



Leysf
Nurseries

The London Early Years Foundation

Annual Report 2023/24 and
Statement of Accounts



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Case study:

Food and family support network

LEYF operates nurseries primarily in areas of deprivation where there would not otherwise be a high-quality nursery available. In order to better support parents who live in poverty, we formed the LEYF Food and Family Support Network, which provides families with much needed support including food, clothing, toiletries, hygiene products and shoes.

The Food and Family Support Network includes seven of our nurseries which run foodbanks: Angel, Burgess Park, Eastbury, Ford Road, Marks Gate, Stockwell, Wandsworth Bridge nurseries; the network also includes LEYF senior chefs from Stockwell, Marks Gate, Playhouse, Earls Court and support from our Learning & Development team including our chef trainer Sean Cowden.

Through innovative partnerships, we aim to make our foodbanks self-sustaining. We have partnered with City Harvest who provide us with food which would otherwise be wasted. Their deliveries stock our community foodbanks and nursery chefs use the food within our on-site kitchens to cook high quality, nutritious meals for our children.

Bloody Good Period and Beauty Bank have provided us with self-care and hygiene products and The Hygiene Bank supports



us with toiletries and household items. Sal's Shoes has donated nearly new or new and preloved shoes to support our families at our Burgess Park Nursery. All these items can be expensive for some families, so our judgement-free foodbanks are one way we make lives a little bit easier.

In December 2023, we ran our second 'From One Family to Another' campaign. We involved parents, staff and our partners in a donation drive for food to support families in need.

We received great support from parents and corporate partners including Permira and Clifford Chance. Donations ensured our foodbanks were well stocked over the Christmas period with staples such as flour, rice and cereals.



Message from our Chair and Chief Executive

This year, we made steady progress keeping the business on track, deepening our Sustainability Strategy through every level of the organisation while preparing for one of the biggest childcare policy changes ever.

This is the plan initiated by the previous Government to expand the childcare funded offer starting by doubling the 15 hours currently available to eligible parents of 2-year-olds from April 2024. The success of the plan depends on several factors, discussed later in this report, but being able to recruit sufficient qualified, capable and competent staff is key. This remains a challenge and we have spent the year focusing on recruiting, retaining staff and ensuring we do our best to offer fair salaries, decent benefits and access to great training and development opportunities. It was therefore very satisfying to launch the London Institute of Early Years, which enables us to extend our current award-winning programmes, qualifications and research across the wider sector.

This year we focused our research on the plight of children with a parent in prison and our free, downloadable [Best Practice Pack](#) was designed to help colleagues across the Early Years sector better support children, families and staff in nurseries and childcare settings to manage this sad situation compassionately.

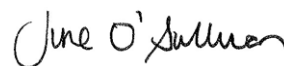
Every year, we look at our portfolio of nurseries and make decisions about their viability. Changes are usually due to demographic changes and this year was no exception. London is changing

and the birth rate is dropping, especially in central London boroughs. We therefore closed two nurseries where this was an issue but balanced that decision by opening Thames Reach, our brand-new nursery in Greenwich. We moved Fire Station to a new home in Stoke Newington Church Street based in the grounds of St Mary's Church of England Primary School with a great garden and more space to take additional children. In doing this we have also created a positive partnership with the school.

This is one of our many partnerships, including a very innovative relationship with City Harvest which provides our qualified chefs, trained at the London Institute of Early Years, to use donated food that would otherwise be wasted. The project is enabling us to use money we would have spent on food to fund places for children from more disadvantaged

homes who do not meet the criteria of the Government childcare policy, a situation which is likely to increase with the expansion plan. The need for our social enterprise model remains essential if society believes that every child should be able to access high quality education and care no matter where they live or what their backgrounds.

Nothing is ever achieved without the support of a great team, and we would like to thank everyone working at LEYF and our Board of Trustees for their energy and commitment to our social purpose. They remain strong advocates for children in the Early Years sector and continue to bravely lead the charge to change the world, one child at a time.



June O'Sullivan OBE
Chief Executive



Mike Garstka
Chair



Who we are and what we do

London Early Years Foundation (LEYF) is one of the UK's largest charitable social enterprises with an ambition of 'changing the world, one child at a time'.

We achieve our social purpose by giving London's children aged 0–5 years the best start in life through the highest quality Early Years Education and Care, no matter their background – helping them to achieve their full potential. LEYF has also launched the London Institute of Early Years to support internal and external Early Years staff: providing training for

apprentices, Early Years chefs and colleagues who want to study for an Early Years degree, complete CPD programmes, learn how to coach or become sustainability champions. The choice is wide and growing to meet the needs of the sector and to respond to innovation driven through our research with partners from across the world.

Our 120-year pioneering history

London Early Years Foundation began as the City of Westminster Health Society (WHS) in 1903, at a time of poverty and shockingly high mortality.

Born out of the social reform movement of the Victorian era, our founders pioneered child health and welfare decades before we had the NHS. In its early years, the WHS provided Westminster's families with medical and dental inspections, antenatal clinics, cookery classes and more. In 2009, with 19 nurseries in our family, we changed our name to London Early Years Foundation. Now, with 39 nurseries, we are as dedicated to social reform as when we started our journey.



Respecting and rewarding our staff

We recognise that our staff teams are our most important asset and respect the skills and knowledge they bring to their role. The new Government funding for childcare announced in the Spring Budget 2023 will impact our business model. However, we want to reward our staff as much as we are able and ensure that LEYF

remains competitive and attracts and retains the staff we need. In spring 2024, we announced a pay increase for our permanent staff and ensured that all qualified nursery teachers are paid in line with the increased National Minimum Wage and London Living Wage.



3,909

children supported



1,100

children have funded-only places



39

nurseries



75%

apprentice retention



800+

staff



100%

Ofsted
Outstanding and
Good nurseries

Our social purpose

What we experience in our early years, from conception to the age of five, shapes the developing brain, which is why providing positive physical, emotional and cognitive opportunities in our nurseries is so crucial.



An innovative social enterprise

LEYF is a charitable social enterprise. We operate 39 (as at end of March 2024) award-winning nurseries, in 12 boroughs across London. Our social enterprise model is engineered so that it maximises our ability to deliver LEYF's social purpose.

High quality Early Years Education and Care is so important to support all children, no matter their background, to achieve their full potential. This is why we are committed to ensuring the sustainability of our cross-subsidy model, whereby all surplus is reinvested back into the business to fund places for disadvantaged children. LEYF is one of the largest providers of funded 2-year-old places in London, subsidising 27% of our places. During the financial year 2023/24, that was nearly 1,100 children.

LEYF welcomes all children into our nurseries irrespective of their social background or ability, and champions diversity across our staff team. We firmly believe that children need role models from all walks of life. We are proud that 7% of our staff are men compared to the national sector average of 3% (DfE, online, 2019) and 46% of our staff are from minority ethnic communities.

We pride ourselves on creating an inclusive family environment for all our employees. Staff turnover remains high across the Early Years sector; however, the average length of service at LEYF is 4.8 years. We are delighted to be able to offer competitive pay and benefits to LEYF staff, some of whom attended a LEYF nursery when they were children themselves.



27%

of our children were on funded-only places



of our nurseries are rated 'Outstanding' vs 15% on average in London



4.8 years

average staff length of service at LEYF

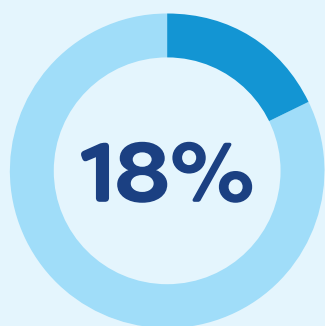
LEYF continues to set the political agenda, tirelessly campaigning to raise the status of Early Years staff and address inequality in access to education and child poverty. We are also a founding member of the Early Education and Childcare Coalition, working with the wider sector for an Early Years Education and Childcare sector that delivers for our children, for parents and for society.

Early Years education drives social mobility

The first five years of a child's life are critical to support social mobility and yet the previous Government continually denied children living in poverty the same access to nursery education as their better-off peers.

Evidence shows that there are compounding positive effects from prolonged attendance in higher quality Early Years settings. For example, literacy rates for children at school entry who attend high quality nursery for two to three years were nearly eight months ahead of their peers who had not attended nursery (Taggart et al. 2015, online).

Once behind research shows children never catch up academically. Research that tracked the lives of over 11,000 pupils who sat their GCSEs in 2016 or 2017 showed that one in five (18%) did not achieve a grade 4 in both English Language and Maths – and half (48%) of those were identified as falling behind as early as age five (Elliot Major, L. & Parsons, F., online, 2022).



one in five pupils (18%) did not achieve a grade 4 in both English Language and Maths

This is why LEYF places a high emphasis on literacy and foundational maths skills, as we know this gives young children a head start in learning essential life skills that they will use daily,

“

To deliver high quality nursery education to all – and close the attainment gap that emerges before children start primary school – we require a refocusing of leadership and pedagogy through a much stronger social justice lens and a community model.

(O'Sullivan, J. & Sakr, M., 2022).

as well as preparing them for when they begin school.

'High quality Early Years education can contribute to lasting upward mobility and help break cycles of poverty.' (Heckman, J. & Garcia J., 2019, online)

Yet despite well-researched evidence which shows the importance of the early years of a child's life, a 2022 survey by the Royal Foundation Centre for Childhood found that only 17% of the UK population identified the period between pregnancy and the age of five as the most important period for shaping a child's future (2022, online).

The Government's new childcare offer is being rolled out from April 2024, starting with 15

hours of childcare to all working parents with a two-year-old. By September 2025, all eligible pre-school children of working parents can access 30 hours of funded childcare during term time.

There is widespread concern as the new offer continues to overlook disadvantaged children. Just 20% of children from families in the bottom third of earnings are eligible for the Government's existing 30 funded hours scheme, which excludes unemployed or studying parents. Whereas 70% of parents who are eligible for the 30-hour offer are in the top half of earners.

We call on the new Labour Government to ensure a fairer system that enables all children to have access to high quality provision; we need to rethink the current childcare system. It is time to refocus provision and pedagogy through a much stronger social justice lens. We need to reframe Early Years leadership to highlight the positive impact staff have on the lives of children and celebrate their contribution, particularly as we negotiate the negative impact of poverty on children's lives.



Challenges in the Early Years in the UK

The extension of Government-funded childcare was announced without consultation with the sector and presents new challenges to an Early Years system that has been chronically underfunded for many years.

Providers across the sector consistently cite recruitment as the biggest barrier to this scheme's success. The Early Education and Childcare Coalition (EECC), of which LEYF is a member, reported that only 17% of nurseries would be able to deliver these additional hours due to underfunding, staff shortages and financial pressure (EECC, online, 2023).

The rollout of the new Government childcare offer in April 2024 coincides with a 10% increase in the National Minimum/Living Wage. We welcome Government efforts to help those on low pay and at LEYF any surplus is reinvested in our people, so our wages are competitive.

While the National Minimum Wage has increased by 52.5% (2017-2024), the average rate provided by local authorities for funded places has only increased by 12.7% during the same period.

To address the country-wide staffing shortfall, the Department for Education (DfE) launched a recruitment campaign 'Do Something Big'. LEYF supported this by providing media opportunities at three of our nurseries, plus case studies of our teachers which feature on the DfE campaign. Please see here: [Real stories - Early Years Careers](#)

Accessibility

In England, there is a growing shortage of nursery places with more closures of settings in the more deprived areas compared to the least deprived areas. In London, the problem is particularly acute: only 1 in 4.5 children in the most deprived areas have access to an Early Years place, compared to the least deprived areas where 1 in 2.6 children have access (EYA: Early Years Alliance, 2021).

Quality

Inequality of access to high quality provision is compounded in the most deprived areas of England, where only 14% of nurseries are rated 'Outstanding', compared to 27% in the least deprived areas. In London, the situation is worse: only 11% are rated 'Outstanding' in the most

deprived areas, compared to 20% in the least deprived areas (Ofsted, 2023, online). The LEYF nurseries have 46% judged Outstanding, which is significant given 75% of our nurseries are sited in poor neighbourhoods.

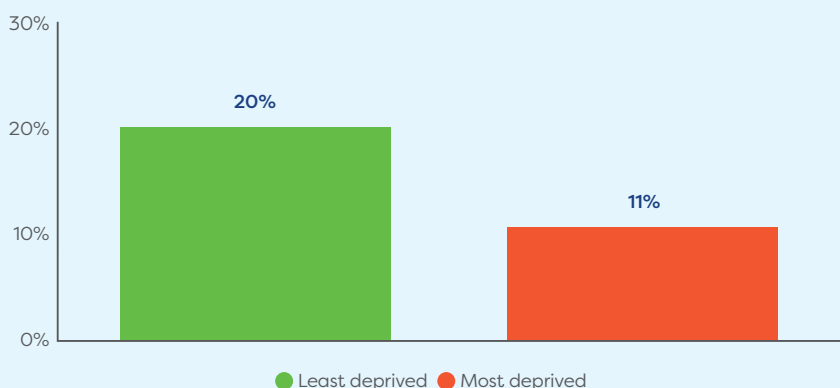
Affordability

The average cost of full-time nursery (50 hours a week) for a child under two in Britain will be £15,709 for 2024 up from up £15,000 in 2023 (Coram, online, 2023). This represents approximately 45% of average pay for a full-time worker in the UK.

Increasing staff to child ratios has been introduced by Government as a way of addressing affordability in Early Years. However, with providers reporting higher numbers of children with Special Educational Needs and Disabilities (SEND) most consider changes to ratios as likely to have a negative effect on their ability to support children and families, and on the wellbeing of employees.

Nurseries remaining in deprived areas are of much lower quality on average

% Ofsted 'Outstanding' - London



Note: EYR - Early Years Register; Source: Ofsted

Strategic ambition

As a social enterprise, we can quickly respond to changes in operating environment to remain sustainable now and for future generations of children.

LEYF prides itself on being a very agile organisation. We have reshaped our strategic ambition in response to the current financial climate and changes to Government childcare policy by using our experience and expertise to remain competitive and influential.

We revised our four strategic objectives agreed at the Trustee away day in February and re-designed a reporting tracking system to show progress against the functional targets created to drive the objectives.



Financial sustainability

- Ensure LEYF remains a sustainable organisation now and for the future.
- Ensure that LEYF can access national and local government funding opportunities while continuing to advocate for policies that will ensure our financial sustainability.

Optimise our social impact

- Position LEYF as a scalable model of social enterprise childcare; offering a business model that is attractive to Government and policy-makers.
- Position our London Institute for Early Years by delivering training, research and consultancy across the sector nationally and internationally.
- Optimise our impact through national and international partnerships.

Increase the number of LEYF children

- Keep LEYF in the limelight as an organisation that puts children at the heart of the organisation. Ensure this narrative is shared with the public so we become the go-to nursery group.
- Track growth opportunities through networks and collaborate across the Early Years sector, social enterprise and the wider business landscape.
- Promote the LEYF business model and social justice pedagogy by speaking at EYEC national and international events, as well as continue to campaign to encourage staff to follow us so we can recruit to extend the nurseries.



Build our brand

- Raise the LEYF voice and extend the reach of our media and PR to make LEYF a go-to brand for high quality EYEC.
- Create a pathway to LEYF with local authorities, parents and partners using a range of media and communication channels.
- Develop the LEYF Employee Value Proposition to create a warm and compassionate environment in which all our employees can thrive and grow.

Amplify and advocate

We campaign on a range of issues including child poverty, transforming the Early Years food provision, better funding of the Early Years sector, recognising and rewarding staff and for greater diversity in the sector workforce.

