

Company registration number: 12630609

Charity registration number: 1193125

QEGS Blackburn Academy Nursery Limited

(A company limited by guarantee)

Annual Report and Financial Statements

for the Year Ended 31 August 2022

Beever and Struthers
Suite 9B
The Beehive
Lions Drive
Blackburn
BB1 5QS

QEGS Blackburn Academy Nursery Limited

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QEGS Blackburn Academy Nursery Limited

Reference and Administrative Details

Trustees	Mr P A Atkinson Mr M Russell Ms C Y Gammon Mr D Hopkinson (deceased 27 January 2023)
Secretary	Mr P A Atkinson
Principal and Registered Office	Queen Elizabeth's Grammar School West Park Road Blackburn Lancashire BB2 6DF
Company Registration Number	12630609
Charity Registration Number	1193125
Independent Examiner	Beever and Struthers Suite 9B The Beehive Lions Drive Blackburn BB1 5QS

QEGS Blackburn Academy Nursery Limited

Trustees' Report

The trustees, who are directors for the purposes of company law, present the annual report together with the financial statements of the charitable company for the year ended 31 August 2022.

Objectives and activities

Objects and aims

The Charity's objects are to advance the education and wider development of children by establishing, maintaining, managing and supporting nurseries, schools and other educational establishments, predominantly in Blackburn and the surrounding areas.

The Charity delivers the aims through the operation of a nursery provision at a school, QEGS Blackburn Academy Trust. This nursery provision was previously operated by an existing charity, Queen Elizabeth's Grammar School Blackburn Limited. The operation was transferred to QEGS Blackburn Academy Nursery Limited on 1 January 2022.

Public benefit

The trustees confirm that they have complied with the requirements of section 4 of the Charities Act 2011 to have due regard to the public benefit guidance published by the Charity Commission for England and Wales.

Achievements and performance

On 1st January 2022, QEGS Nursery was transferred as a going concern from Queen Elizabeth Grammar School Blackburn Limited. During the eight months of trading the Nursery has traded at near full capacity. The day-to-day capacity is 96 children, with 136 children registered. The Nursery employs 22 members of staff. In addition, it receives support services from QEGS Blackburn Academy Trust. These services are outlined in a Service Level Agreement and include finance and administration support, child safeguarding, building maintenance and educational support. The Nursery Manager is preparing for the next Ofsted Inspection which is due from September 2023.

Financial review

On the day of transfer the Nursery received a grant of £20,000 from Queen Elizabeth Grammar School Blackburn Limited. This money was to provide initial working capital. During the eight-month period of trading the Nursery generated a surplus of £61,247.

Policy on reserves

It is the Trustee's policy to hold sufficient unrestricted reserves to pay the redundancy costs of its employees and ensure the orderly winding down of the Nursery in the event of its cessation as a business. This equates to approximately 3 months of payroll costs which is approximately £92,000.

The Charity held unrestricted reserves as at 31 August 2022 of £61,257 and all are considered to be free reserves.

Structure, governance and management

Nature of governing document

QEGS Blackburn Academy Nursery Limited is a private charitable company limited by guarantee, incorporated on 28 May 2020 and registered as a charity on 15 January 2021. The company was formed under a memorandum of Association which established the powers of the charitable company and is governed under its Articles of Association.

QEGS Blackburn Academy Nursery Limited

Trustees' Report

Recruitment and appointment of trustees

Trustees are appointed in accordance with the Charity's Memorandum and Articles of Association. The Trustees as charity trustees have control of the Charity.

Arrangements for setting key management personnel remuneration


The Trustees consider the board of Trustees as comprising the key management personnel of the charity, as they are in charge of directing and controlling the charity. All trustees give their time freely and no trustee remuneration was paid in the year. A management charge is made from QEGS Blackburn Academy Trust where the Trustees are remunerated to cover the administration of the charity.

Major risks and management of those risks

The Trustees continue to examine the principal areas of the charity's operations and consider the major risk faced in each of the areas.

It is the opinion of the Trustees that the charity has established resources and a review system which, under normal conditions, should allow these risks to be mitigated to an acceptable level in its day to day operation.

The annual report was approved by the trustees of the charity on 15/5/23 and signed on its behalf by:



Mr P A Atkinson
Company Secretary and Trustee

QEGS Blackburn Academy Nursery Limited

Statement of Trustees' Responsibilities

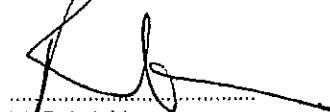
The trustees (who are also the directors of QEGS Blackburn Academy Nursery Limited for the purposes of company law) are responsible for preparing the trustees' report and the financial statements in accordance with the United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and applicable law and regulations.

