

CAMDEN COMMUNITY NURSERIES LIMITED

(A company limited by guarantee)

UNAUDITED

TRUSTEES' REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2021

CAMDEN COMMUNITY NURSERIES LIMITED
(A company limited by guarantee)

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CAMDEN COMMUNITY NURSERIES LIMITED

(A company limited by guarantee)

**REFERENCE AND ADMINISTRATIVE DETAILS OF THE COMPANY, ITS TRUSTEES AND ADVISERS
FOR THE YEAR ENDED 31 MARCH 2021**

Trustees

Laurie Swan, Treasurer
Paul McGhee (appointed 10 November 2020)
Camilla Hollweck, Chair
James Smith
Isavella Theodosiou
Ghislaine Halpenny (appointed 14 January 2021)

Company registered number

02575796

Charity registered number

1002534

Registered office

16 Acol Road
London
NW6 3AG

Management team

Reanne Thompson, Senior Nursery Manager
Denize Bisset, Montpelier Nursery Manager
Shasee Gurung, Montpelier Deputy Nursery Manager
Elzbieta Boukhari-Filali, Sington Nursery Manager
Ramona Strattan, Acol Nursery Manager
Jane McNally, Acol Deputy Nursery Manager

Independent auditors

Griffin Stone Moscrop & Co
Chartered Accountants
21-27 Lamb's Conduit Street
London
WC1N 3GS

CAMDEN COMMUNITY NURSERIES LIMITED

(A company limited by guarantee)

TRUSTEES' REPORT FOR THE YEAR ENDED 31 MARCH 2021

The Trustees, who are also directors of the charity for the purposes of the Companies Act, present their annual report together with the independently examined financial statements of Camden Community Nurseries Limited ("the charity") for the year ended 31 March 2021. The trustees confirm that the Annual report and financial statements of the charity comply with the current statutory requirements, the requirements of the charity's governing document and provisions of the Statement of Recommended Practice (SORP) "Accounting and Reporting by Charities" issued in March 2015.

Since the charity qualifies as small under section 383 of the Companies Act 2006, the strategic report required of medium and large companies under the Companies Act 2006 (strategic Report and Directors' Report) Regulations 2013 is not required.

Objectives and Activities

The charity's objective and principal activity is established as the advancement of the standard of education and care for pre-school children. This continues to be developed by Camden Community Nurseries (CCN) through adhering to the principles set out in the Early Years Foundation Stage and incorporating the seven areas of learning and development in the nurseries.

Our aim is to provide a community orientated nursery experience, which can be enjoyed by the children and parents alike, to as many beneficiaries as possible. Places are open to all, but targeted towards working parents, parents in further education, low-income families, refugee families, lone parent families and children with special needs.

CCN also supports students and unqualified staff to complete Early Years Education qualifications.

We strive to re-invest all proceeds from our charitable activities back into the charity whilst keeping mindful of ensuring the long term financial stability of the business.

CCN's primary source of income is fees charged for the provision of childcare in its nurseries. CCN uses a two tier fee structure to encourage a range of families to access high quality childcare. Additionally CCN continues to be part-funded by nursery education grants from the London Borough of Camden and occasionally other grant funders.

CCN does not undertake grant making activities, nor does it rely on contributions from volunteers.

Achievements and performance

The performance of the Charity for the financial year was better than forecast ending the year with a financial surplus of £6,817 (excluding an actuarial gain on the defined benefit pension scheme, of £51,000). Financially the charity strikes a balance between setting our fees at the lowest possible level for our disadvantaged beneficiaries and the need to maintain a financial buffer against future environmental changes.

Acol is our largest nursery with a total of 50 equivalent full time places. Montpelier has 24 places and Sington has 22. All nurseries continue to offer places for the 30-hour government funded childcare programme. In addition, all nurseries also offer places for the London Borough of Camden (LBC) funded 2 year old scheme.

At the year end the numbers of children on roll were as follows:

- Acol 44, including 2 on our lower income brackets and a further 10 receiving the additional 30-hour funding
- Montpelier 27, including 5 on our lower income brackets, a further 5 receiving the additional 30-hour funding and 0 children on the 2 Year old Scheme.
- Sington 27, including 9 on our lowest income bracket and a further 8 receiving the additional 30-hour funding and 5 children on the 2 Year old Scheme.

The average occupancy across CCN for the year to 31 March 2021 was 54% (2020: 82%), with average occupancy levels of 54% for Acol (2020: 83%), 59% for Montpelier (2020: 88%), and 50% for Sington (2019: 74%). All nurseries have a target occupancy level of 75%. The decrease in occupancy for the year to 31 March 2021 reflects the closures and fluctuations due to COVID-19 including changes of circumstances (such as

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FOR THE YEAR ENDED 31 MARCH 2021**

working patterns) for parents.

In normal times CCN generally has higher occupancy in the winter and spring, with lower occupancy levels in the summer and in the academic changeover period (September/October). We continue to work hard to increase occupancy through our communications activity, which includes community events organised through each of the nurseries.

All three of CCN's nurseries are currently rated 'Good' by Ofsted. The dates of the latest Ofsted inspections are as follows. Acol was inspected by Ofsted on 12 February 2019, Sington was inspected on 12 September 2018 and Montpelier was inspected on the 9 March 2018.