The London Early Years Foundation's (LEYF) annual Margaret Horn Debate has focused on many contested issues in the Early Years and reminds us just how political the sector is and how big economic and social issues impact our children's lives.

Since its formation, we have covered topics including social justice, child poverty, pedagogy, multi-generational approaches, men in childcare, child health and obesity, and many others. This year, the debate question was: 'Is the expansion of childcare going to solve the childcare problem?'

The panel was chaired by Bethan Stanton, Deputy Editor, Work and Careers at the Financial Times. She was joined by Courteney Donaldson, Managing Director, Childcare and Education at Christie & Co; Josie Irwin, Senior National Officer Equality Unit at UNISON; Neil Leitch, CEO of Early Years Alliance; June O'Sullivan, CEO of LEYF; and Sarah Ronan, Director of Early Education and Childcare Coalition.

We debated whether the Government proposals to expand education and childcare is a double-edged sword. We asked if higher-income families should be supported with additional funding at the expense of those children from poorer backgrounds? The audience was from the Early Years sector workforce, plus some parents.

A voice for children and the sector

LEYF campaigns on issues that affect the sector, always ensuring that the children whose voice is too often silent is at the heart of all we do.

LEYF collaborated with the national charity Prison Advice and Care Trust (Pact) that supports prisoners, people with convictions and their children and families to co-produce the first ever free downloadable Best Practice toolkit, to help Early Years staff to understand and best support children in their nurseries affected by the imprisonment of a parent or a close relative.

According to the National Information Centre on Children

and Offenders (NICCO), which is delivered by Barnardo's in partnership with His Majesty's Prison and Probation Service (HMPPS), there are 310,000 children with a parent in prison in England and Wales (NICCO, online, 2024).

Many children with a parent in prison will go on to lead happy and fulfilling lives. But children are always the innocent party, and some will suffer from the traumatic impact of having a parent in prison, leading to poor physical and mental health especially as some of them will have witnessed some of the criminal activity or even the arrest of their parent.



Best Practice in Early Years
Supporting Children with a
Parent in Prison

leyf
Nurseries

Section 1: Social Purpose

Tackling inequalities in our communities

There are many other initiatives we run at LEYF to help our parents and employees with the cost of living.

We have looked at practical support for parents so we can help where we can, including a 10% sibling discount on the oldest child's fees. This is applied after factoring in funded hours. We are also on hand to advise parents who are studying or receive Universal Credit about how best to access additional fee support.

Double hours for children most in need

LEYF set up the Doubling Down programme in October 2020 as a response to seeing the most vulnerable children arriving at nursery hungry, anxious and developmentally delayed due to the impact of lockdowns and living in poverty. The scheme gave children most in need up to 15 additional hours at nursery. This programme was extended through the year thanks to funding from The Westminster Foundation.

Nursery discounts for staff

We reviewed our package of staff benefits as we want to reward our teams for their loyalty. Permanent staff who work at one of our nurseries or at our central office can take advantage of our offer of a 70% discount on nursery fees, among the best in the sector, if they place their child at a LEYF nursery.

Hardship fund

LEYF understands that financial difficulties can arise, and we operate a hardship fund which we fund from the surplus we generate. This allows us to support staff and parents with grants up to £500.

Employee Giving initiative

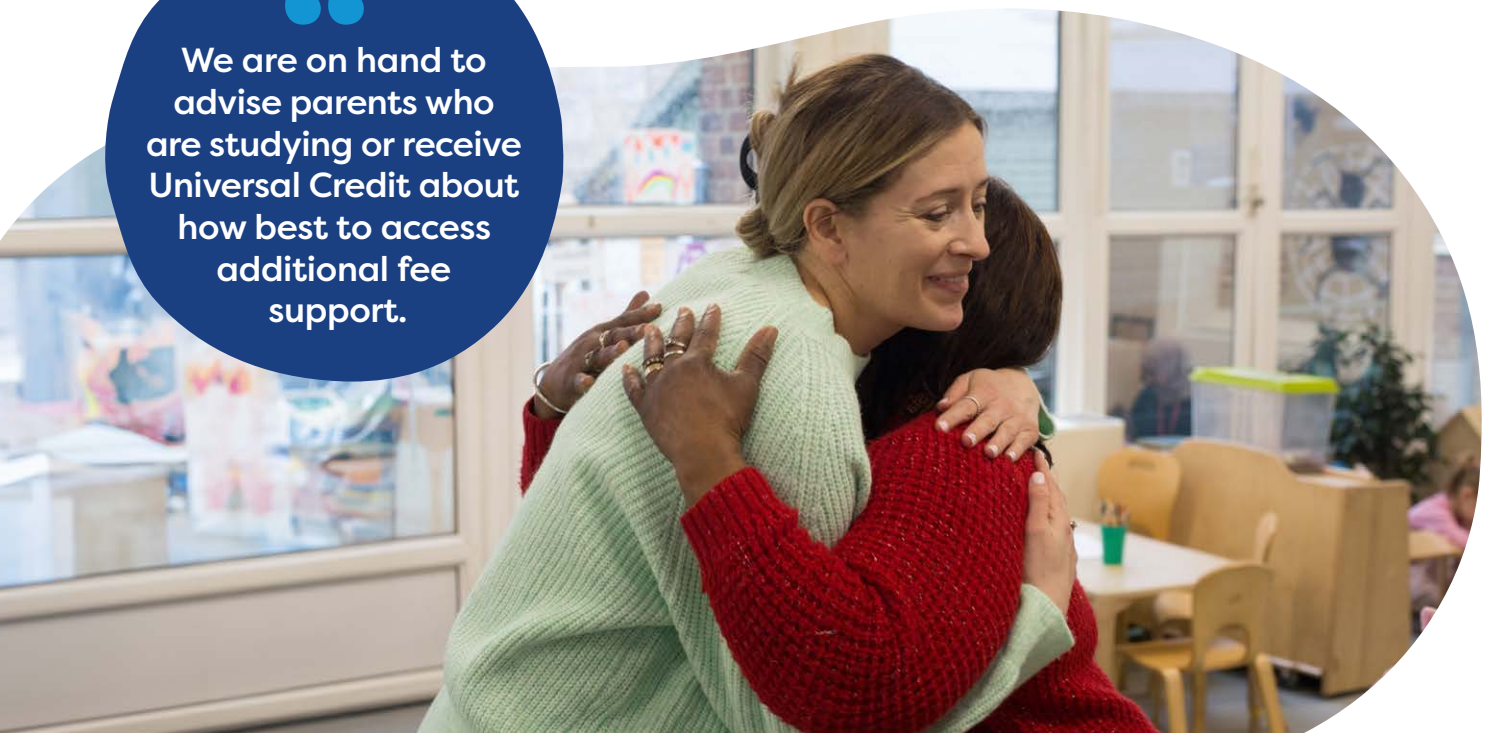
We know that some of our staff are involved in community projects or are quietly taking on personal fundraising initiatives outside of work. This year, we

launched a new initiative to support LEYF staff to make a difference by awarding £200 for projects that matter to them, e.g. running a marathon or volunteering at a soup kitchen.

Members of staff at our Katharine Bruce Nursery have been delivering hot meals to homeless local people on the weekends. The initiative has helped them with the cost of cooking implements, enabling them to continue this project with LEYF's full backing.

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We are on hand to advise parents who are studying or receive Universal Credit about how best to access additional fee support.



Section 1: Social Purpose

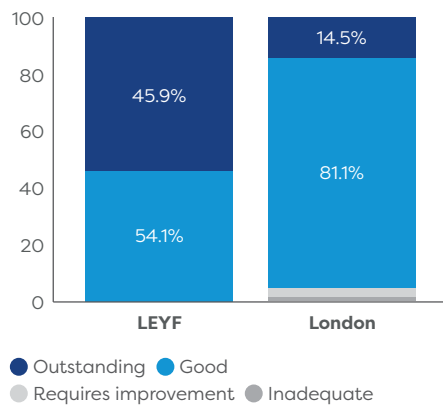
High quality education for all

LEYF has three times the number of Ofsted 'Outstanding' ratings than the national average.

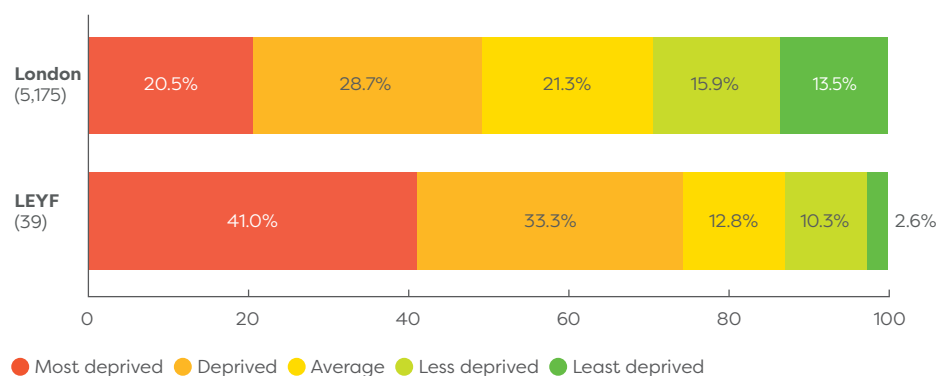
LEYF actively pursues the highest standards of provision in our nurseries. We recognise the importance of Early Years, the quality of teaching and children's experiences at nursery, which are the focal points for Ofsted

inspections. LEYF is proud to say 100% of our nurseries are rated Outstanding or Good by Ofsted. We achieve these results through three drivers of quality in our nurseries: Pedagogy, People, Practice.

Percentage of Ofsted ratings LEYF vs London by category



Percentage of 'children on non-domestic premises' according to deprivation (March 2024)



There are three drivers of quality in our nurseries

1

Pedagogy

How do we lead the children to learn?



- **LEYF Pedagogy**
- Empowering our staff teams to deliver enabling environments
- Strong empathetic interactions between teachers and children
- Continual bridge building between home and nursery

2

People

What do we need to know, understand and do to lead the children's learning?



- Developing a team of highly skilled and knowledgeable Early Years teachers
- Continuous Professional Development
- Embedding a coaching model at all levels within our nurseries

3

Practice

How do we measure, evaluate and embed the Pedagogy?



- LPDS (LEYF Pedagogy Development Scale)
- Leading and learning through action research to drive innovation

Section 1: Social Purpose

LEYF's Pedagogy

The LEYF Pedagogy underpins all we do and enables the continuous cycle of improvement that underpins our practice.



The LEYF Pedagogy is our teaching and learning model and reflects our commitment to social justice. It is informed by a wide range of research into young children's learning and is thoughtfully designed to narrow the achievement gap and equip all children with the skills, knowledge and confidence they need to flourish, regardless of their background.

LEYF's Pedagogy is formed of seven distinct but interconnected strands which together create rich experiences for our children, supporting their continuous learning and development.

The seven strands of our LEYF Pedagogy

- 1 Leading for a Culture of Excellence (LFCE)
- 2 Spiral Curriculum (SC)
- 3 Enabling Environments (EE)
- 4 Harmonious Relationships (HR)
- 5 Safe, Fit and Healthy (SFH)
- 6 Home Learning (HL)
- 7 Multi-Generational Approach (MGA)

As an organisation we are committed to constant improvement, with ongoing action research projects taking place across all nurseries. All nurseries complete bi-annual audits of their provision, facilitated by our unique LEYF Pedagogy Development Scale (LPDS). These audits enable nursery teams to celebrate areas of strength and identify areas for improvement, often leading to new action research projects.

Over the last year action research included an exploration of children's planning meetings; an evaluation of teachers' perspectives on outdoor risky play; and a review of the implementation of children's self-regulation strategies.

LPDS data is collated by our Learning and Development (L&D Team), and used to identify trends and training needs, both at individual nurseries and across the entire organisation.

LPDS data year on year shows that average scores increased across all seven strands of the Pedagogy demonstrating that our approach to driving quality through Pedagogy, People and Practice is effective:

The most notable improvement has continued to be Leading for a Culture of Excellence. This is reflective of the increase in leadership training available at LEYF. In addition to the NPQEYL (National Professional Qualification: Early Years Leadership) training programme, we have begun delivering leadership training at all Managers and Deputy Managers meetings.

Our NPQEYL programme was recently scrutinised as part of the Teacher Development Trust's (TDT) Ofsted inspection for whom we deliver the programme, which included meetings with LEYF facilitators, students and observation of a teaching session. Ofsted awarded an 'Outstanding' judgement, and we were happy to have been part of the inspection process. We have also developed a training programme for new and aspiring Room Managers, so are hopeful that scores in this area will continue to grow. The Spiral Curriculum strand score has also seen a significant increase and reflects the high volume of training requests the L&D team received from nursery management teams, centred on the themes of teaching, learning and planning.

Pedagogy average (out of 5, December 2023)

3.13	2.91	3.05	3.05	2.97	2.97	2.77
1. LFCE	2. SC	3. EE	4. HR	5. SFH	6. HL	7. MGA

Pedagogy average (out of 5, July 2024)

3.56	3.28	3.28	3.49	3.21	3.13	3.05
1. LFCE	2. SC	3. EE	4. HR	5. SFH	6. HL	7. MGA

Section 1: Social Purpose

London Institute of Early Years

Supporting our people and the sector with award winning training delivered through our London Institute of Early Years.

This year, we were proud to launch our London Institute of Early Years, which is open to external learners and all LEYF employees. Through the Institute, we aim to share best practice, innovation and the latest research to drive real change across the Early Years sector. All our courses are informed by our practice-based action research.

The training offered by the Institute encompasses all levels from Apprentice to an Honours degree accredited by the University of Wolverhampton, as well as specialist courses including our CACHE accredited Early Years Chef qualification and our Sustainability award, and also our

ILM accredited SENDCo courses. Our ever-expanding range of CPD courses are currently only offered internally but we plan to open these up to external students in the coming months starting with our specialist baby training. All our courses are delivered by our in-house experts who have lived experience of working in nurseries and understand how quality, evidence-based practice delivers the best outcomes for very young children.