Company law requires the trustees to prepare financial statements for each financial year. Under company law the trustees 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 its incoming resources and application of resources, including its income and expenditure, for that period. In preparing these financial statements, the trustees are required to:

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

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 the trustees of the charity on **15/5/23** and signed on its behalf by:



Mr P A Atkinson
Company Secretary and Trustee

QEGS Blackburn Academy Nursery Limited

Independent Examiner's Report to the trustees of QEGS Blackburn Academy Nursery Limited

I report on the accounts of the charity for the year ended 31 August 2022 which are set out on pages 6 to 15 .

Respective responsibilities of trustees and examiner

The trustees (who are also the directors of the company for the purposes of company law) are responsible for the preparation of the accounts. The trustees consider that an audit is not required for this year under section 144(2) of the Charities Act 2011 (the 2011 Act) and that an independent examination is needed. The charity's gross income exceeded £250,000 and I am qualified to undertake the examination by being a qualified member of ICAEW.

Having satisfied myself that the charity is not subject to audit under company law and is eligible for independent examination, it is my responsibility to:

- examine the accounts under section 145 of the 2011 Act;
- to follow the procedures laid down in the general Directions given by the Charity Commission under section 145(5)(b) of the 2011 Act; and
- to state whether particular matters have come to my attention.

Basis of independent examiner's report

My examination was carried out in accordance with the general Directions given by the Charity Commission. An examination includes a review of the accounting records kept by the charity and a comparison of the accounts presented with those records. It also includes consideration of any unusual items or disclosures in the accounts, and seeking explanations from you as trustees concerning any such matters. The procedures undertaken do not provide all the evidence that would be required in an audit and consequently no opinion is given as to whether the accounts present a 'true and fair view' and the report is limited to those matters set out in the statement below.

Independent examiner's statement

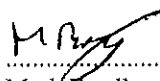
In connection with my examination, no matter has come to my attention:

(1) which gives me reasonable cause to believe that in any material respect the requirements:

- to keep accounting records in accordance with section 386 of the Companies Act 2006; and
- to prepare accounts which accord with the accounting records, comply with the accounting requirements of section 396 of the Companies Act 2006 and with the methods and principles of the Statement of Recommended Practice: Accounting and Reporting by Charities

have not been met; or

(2) to which, in my opinion, attention should be drawn in order to enable a proper understanding of the accounts to be reached.


.....
Mark Bradley BA FCA

Beever and Struthers
Suite 9B
The Beehive
Lions Drive
Blackburn
BB1 5QS

Date: 22/05/23

QEGS Blackburn Academy Nursery Limited

Statement of Financial Activities for the Year Ended 31 August 2022 (Including Income and Expenditure Account and Statement of Total Recognised Gains and Losses)

	Note	Unrestricted funds £	Total 31 August 2022 £
Income and Endowments from:			
Donations and legacies	3	20,000	20,000
Charitable activities	4	<u>428,792</u>	<u>428,792</u>
Total Income		<u>448,792</u>	<u>448,792</u>
Expenditure on:			
Charitable activities	5	<u>(387,545)</u>	<u>(387,545)</u>
Total Expenditure		<u>(387,545)</u>	<u>(387,545)</u>
Net income		<u>61,247</u>	<u>61,247</u>
Reconciliation of funds			
Total funds carried forward	16	<u>61,247</u>	<u>61,247</u>

All of the charity's activities derive from continuing operations during the above two periods.


There was no income or expenditure in the period to 31 August 2021.

QEGS Blackburn Academy Nursery Limited

(Registration number: 12630609)
Balance Sheet as at 31 August 2022

	Note	31 August 2022 £	31 August 2021 £
Current assets			
Debtors	12	3,459	-
Cash at bank and in hand		<u>67,057</u>	<u>-</u>
		70,516	-
Creditors: Amounts falling due within one year	13	<u>(9,269)</u>	<u>-</u>
Net assets		<u>61,247</u>	<u>-</u>
Funds of the charity:			
Unrestricted income funds			
Unrestricted funds		<u>61,247</u>	<u>-</u>
Total funds	16	<u>61,247</u>	<u>-</u>

The financial statements on pages 6 to 15 were approved by the trustees, and authorised for issue on ~~15/6/23~~ and signed on their behalf by:


.....
Mr P A Atkinson
Company Secretary and Trustee

QEGS Blackburn Academy Nursery Limited

Notes to the Financial Statements for the Year Ended 31 August 2022

1 Charity status

The charity is a charity limited by guarantee and consequently does not have share capital. Each of the trustees is liable to contribute an amount not exceeding £1 towards the assets of the charity in the event of liquidation.

