
Bad debts (recovered)	(259)	385
	<u>£(229)</u>	<u>£385</u>

BLACKHEATH MONTESSORI CENTRE LTD
PROFIT AND LOSS ACCOUNT SUMMARIES
FOR THE YEAR ENDED 31 MARCH 2023

Administrative expenses:	2023	2022
	£	£
Parking (less contribution)	1,800	400
Rates	6,065	465
Light and heat	8,318	4,904
Repairs & renewals	6,661	11,593
Salaries	412,027	395,579
NIC employer	34,310	31,258
Agency staff	2,470	15,052
Pension contributions	9,255	8,433
Recruitment & training	2,186	5,600
Protective equipment	1,144	2,270
Computer costs	10,105	9,383
Accountancy	1,632	1,768
Professional Fees	1,161	1,747
Waste disposal	4,017	2,095
Insurance	17,536	14,499
Cleaning	4,070	2,948
Stationery & office supplies	1,414	848
Telephone	495	614
Sundry expenses	276	2
Bank charges	477	499
	525,418	509,956
Loan Interest	1,544	1,231
	£526,962	£511,187

Depreciation and amortisation:	2023	2022
	£	£
Depreciation of plant & machinery	10,113	15,094
Depreciation of fixtures & fittings	13,832	17,949
Depreciation of equipment	594	792
	£24,539	£33,835

BLACKHEATH MONTESSORI CENTRE LIMITED

England & Wales - Charity number 285105

Accounts

BLACKHEATH MONTESSORI CENTRE LTD

(A company limited by guarantee)

UNAUDITED REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2022

REGISTERED NUMBER 01622834

CHARITY NUMBER 285105

Brendan P Byrne & Co Ltd
12 Old Bexley Lane
Bexley
Kent
DA5 2BN

Tel; 01322 555530

BLACKHEATH MONTESSORI CENTRE LTD
REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022

CONTENTS

Pages

2 to 5	Directors' Report
6	Independent Examiners' Report
7	Statement of Financial Activities
8	Statement of Financial Position (Balance Sheet)
9 to 12	Notes to the Financial Statements

The following do not form part of the statutory financial statements:

13 to 15	Profit and Loss Account Summaries
----------	-----------------------------------

BLACKHEATH MONTESSORI CENTRE LTD
DIRECTORS' REPORT
FOR THE YEAR ENDED 31 MARCH 2022

The directors are pleased to present their annual report together with the financial statements of the charity for the year ended 31 March 2022 which are also prepared to meet the requirements for a directors' report and accounts for Companies Act purposes.

The financial statements comply with the Charities Act 2011, the Companies Act 2006, the Memorandum and Articles of Association, 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 2015).

PURPOSE AND ACTIVITIES

The Blackheath Montessori Centre ("Centre") was established with the purpose of providing all year round educational day care for children aged between two and five years based on the Montessori system.

The Centre provides a curriculum encompassing both the Montessori Method and the Early Years Foundation Stage (the recommended Ofsted regulated curriculum for nursery schools) – following an inspection in March 2020, the nursery has been graded as Good. Together they provide children with an all-round opportunity to develop a wide range of skills.

The main aim of a Montessori education is to cultivate and stimulate a child's natural curiosity and desire to learn. All children at the Blackheath Montessori Centre are openly encouraged by teachers to learn and experience through their own motivation and interactions. The nursery has its own garden, tucked away at the rear of the building, providing a safe haven for the children to play in all weathers. Additional activities are also offered which include dance, music, sport and French.

The Centre encourages the children to adopt a healthy lifestyle so meals are prepared on site by the Centre's own cook, and daily menus are displayed on the notice board for parent/carer's information. Menus are varied according to the season, using local suppliers for our fresh meat, fruit and vegetables. The Centre follows advice given by The Children's Food Trust, the NDNA, and London Borough of Lewisham to ensure the healthiest and most appropriate food for our children, reflecting the cultures of children attending our nursery, as well as from other parts of the world.

The Centre opens from 8.00am to 6.00pm, Monday to Friday, for forty eight weeks of the year. There is one intake each year in September, when we welcome children into the Centre who are aged two and nine months or older. The Centre caters for up to forty children attending on either a full time or a part time basis. The children are divided into three classes of twelve to fourteen per class, and there are a minimum of two teachers for each class. Each class enjoys imaginative play, expressive arts, construction, story time, messy games, the garden, cooking, rest and sleep time, ball pool, and one to one time with teachers.

FINANCIAL REVIEW

The Centre is principally funded by the fees charged to parents based on a range of session options. Other income is generated from registration fees and events. Regular fund raising activities happen throughout the year to enable projects to be undertaken. During 2021-2022 the major project carried out was a complete refurbishment of the children's toilets. Plans remain in place for the refurbishment works in the Lower Ground Floor area to recommence, however the Board are considering putting this on hold until the financial situation improves, post pandemic, as the intake for 2021-2022 was slightly lower in number than previous years.

The directors consider the results for the year to be better than expected, they show net incoming resources were £6,672 (31 March 2021 net outgoing resources £836). The directors believe they can continue to achieve their objectives based on the reserves in place, and the plans for improvement which should enhance income in the future.

The introduction of a two-tier pricing structure to ensure the cost of the increased ratio involved in caring for under threes has ensured that the increased staffing costs are covered by fee income. Pricing increases are agreed by the Board, with the aim to keep them below 5% annually, but to ensure that the costs of the nursery are met by fees, and the previous net outgoing positions will be reversed in the future.

The waiting lists for 2022-2023 have 23 children on the secure list and 40 on the reserve list, a reasonable number. There are no guaranteed places left for 2022 and 2023, and families are registering on the reserve list for those intakes. There are already families registered for 2024 and 2025, and the level of enquiries about registration is consistent. However, the number of children who accepted a place to start in September 2021 was lower than previous years, and the indication from place offers issued for September 2022 is that the place acceptance will be significantly lower.

The Board will continue to consider the option of increasing capacity at the nursery through completion of building works in the basement. The Board are taking into account the cost of this work, which would potentially include financing costs as well as construction costs, and whether the increased revenue from up to a further 16-20 places would bring. The Board are also considering how an increased capacity would affect the nursery as a whole, after having run for so long as a 36-40 place nursery.

BLACKHEATH MONTESSORI CENTRE LTD
DIRECTORS' REPORT, CONTINUED
FOR THE YEAR ENDED 31 MARCH 2022

DIRECTORS, STRUCTURE, GOVERNANCE AND MANAGEMENT

Blackheath Montessori Centre Ltd is a company limited by guarantee governed by its Memorandum and Articles of Association dated 27 June 1982. It is registered as a charity with the Charity Commission.

The directors who served during the year were:

L J Atkinson

V Jerome, who also acted as the Company Secretary and Office Manager, with responsibility for payroll & other administrative tasks, and

C C Combe

Directors have been appointed under the terms of the Memorandum and Articles of Association to oversee the management of the Centre and to ensure that the Centre remains competitive in the local nursery sector.

Directors are recruited from the current and past parent base. All prospective nominees are invited to attend a board meeting when they are asked to provide details of their background and skills. The board undertakes an evaluation of the nominee and approves any appointment.

The daily operational management of the Centre is the responsibility of the Head of Centre, Jane Skillen. The directors of the Centre meet monthly with Jane. Formal minutes are written and distributed after each meeting.