As a sector leader, the Institute also offers consultancy and research and bespoke training. We are also rolling out good practice guides, which will be free to access starting with our Prison's Pack to



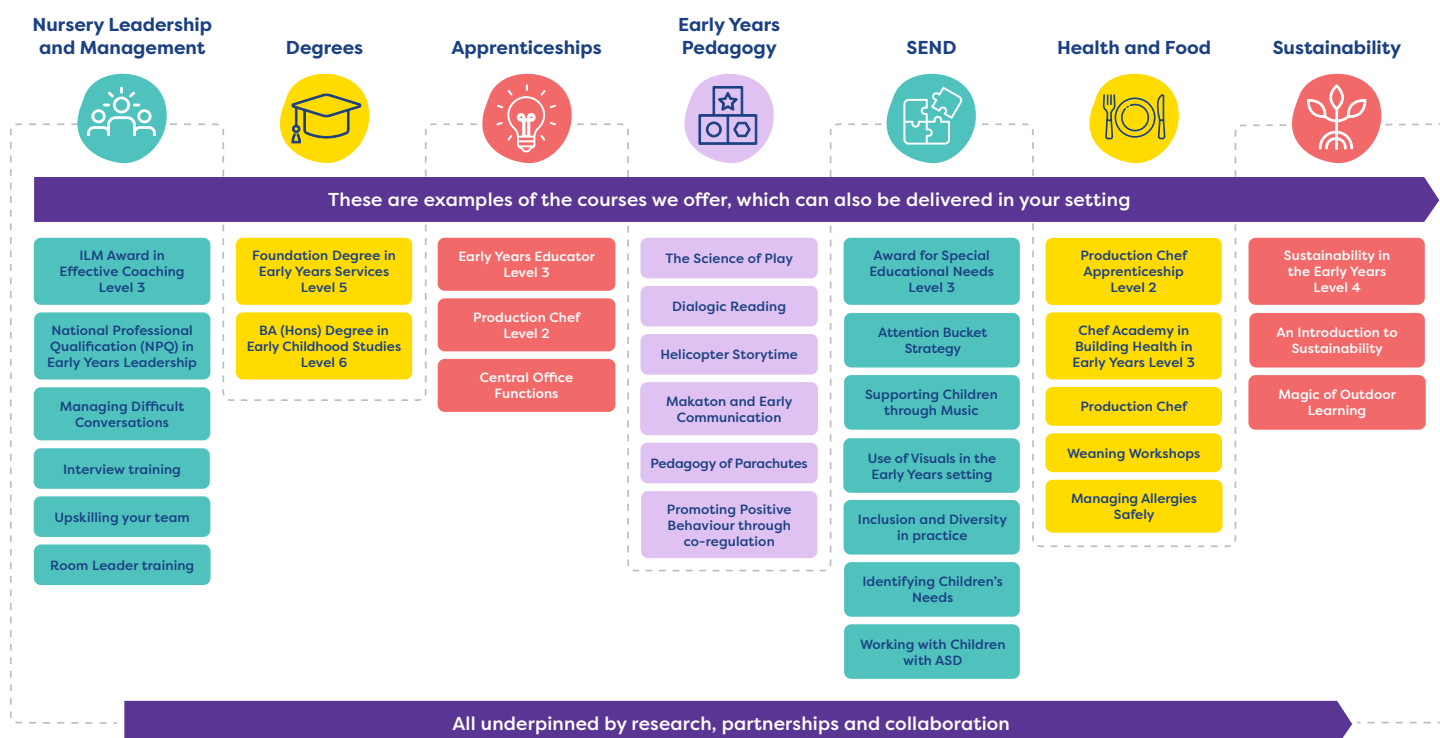
Quality accredited training

Our training is quality assured. Our ILM accredited qualifications delivered in-house include a Level 3 Award for SENDCos and Level 3 Award in Effective Workplace Coaching.

Two External Quality Assurance (EQA) visits were completed this year: one by a CACHE EQA and one by an ILM EQA. Both visits were successful, and we retained the highest grading of Level 1. Both EQAs commented on our efficient management and our commitment to training, which is key to developing high quality staff.

support those working in Early Years who are caring for children with a parent in prison.

London Institute offering



Section 1: Social Purpose

LEYF degree

We continue to deliver our pioneering degrees for Early Years professionals, taught and assessed by our Institute's L&D Team, and accredited by the University of Wolverhampton.

This year, our partnership with Wolverhampton University and the delivery of the degree underwent an intensive review process. We were assessed by partners across the University and at other Higher Education institutions. Feedback was very positive, and comments included:

“

Students feel well supported by the LEYF team, have pastoral care and have been signposted to resources available to them provided by the University.”

“

The students see themselves as professionals and the courses support the development of their professional identity. The teaching team is very passionate and support the students, the profession and practitioner research.”

We welcomed our fifth cohort of Foundation Degree (Level 5) students, and our second cohort of BA Hons top-up (Level 6) students. Both programmes are now open to external students through our London Institute of Early Years. We were immensely proud to attend our first graduation event at the University of Wolverhampton, with a group of Foundation Degree and BA Hons top-up students who had completed their studies this year.

Undertaking degree-level study has continued to have a positive impact on staff progression, with 56.5% of all LEYF degree students

having received one or more promotion since commencing their studies.



We began offering the Early Years Graduate Practitioner Competencies and are the first



JPMorgan Chase

JPMorgan Chase Foundation has continued to support our 'Progression Programme for Early Years Educators', enabling us to scale the number of people LEYF upskills, trains and promotes as promising LEYF teachers and Early Years educators.

Our partnership has supported us to expand our award-winning Learning and Development Team to build internal capacity to train more LEYF Early Years teachers to complete a university degree (Level 5 Foundation or Level 6 Honours).

of Wolverhampton University's partner colleges to do so. We have worked closely with the University to amend their processes to suit our context. The introduction of the competencies means that our degree can be considered a full and relevant qualification, due to having an element of assessed practice, and enables us to recruit students who do not hold a full and relevant Level 3 Early Years qualification. All students who complete the competencies will also receive an additional Graduate Practitioner accreditation.

Section 1: Social Purpose

Health, food and nutrition

Nutrition and health are a priority at LEYF. We adopt a comprehensive approach to food education by teaching children and adults about healthy food and supporting parents with food-based home learning activities.

LEYF Chef qualification

LEYF created the Early Years Chef Level 3 qualification endorsed by CACHE/NCFE in 2019, which is now provided by our London Institute of Early Years. Over the last five years, 54 Early Years chefs have attended the training. LEYF appointed O'Donnell Evaluations to analyse the impact of the qualification on chefs attending the course and the benefit to their nurseries and families. The LEYF Chef Academy Impact Report 2023 (LEYF, online, 2023) demonstrates the success of the course and enabled LEYF to review, learn and improve our offer.

The mid-point evaluation of the Chef Academy was published in January 2023 and highlighted the value of an Early Years-specific chef qualification.

Key findings:

96%

of chefs reported an improved understanding of the impact of food on children's health and development.

92%

of chefs reported an improved understanding of age-appropriate portion sizes.

50%

of nurseries reported that the affordability of their menus had improved, due to changes to portion sizes and menus, which had reduced food waste.



Working together to create change

We worked closely with the DfE to produce content for the Early Years nutrition pages on the Government website, which launched in March 2024. We delivered guidance on nutrition from birth to under 5-year-olds for the sector. This includes written content, digital graphics, five short videos and 11 downloadable recipe cards. See [here](#).

LEYF's connection with food campaigns, food networks and health social enterprises has expanded. We are part of some exciting workshops, projects and roundtable discussions including work with Bremner Co, City Harvest, Sustain and the APPG for social enterprise's work to transform the UK food system.

“

“As soon as we saw the course, we wanted to jump on it because there's not much out there that is tailored towards nursery chefs. Other training is more for the practitioners.”

Chef

“

“This should be a national requirement for chefs to have within the Early Years because if we don't get it right now, it's probably too late by the time they go to primary school...”

Manager from a participating nursery

“

“All EY chefs should do this course; I feel it should be compulsory along with a food hygiene certificate for all nurseries.”

Parent from a participating nursery

Section 1: Social Purpose

Apprenticeship programme

Our apprenticeships are supported on their learning journey by the team in the LEYF Apprentice Academy who nurture and coach them as they apply their learning to their practice within our nurseries.



LEYF Apprentice Academy provides a comprehensive enrichment programme to complement formal training offered by apprenticeship providers.

The LEYF Apprentice team offers a significant level of support in person at the Apprentice Academy, online and through video calls and through nursery visits to support both the apprentice and nursery teams. Alongside this, each apprentice has a workplace apprentice coach for support to

help them synthesise classroom theory with teaching practice. This multifaceted approach has had a positive impact on **our retention, which is 75% in comparison to the national average of 55.7%.**

Our Apprentice Programme was again shortlisted for Large Employer of the Year in the Multicultural Apprenticeship Awards 2023 and nominated for the Employer of the Year for the Central YMCA Award 2023 where we received a commendation for our Outstanding Contribution and Dedication as an Apprenticeship Partner.

All apprentice training takes place at the LEYF Apprentice Academy attached to our Burgess Park Nursery, which offers one large training space and a secondary

small training space, a resource library, revision space and a laptop lending scheme. The laptop scheme has supported apprentices to access virtual learning, carry out independent research and complete coursework, eliminating the barrier to access technology.

During the year, we had seven cohorts of Early Years apprentices, amounting to a total of 109 EYE apprentices who were actively on a course or started during this time. This included LEYF employees in our nurseries, many of whom may not previously had the opportunity to complete a qualification.

We also have four central office apprentices: one is finishing their Level 4 internal auditor apprenticeship; one completing a Level 3 payroll administrator qualification; one completing their Information Communications Technician Level 3; and for the first time we have one degree-level Apprenticeship in Senior Leadership Level 7. This year, we were able to start our first ever apprenticeship programme for Early Years chefs with two learners joining.

We fund our Apprentice Programmes through our own LEYF levy pot as well as using levy transfers from our partners at JPMorgan Chase, Permira and Pearsons, who have donated a total of £681,000, allowing us to continue to support new learners.

“

“As a care leaver, this apprenticeship has shown me that I can achieve things for myself. The support from the Apprentice Team and my nursery setting has really helped me getting through this.”

LEYF Apprentice, Marsham Street Nursery

“

“The apprenticeship allows us to reflect on what we are doing in our settings and professionally challenge using our newfound knowledge, which in turn is upskilling our colleagues with the most up-to-date information in Early Years.”

LEYF Apprentice, Barking Riverside Nursery

“

“I really didn’t like school but doing this makes me think I can actually do this, and I really want to go on to do the degree in the future.”

LEYF Apprentice, Children’s Garden Nursery

Section 1: Social Purpose

Sustainability at LEYF

LEYF aims to be the sector-leading sustainability organisation, weaving our pioneering approach throughout the organisation, while working in partnership with the sector to amplify best practice.

Early Years is a natural place to engage children and colleagues in conversations about sustainability. Green LEYF is the organisational commitment to educating our nurseries and our communities to be as green-minded as possible.

The launch of the LEYF Sustainability Strategy, in February 2023, positioned us as pioneering advocates for sustainability in the sector, a subject which has become more prominent across both the Early Years and the education sectors.



The journey so far and where we are going

Monitoring our environmental footprint

Another successful year for LEYF's ISO 14001 accreditation. This is the international standard for designing and implementing an environmental management system. LEYF was successfully re-certified with zero recommendations for future development.

Measuring our carbon footprint

We finalised the third year certification for measuring our carbon footprint through Planet Mark and have begun our fourth year measurement. Current initiatives including new outdoor spaces at several of our nurseries with greater carbon absorption capabilities will result in further reduction to our organisational carbon footprint.

We expanded our social sustainability Mangrove Forest

Project in Kenya to 1,500 trees, currently absorbing 225 tonnes of carbon and creating 188 working hours for local farmers. Find out more here: [Forest of LEYF Nurseries | Evertreen](#)



We expanded our social sustainability Mangrove Forest Project in Kenya to

1,500 trees

Building sector expertise

As we continue educating internal and external students about the importance of being more 'green-minded' in their settings, our Level 4 qualification endorsed by CACHE/NCFE, Developing Sustainability in the Early Years, remains a world first Early Years

qualification and is enhanced by our community of practice.

LEYF continues to lead the sector on sustainability with countless articles, speaking events, consultancy, guidance and support, plus a quarterly Green LEYF newsletter for nurseries and parents.

Green LEYF

In May 2023, we opened Thames Reach Nursery and Pre-school, our first nursery designed using sustainable principles. The nursery has an 'A' energy performance certificate (EPC), sustainably sourced resources and a bio-diverse outside space.

Our Hither Green Nursery and Pre-school's garden redesign was also completed and now provides a space that is inclusive of all children. We continue to expand our approach to biodiversity through seasonal allotments, bee-friendly gardens, local partnerships and outdoor projects to deepen our sustainability practice.

Section 2: Operations

Overcoming challenges to our operational model

This fiscal year continues to highlight that the challenges of recruitment and retention of qualified nursery staff, reduced hourly average of child sessions per week and inflationary cost pressures experienced since the pandemic were all very much still present.

We saw continuing improvement in occupancy numbers overall, driven by the maturing three nursery acquisitions from 2022 in Newham, and the successful launch of the Thames Reach nursery in Greenwich.

Occupancy rose overall in full-time equivalent numbers by around 50 children per year to a peak of over 1,700 FTE per week. This and the slight improvements in the recruitment of Level 3 staff, along with an increased number of apprentices in the pipeline makes us confident that our ability to increase supply of places will continue to improve through 2024 and into 2025.

Occupancy rose overall in full-time equivalent numbers by around

50
children per week

to a peak of over 1,700 FTE per week.

This will be needed as we endeavour to meet the expected growth in demand over the coming months which will be driven by the launch of the Government's increased funding for 2- to 3-year-olds from April 2024 and for 9 months to 2-year-olds from September 2024.



Our Annual Parent Survey was completed in November 2023 and showed a pleasing 1 point improvement to 61 points on the previous year, as measured by the Net Promoter methodology. The main areas for improvement centred around staff changes and improving daily and weekly feedback to parents in certain settings. Overall, the satisfaction levels were very high, and it was pleasing to receive staunch support from parents for the service they receive.

Recruitment remains challenging in more affluent boroughs and wards. To encourage strong candidates to apply, we have continued to expand the flexibility of contracts. Three- and four-day contracts are particularly attractive, and these have also been advertised for

nursery management positions. Combined with the maintenance of staff turnover rates, which have reduced to below pre-pandemic levels, we have seen the number of vacancies reduce overall; though in some settings the recruitment situation inhibited us achieving our occupancy potential.

The significant increase of 10% to the National Living Wage from April 2024 has meant that further fee increases have been necessary, in line with increases seen across the Early Year sector. LEYF will always look to deliver the best value for our parents and as such we have undertaken numerous fee comparison studies to ensure that we remain competitive while continuing to deliver the highest quality education and care across London.

Section 2: Operations

Supporting and safeguarding our children

LEYF staff, management and Trustees always prioritise the safeguarding of our children and employees.

Safeguarding is a standing agenda item at all Board of Trustees meetings and is further scrutinised by our Social Impact Committee, which is chaired by LEYF Trustee Som Holliday.

Employees access a variety of safeguarding and safety awareness training courses via our online platform, face-to-face and virtual courses facilitated by our London Institute of Early Years and through local authority Early Years training.

We completed our Annual Safeguarding and Health and Safety review of all aspects of safeguarding, including Child Protection and Health and Safety monitoring for 2023. LEYF's organisational policies and procedures are reviewed regularly



to ensure these are robust and encompass all our statutory responsibilities. These were presented to Trustees via our Social Impact Committee.

All Health and Safety and safeguarding issues are logged centrally, to ensure compliance with mandatory reporting regulations. We conduct a critical review of all child protection and

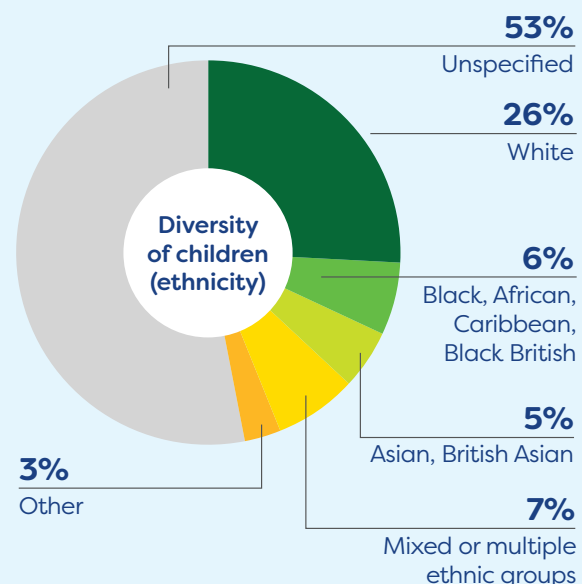
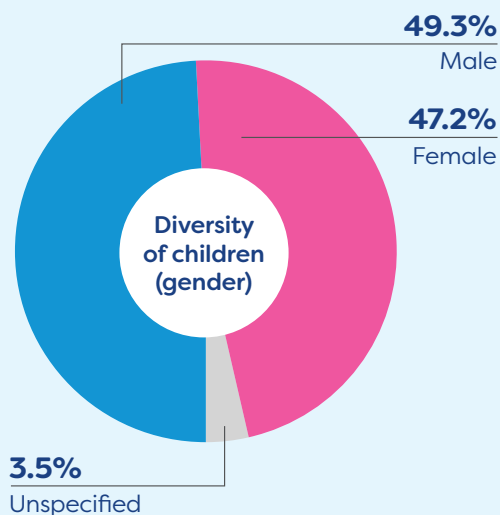
safeguarding incidents and use the learning to increase knowledge and improve practice through the LEYF safeguarding training programme.