The address of its registered office is:
Queen Elizabeth's Grammar School
West Park Road
Blackburn
Lancashire
BB2 6DF

2 Accounting policies

Summary of significant accounting policies and key accounting estimates

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

Statement of compliance

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

Basis of preparation

QEGS Blackburn Academy Nursery 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 notes.

Going concern

The trustees consider that there are no material uncertainties about the charity's ability to continue as a going concern nor any significant areas of uncertainty that affect the carrying value of assets held by the charity.

Judgements and estimates

The preparation of the financial statements requires management to make certain judgements, estimates and assumptions that affect the amounts reported for assets, liabilities, income and expenditure. The nature of estimation means that actual outcome could differ from those estimates. There are no significant judgments or estimates that has had a material effect on the amounts recognised in the financial statements.

Income and endowments

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

QEGS Blackburn Academy Nursery Limited

Notes to the Financial Statements for the Year Ended 31 August 2022

Donations and legacies

Donations are recognised when the charity has been notified in writing of both the amount and settlement date. In the event that a donation is subject to conditions that require a level of performance by the charity before the charity is entitled to the funds, the income is deferred and not recognised until either those conditions are fully met, or the fulfilment of those conditions is wholly within the control of the charity and it is probable that these conditions will be fulfilled in the reporting period.

Expenditure

All expenditure is recognised once there is a legal or constructive obligation to that expenditure, it is probable settlement is required and the amount can be measured reliably. All costs are allocated to the applicable expenditure heading that aggregate similar costs to that category. Where costs cannot be directly attributed to particular headings they have been allocated on a basis consistent with the use of resources, with central staff costs allocated on the basis of time spent, and depreciation charges allocated on the portion of the asset's use. Other support costs are allocated based on the spread of staff costs.

Charitable activities

Charitable expenditure comprises those costs incurred by the charity in the delivery of its activities and services for its beneficiaries. It includes both costs that can be allocated directly to such activities and those costs of an indirect nature necessary to support them.

Support costs

Support costs include central functions and have been allocated to activity cost categories on a basis consistent with the use of resources, for example, allocating property costs by floor areas, or per capita, staff costs by the time spent and other costs by their usage.

Governance costs

These include the costs attributable to the charity's compliance with constitutional and statutory requirements, including independent examination, strategic management and trustees's meetings and reimbursed expenses.

Taxation

The charity is considered to pass the tests set out in Paragraph 1 Schedule 6 of the Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes. Accordingly, the charity is potentially exempt from taxation in respect of income or capital gains received within categories covered by Chapter 3 Part 11 of the Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

Trade debtors

Trade debtors are amounts due from customers for merchandise sold or services performed in the ordinary course of business.

Trade debtors are recognised initially at the transaction price. They are subsequently measured at amortised cost using the effective interest method, less provision for impairment. A provision for the impairment of trade debtors is established when there is objective evidence that the charity will not be able to collect all amounts due according to the original terms of the receivables.

QEGS Blackburn Academy Nursery Limited

Notes to the Financial Statements for the Year Ended 31 August 2022

Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and call deposits, and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of change in value.

Trade creditors

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if the charity does not have an unconditional right, at the end of the reporting period, to defer settlement of the creditor for at least twelve months after the reporting date. If there is an unconditional right to defer settlement for at least twelve months after the reporting date, they are presented as non-current liabilities.

Trade creditors are recognised initially at the transaction price and subsequently measured at amortised cost using the effective interest method.

Borrowings

Interest-bearing borrowings are initially recorded at fair value, net of transaction costs. Interest-bearing borrowings are subsequently carried at amortised cost, with the difference between the proceeds, net of transaction costs, and the amount due on redemption being recognised as a charge to the Statement of Financial Activities over the period of the relevant borrowing.

Interest expense is recognised on the basis of the effective interest method and is included in interest payable and similar charges.

Borrowings are classified as current liabilities unless the charity has an unconditional right to defer settlement of the liability for at least twelve months after the reporting date.

Fund structure

Unrestricted income funds are general funds that are available for use at the trustees's discretion in furtherance of the objectives of the charity.

Financial instruments

Classification

Financial assets and financial liabilities are recognised when the charity becomes a party to the contractual provisions of the instrument.

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the charity after deducting all of its liabilities.

