

Minik Kardes Limited
(Private Company Limited by Guarantee)

REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023

COMPANY REG NO. 3076260

CHARITY NO. 1067893

	<u>Page</u>
Legal and administrative information	1
Report of the trustees	2-3
Report of the auditors	4-7
Statement of Financial Activities	8
Balance Sheet	9
Cash Flow Statement	10
Accounting policies	11-14
Notes forming part of the financial statements	15-19
Detailed income & expenditure account	20

Page 20 does not form part of the statutory accounts.

Trustees and directors

A K Meer
S Arslan
H Osman (resigned 27/1/2023)
P E Daniels
F W Man (appointed 22/04/2022)
E M J J Van Waeyenberge (appointed 10/2/2023)

*** - Management committee members are also, for the purpose of the Companies Act 2006, company directors.*

Company secretary: P E Daniels

Key management & personnel N Cosar - Nursery Head
S Martin - Finance officer

Administration and registered office: 53-55 Balls Pond Road
London
N1 4BW

Charity registration no.: 1067893

Company registration no.: 03076260 (England & Wales)

Auditors: Christopher Michael Limited
Chartered Certified Accountants & Statutory Auditors
26 Station Rd
New Barnet
Herts
EN5 1QW

Bankers: Barclays Bank Plc

Funding authorities: LB of Islington
Hackney Learning Trust

Minik Kardes Limited
(Private Company Limited by Guarantee)
Directors and Trustees Report for the year ended 31 March 2023

The trustees are pleased to present their annual directors' report for the year ended 31 March 2023 which is also prepared to meet the requirements for a directors report and accounts for Companies Act purposes.

The financial statements comply with the Charities Act 2011, the Companies Act 2006, the Memorandum and Articles of Association, and Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102).

Structure, Governance and Management

Governing Document

Minik Kardes Limited is a company limited by guarantee and is a registered charity. The company was established under a Memorandum of Association which established the objects and powers of the charitable company and is governed under its Articles of Association. In the event of the company being wound up members are required to contribute an amount not exceeding £1.

Recruitment & Appointment of Trustees

The trustees and directors who have served throughout the year are shown on page 1. Appointment of directors/trustees is governed by the Memorandum & Articles of Association.

New Trustees undergo training on their legal obligations as under Charity Law, the decision making process, the business plan and recent performance of the charity.

Organisational Structure

The charity is organized so that the trustees meet regularly to manage its affairs. The 'Nursery Head' N Cosar and finance officer S Martin manage the day to day administration of the charity and report to the Trustees at monthly Trustee meetings.

Risk Management

The trustees actively review the major risks which the charity faces on a regular basis and believe that maintaining reserves at the current levels, combined with an annual review of the controls over key financial systems, will provide sufficient resources in the event of adverse conditions.

The trustees also review non-financial risks and these risks are managed by ensuring compliance with all health and safety regulations for children, staff and parents. In addition the nursery is regulated by Ofsted and the trustees and senior management have controls in place to ensure compliance with such regulations.

Related parties

None of the trustees receive remuneration or other benefit in their capacity as trustees of the charity. Any connection between a trustee of the charity and organisations providing services to the charity must be disclosed to the full board of trustees in the same way as any contractual relationship with a related party. In the current year no such related party transactions were reported.

Pay policy for senior staff

The directors consider that the board of directors, who are the Charity's trustees, and senior management team comprise the key management personnel of the charity in charge of directing, controlling, running and operating the charity on a day to day basis.

The pay of senior staff, including N Cosar is reviewed annually and normally increased in with Local Authority pay scales.

Purpose and objectives

The charity's objects and its principal activities are the advance and education of Turkish speaking children below compulsory school age by the provision of bilingual nursery education.

Achievements and performance

The trustees consider that the Charity's activities in meeting objectives have been most satisfactory during the year under review.

Minik Kardes Limited
(Private Company Limited by Guarantee)
Directors and Trustees Report for the year ended 31 March 2023
(Continued)

Financial review

Total income for the year amounted to £1,653,864 with total expenditure amounting to £1,564,367 leaving a surplus in the year of £89,497.

Accumulated reserves at the balance sheet date amounted to £1,810,676, of which £1,471,798 represent income reserves.

Investment powers and policy

The trustees, having regard to the liquidity requirements of operating the nursery, have kept a proportion of available liquid funds in an interest bearing account to maximise the rate of return, although given current rates of interest the rate of return is minimal. The trustees will review the position and consider alternative investments to maximise returns but will continue with a risk averse policy.