Health and Safety

The Children's Services Team, Properties & Facilities Manager and Compliance & Internal Audit Manager work together to support Nursery Management teams in the undertaking of and adhering to Health and Safety-related tasks and processes.

It is our priority to retain a very safe and healthy environment for the children, families and staff. Effective health and hygiene practices across our nurseries ensures children, families and staff remain protected from the effects of infectious diseases.

Reported diversity of children across LEYF nurseries (FY23/24)



Section 2: Operations

Supporting all our children

LEYF welcomes all children, including those with identified needs, including Special Educational Needs and Disabilities (SEND) who we know are too often turned away from other settings.



We are seeing increasing numbers of children with SEND. In 2023/24, 352 children with SEND attended LEYF nurseries which equated to 10% of all children attending a LEYF setting (LEYF, 2023, p5).

Inclusive practice at LEYF is guided by [the Children and Families Act 2014](#), [Equality Act 2010](#) and [SEND Code of Practice](#) alongside [the Statutory framework for the Early Years Foundation stage for group and school providers](#).

Our recently updated SENDCo Induction Pack is designed to support our newly trained SENDCos (Special Educational Needs and Disabilities Coordinators) to acquire the necessary level of knowledge and competence to fulfil their role. This induction makes the responsibilities of the SENDCo explicit and highlights

their role in monitoring the impact of the provision that is in place for those children with identified needs and/or SEND within their nursery. SENDCos also advise their wider team on the best ways to support any children with SEND or potential learning delays.

This year, the SEND team has worked on the creation of a LEYF SEND Toolkit, to inform and support the Ordinarily Available Provision (OAP) at LEYF settings. Ordinarily Available Provision is the range of activities, opportunities and strategies that are offered as basic good practice to support a range of additional needs without the need for a formal diagnosis or specialist support. At LEYF, the OAP is informed by the LEYF Pedagogy, LPDS and LEYF SEND Toolkit.

Case study

We run termly LEYF SENDCo Forums to provide SENDCos with opportunities to share ideas and best practice, gain support from colleagues and receive updates on relevant local and national developments. A SEND consultation forum is also delivered on a termly basis, so that SENDCos can engage in collaborative learning using a problem-solving framework to discuss challenges they face in their role.

Requests from nurseries for the SEND team to deliver training to support children with SEND has been high this year. This reflects teachers' need to confidently address the increasing numbers of children on the SEND continuum or identified learning delays. Throughout 2023, 16 nursery training days or twilight training sessions have featured training on SEND strategies and/or processes.



We have continued to offer all LEYF SENDCos the opportunity to complete the NCFE CACHE Level 3 Award for Special Educational Needs Coordinators in Early Years Settings, with a total of 26 (67%) LEYF SENDCos holding this award. In addition, three SENDCos are currently completing the training, and another seven are enrolled for the next cohort commencing in April 2024.

Section 2: Operations

Measuring LEYF'S social impact

Measure	Description	FY 20/21*	FY 21/22*	FY 22/23*	FY 23/24
ACCESSIBILITY					
Number of Children	Number of unique children that attended a LEYF nursery	3,834	4,140	4,041	3,909
Number of Children FTE	Number of Full time Equivalent children that attend a LEYF nursery	1,401	1,534	1,556	1,589
Number of Funded Only Children	Number of unique children entirely funded through Local Authority grant income	1,224	1,417	1,216	1,051
Funded Children FTE	Number of full-time equivalent children funded through Local Authority grant income	351	391	374	353
Children with SEND	Number of children with Special Educational Needs and Disability (SEND)	405	478	375	363
Children with SEND (%)	% of children with Special Educational Needs and Disability (SEND)	11%	12%	9%	9%
Children Living in Deprivation (%)	Estimated % of Children living in deprivation based on IDACI* (Income Deprivation Affecting Children Index)	21%	21%	21%	21%
Ethnic Diversity of Children	% of children not identified as white	47%	50%	49%	45%
Multi-Generational Approach Score (out of 5)	LEYF Pedagogy Development Scale (LPDS) score related to community connections and cohesion	2.48	2.42	2.77	3.05
Male Staff (%)	% of staff identifying as male	7%	7%	7%	7%
Ethnic Diversity of Staff	% of staff not identified as white	55%	56%	58%	55%
Staff on London Living Wage	% of staff on LLW		43%	68%	71%
QUALITY					
Good' or 'Outstanding' nurseries (%)	% rated LEYF nurseries with 'Good' or 'Outstanding' Ofsted report	97%	100%	100%	100%
Outstanding' Nurseries (%)	% rated LEYF nurseries with 'Outstanding' Ofsted report	56%	52%	47%	46%
Duration (months)	Average number of months attended by leavers	19	17	18	20
Duration (% above target)	% of leavers that attended nursery for over 80 weeks	49%	42%	42%	52%
Dosage (hours)	Average hours per week attended	33	33	34	35
Dosage (% above target)	% of children attending nursery for over 30 hours per week	62%	64%	65%	68%
LPDS Score (out of 5)	Average LEYF Pedagogy Development Scale (LPDS) across all nurseries	2.87	2.90	2.98	3.29
LPDS Improvement (%)	% improvement in LPDS vs. previous year	8%	1%	3%	10%
Safeguarding Incidents	Number of reported safeguarding incidents	8	13	14	15
Health & Safety Incidents	Number of reported Health & Safety incidents	6	9	16	13
AFFORDABILITY					
Funded Hours	Hours attended funded through Local Authority grant income	835,445	930,142	889,427	836,891
Funded Hours (% hours)	% of hours funded through Local Authority grant income	30%	30%	28%	26%

*Prior year numbers have been restated due to improvements in calculation methods

Section 2: Operations

Valuing our employees

LEYF values all our employees, who are key to delivering our ambition of changing the world, one child at a time. LEYF works hard to employ talented people who are motivated to do great things for our children.

Attracting and retaining our talented employees in an extremely competitive market continues to be a priority. LEYF has long had an aspiration that all our people earn the London Living Wage (LLW). We are not there yet; however, we have taken steps towards this with over 70% of our eligible employees being paid the LLW and above.

We know employees have been affected by the high cost of living. We continue to review salaries to ensure we remain competitive and that our pay recognises their hard work and commitment. We also signpost staff and managers to a range of robust resources to support with financial education, guidance and support.

The mental health and wellbeing of our people is a focus, and this year we reviewed our employee assistance provider with our Wellbeing Champions. As a result, we switched provider, which enabled us to improve the support available to our



employees and eligible members of their household, provide access to an enhanced counselling service, a level of health support and guidance, and a range of specialists available to support them on all life matters.



of eligible employees are being paid the LLW and above.



“

The mental health and wellbeing of our people is a focus, and this year we improved our employee assistance provider.

Inclusion and diversity

LEYF is an organisation which champions tolerance and understanding and puts focus on building an inclusive organisation where our staff feel they belong.

We are very pleased that our recent Employee Engagement Survey results (WorkBuzz, online, 2024) showed that 80% of respondents felt people of all cultures and backgrounds are treated fairly, equally and with respect. 87% of respondents felt our workforce is representative of the diversity of people in the wider communities we serve. In the category of diversity and inclusion questions more broadly, we were pleased to be ranked +7% over the benchmark by WorkBuzz for similar

organisations in terms of industry and size that are within their client group.

Our campaign to increase men in childcare continues. The Early Years sector is historically female-dominated and currently, 97% of the sector remains female. We have managed to increase the proportion of men working in the sector because we know having a gender-balanced workforce brings many benefits. Our total workforce is currently 7% male and 93% female.

With support for our Men in Childcare Forum, we have continued to promote internal networking among our male staff, offering peer support to our male colleagues. They played a pivotal

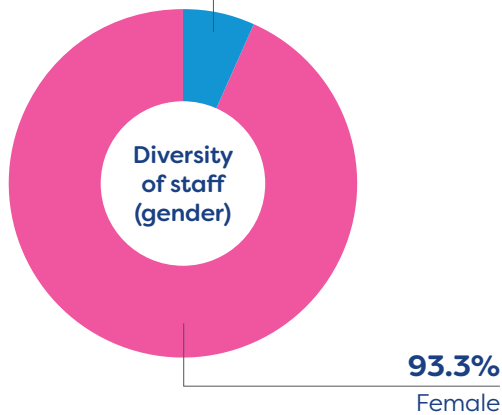


role in leading our campaigns, both internally and externally. For example, we launched our film 'Men ARE in Childcare', which was very well received and can be viewed [here](#). This year, despite the female weighting across the Early Years sector and not just at LEYF, we are delighted to have progressed further in closing our gender pay gap.

Reported gender diversity of staff across LEYF nurseries (FY23/24)

6.7%

Male



Reported ethnic diversity of staff across LEYF nurseries (FY23/24)

17%

Unspecified

3%

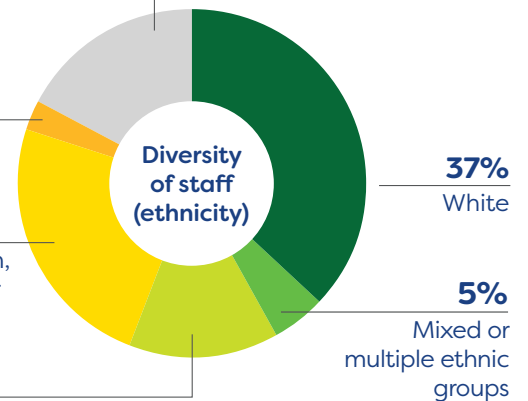
Other ethnic group

24%

Black, African, Caribbean or Black British

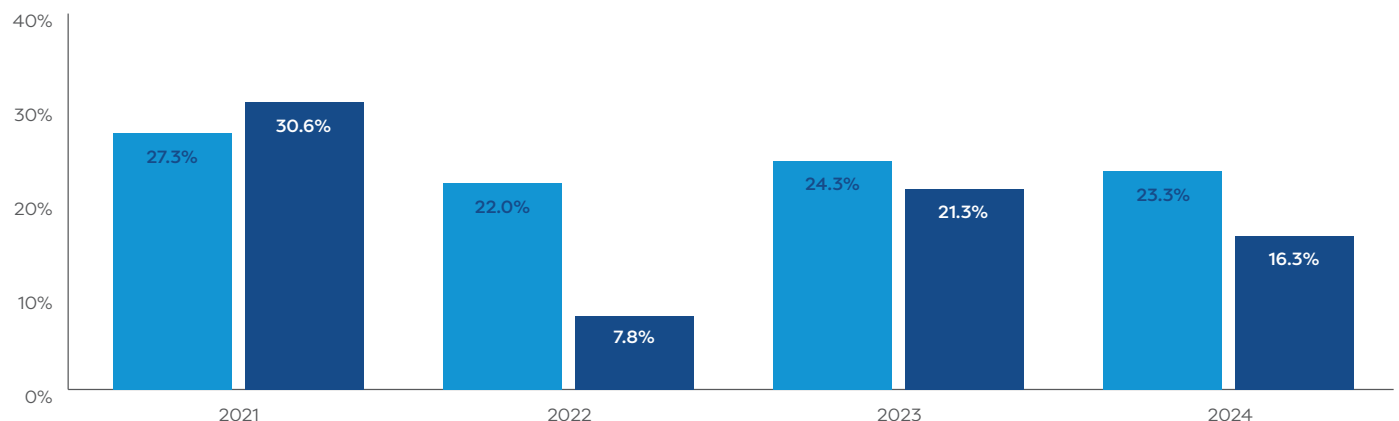
14%

Asian or Asian British



Gender pay gap in the last four years at LEYF

● Mean ● Median



Section 2: Operations

Embracing change and adapting to market shifts

As a dynamic organisation, we need to be able to respond to changing demographics and demand for places so we can maximise our social impact and remain a sustainable organisation.



This map shows the location of our current number of operational nurseries



“

Our new Thames Reach Nursery is our second in the borough of Greenwich and was financed with social investment from Trust for London, a foundation working to tackle poverty and inequality.

In May 2023, we opened Thames Reach Nursery and Pre-School, a brand-new purpose-built nursery at The Reach in West Thamesmead – bringing jobs and high quality Early Years Education and Care to the local community.

This new addition to LEYF's family of 39 nurseries across London is our second nursery in the borough of Greenwich and was financed with social investment from Trust for London, a foundation working to tackle poverty and inequality. LEYF is leasing the space from Peabody, one of London's oldest housing associations, and will be working in collaboration with the Peabody Community Foundation

to create local partnerships that enrich children's learning.

The custom-built nursery has places for 74 children and was built in line with LEYF's core design and sustainability principles. The nurturing garden presents opportunities for outdoor learning and the purpose-built kitchen will provide healthy and nutritious meals and snacks every day.

In February 2024, we were pleased to move Fire Station Nursery & Pre-School, which had no garden, into a larger nursery space in St Mary's Church of England Primary School. The result is Stoke Newington Nursery and Pre-School, a 71-place nursery across



three rooms (babies, toddlers and pre-schoolers) and a large outdoor space designed specifically with the child at heart. This was the first partnership between LEYF and the London Diocesan Board for Schools, and we hope to see more in the future.

Section 3: Finance

Summary financial performance

The Early Years sector continues to be impacted by significant pressures from rising staffing costs and persistent inflationary challenges.

These factors have strained occupancy levels, staffing and operational costs, making it increasingly difficult to maintain sustainable Early Years provision.

In response, LEYF has focused on investing in our nurseries and preparing for the substantial expansion of Government-funded childcare. We have introduced several initiatives to support the recruitment and retention of our employees, ensuring that we can continue to provide high quality

care and education. By focusing on these strategic investments, we aim to strengthen our workforce and enhance our capacity to serve more children, helping them access the best developmental and learning experiences possible.

Our investment in nurseries resulted in a reduction in our cash reserves. As a result of this, LEYF reported a deficit of £0.4m as at 31 March 2024 (FY22/23: £0.4m deficit).