CCN has not undertaken any large-scale fundraising activities with all fundraising effectively suspended during the pandemic. CCN has only returned to run small scale fundraising in the financial year to 31 March 2022. Where nursery fundraising takes place at each nursery all funds generated are directly re-invested in the relevant nursery. During the year each nursery raised funds as follows, Acol £0 (2020: £390), Montpelier £0 (2019: £806) and Sington £0 (2020: £205).

Financial Review

The Statement of Financial Activities shows income for the year of £947,054 and total expenditure of £940,237 resulting in a net income for the year of £6,817. Total reserves at the end of the March 2021 were £603,411, £598,265 being unrestricted funds.

Significant points to note on the Statement of Financial Activities are outlined below:

- Income from charitable activities, wholly derived from fees charged to parents, has decreased by £340,618 from £883,705 to £543,087 due to lower levels of occupancy caused by the COVID19 closures and restrictions.
- Resources expended on charitable activities have decreased by £170,535 to £939,721. This decrease is due to a fall in direct costs of £163,728 from £1,033,814 principally resulting from lower salary costs, which is our most significant expense. Direct staff costs (including agency staff) for the year to 31st March 2021 were £748,009, a decrease of £103,420 from £851,429, reflecting lower staffing required during closure periods arising due to COVID-19 and consequent impact on occupancy. Our other variable costs such as food were also reduced due to lower occupancy.

CCN continues to experience financial pressures, caused by a number of factors (excluding COVID-19 issues covered separately), including:

- rent costs (rent relief previously at 45%, from LBC ceased as of 1st January 2020)
- salary costs, in particular increasing rates to attract high quality qualified staff
- pension deficit contributions, currently at £0 although the impact of COVID-19 has yet to be quantified for our pension obligations
- changes in funding rates as CCN provides childcare to parents on the basis of hours.

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2021

Principal Risks & Uncertainties facing the Charity

CCN's principal risks and strategies for mitigation are set out below:

Risk 1 - Loss of key personnel, including both staff and Trustees

This risk is mitigated by:

- Focus on staff development and regular training with internal promotion of staff where appropriate
- Each nursery has a staff association and regular staff meetings to allow staff feedback
- Trusted agency contacts are maintained by the Senior Manager
- Continuous recruitment of Trustees through parent meetings and CCN events

Risk 2 - External factors place increased financial strain on CCN, leading to going concern issues

This risk is mitigated by:

- Regular review of financial performance against budget
- Long term financial forecasting which informs decisions taken by trustees such as fee increases
- Ongoing monitoring of debt
- Maintaining levels of occupancy with a target of 75% average over the year

Risk 3 - Reduction in occupancy, leading to reduction in income

This risk is mitigated by:

- Fees remain highly competitive through regular benchmarking exercise
- Focus on high quality childcare, including investment in staff
- Marketing and community events at each nursery

Risk 4 - Results of future Ofsted inspections impact reputation of CCN nurseries

This risk is mitigated by:

- All staff undergo regular training
- Safeguarding policy in place and regularly reviewed
- All staff DBS checked
- All buildings secure with door entry procedures
- Regular fire evacuation checks
- Crisis communication plan in place

Principal Funding Sources

CCN's primary source of income is fees charged for the provision of childcare in its nurseries. CCN uses a two-tier fee structure designed to enable a range of families to access quality childcare. As a not for profit organisation, CCN offers very competitive fee rates and discounted places for those on lower incomes.

CCN continues to receive nursery education grants from Camden Council and occasionally other grant funders. In particular the 2 year old funding scheme allows CCN to offer part time fully funded places to eligible 2 year olds. CCN also provides the universal funded places and the 30 hour places to eligible 3 & 4 year olds. It is important to note that this funding from the LBC results in lower fees being charged to the parents.

COVID-19 Impact & Assessment

In accordance with government guidance CCN was required to close all the nurseries to non key worker/vulnerable children as of 23rd March 2020. The Board decided to keep Montpelier nursery open to provide care for our key worker children and children who were classified as vulnerable. Acol and Sington nurseries were closed. Whilst keeping open one nursery was very difficult, due to rapidly changing circumstances and consequent guidance as well as being a financial burden, the Board felt it was important to our ethos to maintain a service in the community.

In the first instance all CCN staff not working at Montpelier attempted to work from home where possible by providing parents with guidance on nursery activities, maintaining contact with their key children and completing training. However, from May CCN utilised the furlough scheme and placed 18 members of staff on furlough. The

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2021

remaining staff either worked at Montpelier or continued to work from home (principally management and admin staff). This was phased down monthly and by 1st September 2020 all staff had returned to work.

From 1st June 2020 CCN was allowed to re-open the nurseries under strict guidelines. These guidelines allowed approximately 50% capacity in a 'bubble' structure which curtailed mixing of staff and children. The Board decided to continue to operate 1 'bubble' in Montpelier and open 3 'bubbles' in Acol, which included a bubble of Sington children. In July Sington children returned to the Sington site and Acol opened a further bubble. By 1st July 2020 we were able to offer all parents who wanted places at least some childcare.

Occupancy has been severely hit by the crisis not only due to enforced closures but also parent circumstances and requirements have been changing. Furthermore, the introduction of new children to the nurseries had to be done very slowly in the early re-opening phases. Since the year end occupancy continues to fluctuate more and has been harder to maintain.