Reserves policy and going concern

The Trustees have undertaken a review of the charity's requirements for reserves in light of the main risks to the organisation. As part of this review the charity has set up two funds, namely a 'running cost' and 'staff & maternity fund' reserve, in line with Charity Commission recommendations. The running cost reserve is to cover running costs of the charity of between 3 to 6 months and as at 31 March 2023 stands at £405,000 which is equivalent to six months running costs. The 'staff & maternity fund' is to cover future potential statutory liabilities (redundancy, unpaid holiday & monies in lieu of notice) should the charity cease activities and as at 31 March 2023 stands at £26,472.

Plans for future periods

Funding for the year 2023/24 has been secured from L B Islington and Hackney Learning Trust with total grants receivable for the year of £1,182,188 for the Charities' core activities and the aim of the Trustees is to further develop the children's centre, the provision of nursery education and outreach services in the Hackney & Islington areas.

Trustees responsibilities in relation to the financial statements

The charity trustees (who are also directors of the Company for the purposes of company law) are responsible for preparing a trustees' annual report and financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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

The trustees are responsible for keeping accounting records which disclose with reasonable accuracy at any time the financial position of the charity 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 charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Directors and trustees

The trustees who are directors for the purpose of company law who have served during the year and up to the date of this report are set out on page 1.

Statement as to disclosure to our auditors

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

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

By order of the board of trustees



A K Meer
Trustee & Company Director

Date: 05/12/2023

Opinion on financial statements

We have audited the financial statements of Minik Kardes Ltd for the year ended 31 March 2023 on pages 8 to 19. The financial reporting framework that has been applied in their preparation is applicable law, and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland".

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.

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 2023, and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with the United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis of 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

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the trustees' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the charitable company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other Information

The trustees are responsible for the other information. The other information comprises the information included in the trustees' annual report, other than the financial statements and our auditor's report thereon. 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.

In connection with our audit of the financial statements, 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 audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. 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.

Opinion on other matter 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 trustees' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and

the Trustees report has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of our 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 directors' 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 directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or

Responsibilities of trustees

As explained more fully in the trustees' responsibilities statement, 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:

To identify risks of material misstatements due to fraud ("fraud risks") we assessed events or conditions that indicate an incentive or pressure to commit fraud or provide the opportunity to commit fraud. Our risk assessment procedures included:

*Enquiring with Trustees and management and inspection of policy documentation as to Minik Kardes Limited's policies and procedures to prevent fraud and detect fraud that apply to this company as well as Enquiring whether the Trustees and management have knowledge of any actual suspected or alleged fraud.

Audit procedures performed by the engagement team included:

*Discussions with management and assessment of known or suspected instances of non compliance with laws and regulations and fraud:

*Assessments of identified fraud factors:

*Challenging assumptions and judgements made by management in its significant accounting estimates:

*Using analytical review procedures to identify unusual or unexpected relationships

*Confirmation of related parties with management, and review of transactions throughout the period to identify previously undisclosed transactions with related parties outside the normal course of business:

*Reading minutes of meetings of those charged with governance:

*Review of significant and unusual transactions and evaluation of the underlying financial rationale supporting the transactions:

*Identifying and testing journal entries, in particular any manual entries made at the year end for financial statement presentation:

*Identifying and responding to risks of material misstatement due to non compliance with laws and regulations.

We communicated identified fraud risks throughout the audit team and remained alert to any indications of fraud throughout the audit

As required by auditing standards, taking into account possible pressures to meet profit targets, we perform procedures to address risks of management override of controls and the risk of fraudulent revenue recognition, including: the risk that revenue is recorded in the wrong period and the risk that management may be in a position to make inappropriate accounting entries.

We did not identify any additional fraud risks.

We identified areas of laws and regulations that could reasonably be expected to have a material effect on the financial statements from our general commercial and sector experience and through discussion with Trustees and management (as required by auditing standards) and discussed with Trustees and management the policies and procedures regarding compliance with laws and regulations.

Firstly, the company is subject to laws and regulations that directly affect the financial statements including financial reporting legislation, (including related companies legislation), distributable profits legislation and taxation legislation and we assessed the extent of compliance with these laws and regulations as part of our procedures on related financial statement items.