Key financial indicators:

Total income

FY23/24

£32.1m

FY22/23

£29.0m

Capital re-invested in growth

FY23/24

£0.8m

FY22/23

£1.8m

Operating (deficit)/surplus before adjusting items:

FY23/24

£(0.4)m

FY22/23

£(0.4)m

Cash

FY23/24

£2.5m

FY22/23

£3.8m

Adjusted EBITDA*

FY23/24

£0.8m

FY22/23

£0.6m

Gross Debt

FY23/24

£4.3m

FY22/23

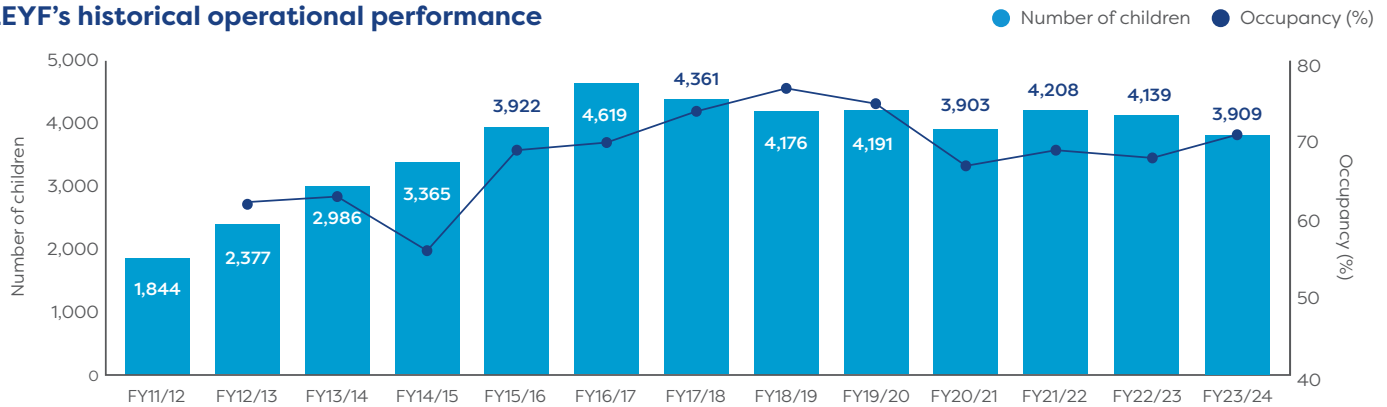
£4.6m

*Adjusted EBITDA is calculated as a total operating (deficit)/surplus with adjusting items of interest, depreciation and amortisation added back.

Section 3: Finance

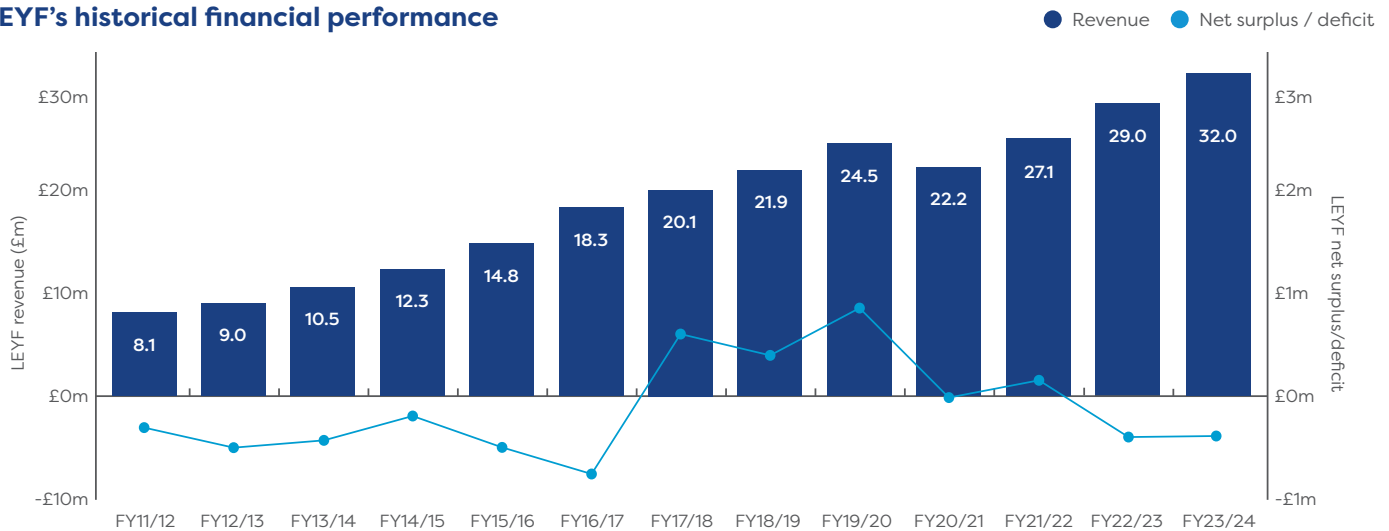
Historical performance

LEYF's historical operational performance



FY11/12	FY12/13	FY13/14	FY14/15	FY15/16	FY16/17	FY17/18	FY18/19	FY19/20	FY20/21	FY21/22	FY22/23	FY23/24
Number of nurseries												
23	24	26	34	38	38	37	37	39	39	39	40	39
Average number of places per nursery												
42	42	44	47	50	51	51	50	51	53	57	59	57

LEYF's historical financial performance



LEYF's historical social impact performance

	FY14/15	FY15/16	FY16/17	FY17/18	FY18/19	FY19/20	FY20/21	FY21/22	FY22/23	FY23/24
Dosage (average hours per week attended)	25	25	26	28	31	32	32	32	33	35
Duration (average number of months attended by leavers)	12	14	14	15	17	17	19	17	18	20
Quality (% Ofsted 'Outstanding')	20%	35%	61%	59%	60%	60%	56%	52%	47%	46%

Section 3: Finance

Income and expenditure

Income

Parental fees continue to be our largest income stream making up **77% of our total income. At £24.8m, parental fees have increased by 13%** from the prior year. This is driven by a mix of inflationary fee increases and an increase in the number of children in LEYF nurseries.

Local authority and other grant income primarily comprises local authority funding for the provision of places in our nurseries which increased by **£0.2m from the prior year**, this was offset by a reduction in other grant income.

£0.6m

Donations
(£0.5m in FY22/23)

£0.3m

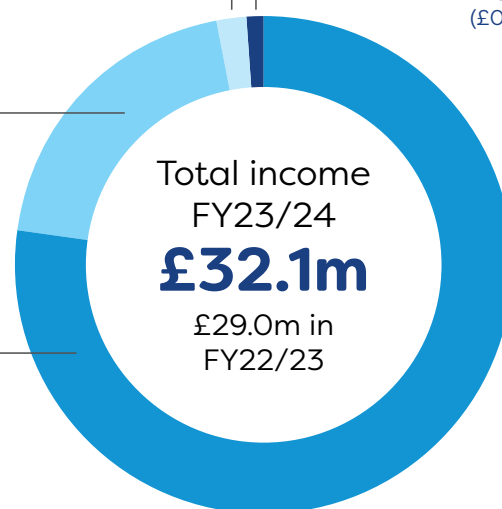
Other income
(£0.2m in FY22/23)

£6.4m

Local Authority and other grant income
(£6.4m in FY22/23)

£24.8m

Childcare income
(£22.0m in FY22/23)



Expenditure

Staff costs increased by 11% from the prior year to £22.1m. This is due to an increase in the number of full time equivalent staff and salary increases including increases to London Living Wage.

Property costs have increased by 23% to £3.7m due to continuing inflationary pressures on utilities and rental increases during the year.

£1.0m

Depreciation, Amortisation & Losses
(£0.7m in FY22/23)

£2.7m

Consumables & Activities
(£2.7m in FY22/23)

£3.7m

Property
(£3.0m in FY22/23)

£2.3m

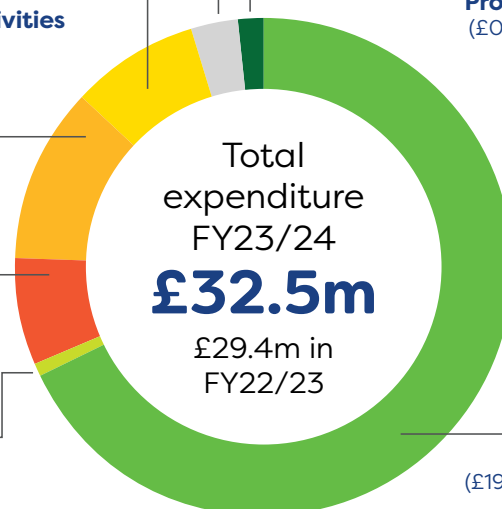
Recruitment & Personnel
(£2.5m in FY22/23)

£0.2m

Learning & Development
(£0.3m in FY22/23)

£0.5m

Audit and Other Professional Fees
(£0.4m in FY22/23)



Section 3: Finance

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Statement of accounts

LONDON EARLY YEARS FOUNDATION

Charity Reference and Administrative Details

For the year ended 31 March 2024

Administrative Information

Status	The organisation was founded in 1903 and is now a charitable company limited by guarantee, incorporated on 10 March 1988 and registered as a charity on 31 March 1988.
Governing document	London Early Years Foundation is governed by its Memorandum and Articles of Association.
Charity objects	The objects of the charity are: 1. to promote the care and upbringing and preserve and protect the health of children, particularly those whose circumstances make it necessary or desirable for them to be cared for outside the normal home environment; and 2. to promote education and vocational training in respect of all matters relating to childcare, the upbringing of children and the protection and health of children.
Company number	02228978
Charity number	299686
Registered office and operational address	121 Marsham Street London SW1P 4LX
Website	www.leyf.org.uk
Bankers	National Westminster Bank plc PO Box 2 27-29 Horseferry Road London SW1P 2AZ
Solicitors	Darwin Gray LLP 9 Cathedral Road Cardiff CF11 9HA
Auditors	Buzzacott LLP 130 Wood Street London EC2V 6DL

LONDON EARLY YEARS FOUNDATION

Report of Trustees including the strategic report

For the year ended 31 March 2024

The Trustees present their report and the audited financial statements of the charity for the year ended 31 March 2024. The Trustees have adopted the provisions of the Statement of Recommended Practice (SORP) 'Accounting and Reporting by Charities' and (FRS102) 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' in preparing the annual report and the financial statements of the charity.

The financial statements have been prepared in accordance with the accounting policies set out in the notes to the accounts and comply with the charity's governing document, the Charities Act 2011 and Accounting and Reporting by Charities: Statement of Recommended Practice applicable to the charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland published in October 2019.

Board of Trustees

The Trustees currently serving, who are also directors of the company, under company law are as follows:

Michael Garstka Chair of the Board R		
Richard Timmins Treasurer F	Anthony Perkins Trustee F R	Ravi Verma Trustee F R
Lauren Georgia Hart Trustee F	Anu Vishwas Sarkar Trustee	Allan Lambert Trustee S
Soumya Holliday Trustee S	David Inness Rae Trustee F	Kirsty Ann Reed Trustee S
F Finance Committee	R Remuneration and Nominations Committee	S Social Impact Committee

Mary Wynne Finch has acted as Nursery Ambassador for LEYF since November 2014 and is a member of the Social Impact Committee.

Latif Noorali Sayani resigned as a Trustee and member of the Finance Committee on 29 June 2023.

Anu Vishwas Sarkar was appointed on 21 March 2024.

LONDON EARLY YEARS FOUNDATION

Report of Trustees including the strategic report

For the year ended 31 March 2024

Executive Management Team

June O'Sullivan OBE

Chief Executive and Company Secretary

Kevin Dyson

Director of Finance

Michael Abbott

Director of Operations

Melanie Wright

Director of People and Culture

(Appointed on 26 June 2023)

Sally Clark

Head of Marketing and Communications

Samantha Crème

Director of Strategy & Business Development

(Resigned on 19 May 2023)

Public benefit statement

In meeting the objectives and formulating future plans, the Trustees have considered the Charity Commission's guidance on public benefit. The Trustees support the principles of good governance set out in the Charity Governance Code for larger charities. The charity continues to promote care and education and protect the health of children.

Conflict of Interest and loyalty

The Trustees understand the Charity Commission requirements and understand the need to avoid and manage potential conflicts of interest and loyalty.

Achievements and performance

The achievements and performance of the charity are detailed on pages 28 to 49 of the Annual report.

LEYF does not carry out any significant fundraising activities.

Structure management and governance

The affairs of LEYF are directed by the Trustees, who are also directors of the company limited by guarantee. The full Board of Trustees met five times during the financial year, including a full-day strategy away day.

The meetings include a formal agenda agreed in advance between the Chair and Chief Executive. The Board approves the strategy and the annual budget and oversees risk management by a review of LEYF's Risk Map as part of its decision-making, risk and controls function. Committee minutes and reports are brought to the Board for information and discussion. Enough time is made available for Trustees to raise other matters not included in the agenda. The day-to-day running of LEYF is delegated to the Chief Executive and the Executive Management Team. Individual nurseries are run by managers, all of whom have formal childcare qualifications and relevant experience.

In addition to their formal meetings, the Trustees conduct business through the Finance Committee (FinCom), Social Impact Committee (SIC), Remuneration and Nominations (RemNom) Committee and occasional committees set up to oversee specific projects or issues. These committees deal with our social impact, finance, premises, H&S, marketing, fundraising, Human Resources and business expansion. The committees include both Trustees and relevant officers of LEYF in their membership.

The FinCom oversees the preparation of the annual budget which is then recommended to the Board for approval. The work of the committee includes a review of the financial and operating performance of the charity, funding and liquidity management, and approves major capital expenditures as well as expansion and investment in new nurseries. The periodic reviews of delegated financial authorities and major policies of the charity are also brought to this committee for discussion and approval before recommendation to the Board as a whole.

During the financial year, FinCom met six times; the SIC and RemNom both met three times.

The SIC considers relevant matters arising out of the measurement of social impact across different LEYF nurseries, ensuring the Board of Trustees considers these for future strategic decisions. Additionally, the committee ensures that LEYF and the Board of Trustees meet the safeguarding and H&S statutory requirements.

RemNom advises the Board of Trustees about governance issues including Board effectiveness, Trustee recruitment, executive-level compensation and employee rewards and succession planning. New Trustees are appointed by the full Board of Trustees. There is an open recruitment process and Trustees are sought based on their knowledge, skills and experience, and how these will benefit the organisation.

LONDON EARLY YEARS FOUNDATION

Report of Trustees including the strategic report

For the year ended 31 March 2024

The appointment process has three elements: an interview with the CEO and a member of the Executive Management Team (EMT); an interview with the Chair; and an interview with two delegated Trustees, which is managed through the RemNom. Feedback is co-ordinated and a recommendation is made to the Board. If there is consensus, the potential Trustee is invited to shadow a Board meeting. Appointment is made after that, followed by an induction. During the FY23/24, Anu Vishwas Sarkar joined the Board of Trustees. Latif Noorali Sayani resigned.

The induction process includes meetings with the EMT, shadowing on committee meetings and visits to nurseries.

Trustees are encouraged to take part in LEYF events and attend appropriate development and training courses. An annual Board effectiveness survey is carried out and feeds into a governance action plan.

All Trustees give their time voluntarily and receive no benefits from the charity; any expenses reclaimed from the charity are set out in note 7 of the accounts.

Members of LEYF guarantee to contribute an amount not exceeding £1 to the assets of LEYF in the event of winding up. The total number of such guarantees as at 31 March 2024 was 10 (2023: 10). The Trustees have no beneficial interest in LEYF.

Reserves policy

As part of the prudent governance at LEYF, we focus on both the reserves shown in the balance sheet (the Total Charity Funds) and cash to ensure financial stability in the long term.

In terms of reserves, the key measures are:

- overall total charity funds being in surplus; and
- unrestricted reserves, shown as General Funds in the balance sheet.

The term 'unrestricted reserves' is used to describe that part of LEYF's income funds that are freely available for its operating purposes and not subject to commitments, planned expenditure and spending limits. Reserves in this context would not include endowment funds, restricted funds or designated funds.

In FY22/23, the reserves policy was reviewed, updated and approved by the FinCom. The reserves policy was updated to better reflect the measures used and assessed to support our ambition and long-term growth strategy. The policy was applied throughout FY23/24 and continues to be considered appropriate.

The deficit for the year was £(0.4)m. The total amount of reserves as at the reporting date shows restricted funds of £1.3m and unrestricted general fund reserves as £1.2m. Overall total charity funds are £2.5m. Of the restricted reserves £0.8m can only be realised by disposing of fixed assets.