In the 2019/2020 summer term CCN still received our funding for 3&4 year olds as well as 2 year olds on the LBC scheme. Additionally parents were asked to contribute 50% of fees in April, no fees in May and only fees for childcare received from June onwards. Our costs have remained high principally because of the number of staff required to operate safely and in accordance with government guidance. However we have received a number of government benefits including furlough funding, reduced rent costs and no business rates for 2020. This enabled CCN to continue operating throughout the pandemic, offering childcare to as many children as possible and not making any redundancies.

As funding and government benefits have reduced CCN expects that the following financial year to 31st March 2022 will continue to be difficult, but CCN remains positive that we can continue to operate in the current climate.

Reserves policy & Going concern

The charity had net assets at the balance sheet date of £603,411 of which £3,146 are restricted (net assets of £545,594 at 31 March 2020). It is the policy for the Board to maintain a level of unrestricted reserves as a buffer against changes in the economic climate that might impact the donors and supporters of the charity.

The current financial year to 31 March 2022 has been very challenging. In conjunction with other nurseries CCN has struggled to recruit qualified staff and has had to deal with fluctuating occupancy. However, the Trustees consider the present level of reserves and funding committed to by third parties, is adequate to support the charity for at least twelve months.

Plans for the future

At the core of our future plans is our commitment to providing affordable nursery places to the local community and to be the first choice for parents in the local area. CCN will continue to promote the nurseries to maintain and increase occupancy. We intend to continue offering as many funded places (2 year old scheme, 30 hour funding and 15 hour universal funding) and lower income places as possible.

In order to do this we will perform a financial and strategic review of the business every 6 months. In particular, the Trustees will continue to review and benchmark fee levels to ensure that the right balance is found between providing value for money for parents and ensuring the financial sustainability of the charity. A fee rise of 5% was implemented from 1st September 2021 and this allowed CCN to give the staff a 3% pay rise from 1st October 2021. At the same time CCN moved to a two-tier fee structure (previously three) to enable CCN to continue offering places at the lowest possible levels.

The Board continues to provide the strategic direction of the charity. The Board has an ongoing commitment to ensuring that CCN's fundraising, finance and accounting policies are in line with best practice, and to focussing business planning on supporting our vision and mission. We believe we have the skills and expertise within the team and Board of Trustees to fulfil this commitment.

CAMDEN COMMUNITY NURSERIES LIMITED

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TRUSTEES' REPORT (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2021

Structure, Governance and Management

The charity is constituted as a company limited by guarantee and is therefore governed by a Memorandum and Articles of Association, and also registered with the Charity Commission. The Memorandum and Articles of Association were updated during the 2014/15 financial year and adopted by the Board of Trustees. No further revisions have taken place.

Method of appointment, induction and training of Trustees

All parents are offered membership and are invited to attend the AGM. Parents are advised about which Trustees are resigning, and are invited to consider standing for election as Trustees themselves, which they can do via an application process. The majority of Trustees are parents but the Board will also co-opt non-parent Trustees where appropriate giving due regard to the requirement for any specialist skills needed.

New trustees undergo an induction to brief them on their legal obligations under charity and company law, the content of the Memorandum and Articles of Association, the committee and decision-making processes, the business plan and the recent financial performance of the charity. Trustees are encouraged to consult a wide range of guidance available from relevant bodies such as the Charities Commission and undertake external training opportunities.

Organisation

In normal circumstances the Board meets bi-annually in person and quarterly by conference call. In addition specific meetings may be convened as deemed necessary. Since April 2020 the Board has been meeting via video conference call on a near monthly basis. We are not currently running sub-committees as all members of the Board need to be fully aware of all issues. Since the financial year end Board meetings are continuing to occur online but have reduced in frequency and are currently being held at least quarterly.

A Senior Nursery Manager has responsibility (as delegated by the Board) for the day-to-day operation of all three nurseries (Acol, Sington & Montpelier), which constitute Camden Community Nurseries (CCN). This includes operational expenditure, staff management and recruitment, as well as ensuring best practice across all three nurseries.

Each individual nursery has a Manager and Deputy Manager who report to the Senior Nursery Manager and are responsible for the early years' education within their nurseries and for the line management of the nursery staff. Day to day support is provided to the Senior Nursery Manager by three part time members of staff (Admin Officer, Marketing Officer and Finance Officer). Furthermore, the organisation has access to a pool of specialists for specific work on an ad hoc basis, for example on the strategic direction of CCN, fundraising and HR.

The Board is responsible for all strategic decision making including

- o setting the fee structure and levels
- o significant investment in any of the nurseries, such as garden re-development
- o pay rises for staff and pay levels of key management personnel

Public Benefit

We have referred to the Charity Commissions general guidance on public benefit when reviewing our aims and objectives and in planning our future services. In particular the board of trustees consider how our planned services will contribute to the aims and objectives they have set.

Audit exemption

The government have set the income threshold requiring an audit at £1,000,000. Under these rules CCN is only required to have its 31 March 2021 accounts independently examined. The Trustees have appointed the firm of auditors, GSM & Co, to perform the independent examination.

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**TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2021**

Trustees' responsibilities statement

The trustees (who are also the directors of Camden Community Nurseries Limited for the purposes of company law) are responsible for preparing the Trustees' Annual 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. Under company law must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company 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 accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in operation.

The Trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the charitable company's transactions and 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 hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Approved by order of the members of the board of Trustees and signed on their behalf by:

Laurie Swan

.....
Laurie Swan

(Trustee)

Date: 30/11/2021

CAMDEN COMMUNITY NURSERIES LIMITED
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INDEPENDENT EXAMINER'S REPORT
FOR THE YEAR ENDED 31 MARCH 2021

Independent examiner's report to the Trustees of Camden Community Nurseries Limited ('the Company')

I report to the charity Trustees on my examination of the accounts of the Company for the year ended 31 March 2021.

Responsibilities and basis of report

As the Trustees of the Company (and its directors for the purposes of company law) you are responsible for the preparation of the accounts in accordance with the requirements of the Companies Act 2006 ('the 2006 Act').

Having satisfied myself that the accounts of the Company are not required to be audited under Part 16 of the 2006 Act and are eligible for independent examination, I report in respect of my examination of the Company's accounts carried out under section 145 of the Charities Act 2011 ('the 2011 Act'). In carrying out my examination I have followed the Directions given by the Charity Commission under section 145(5)(b) of the 2011 Act.

Independent examiner's statement

Since the Company's gross income exceeded £250,000 your examiner must be a member of a body listed in section 145 of the 2011 Act. I confirm that I am qualified to undertake the examination because I am a member of ICAEW, which is one of the listed bodies.

I have completed my examination. I confirm that no matters have come to my attention in connection with the examination giving me cause to believe:

1. accounting records were not kept in respect of the Company as required by section 386 of the 2006 Act; or
2. the accounts do not accord with those records; or
3. the accounts do not comply with the accounting requirements of section 396 of the 2006 Act other than any requirement that the accounts give a 'true and fair' view which is not a matter considered as part of an independent examination; or
4. the accounts have not been prepared in accordance with the methods and principles of the Statement of Recommended Practice for accounting and reporting by charities [applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102)].

I have no concerns and have come across no other matters in connection with the examination to which attention should be drawn in this report in order to enable a proper understanding of the accounts to be reached.

This report is made solely to the Company's Trustees, as a body, in accordance with Part 4 of the Charities (Accounts and Reports) Regulations 2008. My work has been undertaken so that I might state to the Company's Trustees those matters I am required to state to them in an Independent examiner's report and for no other purpose. To the fullest extent permitted by law, I do not accept or assume responsibility to anyone other than the Company and the Company's Trustees as a body, for my work or for this report.

Richard Hill

Signed:

Dated: 30/11/2021

Richard Hill

FCA

Griffin Stone Moscrop & Co
Chartered Accountants
21-27 Lamb's Conduit Street
London
WC1N 3GS

CAMDEN COMMUNITY NURSERIES LIMITED**(A company limited by guarantee)****STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING INCOME AND EXPENDITURE ACCOUNT)
FOR THE YEAR ENDED 31 MARCH 2021**

	Note	Restricted funds 2021 £	Unrestricted funds 2021 £	Total funds 2021 £	Total funds 2020 £
Income from:					
Donations and legacies	2	354,758	48,858	403,616	323,565
Charitable activities	3	-	543,087	543,087	883,705
Other trading activities	4	-	-	-	1,395
Investments	5	-	351	351	1,275
		354,758	592,296	947,054	1,209,940
Total income					
Expenditure on:					
Raising funds		-	516	516	791
Charitable activities	6	355,163	584,558	939,721	1,110,256
		355,163	585,074	940,237	1,111,047
Total expenditure					
Net movement in funds before other recognised gains/(losses)		(405)	7,222	6,817	98,893
Other recognised gains/(losses):					
Actuarial gains/(losses) on defined benefit pension schemes	20	-	51,000	51,000	(41,000)
		(405)	58,222	57,817	57,893
Net movement in funds					
Reconciliation of funds:					
Total funds brought forward		3,551	542,043	545,594	487,701
Net movement in funds		(405)	58,222	57,817	57,893
		3,146	600,265	603,411	545,594
Total funds carried forward					

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

The notes on pages 13 to 31 form part of these financial statements.

CAMDEN COMMUNITY NURSERIES LIMITED**(A company limited by guarantee)****REGISTERED NUMBER: 02575796****BALANCE SHEET
AS AT 31 MARCH 2021**

	Note	2021 £	2020 £
Fixed assets			
Tangible assets	11	2,785	4,126
		<u>2,785</u>	<u>4,126</u>
Current assets			
Debtors	12	18,074	13,720
Cash at bank and in hand		647,550	639,607
		<u>665,624</u>	<u>653,327</u>
Creditors: amounts falling due within one year	13	(56,998)	(54,859)
Net current assets		<u>608,626</u>	<u>598,468</u>
Total assets less current liabilities		<u>611,411</u>	<u>602,594</u>
Net assets excluding pension liability		<u>611,411</u>	<u>602,594</u>
Defined benefit pension scheme liability	20	(8,000)	(57,000)
Total net assets		<u><u>603,411</u></u>	<u><u>545,594</u></u>
Charity funds			
Restricted funds	14	3,146	3,551
Unrestricted funds	14	600,265	542,043
Total funds		<u><u>603,411</u></u>	<u><u>545,594</u></u>

CAMDEN COMMUNITY NURSERIES LIMITED

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BALANCE SHEET (CONTINUED)

AS AT 31 MARCH 2021

The Company was entitled to exemption from audit under section 477 of the Companies Act 2006.