The Centre, through its close relationship with parents, both current and past, has been able to draw on a wealth of professional support which is most important to ensure cost effective management of the Centre.

The Head, with the assistance of the Deputy Head and Office Manager review the Centre's policies annually, and amend and update as appropriate. Advice on policies is sought from the Local Authority, and the Head ensures that the policies meet Ofsted's requirements at all times. Over 35 policies are in place to ensure the safeguarding of the children and families attending the Centre, as well as the staff working at the Centre. The Centre also has policies that set out the Centre's commitment to counter discrimination of any kind and to promote positive outcomes for all families attending the Centre.

The Board and the Head review staff salaries annually, and increases are awarded based on the budget arising from planned fee increases and staff merit. The Centre contributes to a workplace pension scheme for staff who have opted in, and follows current Government guidelines on contribution levels. The staff have a generous holiday allowance, dependent on length of service, along with paid absence for sickness. Staff turnover is generally low, and many members of staff have worked at the Centre for over fifteen years. The Centre invests in CPD for staff, as well statutory training requirements such as Safeguarding and First Aid.

RISKS AND UNCERTAINTIES

The Directors actively review the major risks that the Centre faces on a regular basis and believe that maintaining reserves at current levels, combined with an annual review of financial systems will provide sufficient resources in the event of adverse conditions. Following the Coronavirus pandemic, the Directors continue to work closely with the Head of Centre and Office Manager to monitor the financial stability. Increased focus is being placed on cleaning, PPE, risk assessments and policies at the nursery, as well as financial issues, in order to ensure continuity of provision of service, and income.

The Directors ensure that the nursery is fully insured to meet legislation and Ofsted requirements. Policies are in place to minimise risk to the Centre and the families that attend.

The Directors review other situations that could cause risk to the Centre's financial stability. For example, the introduction of 30 hours funded childcare for eligible families could have potentially caused financial harm to the Centre.

However, the Board reviewed the situation and liaised with the Local Authority, and found a way to introduce the additional funding for parents, without causing a loss of income to the nursery. As more parents were enquiring about the additional funded hours, the Board considered that not offering the additional funding could reduce applicants for places.

The Head ensures she keeps abreast of other settings locally by participating in Local Authority networking meetings and training sessions. This allows the Board to be aware of the likelihood of reduced enrolments, which could incur a downturn in income for the Centre.

BLACKHEATH MONTESSORI CENTRE LTD
DIRECTORS' REPORT, CONTINUED
FOR THE YEAR ENDED 31 MARCH 2022

PLANS FOR FUTURE PERIODS

In following the start of the pandemic in 2020, the Directors work closely with the Head of Centre and Office Manager, to manage the impact on the nursery of the pandemic. The unprecedented situation forced the closure of the Centre for nine weeks in 2020, with a loss of income for that period, and reduced income for the remainder of the Summer Term. Mitigation of the losses were made by access to HMRC's Job Retention Scheme and a grant from London Borough of Lewisham. The Directors voted to take out a bounce back loan from the Centre's bankers, due to the favourable interest rate and repayment terms. The Directors are continuing to monitor the financial impact, and successfully applied for further grants from the London Borough of Lewisham during the financial year to March 2022. Support from staff and parents ensured the nursery was able to reopen successfully, and through the introduction of strict policies to manage the potential spread of Covid, further closures were avoided until August 2021. A week's closure was necessary due to staff contracting Covid and the Government Guidance in place at the time; only one family requested a fee refund due to this, therefore the loss to the nursery was minimal and the subsequent relaxation of Covid guidelines by the Government has meant that further closures were avoided during the financial year to 31 March 2022. As the majority of staff have participated in the vaccination programme, the Directors continue to expect future outbreaks to be managed without a full closure. The Directors have agreed continual additional expenditure on PPE, cleaning products and cleaning equipment, and made funds available for this during the financial year, and going forward. Despite the impact of the pandemic, cashflow has remained at an acceptable level, due to the further grants and the start of repayments of the Bounce Back Loan.

During the financial year, the children's toilets were refurbished completely. The Board took into consideration the cost of the works as well as the financial impact of having to close for an additional week to facilitate the works during an extended half term break. The Board expect that the refurbishment will reduce expenditure on repairs, as the previous toilet area had developed several issues over the last five years. In addition, by improving the ground floor area, it will also help to remove the possibility of damage to the lower ground floor from possible leaks from water pipes.

In 2021-2022 the staffing levels were increased to ensure that staffing ratios were met with employed staff, rather than buying in additional resource via agencies. Nine full time teachers were employed, including two Joint Deputy Heads. The impact of the pandemic has meant that more children attending the nursery have additional emotional and educational needs, and require individual support. The Centre has previously funded the Montessori training of one of the teachers in order to fulfil the aim to only have fully qualified Montessori teachers at the Centre. The Centre has increased staffing levels, rather than using external agencies which can be expensive.

For the coming financial year, due to a predicted downturn in children attending the Centre, the Board will carefully consider any expenditure on repairs and refurbishment projects. However, the Directors feel it is important to keep renovation plans in place, in order to extend the number of places available in the future, to counter any potential increase in demand. The Directors also agree it will be prudent to increase internal space, to allow better working conditions, space for movement and airflow in the building.

When the renovations of the basement are completed, it is planned that the additional space will accommodate between 16 and 20 children, alongside a larger kitchen, and improved staff room (with a toilet and shower room), a further set of toilets for children, a sensory room, and also increased storage for the premises manager. A further project has been outlined whereby the entrance to the nursery would be moved, a more secure double door entry installed, increased office space for the Head and Office Manager, and the restructuring of the classrooms on the ground floor, using space currently occupied by the kitchen and quiet room.

Any increase in the number of children attending the Centre will increase the staff numbers required. Not only will an increased number of teachers be required, the Centre has to consider whether additional support staff, such as lunchtime supervisors, administrators and cleaners will also be required. The Board will consider how efficiencies in staffing levels can be achieved by considering altering class sizes and lunchtime arrangements, should the Centre increase in capacity.

RESERVES POLICY

The directors are of the opinion that the present level of resources together with the level of designated reserves is adequate to support the continuation of the Centre's activities for the medium term, even in light of a predicted downturn in children attending.

Any renovation works are considered carefully, and prioritised by importance and urgency. In recent years it was necessary to carry out costly repairs to the roof, as leakages were causing damage elsewhere in the building. In previous years funds had not been available to carry out works to a high standard, causing additional costs in later years. The Board carefully considers each project to ensure that funds spent will resolve maintenance issues for a number of years, rather than being 'quick fixes', and to ensure the long term affordability of the project.

The Office Manager reports at Board Meetings of any potential bad debtors, and advice is sought on how to recoup unpaid fees. The Board's policy is to take legal action to recoup monies owed. The Board finds that bad debts do not occur regularly, and any potential bad debtors are reviewed and managed by the Office Manager.

BLACKHEATH MONTESSORI CENTRE LTD
DIRECTORS' REPORT, CONTINUED
FOR THE YEAR ENDED 31 MARCH 2022

Any expenditure over £1,000 is discussed at Board Meetings and approval sought for the expenditure. Management Accounts are reviewed termly by the Office Manager to give the Board an update on income and expenditure.

Previous losses have occurred due to the pressing nature of repairs and maintenance required. The Board fully assessed the cost impact of the repairs and agreed that the requirement to carry out repairs and maintenance necessitated the spending of reserves.