QEGS Blackburn Academy Nursery Limited

Notes to the Financial Statements for the Year Ended 31 August 2022

3 Income from donations and legacies

	Unrestricted funds	Total 31 August 2022
	General £	£
Donations and legacies;		
Donations from companies, trusts and similar proceeds	20,000	20,000
	<u>20,000</u>	<u>20,000</u>

4 Income from charitable activities

	Unrestricted funds	Total 31 August 2022
	General £	£
Operation of Nursery School	428,792	428,792
	<u>428,792</u>	<u>428,792</u>

5 Expenditure on charitable activities

		Unrestricted funds	Total 31 August 2022
	Note	General £	£
Operation of Nursery School		27,349	27,349
Staff costs		224,328	224,328
Allocated support costs	6	131,328	131,328
Governance costs	6	4,540	4,540
		<u>387,545</u>	<u>387,545</u>

£Nil (2021 - £Nil) of the above expenditure was attributable to unrestricted funds and £Nil (2021 - £Nil) to restricted funds.

QEGS Blackburn Academy Nursery Limited

Notes to the Financial Statements for the Year Ended 31 August 2022

6 Analysis of governance and support costs

Support costs allocated to charitable activities

	Basis of allocation	Administration costs £	Other support costs £	Total 31 August 2022 £
Operation of Nursery School	100%	<u>127,800</u>	<u>3,528</u>	<u>131,328</u>

Governance costs

	Unrestricted funds General £	Total 31 August 2022 £
Independent examiner fees		
Examination of the financial statements	2,640	2,640
Other fees paid to examiners	1,680	1,680
Legal fees	<u>220</u>	<u>220</u>
	<u>4,540</u>	<u>4,540</u>

7 Net incoming/outgoing resources

Net incoming/outgoing resources for the year include:

	31 August 2022 £
Independent examiners' fees	<u>1,800</u>

8 Trustees remuneration and expenses

No trustees, nor any persons connected with them, have received any remuneration from the charity during the year.

No trustees have received any reimbursed expenses or any other benefits from the charity during the year.

QEGS Blackburn Academy Nursery Limited

Notes to the Financial Statements for the Year Ended 31 August 2022

9 Staff costs

The aggregate payroll costs were as follows:

	2022
	£
Staff costs during the year were:	
Wages and salaries	212,564
Social security costs	6,716
Pension costs	5,048
	<u>224,328</u>

The monthly average number of persons (including senior management team) employed by the charity during the year expressed as full time equivalents was as follows:

	31 August
	2022
	No
Nursery staff	<u>22</u>

No employee received emoluments of more than £60,000 during the year.

10 Independent examiner's remuneration

	Year ended 31
	August 2022
	£
Examination of the financial statements	<u>2,640</u>
Other fees to examiners	
All other services	<u>1,680</u>

QEGS Blackburn Academy Nursery Limited

Notes to the Financial Statements for the Year Ended 31 August 2022

11 Taxation

The charity is exempt from tax on income and gains falling within Section 505 of the Taxes Act 1988 or Section 252 of the Taxation of Chargeable Gains Act 1992 to the extent that these are applied to its charitable objects.

12 Debtors

	31 August 2022 £
Trade debtors	<u>3,459</u>

13 Creditors: amounts falling due within one year

	31 August 2022 £
Trade creditors	1,959
Other taxation and social security	1,328
Other creditors	1,662
Accruals	<u>4,320</u>
	<u><u>9,269</u></u>

14 Obligations under leases and hire purchase contracts

Operating lease commitments

Total future minimum lease payments under non-cancellable operating leases are as follows:

	31 August 2022 £
Land and buildings	
Within one year	<u><u>30,000</u></u>

The charity leases the building, in which it operates, from QEGS Blackburn Academy Trust. The lease shall terminate with immediate effect on termination of the Service Level Agreement, which is renewed on an annual basis.

15 Pension and other schemes

Defined contribution pension scheme

The charity operates a defined contribution pension scheme. The pension cost charge for the year represents contributions payable by the charity to the scheme and amounted to £5,048 (2021 - £Nil).

QEGS Blackburn Academy Nursery Limited

Notes to the Financial Statements for the Year Ended 31 August 2022

16 Funds

	Incoming resources £	Resources expended £	Balance at 31 August 2022 £
Unrestricted funds			
General	<u>448,792</u>	<u>(387,545)</u>	<u>61,247</u>

17 Analysis of net assets between funds

	Unrestricted funds General £	Total funds £
Current assets	70,516	70,516
Current liabilities	<u>(9,269)</u>	<u>(9,269)</u>
Total net assets	<u>61,247</u>	<u>61,247</u>

18 Related party transactions

Claire Gammon is also a trustee of QEGS Blackburn Academy Trust. During the year the charity paid rent and management fees totalling £127,800 to QEGS Blackburn Academy Trust. At the year end there were no balances owing to or from the charity to QEGS Blackburn Academy Trust.

The nursery operation was transferred by way of a gift from Queen Elizabeth Grammar School (Blackburn) Limited. The charity received a start up donation of £20,000 from Queen Elizabeth Grammar School (Blackburn) Limited to assist with initial working capital.