Secondly, the company is subject to many other laws and regulations where the consequences of non compliance have a material effect on the amounts or disclosures in the financial statements, for instance through the imposition of fines or litigation. We identified the following areas as those most likely to have such effect: health and safety, anti-bribery, general data protection, employment law, and certain aspects of company legislation, recognising the nature of the company's activities. Auditing standards limit the required audit procedures to identify non compliance with these laws and regulations to enquire of the Trustees inspection of regulatory and legal correspondence, if any. Therefore, if a breach of operational regulations is not disclosed to us or evident from relevant correspondence, an audit will not detect that breach.

Context of ability of the audit to detect fraud or breached of law or regulation

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. For example, the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely inherently limited procedures required by auditing standards would identify it.

In addition, as with any audit, there remained a higher risk of non-detection of fraud, as these may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls. Our audit procedures are designed to detect material misstatement. We are not responsible for preventing non compliance or fraud and cannot be expected to detect non-compliance with all laws and regulation. As part of an audit in accordance with ISAs (UK), we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the charitable company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the trustees.
- Conclude on the appropriateness of the trustees' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the charitable company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the charitable company to cease to continue as a going concern.

Minik Kardes Limited
(Private Company Limited by Guarantee)
Independent Auditor's Report to the Members of Minik Kardes Limited

· Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

A further description of our responsibilities for audit of the financial statements is located on the Financial reporting Council's website at www.frc.org.uk/auditorsresponsibilities. This descriptions forms part of our Report of the Auditors.

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



Michalis Michael, Senior Statutory Auditor

for and on behalf of Christopher Michael Ltd, Chartered Certified Accountants & Statutory Auditors

26 Station Road, New Barnet, Herts EN5 1QW

Date: 7th December 2023

Minik Kardes Limited
(Private Company Limited by Guarantee)
Statement of financial activities
for the year ended 31 March 2023

	<u>Notes</u>	<u>Restricted Funds</u> £	<u>Unrestricted/ Designated Funds</u> £	<u>Total 2022/23</u> £	<u>Total 2021/22</u> £
Income:					
Donations and restricted grants	3	1,056,221		1,056,221	1,085,575
<i>Income from Charitable activities:</i>					
Nursery fees	4	-	559,882	559,882	555,845
<i>Income from other charitable activities</i>					
Fundraising & other income	5	-	37,761	37,761	9,133
Total income		<u>1,056,221</u>	<u>597,643</u>	<u>1,653,864</u>	<u>1,650,553</u>
Expenditure					
<i>Expenditure on charitable activities:</i>					
Direct Charitable expenditure	6	1,056,221	367,781	1,424,002	1,261,832
Management and administration	7	-	140,365	140,365	129,670
Total expenditure		<u>1,056,221</u>	<u>508,146</u>	<u>1,564,367</u>	<u>1,391,502</u>
Net income/(expenditure) and net movements in funds before gains and losses on investments					
	18	-	89,497	89,497	259,051
Total funds brought forward		-	1,721,179	1,721,179	1,462,128
Total funds carried forward		<u>-</u>	<u>1,810,676</u>	<u>1,810,676</u>	<u>1,721,179</u>

The statement of financial activities includes all gains and losses in the year. All incoming resources and resources expended derive from continuing activities.

Minik Kardes Limited
(Private Company Limited by Guarantee)
BALANCE SHEET
AS AT 31 MARCH 2023

	Notes	2022/23	2021/22
		£	£
Fixed Assets			
Tangible fixed assets	14	338,877	341,603
Total fixed assets		<u>338,877</u>	<u>341,603</u>
Current Assets			
Debtors	15	29,294	186,497
Cash at bank and in hand		1,525,929	1,255,271
Total current assets		1,555,223	1,441,768
Creditors: amounts falling due within one year	16	<u>(83,424)</u>	<u>(62,191)</u>
Net current assets		<u>1,471,799</u>	<u>1,379,577</u>
NET ASSETS		<u>1,810,676</u>	<u>1,721,180</u>
The funds of the Charity:			
Unrestricted/Designated income funds:	18	1,810,676	1,721,180
TOTAL CHARITY FUNDS		<u>1,810,676</u>	<u>1,721,180</u>

These accounts are prepared in accordance with the special provisions of Part 15 of the Companies Act relating to small companies and constitute the annual accounts required by the Companies Act 2006 and are for circulation to members of the company.