REFERENCE AND ADMINISTRATIVE DETAILS

REGISTERED OFFICE:

Independents Road
Blackheath
London SE3 9LF

COMPANY NUMBER: 01622834

CHARITY NUMBER: 285105

BANKERS:

Natwest Bank plc

ACCOUNTANTS:

Brendan P Byrne & Co Ltd, Bexley

DIRECTORS RESPONSIBILITIES

The directors are responsible for preparing an annual report and financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice). Company law requires the directors to prepare financial statements for each year which give a true and fair view of the state of affairs of the charitable company and of the incoming resources and application of resources, including the income and expenditure for that period. In preparing the financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in business.

The directors are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the charity and to enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charity and the group and hence taking reasonable steps for the prevention and detection of fraud and other irregularities. The directors are responsible for the maintenance and integrity of the corporate and financial information included on the charitable company's website.

STATEMENT AS TO DISCLOSURE TO OUR ACCOUNTANTS

In so far as the directors are aware at the time of approving our annual report:

- there is no relevant information, being information needed by the accountant in connection with preparing their report, of which the accountant is unaware, and
- the directors, having made enquiries of fellow directors and the accountant, that they ought to have individually taken, have each taken all steps that he/she is obliged to take as a director in order to make themselves aware of any relevant audit information and to establish that the accountant is aware of that information.

This report was approved by the board on 9th November 2022 and signed on their behalf



Victoria Jerome

INDEPENDENT EXAMINERS' REPORT
ON THE UNAUDITED FINANCIAL STATEMENTS TO THE DIRECTORS OF
BLACKHEATH MONTESSORI CENTRE LTD
FOR THE YEAR ENDED 31 MARCH 2022

In accordance with the engagement letter dated 21 October 2008, and in order to assist you to fulfil your duties under the Companies Act 2006, we have compiled the financial statements of the company which comprise the Statement of Financial Activities, Balance Sheet and the related notes from the accounting records and information and explanations you have given to us.

This report is made to the Company's Board of Directors, as a body, in accordance with the terms of our engagement. Our work has been undertaken so that we might compile the financial statements that we have been engaged to compile, report to the Company's Board of Directors that we have done so, and state those matters that we have agreed to state to them in this report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's Board of Directors, as a body, for our work or for this report.

You have acknowledged on the Balance Sheet for the year ended 31 March 2022 your duty to ensure that the company has kept proper accounting records and to prepare financial statements that give a true and fair view under the Companies Act 2006. You consider that the company is exempt from the statutory requirement for an audit for the year.

We have not been instructed to carry out an audit of the financial statements. For this reason, we have not verified the accuracy or completeness of the accounting records or information and explanations you have given to us and we do not, therefore, express any opinion on the financial statements.



Brendan P Byrne & Co Ltd

12 Old Bexley Lane
Bexley
Kent
DA5 2BN

BLACKHEATH MONTESSORI CENTRE LTD
STATEMENT OF FINANCIAL ACTIVITIES
FOR THE YEAR ENDED 31 MARCH 2022

	General Fund	Restricted Fund	2022 £	2021 £
Incoming Resources				
Activities for generating funds				
Fees Receivable	529,757	-	529,757	432,775
Voluntary income				
Fundraising	-	1,549	1,549	3,247
Grants received	37,734			
Other income	2,250	-	2,250	201
	<u>569,741</u>	<u>1,549</u>	<u>571,290</u>	<u>499,707</u>
Resources Expended				
Charitable activities				
Educational services	484,147	520	484,667	428,135
Cost of generating voluntary income				
Fundraising & publicity	-	-	-	-
Management & administration	79,952	-	79,952	72,408
	<u>564,099</u>	<u>520</u>	<u>564,619</u>	<u>500,543</u>
Net incoming resources before transfers	5,642	1,029	6,672	(836)
Transfers	-	-	-	-
Net incoming resources for the year	5,642	1,029	6,672	(836)
Total funds brought forward	384,956	54,119	439,075	439,911
Total funds carried forward	<u>390,598</u>	<u>55,148</u>	<u>445,746</u>	<u>439,075</u>

The company made no recognised gains or losses other than those reported in the income and expenditure account.

The statement of financial activities includes all gains and losses recognised in the year.
All income and expenditure derive from continuing operations.

BLACKHEATH MONTESSORI CENTRE LTD
STATEMENT OF FINANCIAL POSITION (BALANCE SHEET)
AT 31 MARCH 2022

	Note	2022 £	2021 £
FIXED ASSETS			
Tangible assets	8	338,196	308,377
CURRENT ASSETS			
Debtors	9	1,268	1,371
Cash at bank and in hand		234,605	260,918
		<u>235,873</u>	<u>262,289</u>
CREDITORS: Amounts falling due within one year	10	<u>(67,246)</u>	<u>(56,835)</u>
NET CURRENT ASSETS		168,627	205,454
TOTAL ASSETS LESS CURRENT LIABILITIES		506,823	513,831
CREDITORS: Amounts falling due after more than one year	11	<u>(61,077)</u>	<u>(74,756)</u>
NET ASSETS		<u>£ 445,746</u>	<u>£ 439,075</u>
THE FUNDS OF THE CHARITY			
Restricted income funds	14	55,148	54,119
Unrestricted income funds		390,598	384,956
TOTAL CHARITY FUNDS		<u>£ 445,746</u>	<u>£ 439,075</u>

In approving these financial statements as directors of the company we hereby confirm the following:
For the year in question the company was entitled to exemption under section 477 of the Companies Act 2006 relating to small companies.

Directors' responsibilities:

- 1) The members have not required the company to obtain an audit for its accounts for the year in question in accordance with section 476,
- 2) The directors acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and the preparation of accounts.

These accounts have been prepared in accordance with the provisions applicable to companies subject to the small companies' regime and the Charities Act 2011.

The accounts were approved by the board of directors on 9th November 2022

V Jerome

V Jerome, Director

BLACKHEATH MONTESSORI CENTRE LTD
NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 31 MARCH 2022

1. ACCOUNTING POLICIES

1a Basis of preparation

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) and the Companies Act 2006. Blackheath Montessori Centre Ltd 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 note(s).

1b Tangible fixed assets

Land and building are shown at original historical cost, further depreciation is not considered necessary due to the maintenance and upkeep of the building undertaken.

Other fixed assets are shown at cost less depreciation provided, after taking account of any grants receivable, at the following annual rates in order to write off each asset over its estimated useful life by the reducing balance method.

	2022	2021
	%	%
Plant and equipment	33	33
Fixtures and fittings	25	25
Equipment	25	25

1c Pensions

The company operates a defined contribution pension scheme and the pension charge represents the amounts payable by the company to the fund in the year.

1d Income

Income comprises the value of sales of educational day care for children, goods and services in the normal course of business based on invoices raised each school term. The company is not required to be registered for VAT. Deposits taken are held as liabilities until they are refunded.

1e Interest

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the charity; this is normally upon notification of the interest paid or payable by the Bank.

1f Funds

Unrestricted funds are available to spend on activities that further any of the purposes of charity. Designated funds are unrestricted funds of the charity which the directors have decided at their discretion to set aside to use for a specific purpose.

1g Expenditure

Expenditure, includes VAT if applicable, and is recognised once there is a legal or constructive obligation to make a payment to a third party, it is probable that settlement will be required and the amount of the obligation can be measured reliably.

1h Financial Instruments

The charity only has a bank mortgage which is measured at amortised cost using the effective interest method.