The members have not required the company to obtain an audit for the year in question in accordance with section 476 of Companies Act 2006.

The Trustees acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and preparation of financial statements.

The financial statements have been prepared in accordance with the provisions applicable to entities subject to the small companies regime.

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

Laurie Swan

.....
Laurie Swan

(Trustee)

Date: 30/11/2021

The notes on pages 13 to 31 form part of these financial statements.

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STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 MARCH 2021

	2021 £	2020 £
Cash flows from operating activities		
Net cash used in operating activities	7,592	88,513
Cash flows from investing activities		
Dividends, interests and rents from investments	351	1,275
Proceeds from the sale of intangible assets	-	(3,000)
Net cash provided by/(used in) investing activities	351	(1,725)
Cash flows from financing activities		
Net cash provided by financing activities	-	-
Change in cash and cash equivalents in the year	7,943	86,788
Cash and cash equivalents at the beginning of the year	639,607	552,819
Cash and cash equivalents at the end of the year	647,550	639,607

The notes on pages 13 to 31 form part of these financial statements

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021

1. Accounting policies

1.1 Basis of preparation of financial statements

The financial statements have been prepared in accordance with the Charities SORP (FRS 102) - Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

Camden Community Nurseries Limited meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy.

1.2 Going concern

After making appropriate enquiries, the Trustees have a reasonable expectation that the charity has adequate resources to continue in operational existence for the next twelve months. For this reason they continue to adopt the going concern basis in preparing the financial statements.

1.3 Company status

The charity is a company limited by guarantee. The members of the company are the Trustees named on page 1. In the event of the charity being wound up, the liability in respect of the guarantee is limited to £1 per member of the charity.

1.4 Income

All income is recognised once the Company has entitlement to the income, it is probable that the income will be received and the amount of income receivable can be measured reliably.

Grants are included in the Statement of financial activities on a receivable basis. The balance of income received for specific purposes but not expended during the period is shown in the relevant funds on the Balance sheet. Where income is received in advance of entitlement of receipt, its recognition is deferred and included in creditors as deferred income. Where entitlement occurs before income is received, the income is accrued.

Donated facilities are included at the value to the charity where this can be quantified and a third party is bearing the cost. No amounts are included in the financial statements for services donated by volunteers.

The principal sources of income for the charity are fees receivable which are recognised on an accruals basis and grants which are recognised on receipt unless there is a contractual arrangement to specify that the income relates to a specified period.

If donors specify that income must be used in future accounting periods or donors' conditions have not been fulfilled, then the income is deferred.

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021

1. Accounting policies (continued)

1.5 Expenditure

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. Expenditure is classified by activity. The costs of each activity are made up of the total of direct costs and shared costs, including support costs involved in undertaking each activity.

Support costs are those costs incurred in a support or administrative role rather than those spent in directly delivering the organisation's principal charitable activity of providing nursery care.

Governance costs are those incurred in connection with compliance with constitutional and statutory requirements.

Costs of generating funds are costs incurred in attracting voluntary income, and those incurred in trading activities that raise funds.

Charitable activities and Governance costs are costs incurred on the charity's operations, including support costs and costs relating to the governance of the charity apportioned to charitable activities.

All expenditure is inclusive of irrecoverable VAT.

1.6 Interest receivable

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

1.7 Tangible fixed assets and depreciation

Tangible fixed assets costing £1,000 or more are capitalised and recognised when future economic benefits are probable and the cost or value of the asset can be measured reliably.

Tangible fixed assets are initially recognised at cost. After recognition, under the cost model, tangible fixed assets are measured at cost less accumulated depreciation and any accumulated impairment losses. All costs incurred to bring a tangible fixed asset into its intended working condition should be included in the measurement of cost.

A review for impairment of a fixed asset is carried out if events or changes in circumstances indicate that the carrying value of any fixed asset may not be recoverable. Shortfalls between the carrying value of fixed assets and their recoverable amounts are recognised as impairments. Impairment losses are recognised in the Statement of financial activities incorporating income and expenditure account.

Depreciation is charged so as to allocate the cost of tangible fixed assets less their residual value over their estimated useful lives, using the following bases:

Garden improvements	- 20% straight line
Fixtures and fittings	- 20% reducing balance
Computer equipment	- 33% straight line

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021**

1. Accounting policies (continued)

1.8 Operating leases

Rentals under operating leases are shown in the Statement of financial activities for the Montpelier and Sington nurseries and printers. A donation in kind and an equivalent expense has been recognised in the accounts for the two properties, where there were signed agreements in place at 31 March 2020, to reflect the rent relief received from London Borough of Camden.

There is a draft lease under discussion for the Acol Nursery as at 31 March 2021.

Rentals under operating lease for printers are charged to the statement of financial activities on a straight line basis over the lease term.

1.9 Debtors

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

1.10 Cash at bank and in hand

Cash at bank and in hand includes cash and short-term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

1.11 Liabilities and provisions

Liabilities and provisions are recognised when there is an obligation at the Balance sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably.