The unrestricted funds in the balance sheet include the impact of accumulated amortisation of goodwill and acquisitions and depreciation of capital expenditure related to growth. Given the non-cash nature of these accounting entries, the accumulated amortisation and depreciation on growth are added back to restricted reserves to reflect the business-as-usual funds available.

The Trustees also monitor the cash position closely and we require a reserve that is both unrestricted and able to be spent as cash – our cash reserve. A dynamic target for the cash reserve has been set as one month's operating payroll cost, in accordance with the pre-agreed budget for the year. The Trustees agree that, given the probability and impact of the level of risks evaluated, this amount is sufficient to allow the organisation to recover from any additional cost or lost revenue impacting short-term cash flows.

Applying this policy requires an unrestricted cash reserve of £1.8m. LEYF monitors the level of cash and unrestricted reserves held monthly as part of the management reporting process to ensure reserves are maintained at the agreed level. Similar to prior years, the cash balance was £2.5m at year end and remains in excess of the cash reserve on an ongoing basis and the unrestricted funds matched as at year-end the level required as at 31 March 2024.

The policy helps inform the way in which LEYF manages its cash, liquid assets and debt. All our funds continue to be held in cash or cash equivalents. The reserves policy is not a static policy and is reviewed every year or more often if the circumstances of the charity or the environment in which it operates change with time. The amount held in reserves is monitored during the course of the year as part of LEYF's budgetary processes.

Investment policy

LEYF has a policy of keeping its surplus funds in low-risk investments, generally in bank deposits.

It monitors the interest rates on its deposits and the amount it needs to keep available in cash resources. LEYF reviews its investment policy regularly with a view to ensuring that it preserves the capital value and buying power of any reserves that it holds as well as providing a continuing income from its short-term surplus funds.

LONDON EARLY YEARS FOUNDATION

Report of Trustees including the strategic report

For the year ended 31 March 2024

Remuneration policy

LEYF has undertaken a review of the company-wide remuneration policy taking into consideration the National Living Wage requirements. The salaries of all positions were reviewed against industry norms and adjusted where required.

It should be noted that LEYF is working towards the London Living Wage requirement and is reviewing this in line with budget constraints.

Remuneration of key management personnel (EMT) (excluding the CEO) is recommended by the CEO and approved by RemNom, delegated from the Board of Trustees. Remuneration of the CEO is recommended by RemNom and approved by the Board. The committee carefully consider multiple charity and private sector benchmarks before making decisions.

Related parties and relationships with other organisations

Donations received from the Trustees during the year were £16,600 (2023: £15,900).

The total expense incurred for services to related parties during the year was £54,803 (2023: £65,552). This amount includes a payment of £Nil (2023: £4,471) for gardening services to Glow Gardens, which employs a close family member of the CEO and £12,399 (2022: £13,526) to Chartered Wealth Management, which employs a close family member of a key member of staff, who has now left office. Other payments of £39,059 (2023: £44,754) were made to family members of the CEO and a key member of staff under current employment standard employment and supplier terms. In addition, £3,345 (2023: £2800) was paid for a membership of Social Enterprise (UK), which is a charity connected to the CEO.

As at 31 March 2024, a total amount of £1,942 (2023: £14,417) was payable to related parties and have been included in trade creditors.

Employment practices

Striving to ensure that the work and learning environment is free of harassment and bullying, and that everyone is treated with dignity and respect, is an important aspect of ensuring equal opportunities in employment. The organisation has a separate Dignity at Work policy which deals with these issues.

Person and job specifications will be limited to those requirements that are necessary for the effective performance of the job.

Candidates for employment or promotion will be assessed objectively against the requirements for the job, taking account of any reasonable adjustments that may be required for candidates with a disability. Disability and personal or home commitments will not form the basis of employment decisions except where necessary. Fair and full consideration of applications made for employment by disabled persons will be given, having regard for their particular aptitudes and abilities, as well as continuing the employment of, and arranging training for, employees who have become disabled persons while employed, and consideration of development and promotion of disabled persons will be on a fair basis.

LEYF holds regular Staff Forums and Strategy Meetings to listen to employees while informing them of organisational and external matters concerning them as employees as well as updating and including them in the planning of the future direction of LEYF.

LEYF reviews and maintains a suite of employee benefits to encourage employee retention and involvement.

General volunteers are not used by LEYF in the operation of the organisation.

Going concern

The Trustees have reviewed the trading, forecast and underlying assumptions and are confident that LEYF is a going concern. The latest forecast that was prepared takes into account the anticipated impact of the recently announced expansion of government-funded hours and shows our ability to meet our obligations and liabilities.

Furthermore, as part of the review of our longer-term funding strategy, the Trustees continue to consider the refinancing options for the business that will offer lower costs and more favourable and longer-term repayment arrangements.

The Trustees consider it reasonable to prepare the accounts on a going concern basis, as no material uncertainties exist and sufficient funding exists to cover a period of at least 12 months from the date of sign off.

LONDON EARLY YEARS FOUNDATION

Report of Trustees including the strategic report

For the year ended 31 March 2024

Risk management

The Trustees believe that the charity has appropriate procedures and controls in place to adequately mitigate against risks to which we are exposed.

Systems include:

- a long-term strategic plan, annual business plan and annual budget, all of which are approved by the Trustees;
- regular consideration by the EMT of financial results, variance from budgets, non-financial performance indicators and benchmarking reviews;
- in-depth review of financial performance and risk by the FinCom, including review of growth planning;
- in-depth annual review of the management of safeguarding and other incidents by Trustees at the Social Impact Committee;
- continuing development of a performance measurement framework to ensure we further improve our understanding of our work and its impact; and
- scaled delegated authority levels and segregation of duties.

LEYF's approach to risk management includes the identification of risks on both 'top-down' and 'bottom-up' bases. This involves considering internal and external factors affecting our strategic goals and specific risks attributable to detailed operations. Identified risks are rated according to the likelihood and impact of the risk occurring. We overlay on this a review of the risks to delivery of the business plan for the current and subsequent years.

Mitigating controls are identified and, where further action is required, deadlines and responsibilities assigned. Those activities with higher risk ratings are prioritised. In addition to review by the EMT team and the FinCom, the risk register is reviewed annually by the Board of Trustees, who also receive a mid-year update on key risks.

A key element of our control framework is comprehensive reporting of incidents, accidents and near-misses. This reporting includes any safeguarding, information or governance breaches that occur. These are considered by the appropriate governance committees. They also consider the decisions as to whether any such occurrences should be reported to the relevant regulatory body. LEYF maintains a strong culture of reporting incidents. Each of these risks is overseen by the Board of Trustees or a delegated committee.

Principal risks and uncertainties

The Trustees continue to review major strategic, business and operational risks (including Health and Safety). The Trustees conduct an annual review of the strategic options for LEYF in the context of the need for its services and the availability of future funding.

The Board of Trustees has in place an assessment of the major risks facing LEYF now and in the future, which is updated regularly. The Trustees receive regular reports that monitor the financial and operational position and exposure to risk. The Trustees are satisfied that systems are in place to monitor and control all areas where there is an identifiable risk with financial, operational or reputational implications. Each of LEYF's objectives is linked to the risk register.

The most significant risks facing LEYF for the year ahead have been identified as:

- Changes in government legislation of funding that alters the fundamentals of the childcare business. This could have far-reaching consequences for the charity depending on the nature of the change.
- The impact of staff shortages across the sector. High staff turnover with unmatched levels of recruitment resulting in increased reliance on bank staff and agency staff. This could continue to impact occupancy levels, operational costs, quality of delivery and staff morale.
- The impact of wage and cost inflation on the operational activities of the nurseries in particular the exposure to the recent increases in the National Minimum Wage and London Living Wage. This could directly impact essential running cost of the nurseries.
- The impact of rising interest rates on loans which will result in increased finance cost and indirectly impact on our long-term plans for growth.

These risks can impact revenue stability and growth and LEYF's ability to deliver a high quality service:

- Revenue stability and growth is managed by ensuring that occupancy, a key driver of profitability, is maximised by targeted marketing, good customer relations, high quality service delivery and a focus on maintaining waiting lists.
- High service quality is managed through training and the recruitment of suitably skilled staff for all nurseries and the central office with a strong programme of support to retain staff.

LONDON EARLY YEARS FOUNDATION

Report of Trustees including the strategic report

For the year ended 31 March 2024

The Trustees further recognised two other major strategic risks for the business:

- Safeguarding the children
- Health and Safety risks.

Both these risks have been subjected to intensive analysis and mitigation activity and the Board of Trustees is comfortable that all efforts are being made to reduce them.

Financial instruments

LEYF's financial instruments are operational cash generation from trading activities and loans from four providers: Bonds issued through Triodos Bank UK Limited (The Registrar), CBILS, Trust for London Trustee and the Postcode Innovation Trust.

The charity also has operating leased assets, debtors and creditors arising from its day-to-day operation to provide working capital to help manage its cash flows.

Liquidity risk

The charity manages its cash, borrowings and working capital in order to provide the social impact of our purpose while ensuring the charity has sufficient liquid resources to meet the needs of the operation. LEYF now has unrestricted reserves of £1.6m (2023: £1.6m).

LONDON EARLY YEARS FOUNDATION

Statement of Trustees' Responsibilities

For the year ended 31 March 2024

The Trustees (who are also directors of LEYF for the purposes of company law) are responsible for preparing the Trustees' Annual Report including the Strategic Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the Trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charitable company and the group and of the incoming resources and application of resources, including the income and expenditure, of the charitable company or group for that period.

In preparing these financial statements, the Trustees 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 and statements of recommended practice have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in operation.

The Trustees are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable company and group and, hence, for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Each of the Trustees confirms that:

- there is no relevant audit information of which the charitable company's auditors are unaware;
- they have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information;
- they are responsible for the maintenance and integrity of the corporate and financial information included on the charitable company's website;
- that legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions

Buzzacott LLP was re-appointed as the charitable company's auditors during the year and has expressed its willingness to continue in that capacity.

The Trustees' Annual Report is approved by order of the Board of Trustees and the Strategic Report and the Directors Report required by company law (included therein) are approved by the Board of Trustees in their capacity as directors and signed on their behalf by:



Michael Garstka, Chair of Trustees

9 October 2024

LONDON EARLY YEARS FOUNDATION

Independent auditor's report to the members of the London Early Years Foundation For the year ended 31 March 2024

Opinion

We have audited the financial statements of London Early Years Foundation (the 'charitable company') for the year ended 31 March 2024 which comprise the statement of financial activities, the balance sheet, and statement of cash flows, the principal accounting policies and the notes to the financial statements. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 March 2024 and of its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the Trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the charitable company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the Trustees with respect to going concern are described in the relevant sections of this report.

Other information

The other information comprises the information included in the annual report, including the Report of Trustees other than the financial statements and our auditor's report thereon. The Trustees are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Report of Trustees, which is also the directors' report for the purposes of company law and includes the strategic report, for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Report of Trustees, which is also the directors' report for the purposes of company law and includes the strategic report, has been prepared in accordance with applicable legal requirements.

LONDON EARLY YEARS FOUNDATION

Independent auditor's report to the members of the London Early Years Foundation For the year ended 31 March 2024

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Report of Trustees including the strategic report. We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of Trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit

Responsibilities of Trustees

As explained more fully in the Trustees' Responsibilities Statement set out on page 39, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Trustees are responsible for assessing the charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Trustees either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

Our approach to identifying and assessing the risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, was as follows:

- the engagement partner ensured that the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with applicable laws and regulations; and
- we obtained an understanding of the legal and regulatory frameworks that are applicable to the charity and determined that the most significant frameworks which are directly relevant to specific assertions in the financial statements are those that relate to the reporting framework (Statement of Recommended Practice: Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the United Kingdom (FRS 102), the Charities Act 2011 and the Companies Act 2006) and those that relate to the Code of Fundraising.

We assessed the susceptibility of the charity's financial statements to material misstatement, including obtaining an understanding of how fraud might occur, by:

- making enquiries of management as to their knowledge of actual, suspected and alleged fraud; and
- considering the internal controls in place to mitigate risks of fraud and non-compliance with laws and regulations.

To address the risk of fraud through management bias and override of controls, we:

- performed analytical procedures to identify any unusual or unexpected relationships;
- performed substantive testing of expenditure including the authorization thereof; and
- tested journals to identify unusual transactions.

LONDON EARLY YEARS FOUNDATION

Independent auditor's report to the members of the London Early Years Foundation For the year ended 31 March 2024

In response to the risk of irregularities and non-compliance with laws and regulations, we designed procedures which included, but were not limited to:

- review of the minutes of meetings of those charged with governance; and
- enquiring of management as to actual and potential litigation and claims.

There are inherent limitations in our audit procedures described above. The more removed that laws and regulations are from financial transactions, the less likely it is that we would become aware of non-compliance. Auditing standards also limit the audit procedures required to identify non-compliance with laws and regulations to enquiry of the Trustees and other management and the inspection of regulatory and legal correspondence, if any.

Material misstatements that arise due to fraud can be harder to detect than those that arise from error as they may involve deliberate concealment or collusion.

A further description of our responsibilities is available on the Financial Reporting Council's website at www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Use of our report

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an auditor's 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 charitable company and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.



Hugh Swainson (Senior Statutory Auditor)
For and on behalf of Buzzacott LLP, Statutory Auditor

130 Wood Street
London
EC2V 6DL

Date: 10 October 2024

LONDON EARLY YEARS FOUNDATION

Statement of Financial Activities (incorporating the income and expenditure account)

For the year ended 31 March 2024

				2024			2023
	Note	Unrestricted £	Restricted £	Total £	Unrestricted £	Restricted £	Total £
Income from:							
Donations	2	383 405	237 596	621 001	338 731	144 428	483 159
Charitable activities							
Childcare Income	3	30 498 980	608 699	31 107 679	27 541 178	815 414	28 356 592
Training Income	3	89 108	-	89 108	19 562	-	19 562
Interest Income		53 290	-	53 290	19 310	-	19 310
Other		155 621	53 782	209 403	150 752	10 900	161 652
Total income		31 180 404	900 077	32 080 481	28 069 533	970 742	29 040 275
Expenditure on:							
Charitable activities							
Childcare Expenditure	4	30 964 854	942 456	31 907 310	28 293 941	631 640	28 925 581
Training Expenditure	4	552 585	4 136	556 721	507 578	3 560	511 138
Total expenditure		31 517 439	946 592	32 464 031	28 801 519	635 200	29 436 719
Net (deficit)/surplus for the year		(337 035)	(46 515)	(383 550)	(731 986)	335 542	(396 444)
Net movement in funds		(337 035)	(46 515)	(383 550)	(731 986)	335 542	(396 444)
Reconciliation of funds:							
Total funds brought forward	19	1 563 972	1 320 182	2 884 154	2 295 958	984 640	3 280 598
Total funds carried forward		1 226 937	1 273 667	2 500 604	1 563 972	1 320 182	2 884 154

All of the charity's activities derived from continuing operations during the above two financial years.
The charity has no recognised gains or losses other than those shown above.