2. LEGAL STATUS

The Centre is a company limited by guarantee and has no share capital. In the event of the charity being wound up, the liability in respect of the guarantee is limited to £1 per member of the charity.

BLACKHEATH MONTESSORI CENTRE LTD
NOTES TO THE ACCOUNTS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2022

3. NET OPERATING EXPENSES

	2022	2021
	£	£
Net operating expenses:		
Distribution costs	385	-
Administrative expenses	509,956	461,916
Depreciation	33,835	23,535
	£ 544,176	£ 458,184

4. OPERATING (LOSS)/PROFIT

	2022	2021
	£	£
(Loss)/Profit on ordinary activities is stated after charging:		
Depreciation and amortisation of tangible assets: owned	33,835	23,535
Pension costs	8,433	7,217

5. INTEREST RECEIVABLE AND SIMILAR INCOME

	2022	2021
	£	£
Bank interest receivable	41	201
Commissions	150	-
Statutory sick pay	2,059	-
	£ 2,250	£ 201

6. INTEREST PAYABLE AND SIMILAR CHARGES

	2022	2021
	£	£
On bank loans, overdrafts and other loans		
Repayable within five years, by instalments	1,231	616
	£ 1,231	£ 616

7. STAFF COSTS

	2021	2020
	£	£
Salaries and wages	395,579	372,727
Temporary and agency workers	15,052	650
Social security costs	31,258	26,690
Pension costs	8,433	6,599
	£ 450,322	£ 407,284

Average monthly headcount was 18 staff (2021: 18 staff).

No employees had employee benefits in excess of £60,000

None of the personnel costs are attributable as costs on restricted activities.

BLACKHEATH MONTESSORI CENTRE LTD
NOTES TO THE ACCOUNTS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2022

8. TANGIBLE FIXED ASSETS

	Land & Buildings £	Other Tangible Assets £	Total £
Cost			
At 1 April 2021	274,341	210,610	484,951
Additions	-	63,654	63,654
At 31 March 2022	274,341	274,264	548,605
Depreciation			
At 1 April 2021	23,014	153,560	176,574
For the year	-	33,835	33,835
At 31 March 2022	23,014	187,395	210,409
Net Book Amounts			
At 31 March 2022	£ 251,327	£ 86,869	£ 338,196
At 31 March 2021	£ 251,327	£ 57,050	£ 308,377

9. DEBTORS

	2022 £	2021 £
Trade debtors and prepayments	1,268	1,371
	£ 1,268	£ 1,371

10. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2022 £	2021 £
Trade creditors	4,349	5,579
Accruals and sundry creditors	5,936	6,924
Other taxes and social security	11,211	8,561
Other creditors and deferred income	45,750	35,771
	£ 67,246	£ 56,835

11. CREDITORS: AMOUNTS FALLING DUE AFTER ONE YEAR

	2022 £	2021 £
Bank loans and overdrafts	61,077	74,756
	£ 61,077	£ 74,756

12. TAXATION

The charity is exempt from tax on income and gains falling within section 505 of the Taxes Act 1988 as any excesses of income over expenditure, if made, are applied to its charitable objects.

BLACKHEATH MONTESSORI CENTRE LTD
NOTES TO THE ACCOUNTS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2022

13. RESOURCES EXPENDED

Analysis of expenditure on charitable activities:

	2022 £	2021 £
<u>Educational activities</u>		
Staff costs*	405,290	366,556
Training	5,600	3,095
Premises*	23,315	21,601
Catering	12,555	9,765
Equipment & materials	5,495	3,597
Office and other costs*	1,317	985
Depreciation*	30,452	21,181
	<u>£484,024</u>	<u>£426,780</u>
<u>Cost of obtaining funds</u>	<u>-</u>	<u>-</u>
<u>Management and administration</u>		
	of which Governance is £1,260 (2019: £1,260)	
Staff costs*	45,032	40,728
Other costs:		
Premises*	2,591	2,400
Office and other costs*	146	109
Hire costs	642	588
Computer costs	9,383	8,330
Legal & professional	3,515	3,856
Bank charges	499	433
Insurance	14,499	13,609
Depreciation*	3,383	2,354
Bad debts	385	-
	<u>80,075</u>	<u>72,408</u>
	<u>£564,099</u>	<u>£499,188</u>

The charity initially identifies the costs of its activities into either educational or management categories, those costs that cover both activities* are then apportioned based on an approximation of time spent. Governance costs are then identified from the management activities undertaken. All repairs were met from unrestricted funds.

The following pages do not form part of the Company's Statutory Financial Statements and are prepared for the information of the Directors only.

BLACKHEATH MONTESSORI CENTRE LTD
TRADING AND PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31 MARCH 2022

	2022		2021	
	£	£	£	£
Sales		529,757		432,775
Cost of sales:				
Purchases	18,050		12,533	
Other direct expenses	642		588	
		<u>18,692</u>		<u>13,121</u>
Gross profit		511,065		419,654
Other income		<u>39,984</u>		<u>63,685</u>
		551,049		483,339
Less:				
Selling and marketing costs	385		-	
Administrative expenses	511,187		462,532	
Depreciation and amortisation	<u>33,835</u>		<u>23,535</u>	
		<u>545,407</u>		<u>486,067</u>
Net profit/(loss) for the year		5,642		(2,728)
Transfer to designated fund	<u>-</u>		<u>-</u>	
		-		-
Transfer of funds to/from reserves		5,642		(2,728)
Retained profits brought forward		<u>384,956</u>		<u>387,684</u>
Retained profits carried forward		<u>£ 390,598</u>		<u>£ 384,956</u>

BLACKHEATH MONTESSORI CENTRE LTD
PROFIT AND LOSS ACCOUNT SUMMARIES
FOR THE YEAR ENDED 31 MARCH 2022

	2022 £	2021 £
Purchases		
Equipment and materials	5,495	2,768
Catering	12,555	9,765
	£ 18,050	£ 12,533
Other direct expenses		
Plant hire	642	588
	£ 642	£ 588
Other income		
Grants	37,734	63,484
Other income, bank interest & commission	2,250	201
	£ 39,984	£ 63,685
Selling and marketing costs:		
Advertising & sales promotion	-	-
Bad debts	385	-
	£ 385	£ -

BLACKHEATH MONTESSORI CENTRE LTD
PROFIT AND LOSS ACCOUNT SUMMARIES
FOR THE YEAR ENDED 31 MARCH 2022

	2022	2021
	£	£
Parking (contribution)	400	400
Water rates	465	939
Light and heat	4,904	3,458
Repairs & renewals	11,593	5,381
Salaries	395,579	372,727
NIC employer	31,258	26,690
Agency staff	15,052	650
Pension contributions	8,433	7,217
Recruitment & training	5,600	3,095
Protective equipment	2,270	3,330
Computer costs	9,383	8,330
Accountancy	1,768	1,856
Professional Fees	1,747	2,000
Waste disposal	2,095	3,597
Insurance	14,499	13,609
Cleaning	2,948	6,279
Postage	-	4
Stationery & office supplies	848	505
Telephone	614	395
Sundry expenses	2	829
Subscriptions and licences	-	191
Bank charges	499	433
	509,956	461,916
Loan Interest	1,231	616
	<u>511,187</u>	<u>462,532</u>

Depreciation and amortisation:

	2022	2021
Depreciation of plant & machinery	15,094	13,979
Depreciation of fixtures & fittings	17,949	8,500
Depreciation of equipment	792	1056
	<u>£ 33,835</u>	<u>£ 23,535</u>