Liabilities are recognised at the amount that the Company anticipates it will pay to settle the debt or the amount it has received as advanced payments for the goods or services it must provide.

Provisions are measured at the best estimate of the amounts required to settle the obligation. Where the effect of the time value of money is material, the provision is based on the present value of those amounts, discounted at the pre-tax discount rate that reflects the risks specific to the liability. The unwinding of the discount is recognised within interest payable and similar charges.

CAMDEN COMMUNITY NURSERIES LIMITED
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021

1. Accounting policies (continued)

1.12 Pensions

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

The charity operates a defined benefits pension scheme and the pension charge is based on a full actuarial valuation dated 31 March 2021.

In respect of this scheme the appointed actuaries have calculated the net present value of the future liabilities payable to the members of the scheme at the balance sheet date. Accordingly, a liability is reflected in the Balance sheet as at 31 March 2021 and 2020.

1.13 Fund accounting

General funds are unrestricted funds which are available for use at the discretion of the Trustees in furtherance of the general objectives of the Company and which have not been designated for other purposes.

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by donors or which have been raised by the Company for particular purposes. The costs of raising and administering such funds are charged against the specific fund. The aim and use of each restricted fund is set out in the notes to the financial statements.

Investment income, gains and losses are allocated to the appropriate fund.

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021**

2. Income from donations and legacies

	Restricted funds 2021 £	Unrestricted funds 2021 £	Total funds 2021 £
Grants			
LB of Camden - 2 yr old grant	46,537	-	46,537
Nursery Education (DfEE) - 3 yr old grant	293,181	-	293,181
LB of Camden - support workers	15,040	-	15,040
Furlough grant	-	45,805	45,805
Subtotal detailed disclosure	354,758	45,805	400,563
Donations	-	3,053	3,053
Grants	-	-	-
Subtotal	-	3,053	3,053
	354,758	48,858	403,616
	Restricted funds 2020 £	Unrestricted funds 2020 £	Total funds 2020 £
Grants			
LB of Camden - 2 yr old grant	30,618	-	30,618
Nursery Education (DfEE) - 3 yr old grant	275,354	-	275,354
LB of Camden - support workers	8,140	-	8,140
Disability Access Funding	615	-	615
Subtotal detailed disclosure	314,727	-	314,727
Donations	-	8,838	8,838
Grants	-	-	-
Subtotal	-	8,838	8,838
	314,727	8,838	323,565

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021**

3. Income from charitable activities

	Unrestricted funds 2021 £	Total funds 2021 £
Fees receivable	543,087	543,087

	Unrestricted funds 2020 £	Total funds 2020 £
Fees receivable	883,705	883,705

4. Income from other trading activities

Income from fundraising events

		Total funds 2021 £
	Unrestricted funds 2020 £	Total funds 2020 £
Fundraising	1,395	1,395

CAMDEN COMMUNITY NURSERIES LIMITED
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021**

5. Interest received

	Unrestricted funds 2021 £	Total funds 2021 £
Bank interest	342	342
Other interest	9	9
	<u>351</u>	<u>351</u>
	<u><u>351</u></u>	<u><u>351</u></u>
	Unrestricted funds 2020 £	Total funds 2020 £
Bank interest	1,231	1,231
Other interest	44	44
	<u>1,275</u>	<u>1,275</u>
	<u><u>1,275</u></u>	<u><u>1,275</u></u>

6. Analysis of expenditure on charitable activities

Summary by fund type

	Restricted funds 2021 £	Unrestricted funds 2021 £	Total funds 2021 £
Nursery costs	<u>355,163</u>	<u>584,558</u>	<u>939,721</u>
	<u><u>355,163</u></u>	<u><u>584,558</u></u>	<u><u>939,721</u></u>
	Restricted funds 2020 £	Unrestricted funds 2020 £	Total funds 2020 £
Nursery costs	<u>314,322</u>	<u>795,934</u>	<u>1,110,256</u>
	<u><u>314,322</u></u>	<u><u>795,934</u></u>	<u><u>1,110,256</u></u>

CAMDEN COMMUNITY NURSERIES LIMITED
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021

7. Analysis of expenditure by activities

	Activities undertaken directly 2021 £	Support costs 2021 £	Total funds 2021 £
Nursery costs	870,086	69,635	939,721
	<u>870,086</u>	<u>69,635</u>	<u>939,721</u>
	Activities undertaken directly 2020 £	Support costs 2020 £	Total funds 2020 £
Nursery costs	1,033,814	76,442	1,110,256
	<u>1,033,814</u>	<u>76,442</u>	<u>1,110,256</u>

CAMDEN COMMUNITY NURSERIES LIMITED**(A company limited by guarantee)****NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021****7. Analysis of expenditure by activities (continued)****Analysis of direct costs**

	Nursery costs 2021 £	Total funds 2021 £
Staff costs	748,009	748,009
Depreciation	1,341	1,341
Rent and services	12,086	12,086
Rates and property service charge	1,416	1,416
Light and heat	15,542	15,542
Repairs and maintenance	8,435	8,435
Insurance	4,477	4,477
Other building costs	6,542	6,542
Staff travel	36	36
Telephone	5,352	5,352
Other office costs	17,658	17,658
Food costs	24,355	24,355
Materials and toys	7,377	7,377
Recruitment and training	4,290	4,290
Other costs	11,170	11,170
Net interest cost on defined benefit scheme	2,000	2,000
	870,086	870,086