LONDON EARLY YEARS FOUNDATION

Balance sheet

For the year ended 31 March 2024

		2024		2023	
	Note	£	£	£	£
Fixed assets:					
Intangible assets	10		1 261 752		1 453 933
Tangible assets	11		6 216 066		5 641 643
Investment in Subsidiary	12		-		31 330
			<u>7 477 818</u>		<u>7 126 906</u>
Current assets:					
Debtors	13	1 215 359		1 029 733	
Cash at bank and in hand	21	<u>2 524 172</u>		<u>3 836 371</u>	
		3 739 531		4 866 104	
Liabilities:					
Creditors: amounts falling due within one year	14	<u>(5 168 154)</u>		<u>(5 200 149)</u>	
Net current (liabilities)/assets			<u>(1 428 623)</u>		<u>(334 045)</u>
Total assets less current liabilities			6 049 195		6 792 861
Creditors: amounts falling due after one year	16		<u>(3 548 591)</u>		<u>(3 908 707)</u>
Total net assets			<u>2 500 604</u>		<u>2 884 154</u>
The funds of the charity:	19				
Restricted income funds			1 273 667		1 320 182
Unrestricted income funds:					
General funds			<u>1 226 937</u>		<u>1 563 972</u>
Total charity funds			<u>2 500 604</u>		<u>2 884 154</u>

The financial statements on pages 43 to 57 were approved by the Board and authorised for issue on 9 October 2024 and signed on its behalf by:



Michael Garstka
Chair

Company number: 02228978

LONDON EARLY YEARS FOUNDATION

Cash flow Statement

For the year ended 31 March 2024

			2024		2023
	Note	£	£	£	£
Cash flows from operating activities	20		494 207		(154 023)
Cash flows from investing activities:					
Purchase of intangible assets		(29 531)		(1 172 689)	
Purchase of tangible assets		(1 308 266)		(1 572 786)	
Investment in subsidiary		25 276		(57 646)	
Net cash used in investing activities			(1 312 521)		(2 803 121)
Cash flows from financing activities:					
Proceeds from borrowing		322 000		2 425 000	
Repayments of borrowing		(614 916)		(600 000)	
Interest paid		(200 969)		(113 127)	
Net cash (used in)/ provided by financing activities			(493 885)		1 711 873
Change in cash and cash equivalents			(1 312 199)		(1 245 271)
Cash and cash equivalents at the beginning of the year			3 836 371		5 081 642
Cash and cash equivalents at the end	21		2 524 172		3 836 371

LONDON EARLY YEARS FOUNDATION

Notes to the financial statements

For the year ended 31 March 2024

1 Accounting policies

a) 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) (second edition effective 1 January 2019) - (Charities SORP FRS 102), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (March 2018) and the Companies Act 2006. The financial statements are in GBP (£) which represents both presentational and functional currency and are rounded to the nearest £1.

London Early Years Foundation 'the organisation' is a company incorporated in England, United Kingdom under the Companies Act 2006. The organisation is a private limited company by guarantee without share capital and is registered in England and Wales. The registered office address is 121 Marsham Street, London, SW1P 4LX. The organisation is a registered charity limited by guarantee. Company number 02228978 and Charity number 299686.

b) Public benefit entity

The charitable company meets the definition of a public benefit entity under FRS 102.

c) Going concern

The Trustees have reviewed the trading and cash forecasts, along with the underlying assumptions, and are confident that LEYF is a going concern. The latest forecast demonstrates LEYF's ability to meet its obligations and liabilities. Over the past year, LEYF has consistently met its obligations and liabilities, and the Trustees are satisfied that LEYF will continue to do so over the next twelve months.

In the Spring 2023 Budget, the government announced a significant expansion and investment in childcare entitlements. In April 2024, the first of these entitlements was implemented, along with increased funding rates from local authorities. This is expected to have a positive impact on cash flow and performance as inflationary pressures begin to ease.

The Trustees consider it reasonable to prepare the accounts on a going concern basis, as no material uncertainties exist and sufficient funding exists to cover a period of at least 12 months from the date of sign-off.

d) Income

Income is recognised when the charity has entitlement to the funds, any performance conditions attached to the income have been met, it is probable that the income will be received and that the amount can be measured reliably.

Income from government and other grants, whether 'capital' grants or 'revenue' grants, is recognised when the charity has entitlement to the funds, any performance conditions attached to the grants have been met, it is probable that the income will be received and the amount can be measured reliably.

Income received in advance of the provision of a specified service is deferred until the criteria for income recognition are met.

e) Donations of gifts

On receipt, cash gifts are recognised on the basis of the value of the gift to the charity which is their monetary value. LEYF also receives donations in kind, and the monetary values of these is recognised when the donation in kind is material and on the basis of estimated current market value.

f) Critical accounting estimates and judgements

The organisation makes estimates and assumptions concerning the future. The resulting accounting estimates and assumptions will, by definition, seldom equal the related actual results. The estimates and assumptions which could have a significant risk of causing a material adjustment to the carrying amounts of the assets and liabilities within the next financial year are in relation to the provision for doubtful debts, the value of donations in kind, depreciation, amortisation, lease dilapidations and consideration of impairment of goodwill. Estimates are based on historical experience and other pertinent information, actual results may differ from these estimates.

LONDON EARLY YEARS FOUNDATION

Notes to the financial statements

For the year ended 31 March 2024

1 Accounting policies (continued)

g) Interest receivable

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

h) Interest payable

Interest on loans held is recognised when payable and the amount can be measured reliably by the charity; this is normally upon notification of the interest payable from the lender.

i) Fund accounting

LEYF maintains both restricted and unrestricted funds:

Unrestricted funds are donations and other incoming resources receivable or generated for the objects of LEYF.

Restricted funds are to be used for specific purposes as laid down by the donor. Expenditure which meets these criteria is charged to the fund.

Fund transfers - Restricted funds are transferred to unrestricted funds on occasion when restricted income has been used and restrictions no longer apply.

j) Expenditure and irrecoverable VAT

Expenditure 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. Expenditure is classified under the following activity headings:

Expenditure on charitable activities includes the costs of delivering childcare undertaken to further the purposes of the charity and their associated support costs.

Training expenditure represents those costs that are for the training and development activity to develop LEYF staff and support the organisation and cannot be directly linked to childcare provision. Included within here are costs of the LEYF academy.

Irrecoverable VAT is charged as a cost against the activity for which the expenditure was incurred.

k) Allocation of support and governance costs

Resources expended are allocated to the particular activity where the cost relates directly to that activity. However, the cost of overall direction and administration of each activity, comprising the salary and overhead costs of the central function, is apportioned on the following basis which is an estimate, based on staff time, of the amount attributable to each activity.

Where information about the aims, objectives and projects of the charity is provided to potential beneficiaries, the costs associated with this publicity are allocated to charitable expenditure.

Where such information about the aims, objectives and projects of the charity is also provided to potential donors, activity costs are apportioned between support and charitable activities on the basis of area occupied by each activity:

Childcare	76%
Training	2%
Support costs	21%
Governance costs	1%
	<u>100%</u>

Support and governance costs have been incurred on each of the Childcare and Training activities have been charged on the basis of staff time.

Governance costs are the costs associated with the governance arrangements of the charity. These costs are associated with constitutional and statutory requirements and include any costs associated with the strategic management of the charity's activities.

LONDON EARLY YEARS FOUNDATION

Notes to the financial statements

For the year ended 31 March 2024

1 Accounting policies (continued)

l) Termination benefits

Settlement and redundancy cost are measured at the best estimate of the expenditure that would be required to settle the obligation and are recognised as an expense in the profit and loss.

m) Operating leases

Rental charges are charged on a straight line basis over the term of the lease.

n) Intangible fixed assets

Intangible fixed assets are made up of goodwill relating to the acquisition of nurseries, and software, development and implementation cost relating to the charity's Customer Relationship Management system (CRM), Human Resources system (HR), and the charity's website.

Goodwill arising from the acquisition of nurseries is written off over the shorter of, the length of tenure of the property lease, or 10 years.

For the purposes of impairment testing, goodwill is allocated to the Cash Generating Unit (CGU) which is expected to benefit from the acquisition. The CGU is determined as the LEYF group of nurseries. Cash generating units are reviewed at least annually, or more frequently when there is an indication that the CGU may be impaired. LEYF have reviewed the new nurseries and assets for any impairment in value. Each nursery has been considered as part of our consolidated mixed (profit making and social mission) nursery portfolio. There are no indications that any asset may be significantly impaired.

Software cost are stated at cost less accumulated amortisation. Amortisation is calculated using the straight line method to allocate the depreciable amount of the assets to its residual value over the estimated useful live. Software cost are amortised over 5 years.

Development cost relating to the CRM system, website and HR system are capitalised in the accounts as intangible assets. Upon completion, these cost will be amortised over the estimated useful life of 5 years.

o) Tangible fixed assets

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

Depreciation costs are allocated to activities on the basis of the use of the related assets in those activities. Assets are reviewed for impairment if circumstances indicate their carrying value may exceed their net realisable value and value in use.

Where fixed assets have been revalued, any excess between the revalued amount and the historic cost of the asset will be shown as a revaluation reserve in the balance sheet.

Grants for the purchase of fixed assets are credited to restricted incoming resources when receivable. Depreciation of fixed assets purchased with such grants is charged against the restricted fund. Where a fixed asset is donated to LEYF for its own use, it is treated in a similar way to restricted grant.

Depreciation is provided at rates calculated to write down the cost of each asset to its estimated residual value over its expected useful life. The depreciation rates in use are as follows:

Property	Leasehold property and improvements to leasehold property	50 years for Head office. Other leases over the length of the lease.
	Building Improvement	20 years or the length of the lease, whichever is shorter.
	Refurbishment Costs	5 years
Fixtures & Fittings	Furniture	10 years
	Industrial Appliances	10 years
	Domestic Appliances	5 years
Equipment	Nursery Toys & Equipment	10 years
	IT Equipment	4 years
	Office Equipment	5 years

LONDON EARLY YEARS FOUNDATION

Notes to the financial statements

For the year ended 31 March 2024

1 Accounting policies (continued)

p) Investments

Investments in equity shares which are not publicly traded are measured at fair value, if fair value cannot be reliably determined the investment will be valued at cost less impairment. Gains or losses on revaluation are taken to the statement of financial activities.

q) Debtors

Trade and other debtors are recognised at the settlement amount due after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due.

r) Cash at bank and in hand

Cash at bank and in hand includes cash and savings in an instant access deposit account.

s) Creditors and provisions

Creditors and provisions are recognised where the charity has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors and provisions are normally recognised at their settlement amount after allowing for any trade discounts due. Parental deposits held are recognised at their repayable value.

t) Financial instruments

The charity only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value.

The charity's principal financial instruments include a bank overdraft and a loan from the Coronavirus Business Interruption Loan scheme (CBILS), Bonds issued through Triodos Bank UK Limited (the Registrar), Trust for London Trustee and Postcode Innovation Trust. LEYF Property and assets are security for the CBILS loan.

The charity has debtors and creditors arising from its day-to-day operations to provide working capital. Trade and other debtors are recognised at the settlement amount due. Prepayments are valued at the amount prepaid. Creditors and provisions are recognised at their settlement amount after allowing for any trade discounts due.

u) Doubtful debt provision

In specific instances where a debtor amount has been identified as unlikely to be collected, a provision for the doubtful debt is recognised in debtors.

v) Pensions

LEYF operates a defined contribution pension scheme which is managed and valued by the pension operator, Royal London through an intermediary Chartered Wealth management. These costs are expensed through the SOFA and outstanding contributions are included in creditors.

2 Donations

	Unrestricted £	Restricted £	2024 Total £	2023 Total £
Donations	131 117	237 596	368 713	305 869
Gifts in Kind	252 288	-	252 288	177 290
	383 405	237 596	621 001	483 159

Income from donations relate to funds and consultancy provided from other organisations or individuals to support the delivery of LEYF's charitable objectives.

Gifts in Kind include consultancy and guidance provided by the Social Business Trust.

LONDON EARLY YEARS FOUNDATION

Notes to the financial statements

For the year ended 31 March 2024

3 Charitable activities

	Unrestricted £	Restricted £	2024 Total £	2023 Total £
Income from charitable activities				
Childcare fees	24 751 807	-	24 751 807	21 965 858
Local Authority grants	5 699 328	244 824	5 944 152	5 720 932
Other grant income	47 845	363 875	411 720	669 802
Sub-total for Childcare income	30 498 980	608 699	31 107 679	28 356 592
Training Income	89 108	-	89 108	19 562
Sub-total for Other income	89 108	-	89 108	19 562
Total income from charitable activities	30 588 088	608 699	31 196 787	28 376 154

Local Authority grants totalling £5,671,578 (2023: £5,533,217) received relates to the 2-year-old offer and the National Education Fund for all 3-4 year olds.

Restricted income in the prior year was £815,414.

4 Expenditure

	Charitable activities					2024 Total £	2023 Total £
	Childcare Provision £	Training £	Governance costs £	Support costs £	Restricted Funds £		
Staff costs (Note 6)	16 466 286	443 234	-	4 469 285	718 255	22 097 060	19 784 111
Learning & Development	25 910	109 351	-	51 783	4 136	191 180	265 770
Recruitment and Personnel	1 732 892	-	-	540 083	-	2 272 975	2 531 670
Property	3 626 615	-	-	56 886	-	3 683 501	2 986 103
Consumables and Activities	1 232 907	-	-	1 403 064	111 236	2 747 207	2 546 055
Depreciation Amortisation & Losses	689 501	-	-	197 756	74 352	961 609	739 483
Audit and Other Professional Fees	-	-	379 902	91 984	38 613	510 499	419 703
	23 774 111	552 585	379 902	6 810 841	946 592	32 464 031	29 436 719
Support costs	6 810 841	-	-	(6 810 841)	-	-	-
Governance costs	379 902	-	(379 902)	-	-	-	-
Total expenditure 2024	30 964 854	552 585	-	-	946 592	32 464 031	-
Total expenditure 2023	28 293 941	507 578	-	-	635 200	-	29 436 719

LONDON EARLY YEARS FOUNDATION

Notes to the financial statements

For the year ended 31 March 2024

5 Net expenditure for the year

This is stated after charging:

	2024 Total £	2023 Total £
Depreciation	721 579	562 774
Amortisation	221 712	134 822
Loss on disposal of fixed assets	12 262	15 570
Loss on investments	6 054	26 316
Interest payable	255 010	163 824
Operating lease rentals:		
Property	1 310 671	1 068 435
Equipment hire	34 376	36 048
Auditor's remuneration (excluding VAT):		
Current Year Audit	50 850	48 000
Prior Year Audit	-	3 870
Other costs (financial and taxation advice)	2 311	-
	2 311	-

6 Analysis of staff costs, Trustee remuneration and expenses, and the cost of key management personnel

Staff costs were as follows:

	2024 Total £	2023 Total £
Salaries and wages	19 185 143	17 081 232
Social security costs	1 548 837	1 490 861
Employer's contribution to defined contribution pension schemes	1 172 081	1 055 324
Apprentice levy	190 999	156 694
	22 097 060	19 784 111

During the year redundancy and settlement costs were £11 150 (2023: £85 641) all relating to ex gratia payments (2023: £4 836).

Agency Costs for the year were:

1 891 547 2 271 845

The following number of employees received employee benefits (excluding employer pension costs) during the year between:

	2024 No.	2023 No.
£60 001 - £70 000	7	3
£70 001 - £80 000	1	1
£80 001 - £90 000	2	-
£90 001 - £100 000	-	1
£100 001 - £110 000	-	2
£110 001 - £120 000	-	-
£120 001 - £130 000	1	-
£130 001 - £140 000	-	-
£140 001 - £150 000	-	1
£150 001 - £160 000	2	1

The total employee benefits including pension and National Insurance contributions of the key management personnel were £727,456 (2023: £770,759).

The charity Trustees were not paid nor received any other benefits from employment with the charity in the year (2023: £nil). No charity Trustee received payment for professional or other services supplied to the charity (2023: £nil).