BLACKHEATH MONTESSORI CENTRE LIMITED

England & Wales - Charity number 285105

Accounts

BLACKHEATH MONTESSORI CENTRE LTD

(A company limited by guarantee)

UNAUDITED REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2021

REGISTERED NUMBER 01622834

CHARITY NUMBER 285105

Brendan P Byrne & Co Ltd
12 Old Bexley Lane
Bexley
Kent
DA5 2BN

Tel; 01322 555530

BLACKHEATH MONTESSORI CENTRE LTD
REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021

CONTENTS

Pages

2 to 5	Directors' Report
6	Independent Examiners' Report
7	Statement of Financial Activities
8	Statement of Financial Position (Balance Sheet)
9 to 13	Notes to the Financial Statements

The following do not form part of the statutory financial statements:

14	Trading and Profit and Loss Account
15 and 16	Profit and Loss Account Summaries

BLACKHEATH MONTESSORI CENTRE LTD
DIRECTORS' REPORT
FOR THE YEAR ENDED 31 MARCH 2021

The directors are pleased to present their annual report together with the financial statements of the charity for the year ended 31 March 2021 which are also prepared to meet the requirements for a directors' report and accounts for Companies Act purposes.

The financial statements comply with the Charities Act 2011, the Companies Act 2006, the Memorandum and Articles of Association, 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 2015).

PURPOSE AND ACTIVITIES

The Blackheath Montessori Centre ("Centre") was established with the purpose of providing all year round educational day care for children aged between two and five years based on the Montessori system.

The Centre provides a curriculum encompassing both the Montessori Method and the Early Years Foundation Stage (the recommended Ofsted regulated curriculum for nursery schools) – following an inspection in March 2020, the nursery has been graded as Good. Together they provide children with an all-round opportunity to develop a wide range of skills.

The main aim of a Montessori education is to cultivate and stimulate a child's natural curiosity and desire to learn. All children at the Blackheath Montessori Centre are openly encouraged by teachers to learn and experience through their own motivation and interactions. The nursery has its own garden, tucked away at the rear of the building, providing a safe haven for the children to play in all weathers. Additional activities are also offered which include dance, music, sport and French.

The Centre encourages the children to adopt a healthy lifestyle so meals are prepared on site by the Centre's own cook, and daily menus are displayed on the notice board for parent/carer's information. Menus are varied according to the season, using local suppliers for our fresh meat, fruit and vegetables. The Centre follows advice given by The Children's Food Trust, the NDNA, and London Borough of Lewisham to ensure the healthiest and most appropriate food for our children, reflecting the cultures of children attending our nursery, as well as from other parts of the world.

The Centre opens from 8.00am to 6.00pm, Monday to Friday, for forty eight weeks of the year. There is one intake each year in September, when we welcome children into the Centre who are aged two and nine months or older. The Centre caters for up to forty children attending on either a full time or a part time basis. The children are divided into three classes of twelve to fourteen per class, and there are a minimum of two teachers for each class. Each class enjoys imaginative play, expressive arts, construction, story time, messy games, the garden, cooking, rest and sleep time, ball pool, and one to one time with teachers.

FINANCIAL REVIEW

The Centre is principally funded by the fees charged to parents based on a range of session options. Other income is generated from registration fees and events. Regular fund raising activities happen throughout the year to enable projects to be undertaken. During 2020-2021 the major projects included refurbishment of all three classrooms, which provided new shelving to improve the children's access to the Montessori materials; seating was added to the garden, and an additional storage area created upstairs. Plans are in place for the refurbishment works in the Lower Ground Floor area to recommence.

The directors consider the results for the year to be as expected, considering the effect on the setting of the pandemic. There was an enforced closure period of 9 weeks in April to June 2020, with a loss of income during that time, and reduced income until the start of the Autumn Term. They show net outgoing resources were £836 (31 March 2020 incoming resources £28,335). The directors believe they can continue to achieve their objectives based on the reserves in place, and the plans for improvement which should enhance income in the future.

The introduction of a two-tier pricing structure to ensure the cost of the increased ratio involved in caring for under 3s has ensured that the increased staffing costs are covered by fee income. Pricing increases are agreed by the Board, with the aim to keep them below 5% annually, but to ensure that the costs of the nursery are met by fees, and the previous net outgoing positions will be reversed in the future.

The waiting lists for 2021-2022 have 26 children on the secure list and 30 on the reserve list, a healthy number. There are no guaranteed places left for 2022 and 2023, and families are registering on the reserve list for those intakes. There are already families registered for 2024, and the level of enquiries about registration is consistently high. The Board are considering the option of increasing capacity at the nursery through completion of building works in the basement. The Board are considering the cost of this work, which would potentially include financing costs as well as construction costs, and whether the increased revenue from up to a further 16-20 places would bring. The Board are also considering how an increased capacity would affect the nursery as a whole, after having run for so long as a 36-40 place nursery.

BLACKHEATH MONTESSORI CENTRE LTD
DIRECTORS' REPORT, CONTINUED
FOR THE YEAR ENDED 31 MARCH 2021

DIRECTORS, STRUCTURE, GOVERNANCE AND MANAGEMENT

Blackheath Montessori Centre Ltd is a company limited by guarantee governed by its Memorandum and Articles of Association dated 27 June 1982. It is registered as a charity with the Charity Commission.

The directors who served during the year were:

L J Atkinson

V Jerome, who also acted as the Secretary and Office Manager, with responsibility for payroll & other administrative tasks.

And C C Combe

Directors have been appointed under the terms of the Memorandum and Articles of Association to oversee the management of the Centre and to ensure that the Centre remains competitive in the local nursery sector. Directors are recruited from the current and past parent base. All prospective nominees are invited to attend a board meeting when they are asked to provide details of their background and skills. The board undertakes an evaluation of the nominee and approves any appointment.

The daily operational management of the Centre is the responsibility of the Head of Centre, Jane Skillen. The directors of the Centre meet monthly with Jane. Formal minutes are written and distributed after each meeting.

The Centre, through its close relationship with parents, both current and past, has been able to draw on a wealth of professional support which is most important to ensure cost effective management of the Centre.

The Head, with the assistance of the Deputy Head and Office Manager review the Centre's policies annually, and amend and update as appropriate. Advice on policies is sought from the Local Authority, and the Head ensures that the policies meet Ofsted's requirements at all times. Over 35 policies are in place to ensure the safeguarding of the children and families attending the Centre, as well as the staff working at the Centre. The Centre also has policies that set out the Centre's commitment to counter discrimination of any kind and to promote positive outcomes for all families attending the Centre.

The Board and the Head review staff salaries annually, and increases are awarded based on the budget arising from planned fee increases and staff merit. The Centre contributes to a workplace pension scheme for staff who have opted in, and follows current Government guidelines on contribution levels. The staff have a generous holiday allowance, dependent on length of service, along with paid absence for sickness. Staff turnover is generally low, and many members of staff have worked at the Centre for over fifteen years. The Centre invests in CPD for staff, as well statutory training requirements such as Safeguarding and First Aid.

RISKS AND UNCERTAINTIES

The Directors actively review the major risks that the Centre faces on a regular basis and believe that maintaining reserves at current levels, combined with an annual review of financial systems will provide sufficient resources in the event of adverse conditions. In light of the Coronavirus pandemic, the Directors are working closely with the Head of Centre and Office Manager to monitor the financial stability. Increased focus is being placed on cleaning, PPE, risk assessments and policies at the nursery, as well as financial issues, in order to ensure continuity of provision of service, and income.