CAMDEN COMMUNITY NURSERY LIMITED
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021

7. Analysis of expenditure by activities (continued)

Analysis of direct costs (continued)

	Nursery costs 2020 £	Total funds 2020 £
Staff costs	816,310	816,310
Depreciation	1,362	1,362
Rent and services	19,737	19,737
Rates and property service charge	12,375	12,375
Light and heat	16,467	16,467
Repairs and maintenance	14,321	14,321
Insurance	4,811	4,811
Other building costs	19,724	19,724
Telephone	4,855	4,855
Other office costs	14,440	14,440
Food costs	35,147	35,147
Materials and toys	17,232	17,232
Recruitment and training	12,507	12,507
Agency staff	35,119	35,119
Other costs	9,407	9,407
	<u>1,033,814</u>	<u>1,033,814</u>

CAMDEN COMMUNITY NURSERIES LIMITED
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021**

7. Analysis of expenditure by activities (continued)

Analysis of support costs

	Nursery costs 2021 £	Total funds 2021 £
Staff costs	51,938	51,938
Professional fees	4,674	4,674
Agency staff	7,383	7,383
Governance costs (see note 8)	5,641	5,641
	<u>69,636</u>	<u>69,636</u>

	Nursery costs 2020 £	Total funds 2020 £
Staff costs	50,112	50,112
Professional fees	4,569	4,569
Agency staff	9,764	9,764
Governance costs (see note 8)	11,997	11,997
	<u>76,442</u>	<u>76,442</u>

8. Governance costs

	2021 £	2020 £
Fees payable for the independent examination (audit 2020) of the Company's annual accounts	3,360	5,820
Other governance costs:		
Legal and professional fees	-	1,680
Other financial costs	1,012	3,158
Subscription and licence fees	1,269	1,339
	<u>1,269</u>	<u>1,339</u>

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021**

9. Staff costs

	2021	2020
	£	£
Wages and salaries	726,832	782,011
Social security costs	42,791	48,353
Contribution to defined contribution pension schemes	30,324	36,058
	<u>799,947</u>	<u>866,422</u>

The average number of persons employed by the Company during the year was as follows:

	2021	2020
	No.	No.
Number of administrative staff	2	2
Number of other staff	47	50
	<u>49</u>	<u>52</u>

No employee received remuneration amounting to more than £60,000 in either year.

The key management personnel comprise the Senior Manager and Finance Officer. The total employee benefits of these 2 key management personnel of the charity amounts to £70,701 (2020 - £69,554).

The average number of employees employed during the year were 49 (2020 - 52) comprising 22 full time and 27 part time employees (2020 - 21 full time, 31 part time).

10. Trustees' remuneration and expenses

During the year, no Trustees received any remuneration or other benefits (2020 - £NIL).

During the year ended 31 March 2021, no Trustee expenses have been incurred (2020 - £NIL).

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021**

11. Tangible fixed assets

	Long-term leasehold property £	Fixtures and fittings £	Computer equipment £	Total £
Cost or valuation				
At 1 April 2020	27,610	4,727	1,110	33,447
At 31 March 2021	27,610	4,727	1,110	33,447
Depreciation				
At 1 April 2020	23,890	4,321	1,110	29,321
Charge for the year	1,260	81	-	1,341
At 31 March 2021	25,150	4,402	1,110	30,662
Net book value				
At 31 March 2021	2,460	325	-	2,785
At 31 March 2020	3,720	406	-	4,126

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021**

12. Debtors

	2021 £	2020 £
Due within one year		
Other debtors	13,637	9,278
Prepayments and accrued income	4,437	4,442
	<u>18,074</u>	<u>13,720</u>

13. Creditors: Amounts falling due within one year

	2021 £	2020 £
Other creditors	24,431	25,477
Accruals and deferred income	32,567	29,382
	<u>56,998</u>	<u>54,859</u>

14. Statement of funds

Statement of funds - current year

	Balance at 1 April 2020 £	Income £	Expenditure £	Gains/ (Losses) £	Balance at 31 March 2021 £
Unrestricted funds					
General Funds - all funds	542,043	592,296	(585,074)	51,000	600,265
Restricted funds					
LBC 2yr olds	-	46,537	(46,537)	-	-
NEF 3yr olds	-	293,181	(293,181)	-	-
LBC: support workers	-	15,040	(15,040)	-	-
Sustainability grant	3,146	-	-	-	3,146
Disability Access Funding	405	-	(405)	-	-
	<u>3,551</u>	<u>354,758</u>	<u>(355,163)</u>	<u>-</u>	<u>3,146</u>
Total of funds	<u>545,594</u>	<u>947,054</u>	<u>(940,237)</u>	<u>51,000</u>	<u>603,411</u>

CAMDEN COMMUNITY NURSERIES LIMITED
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021**

15. Summary of funds

Summary of funds - current year

	Balance at 1 April 2020 £	Income £	Expenditure £	Gains/ (Losses) £	Balance at 31 March 2021 £
General funds	542,043	592,296	(585,074)	51,000	600,265
Restricted funds	3,551	354,758	(355,163)	-	3,146
	<u>545,594</u>	<u>947,054</u>	<u>(940,237)</u>	<u>51,000</u>	<u>603,411</u>