Trustees' expenses represent the payment or reimbursement of travel and subsistence costs and were £Nil for the year (2023: £Nil).

LONDON EARLY YEARS FOUNDATION

Notes to the financial statements

For the year ended 31 March 2024

7 Staff numbers

The average number of employees (head count based on number of staff employed) during the year was as follows:

	2024 No.	2023 No.
Childcare	779	711
Training	13	10
Support	76	72
	868	793

In March 2024, the number of staff employed on an FTE basis were 641 (2023: 603).

8 Related party transactions

Donations received from Trustees during the year were £16,600 (2023: £15,900). During the year LEYF received Gifts in Kind with an estimated value of £62,000 (2023: £13,500) for volunteered days from EY graduates. EY is a related party as one of our Trustees is a partner in the firm, but has no involvement in this transaction. All donations were without conditions attached.

The total expense incurred for services to related parties during the year was £54,803 (2023: £65,552) excluding Gifts in Kind already disclosed above. This amount includes a payment of £Nil (2023: £4,471) for gardening services to Glow Gardens which employs a close family member of the Chief Executive Officer and £12,399 (2023: £13,526) to Chartered Wealth Management which employs a close family member of a key member of staff, who has now left office. Other payments of £39,059 (2023: £44,754) were made to family members of the Chief executive officer and a key member of staff under current employment standard employment and supplier terms. In addition £3,345 (2023: £2800) was paid for a membership of Social Enterprise (UK) which is a charity connected to the Chief executive officer.

As at 31 March 2024 a total amount of £1,942 (2023: £14,417) was payable to related parties and have been included in trade creditors. This outstanding balance is for services provided and not yet paid for. Post year end this balance has been settled and was not secured.

9 Taxation

The charitable company is exempt from corporation tax as all of its income is charitable and is applied for charitable purposes.

10 Intangible fixed assets

	Software* £	Goodwill Acquired Nurseries £	Total £
Cost or valuation			
At the start of the year	599 885	1 153 145	1 753 030
Additions in year	29 531	-	29 531
Transfers in the year	59 642	-	59 642
Disposals in the year	-	(37 041)	(37 041)
At the end of the year	689 058	1 116 104	1 805 162
Amortisation			
At the start of the year	169 069	130 028	299 097
Charge for the year	111 297	110 415	221 712
Transfers in the year	59 642	-	59 642
Disposals in the year	-	(37 041)	(37 041)
At the end of the year	340 008	203 402	543 410
Net book value			
At the end of the year	349 050	912 702	1 261 752
At the start of the year	430 816	1 023 117	1 453 933

All of the above assets are used for charitable purposes.

LONDON EARLY YEARS FOUNDATION

Notes to the financial statements

For the year ended 31 March 2024

*Included in software are costs relating to the development of the charity's Customer Relationship Management system, Human Resources system as well as costs relating to the upgrade of the charity's website. The Human Resources project has not been completed as at 31 March 2024 and no amortisation has been included for this project. Total development cost not completed as at 31 March 2024 and thus not amortised was £60,315 (2023: £62,176).

11 Tangible fixed assets

	Leasehold Properties & Improvements £	Marsham Street Building £	Nursery Computer & Office Equipment £	Fixtures and Fittings £	Total £
Cost or valuation					
At the start of the year	4 439 115	2 784 032	995 171	789 264	9 007 582
Additions in year	1 097 829	-	124 211	86 226	1 308 266
Transfers in the year	(41 235)	24 634	(59 642)	16 601	(59 642)
Disposals	(184 645)	(4 122)	(57 805)	(14 694)	(261 266)
At the end of the year	5 311 064	2 804 544	1 001 935	877 397	9 994 940
Depreciation					
At the start of the year	1 439 822	947 906	607 738	370 473	3 365 939
Charge for the year	363 622	141 270	125 159	91 528	721 579
Transfers in the year	82 579	(82 579)	(59 641)	-	(59 641)
Disposals	(182 141)	(4 122)	(55 223)	(7 517)	(249 003)
At the end of the year	1 703 882	1 002 475	618 033	454 484	3 778 874
Net book value					
At the end of the year	3 607 182	1 802 069	383 902	422 913	6 216 066
At the start of the year	2 999 293	1 836 126	387 433	418 791	5 641 643

All of the above assets are used for charitable purposes.

12 Investment in Subsidiary

	2024 £	2023 £
Investment in Lysth Ltd	-	31 330
	-	31 330

On 2 January 2024 Lysth Ltd was dissolved.

13 Debtors

	2024 £	2023 £
Trade debtors	363 715	348 990
Other debtors	101 300	54 974
Prepayments	683 572	564 880
Accrued income	66 772	60 889
	1 215 359	1 029 733

14 Creditors: amounts falling due within one year

	2024 £	2023 £
Loans	796 130	674 889
Trade creditors	861 889	1 238 623
Taxation and social security	379 507	366 797
Other creditors	1 379 694	1 166 392
Intercompany loan	-	65 292
Accruals	886 997	655 558
Deferred income (Note 15)	863 937	1 032 598
	5 168 154	5 200 149

LONDON EARLY YEARS FOUNDATION

Notes to the financial statements

For the year ended 31 March 2024

15 Deferred income

Deferred income in the year ended March 2024 are payments received from parents and local authorities in advance for services that are to be delivered after 31 March 2024.

	2024 £	2023 £
Balance at the beginning of the year	1 032 598	1 089 268
Amount released to income in the year	(1 032 598)	(1 089 268)
Amount deferred in the year	863 937	1 032 598
Balance at the end of the year	863 937	1 032 598

16 Creditors: amounts falling due after one year

	2024 £	2023 £
Loans	3 548 591	3 908 707
	2024	2023
	£	£
Less than one year	796 130	674 889
Between two to five years	973 836	1 570 280
Over five years	2 574 755	2 338 427
Total due	4 344 721	4 583 596

A loan agreement of £3,000,000 under the Coronavirus Business Interruption Loan Scheme (CBIL) was entered into on 11 June 2020 and was drawn down on 24 September 2020. The loan is repayable over 72 instalments from this date. The first 12 months was an interest and capital free period after which interest at Bank Base Rate + 2.5% is repayable quarterly and capital repayments of £50,000 were repayable monthly from October 2021. The balance owing as at 31 March 2024 is £1,509,141 (2023: £2,110,008) which includes interest of £9,141 (2023: £10,008).

The loan is secured by a fixed and floating charge, the fixed charge is secured over all the assets of the charity and the floating charge is over all other property, assets and rights which is not subject to any other effective fixed charge.

On 5 May 2022, LEYF launched a bond issue through Triodos Bank UK Limited (the Registrar). These bonds were in the form of 1,500,000 bonds each with a nominal value of £1, with a minimum investment of £50, repayable on 31 May 2029 and with an average interest rate of 4.75%, payable on 31 May each year. The first interest payment was paid on 31 May 2023. On 7 July 2022, £1.0m bonds were allotted, with the balance of £0.5m being allotted on 1 September 2022. As at 31 March 2024 the balance owing is £1,559,281 (2023: 1,548,588), which includes interest of £59,281 (2023: £48,588). The bonds are unsecured.

On 1 November 2022, LEYF entered into a loan agreement with The Postcode Innovation Trust. An amount of £125,000 was received on 30 March 2023. Interest are payable monthly, at an annual rate of 3% with the effective interest start date of 1 April 2023. The loan is repayable in monthly instalments over the agreed term. As at 31 March 2024 the balance owing is £110,359 (2023: £125,000), which includes interest of £275 (2023: £nil). This loan is unsecured.

On 31 March 2023 LEYF received a £800,000 from Trust for London Trustee with a further £322,000 received on 22 May 2023. The loan bears interest at a variable rate of 0.5% above the Bank of England base rate, capped to 4%. The first 12 months of interest were rolling interest and forms part of the total capital outstanding. Capital and interest monthly repayments starts on 1 May 2024. As at 31 March 2024 the balance owing is £1,165,940 (2023: £800,000). The total interest capitalised were £43,940. (2023: £Nil). This loan is unsecured.

17 Pension scheme

LEYF operates a defined contribution scheme for its employees offering an employer contribution of 7% of annual salary (2023: 7%) for all eligible staff. Outstanding contributions awaiting payment at 31st March 2024, included in other creditors, were £141,870 (2023: £122,145). Any liability and expenses are allocated as unrestricted or restricted funds on the same basis as employee related costs.

LONDON EARLY YEARS FOUNDATION

Notes to the financial statements

For the year ended 31 March 2024

18 Analysis of net assets between fund

	General Unrestricted £	Restricted £	2024 Total Funds £
Fixed assets	6 688 543	789 275	7 477 818
Investments	-	-	-
Net current assets	(1 913 015)	484 392	(1 428 623)
Long-term liabilities	(3 548 591)	-	(3 548 591)
Net assets at the end of the year	1 226 937	1 273 667	2 500 604
	General Unrestricted £	Restricted £	2023 Total Funds £
Fixed assets	6 231 490	864 086	7 095 576
Net current liabilities	31 330	-	31 330
Net current liabilities	(790 141)	456 096	(334 045)
Long-term liabilities	(3 908 707)	-	(3 908 707)
Net assets at the end of the year	1 563 972	1 320 182	2 884 154

19 Movements in funds

2023-24	At the start of the year £	Income £	Expenditure £	At the end of the year £
Restricted funds:				
Marsham Street Renovations	767 268	-	(52 942)	714 326
Carlton Hill Refurbishment	81 686	-	(12 104)	69 582
Funding for vulnerable children	27 518	206 959	(234 477)	-
Colville Crisis Funding	12 516	-	-	12 516
Food banks	4 993	100	(3 226)	1 867
Chef Academy Funding	89 591	101 266	(104 632)	86 225
SEND Funding	-	244 824	(244 824)	-
LEYF Training Academy Funding	189 403	260 354	(221 090)	228 667
Strategic Growth Funding	125 000	-	-	125 000
Other Funds	22 207	86 574	(73 297)	35 484
Total restricted funds	1 320 182	900 077	(946 592)	1 273 667
Total unrestricted funds - general funds	1 563 972	31 180 404	(31 517 439)	1 226 937
Total funds	2 884 154	32 080 481	(32 464 031)	2 500 604
2022-23	At the start of the year £	Incoming resources £	Outgoing resources £	At the end of the year £
Restricted funds:				
Marsham Street Renovations	820 210	-	(52 942)	767 268
Carlton Hill Refurbishment	93 790	-	(12 104)	81 686
Funding for vulnerable children	-	131 102	(103 584)	27 518
Colville Crisis Fund	12 516	-	-	12 516
Food Banks	4 414	9 049	(8 470)	4 993
Chef Academy Funding	41 633	232 500	(184 542)	89 591
SEND Funding	-	152 690	(152 690)	-
LEYF Training Academy Funding	-	264 968	(75 565)	189 403
Strategic Growth Funding	-	125 000	-	125 000
Other Funds	12 077	55 433	(45 303)	22 207
Total restricted funds	984 640	970 742	(635 200)	1 320 182
Total unrestricted funds - general funds	2 295 958	28 069 533	(28 801 519)	1 563 972
Total funds	3 280 598	29 040 275	(29 436 719)	2 884 154

LONDON EARLY YEARS FOUNDATION

Notes to the financial statements

For the year ended 31 March 2024

19 Movements in funds (continued)

Purposes of restricted funds

Marsham Street Renovations Fund received funds from Westminster City Council, Social Investment Business and a number of other donors to fund the renovation of 121 Marsham Street offices and Marsham Street Nursery.

Carlton Hill Refurbishment Fund received funds from Westminster City Council to fund the capital works required at the nursery when we took on the nursery.

Funding for Vulnerable Children includes donations received to provide additional hours for vulnerable children, summer club and food hampers.

Colville Crisis Fund was transferred from Colville Nursery Centre when we took ownership of the nursery in order to be used to support local parents with their nursery fees in times of personal crisis and parents staying in the local refuge who are not able to afford childcare.

Funding for Food Banks relates to donations received to support the running of our Food Banks.

Chef Academy Fund was launched in July 2019. A grant from Guy's and St Thomas' Charity supporting the evaluation of how the chefs training academy can have an impact on Early Years environments and in turn eating behaviours, to help tackle childhood obesity.

SEND Funding received to support the provision of children with additional Special Education Needs and Disabilities.

LEYF Training academy funding was received to support the upskilling in Early Years. There is a well-established link between qualified Early Year teachers and better outcomes for children.

Strategic growth funding is used to support our strategic growth, including expansion into areas of London where we can maximise our social impact.

Other Funding relates to Green LEYF which helps us to develop environmental activities across our nurseries, Special Support Fund for families in crisis and other small value funds.

20 Reconciliation of net expenditure to net cash flow from operating activities

	2024 £	2023 £
Net (deficit)/surplus income for the reporting period (as per the statement of financial activities)	(383 550)	(396 444)
Depreciation and amortisation charges	943 292	697 596
Loss on disposal of tangible fixed assets	12 262	15 570
Investment losses	6 054	26 316
Interest payable	255 010	163 824
(Increase)/Decrease in debtors	(185 626)	(266 421)
(Decrease)/Increase in creditors	(153 235)	(394 464)
Net cash provided by/ (used in) operating activities	494 207	(154 023)

21 Analysis of cash

	At 1 April 2023 £	Cash flows £	At 31 March 2024 £
Cash at bank and in hand	3 836 371	(1 312 199)	2 524 172
Total cash and cash equivalents	3 836 371	(1 312 199)	2 524 172

LONDON EARLY YEARS FOUNDATION

Notes to the financial statements

For the year ended 31 March 2024

22 Operating lease commitments

The charity's total future minimum lease payments under non-cancellable operating leases are as follows for each of the following periods:

	£	£	2024 £	Restated* 2023 £
	Property	Other	Total	Total
Less than one year	1 499 065	23 993	1 523 058	1 370 687
One to five years	4 907 026	33 991	4 941 017	3 802 773
Over five years	6 986 658	-	6 986 658	6 968 266
	13 392 749	57 984	13 450 733	12 141 726

23 Legal status of the charity

The charity is a company limited by guarantee and has no share capital. The liability of each member in the event of winding up is limited to £1.

24 Capital commitments

As at 31 March 2024, there were no outstanding capital commitments. (2023: £534,482 - Thames Reach Nursery improvements).

25 Net debt reconciliation

	At 1 April 2023 £	Cash flows £	Other non-cash changes £	At 31 March 2024 £
Cash at bank and in hand	3 836 371	(1 312 199)	-	2 524 172
Debt due within one year	(674 889)	674 889	(796 130)	(796 130)
Debt due after one year	(3 908 707)	(323 376)	683 492	(3 548 591)
Total cash and cash equivalents	(747 225)	(960 686)	(112 638)	(1 820 549)

26 Subsequent events

On 24th May 2024 LEYF entered into an asset purchase agreement with Little Angels Nursery School Ltd, which completed on 16th August 2024. LEYF has used this asset purchase to initiate a new lease for the associated property and begin operating a new nursery, Brixton Garden Nursery and Pre-School.

On 7th October 2024 LEYF entered into an asset purchase agreement with a value of £75,000 with The Foundations for learning Partnership Ltd, which has not yet completed. LEYF intends to use this asset purchase to initiate a new lease for the associated property and begin operating a new nursery.

Experiences in early childhood literally shape lives and are often the root cause of today's hardest social challenges such as addiction, poor mental health and homelessness.

LEYF is impelled by the need to provide best quality education and care every day in our nurseries, as we know this will make the biggest difference to children's futures.

www.leyf.org.uk

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