The Directors ensure that the nursery is fully insured to meet legislation and Ofsted requirements. Policies are in place to minimise risk to the Centre and the families attend.

The Directors review other situations that could cause risk to the Centre's financial stability. For example, the planned introduction of 30 hours funded childcare for eligible families would potentially cause financial harm to the Centre. However, the Board reviewed the situation and liaised with the Local Authority, and have found a way to introduce the additional funding for parents, without causing a loss of income to the nursery. As more parents were enquiring about the additional funded hours, the Board considered that not offering the additional funding could reduce applicants for places.

The Head ensures she keeps abreast of other settings locally, by participating in Local Authority networking meetings and training sessions. This allows the Board to be aware of the likelihood of reduced enrolments, which could incur a downturn in income for the Centre.

BLACKHEATH MONTESSORI CENTRE LTD
DIRECTORS' REPORT, CONTINUED
FOR THE YEAR ENDED 31 MARCH 2021

PLANS FOR FUTURE PERIODS

In following the start of the pandemic in 2020, the Directors work closely with the Head of Centre and Office Manager, to manage the impact on the nursery of the pandemic. The unprecedented situation forced the closure of the Centre for 9 weeks in 2020, with a loss of income for that period, and reduced income for the remainder of the Summer Term. Mitigation of the losses were made by access to HMRC's Job Retention Scheme and a grant from London Borough of Lewisham. The Directors voted to take out a bounce back loan from the Centre's bankers, due to the favourable interest rate and repayment terms. The Directors are continuing to monitor the financial impact, and are applying for further grants from the London Borough of Lewisham. Support from staff and parents ensured the nursery was able to reopen successfully, and by introducing strict policies to manage the potential spread of Covid, further closures were avoided in the financial year. However a week's closure was required after the financial year, due to staff contracting Covid; only one family requested a fee refund due to this, so the loss the nursery was minimal. As the majority of staff have participated in the vaccination programme, the Directors expect future outbreaks to be managed without a full closure. The Directors have agreed additional expenditure on PPE, cleaning products and cleaning equipment is necessary, and made funds available for this during the financial year, and going forward. Despite this, cashflow has remained at an acceptable level, due to the HMRC JRS payments and the bank loan. The Board will consider the repayment options during the next financial year.

The Directors feel it is important to continue with other renovation plans, in order to extend the number of places available in the future, due to a potential increase in demand. The Directors also agree it will be prudent to increase internal space, to allow better working conditions, space for movement and airflow in the building.

When the plans for renovation of the basement are completed, it is planned that this increased space will allow a classroom able to accommodate between 16 and 20 children, along with a larger kitchen, and improved staff room (with a toilet and shower room), a further set of toilets for children, a sensory room, and also increased storage for the premises manager. A further project has been outlined whereby the entrance to the nursery would be moved, a more secure double door entry installed, increased office space for the Head and Office Manager, and the restructuring of the classrooms on the ground floor, using space currently occupied by the kitchen and quiet room.

Now that the upstairs storage areas have been renovated, future plans include the replacement of the children's toilet facilities in Autumn 2021, replacing part of the hall flooring to designate a changing area for the children, and replacing external drainpipes. By improving the ground floor areas and rooms, it will also help to remove the possibility of damage to the lower ground floor by possible leaks from water pipes or roof issues.

Any increase in the number of children attending the Centre will increase the staff numbers required. Not only will an increased number of teachers be required, the Centre has to consider whether additional support staff, such as lunchtime supervisors, administrators and cleaners will also be required. The Board will consider how efficiencies in staffing levels can be achieved by considering altering class sizes and lunchtime arrangements, should the Centre increase in capacity.

In 2021-2022 the staffing levels will be increased to ensure that staffing ratios are met with employed staff, rather than buying in additional resource via agencies. Staffing levels increased during the financial year, and there are plans to engage further teaching staff, so that 9 full time teachers are employed, with two Joint Deputy Heads. The impact of the pandemic has meant that more children attending the nursery have additional emotional and educational needs, and require individual support. The Centre continues to support an Apprentice Teaching Assistant, to achieve a Level 2 childcare qualification. The Centre has previously funded the Montessori training of one of the teachers in order to fulfil the aim to only have fully qualified Montessori teachers at the Centre. The Centre has increased staffing levels, rather than using external agencies which can be expensive.

RESERVES POLICY

The directors are of the opinion that the present level of resources together with the level of designated reserves is adequate to support the continuation of the Centre's activities for the medium term

Any renovation works are considered carefully, and prioritised by importance and urgency. In recent years it was necessary to carry out costly repairs to the roof, as leakages were causing damage elsewhere in the building. In previous years funds had not been available to carry out works to a high standard, causing additional costs in later years. The Board carefully considers each project to ensure that funds spent will resolve maintenance issues for a number of years, rather than being 'quick fixes', and to ensure the long term affordability of the project.

The Office Manager reports at Board Meetings of any potential bad debtors, and advice is sought on how to recoup unpaid fees. The Board's policy is to take legal action to recoup monies owed. The Board finds that bad debts do not occur regularly, and any potential bad debtors are reviewed and managed by the Office Manager.

Any expenditure over £1,000 is discussed at Board Meetings and approval sought for the expenditure. Management accounts are reviewed termly by the Office Manager to give the Board an update on income and expenditure.

Previous losses have occurred due to the pressing nature of repairs and maintenance required. The Board fully assessed the cost impact of the repairs and agreed that the requirement to carry out repairs and maintenance necessitated the spending of reserves.

BLACKHEATH MONTESSORI CENTRE LTD
DIRECTORS' REPORT, CONTINUED
FOR THE YEAR ENDED 31 MARCH 2021

REFERENCE AND ADMINISTRATIVE DETAILS

REGISTERED OFFICE:

Independents Road
Blackheath
London SE3 9LF

COMPANY NUMBER: 01622834

CHARITY NUMBER: 285105

ADVISORS

BANKERS:

Natwest Bank plc

ACCOUNTANTS:

Brendan P Byrne & Co Ltd, Bexley

DIRECTORS RESPONSIBILITIES

The directors are responsible for preparing an annual report and financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice). Company law requires the directors to prepare financial statements for each year which give a true and fair view of the state of affairs of the charitable company and of the incoming resources and application of resources, including the income and expenditure for that period. In preparing the financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in business.

The directors are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the charity and to enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charity and the group and hence taking reasonable steps for the prevention and detection of fraud and other irregularities. The directors are responsible for the maintenance and integrity of the corporate and financial information included on the charitable company's website.

STATEMENT AS TO DISCLOSURE TO OUR ACCOUNTANTS

In so far as the directors are aware at the time of approving our annual report:

- there is no relevant information, being information needed by the accountant in connection with preparing their report, of which the accountant is unaware, and
- the directors, having made enquiries of fellow directors and the accountant, that they ought to have individually taken, have each taken all steps that he/she is obliged to take as a director in order to make themselves aware of any relevant audit information and to establish that the accountant is aware of that information.