16. Analysis of net assets between funds

Analysis of net assets between funds - current year

	Restricted funds 2021 £	Unrestricted funds 2021 £	Total funds 2021 £
Tangible fixed assets	-	2,785	2,785
Current assets	3,146	662,478	665,624
Creditors due within one year	-	(56,998)	(56,998)
Provisions for liabilities and charges	-	(8,000)	(8,000)
Total	<u>3,146</u>	<u>600,265</u>	<u>603,411</u>

Analysis of net assets between funds - prior year

	Endowment funds 2020 £	Restricted funds 2020 £	Unrestricted funds 2020 £	Total funds 2020 £
Tangible fixed assets	(1)	-	4,127	4,126
Current assets	-	3,551	649,775	653,326
Creditors due within one year	-	-	(54,859)	(54,859)
Provisions for liabilities and charges	-	-	(57,000)	(57,000)
Total	<u>(1)</u>	<u>3,551</u>	<u>542,043</u>	<u>545,593</u>

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021**

17. Reconciliation of net movement in funds to net cash flow from operating activities

	2021 £	2020 £
Net income for the year (as per Statement of Financial Activities)	6,817	98,893
Adjustments for:		
Depreciation charges	1,342	1,362
Dividends, interests and rents from investments	(351)	(1,275)
Decrease/(increase) in debtors	(4,354)	2,966
Increase/(decrease) in creditors	4,138	(13,433)
Net cash provided by operating activities	7,592	88,513

18. Analysis of cash and cash equivalents

	2021 £	2020 £
Cash in hand	647,550	639,607
Total cash and cash equivalents	647,550	639,607

19. Analysis of changes in net debt

	At 1 April 2020 £	Cash flows £	At 31 March 2021 £
Cash at bank and in hand	639,607	7,943	647,550
	639,607	7,943	647,550

20. Pension commitments

The charity operated a defined benefit scheme (DBS) which is now closed and operates a defined contribution scheme (DCS).

The DCS is operated by the Pensions Trust. The number of staff in the defined contribution scheme at the year end was 35 (2020 - 46)

The charity operated a defined benefit scheme, which is part of a multi-employer scheme operated by the Local Government Pension Scheme (LGPS), on behalf of Camden Community Nurseries.

CAMDEN COMMUNITY NURSERIES LIMITED
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021**

20. Pension commitments (continued)

The number of staff in the defined benefit scheme is 3 (2020 - 3).

FRS 102 Disclosure

The LGPS undertakes a triennial actuarial review to establish the value of the fund and if necessary adjust the contributions paid by employers accordingly.

The pension cost and provision for the year ending 31 March 2021 are based on the advice of a professionally qualified actuary, Hymans Robertson LLP. The most recent formal valuation is dated 31 March 2021.

The Company operates a defined benefit pension scheme.

Principal actuarial assumptions at the Balance sheet date (expressed as weighted averages):

	At 31 March 2021 %	At 31 March 2020 %
Discount rate	1.95	2.30
Expected return on scheme assets	31.0	-6.80
Future salary increases	3.25	2.40
Future pension increases	2.85	2.00
	<u><u> </u></u>	<u><u> </u></u>

The major categories of scheme assets as a percentage of total scheme assets are as follows:

	2021 %	2020 %
Equities	80	76
Bonds	9	11
Property	8	12
Cash	3	1
	<u><u> </u></u>	<u><u> </u></u>

The Company's share of the assets in the scheme was:

	At 31 March 2021 £	At 31 March 2020 £
Total market value of assets	396,000	336,000
	<u><u> </u></u>	<u><u> </u></u>

The actual return on scheme assets was £7,000 (2020 - £10,000).

CAMDEN COMMUNITY NURSERY LIMITED
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021

20. Pension commitments (continued)

The amounts recognised in the Statement of financial activities are as follows:

Movements in the present value of the defined benefit obligation were as follows:

	2021 £
Opening defined benefit obligation	393,000
Interest cost	9,000
Actuarial losses/(gains)	41,000
Benefits paid	(39,000)
Closing defined benefit obligation	404,000

Movements in the fair value of the Company's share of scheme assets were as follows:

	2021 £
Opening fair value of scheme assets	336,000
Actuarial gains/(losses)	92,000
Net interest	9,000
Expected return on assets	(2,000)
Benefits paid	(39,000)
Closing fair value of scheme assets	396,000

CAMDEN COMMUNITY NURSERY LIMITED
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021

21. Operating lease commitments

The charity is provided with the use of three properties by the London Borough of Camden, known as Sington, Montpelier and Acol nurseries.

There is a signed lease in place for the Montpelier and Sington nurseries. There is a draft lease under discussion for the Acol Nursery, however until such time as this is agreed and signed, no commitment is disclosed for this property.

In the previous year, the charity signed an operating lease agreement in respect of four printers for the period of five years.

Accordingly, the commitments below detail the future minimum lease payments per these agreements.

At 31 March 2021 the total of the Charity's future minimum lease payments under non-cancellable operating leases as follows:

	2021	2020
	£	£
Not later than 1 year	20,464	13,114
Later than 1 year and not later than 5 years	80,128	80,992
Later than 5 years	152,000	171,600
	252,592	265,706