This report was approved by the board on

and signed on their behalf

Victoria Jerome

INDEPENDENT EXAMINERS' REPORT
ON THE UNAUDITED FINANCIAL STATEMENTS TO THE DIRECTORS OF BLACKHEATH
MONTESSORI CENTRE LTD
FOR THE YEAR ENDED 31 MARCH 2021

In accordance with the engagement letter dated 21 October 2008, and in order to assist you to fulfil your duties under the Companies Act 2006, we have compiled the financial statements of the company which comprise the Statement of Financial Activities, Balance Sheet and the related notes from the accounting records and information and explanations you have given to us.

This report is made to the Company's Board of Directors, as a body, in accordance with the terms of our engagement. Our work has been undertaken so that we might compile the financial statements that we have been engaged to compile, report to the Company's Board of Directors that we have done so, and state those matters that we have agreed to state to them in this report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's Board of Directors, as a body, for our work or for this report.

You have acknowledged on the Balance Sheet for the year ended 31 March 2021 your duty to ensure that the company has kept proper accounting records and to prepare financial statements that give a true and fair view under the Companies Act 2006. You consider that the company is exempt from the statutory requirement for an audit for the year.

We have not been instructed to carry out an audit of the financial statements. For this reason, we have not verified the accuracy or completeness of the accounting records or information and explanations you have given to us and we do not, therefore, express any opinion on the financial statements.



Brendan P Byrne & Co Ltd

12 Old Bexley Lane
Bexley
Kent
DA5 2BN

BLACKHEATH MONTESSORI CENTRE LTD
STATEMENT OF FINANCIAL ACTIVITIES
FOR THE YEAR ENDED 31 MARCH 2021

		Unrestricted Funds	Restricted Funds	Total Funds 2021	Total Funds 2020
	Notes	£	£	£	£
INCOME					
Donations and Fundraising		-	3,247	3,247	2,431
Income from charitable activities:					
Operation of a pre-school	1d	432,775	-	432,772	508,173
Grants		63,484		63,484	-
Investment Income	5	201	-	201	734
TOTAL INCOME		496,460	3,247	499,707	511,338
EXPENDITURE					
Expenditure on charitable activities:	13				
Educational services		(426,164)	(1,355)	(427,519)	(415,599)
Management and administration		(72,408)	-	(72,408)	(66,417)
Interest payable and similar charges	6	(616)	-	(616)	(987)
TOTAL EXPENDITURE		(499,188)	(1,355)	(500,543)	(483,003)
NET INCOME/(EXPENDITURE) AND NET MOVEMENT IN FUNDS FOR THE YEAR		(2,728)	1,892	(836)	28,335
RECONCILIATION OF FUNDS					
Total funds brought forward		387,684	52,227	439,911	411,576
TOTAL FUNDS CARRIED FORWARD		384,956	54,119	439,075	439,911

The statement of financial activities includes all gains and losses recognised in the year.
All income and expenditure derive from continuing operations.

BLACKHEATH MONTESSORI CENTRE LTD
STATEMENT OF FINANCIAL POSITION (BALANCE SHEET)
AT 31 MARCH 2021

	Note	2021	2020
		£	£
FIXED ASSETS			
Tangible assets	8	308,377	302,738
CURRENT ASSETS			
Debtors	9	1,371	4,276
Cash at bank and in hand		260,918	207,102
		262,289	211,378
CREDITORS: Amounts falling due within one year	10	(56,835)	(42,262)
NET CURRENT ASSETS		205,454	169,116
TOTAL ASSETS LESS CURRENT LIABILITIES		513,831	471,854
CREDITORS: Amounts falling due after more than one year	11	(74,756)	(31,943)
NET ASSETS		£ 439,075	£ 439,911
THE FUNDS OF THE CHARITY			
Restricted income funds	14	54,119	52,227
Unrestricted income funds		384,956	387,684
TOTAL CHARITY FUNDS		£ 439,075	£ 439,911

In approving these financial statements as directors of the company we hereby confirm the following:
For the year in question the company was entitled to exemption under section 477 of the Companies Act 2006 relating to small companies.

Directors' responsibilities:

- 1) The members have not required the company to obtain an audit for its accounts for the year in question in accordance with section 476,
- 2) The directors acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and the preparation of accounts.

These accounts have been prepared in accordance with the provisions applicable to companies subject to the small companies' regime and the Charities Act 2011.

The accounts were approved by the board of directors on

V Jerome, Director

BLACKHEATH MONTESSORI CENTRE LTD
NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 31 MARCH 2020

1. ACCOUNTING POLICIES

1a Basis of preparation

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) and the Companies Act 2006. Blackheath Montessori Centre Ltd 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 note(s).

1b Tangible fixed assets

Land and building are shown at original historical cost, further depreciation is not considered necessary due to the maintenance and upkeep of the building undertaken.

Other fixed assets are shown at cost less depreciation provided, after taking account of any grants receivable, at the following annual rates in order to write off each asset over its estimated useful life by the reducing balance method.

	2021	2020
	%	%
Plant and equipment	33	33
Fixtures and fittings	25	25
Equipment	25	25

1c Pensions

The company operates a defined contribution pension scheme and the pension charge represents the amounts payable by the company to the fund in the year.

1d Income

Income comprises the value of sales of educational day care for children, goods and services in the normal course of business based on invoices raised each school term. The company is not required to be registered for VAT. Deposits taken are held as liabilities until they are refunded.

1e Interest

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the charity; this is normally upon notification of the interest paid or payable by the Bank.

1f Funds

Unrestricted funds are available to spend on activities that further any of the purposes of charity. Designated funds are unrestricted funds of the charity which the directors have decided at their discretion to set aside to use for a specific purpose.

1g Expenditure

Expenditure, includes VAT if applicable, and is recognised once there is a legal or constructive obligation to make a payment to a third party, it is probable that settlement will be required and the amount of the obligation can be measured reliably.

1h Financial Instruments

The charity only has a bank mortgage which is measured at amortised cost using the effective interest method.

2. LEGAL STATUS

The Centre is a company limited by guarantee and has no share capital. In the event of the charity being wound up, the liability in respect of the guarantee is limited to £1 per member of the charity.

BLACKHEATH MONTESSORI CENTRE LTD
NOTES TO THE ACCOUNTS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2021

3. NET OPERATING EXPENSES

	2021	2020
	£	£
Net operating expenses:		
Distribution costs	-	(409)
Administrative expenses	461,916	439,188
Depreciation	23,535	19,405
	<u>£ 485,451</u>	<u>£ 458,184</u>

4. OPERATING (LOSS)/PROFIT

	2021	2020
	£	£
(Loss)/Profit on ordinary activities is stated after charging:		
Depreciation and amortisation of tangible assets: owned	23,535	19,405
Pension costs	<u>7,217</u>	<u>6,599</u>

5. INTEREST RECEIVABLE AND SIMILAR INCOME

	2021	2020
	£	£
Bank interest receivable	201	734
	<u>£ 201</u>	<u>£ 734</u>

6. INTEREST PAYABLE AND SIMILAR CHARGES

	2021	2020
	£	£
On bank loans, overdrafts and other loans		
Repayable within five years, by instalments	616	987
	<u>£ 616</u>	<u>£ 987</u>

7. STAFF COSTS

	2021	2020
	£	£
Salaries and wages	372,727	341,808
Temporary and agency workers	650	12,589
Social security costs	26,690	23,872
Pension costs	7,217	6,599
	<u>£ 407,284</u>	<u>£ 384,686</u>

Average monthly headcount was 18 staff (2020: 17 staff).

No employees had employee benefits in excess of £60,000.

None of the personnel costs are attributable as costs on restricted activities.

BLACKHEATH MONTESSORI CENTRE LTD
NOTES TO THE ACCOUNTS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2021

8. TANGIBLE FIXED ASSETS

	Land & Buildings £	Other Tangible Assets £	Total £
Cost			
At 1 April 2020	274,341	181,437	455,778
Additions	-	29,173	29,173
At 31 March 2021	274,341	210,610	484,951
Depreciation			
At 1 April 2020	23,014	130,025	153,039
For the year	-	23,535	23,535
At 31 March 2021	23,014	153,560	176,574
Net Book Amounts			
At 31 March 2021	£ 251,327	£ 57,050	£ 308,377
At 31 March 2020	£ 251,327	£ 28,433	£ 302,738

9. DEBTORS

	2021 £	2020 £
Trade debtors and prepayments	1,371	4,276
	£ 1,371	£ 4,276

10. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2021 £	2020 £
Trade creditors	5,579	3,347
Accruals and sundry creditors	6,924	5,210
Other taxes and social security	8,561	7,192
Other creditors and deferred income	35,771	26,513
	£ 56,835	£ 42,262

11. CREDITORS: AMOUNTS FALLING DUE AFTER ONE YEAR

	2021 £	2020 £
Bank loans and overdrafts	74,756	31,943
	£ 74,756	£ 31,943

12. TAXATION

The charity is exempt from tax on income and gains falling within section 505 of the Taxes Act 1988 as any excesses of income over expenditure, if made, are applied to its charitable objects.

BLACKHEATH MONTESSORI CENTRE LTD
NOTES TO THE ACCOUNTS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2021

13. RESOURCES EXPENDED

Analysis of expenditure on charitable activities:

	2021 £	2020 £
<u>Educational activities</u>		
Staff costs*	366,556	346,381
Training	3,095	7,933
Premises*	21,601	19,518
Catering	9,765	16,311
Equipment & materials	3,597	5,722
Office and other costs*	985	1,469
Depreciation*	21,181	17,464
	426,780	414,798
 <u>Cost of obtaining funds</u>	 -	 -
 <u>Management and administration</u>		
	of which Governance is £1,260 (2020: £1,260)	
Staff costs*	40,728	38,487
Other costs:		
Premises*	2,400	2,169
Office and other costs*	109	163
Hire costs	588	642
Computer costs	8,330	6,969
Legal & professional	3,856	2,895
Bank charges	433	584
Insurance	13,609	13,075
Depreciation*	2,354	1,941
Bad debts (recovered)	-	(409)
	72,408	66,516
	499,188	481,314

The charity initially identifies the costs of its activities into either educational or management categories, those costs that cover both activities* are then apportioned based on an approximation of time spent. Governance costs are then identified from the management activities undertaken. All repairs were met from unrestricted funds.

BLACKHEATH MONTESSORI CENTRE LTD
NOTES TO THE ACCOUNTS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2021

14. ANALYSIS OF CHARITABLE FUNDS

	General Fund	Restricted Fund	2021 £	2020 £
Incoming Resources				
Activities for generating funds				
Fees Receivable	432,775	-	432,775	508,173
Voluntary income				
Fundraising	-	3,247	3,247	2,431
Grants received	63,484			
Other income	201	-	201	734
	<u>496,460</u>	<u>3,247</u>	<u>499,707</u>	<u>511,338</u>
Resources Expended				
Charitable activities				
Educational services	426,780	1,355	428,135	416,487
Cost of generating voluntary income				
Fundraising & publicity	-	-	-	-
Management & administration	72,408	-	72,408	66,516
	<u>499,188</u>	<u>1,355</u>	<u>500,543</u>	<u>483,003</u>
Net incoming resources before transfers	(2,728)	1,892	(836)	28,335
Transfers	-	-	-	-
Net incoming resources for the year	(2,728)	1,892	(836)	28,335
Total funds brought forward	387,684	52,227	439,911	411,576
Total funds carried forward	384,956	54,119	439,075	439,911

The company made no recognised gains or losses other than those reported in the income and expenditure account.

The following pages do not form part of the Company's Statutory Financial Statements and are prepared for the information of the Directors only.

BLACKHEATH MONTESSORI CENTRE LTD
TRADING AND PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31 MARCH 2021

	2021		2020
	£	£	£
Sales		432,775	508,173
Cost of sales:			
Purchases	12,533		21,501
Other direct expenses	588		642
		<u>13,121</u>	<u>22,143</u>
Gross profit		419,654	486,030
Other income		<u>63,685</u>	<u>734</u>
		483,339	486,764
Less:			
Selling and marketing costs	-		(409)
Administrative expenses	462,532		440,175
Depreciation and amortisation	<u>23,535</u>		<u>19,405</u>
		<u>486,067</u>	<u>459,171</u>
Net (loss)/profit for the year		<u>(2,728)</u>	<u>27,593</u>
Transfer to designated fund	<u>-</u>		<u>-</u>
		-	-
		(2,728)	27,593
Transfer of funds to/from reserves			
Retained profits brought forward		<u>387,684</u>	<u>360,091</u>
Retained profits carried forward		<u>£ 384,956</u>	<u>£ 387,684</u>

BLACKHEATH MONTESSORI CENTRE LTD
PROFIT AND LOSS ACCOUNT SUMMARIES
FOR THE YEAR ENDED 31 MARCH 2021

	2021 £	2020 £
Purchases		
Equipment and materials	2,768	5,189
Catering	<u>9,765</u>	<u>16,312</u>
	<u>£ 12,533</u>	<u>£ 21,501</u>
 Other direct expenses		
Plant hire	<u>588</u>	<u>642</u>
	<u>£ 588</u>	<u>£ 642</u>
 Other income		
Grants	63,484	-
Bank interest and commission receivable	<u>201</u>	<u>734</u>
	<u>£ 63,685</u>	<u>£ 734</u>
 Selling and marketing costs:		
Advertising & sales promotion	-	-
Bad debts (recovered)	<u>-</u>	<u>(409)</u>
	<u>£ -</u>	<u>£ (409)</u>

BLACKHEATH MONTESSORI CENTRE LTD
PROFIT AND LOSS ACCOUNT SUMMARIES
FOR THE YEAR ENDED 31 MARCH 2021

	2021 £	2020 £
Administrative expenses:		
Parking charges (2020 contribution)	400	(450)
Water rates	939	1,169
Light and heat	3,458	4,655
Repairs & renewals	5,381	7,564
Salaries	372,727	341,808
NIC employer	26,690	23,872
Agency staff	650	12,589
Pension contributions	7,217	6,599
Recruitment & training	3,095	7,933
Protective equipment	3,330	-
Computer costs	8,330	6,968
Accountancy	1,856	1,536
Professional fees	2,000	1,359
Waste disposal	3,597	2,038
Insurance	13,609	13,075
Cleaning	6,279	5,723
Postage	4	8
Stationery & office supplies	505	1,134
Telephone	395	470
Sundry expenses	829	533
Subscriptions and licences	191	21
Bank charges	433	584
Administrative Expenses before Interest	461,916	439,188
Loan interest payable <5yrs	616	987
	<u>£ 462,532</u>	<u>£ 440,175</u>
 Depreciation and amortisation:		
Depreciation of plant & machinery	13,979	7,015
Depreciation of fixtures & fittings	8,500	10,982
Depreciation of equipment	1,056	1,408
	<u>£ 23,535</u>	<u>£ 19,405</u>