The notes at pages 11 to 19 form part of these accounts

Approved by the trustees on 05.12.2023

.....
P E Daniels
Trustee & Company Director

Minik Kardes Limited
Statement of cash flows
For the year ended 31 March 2023

	2022/23	2021/22
	Total Funds £	Prior year Funds £
Cash flows from operating activities:		
Net cash provided by (used in) operating activities	274,215	104,275
Cash flows from investing activities		
Dividends, interest and rents from investments	1,825	68
Proceed from the sale of property, plant and equipment	-	-
Purchase of property, plant and equipment	(5,381)	(1,155)
Net cash provided by / (used in) investing activities	<u>270,659</u>	<u>103,188</u>
Change in cash and cash equivalents in the reporting period	270,658	103,188
Cash and cash equivalents at the beginning of the reporting period	1,255,271	1,152,083
Cash and cash equivalents at the end of the reporting period	<u>1,525,929</u>	<u>1,255,271</u>
Reconciliation of net movement in funds to net cash flow from operating activities		
Net movement in funds for the reporting period (as per the SOFA)	89,497	259,051
Adjustments for :		
Depreciation charges	8,107	4,632
Dividends, interest and rents from investments	(1,825)	(68)
(increase)/decrease in debtors	157,203	(167,784)
Increase(decrease) in creditors	21,233	8,444
Net cash provided by (used in) operating activities	<u>274,215</u>	<u>104,275</u>
Analysis of cash and cash equivalents		
Cash in hand	1,525,929	1,255,271
Total cash and cash equivalents	<u>1,525,929</u>	<u>1,255,271</u>

Summary of Significant accounting policies

General information and basis of preparation

Minik Kardes Ltd is a company incorporated in England & Wales and is limited by guarantee and has no share capital. In the event of the charity being wound up, the liability in respect of the guarantee is limited to a maximum of £1 per member of the charity. The registered address is given in the charity information on page 1 of these financial statements. The nature of the charity's operations and principle activities are primary nursery care. The charity constitutes a public benefit entity as defined by FRS 102. 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 issued in October 2019, the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102), the Charities Act 2011, the Companies Act 2006 and UK Generally Accepted Accounting Practice.

The financial statements are prepared on a going concern basis under the historical cost convention, modified to include certain items at fair value. The financial statements are presented in sterling which is the functional currency of the charity and rounded to the nearest £1.

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

Reconciliation with previous GAAP

In preparing the accounts the trustees have considered whether in applying the accounting policies required by FRS 102 and the Act at the date of transition no other restatements were required.

Incoming resources

Income (including income from government and other grants) is recognised when the charity has entitlement to the funds, any performance conditions attached to the items of income have been met, it is probable that the income will be received and the amount can be measured reliably.

Interest and investment income receivable

Interest on funds held on deposit and income from investments held is included when receivable and the amount can be measured reliably by the charity.

Fund accounting

Unrestricted funds are available for use at the discretion of the trustees in furtherance of the general objectives of the charity and which have not been designated for other purposes.

Designated funds comprise unrestricted funds that have been set aside by the trustees for particular purposes. The aim and use of each designated fund is set out in the notes to the financial statements.

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by donors or which have been raised by the charity for particular purposes. The cost 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.

Endowment funds represent those assets which must be held permanently by the charity. Income arising on the endowment funds can be used in accordance with the objects of the charity and is included as unrestricted income. Any capital gains or losses arising on the investments form part of the fund. Investment management charges and legal advice relating to the fund are charged against the fund.

Summary of Significant accounting policies

The principal accounting policies adopted, judgments and key sources of estimation uncertainty in the preparation of financial statements are as follows:

Income Recognition

All incoming resources are included in the Statement of Financial Activities (SoFA) when the charity is legally entitled to the income after any performance conditions have been met, the amount can be measured reliably and it is probable that the For donations to be recognised the charity will have been notified of the amounts and the settlement date in writing. If there are conditions attached to the donation and this requires a level of performance before entitlement can be obtained then income is deferred until those conditions are fully met or the fulfilment of those conditions is within the control of the charity. Donated facilities and donated professional services are recognised in income at their fair value when their economic benefit is probable, it can be measured reliably and the charity has control over the item. Fair value is determined on the basis of the value of the gift to the charity. For example, the amount the charity would be willing to pay in the open market for such facilities and services. A corresponding amount is recognised in expenditure.

Trustees' Annual Report.

Where practicable, gifts in kind donated for distribution to the beneficiaries of the charity are included in stock and donations in the financial statements upon receipt. If it is impracticable to assess the fair value at receipt or if the costs to undertake such a valuation outweigh any benefits, then the fair value is recognised as a component of donations when it is distributed and an equivalent amount recognised as charitable expenditure.

Where estimating the fair value is practicable upon receipt it is recognised in stock and 'Income from other trading activities'. Upon sale, the value of the stock is charged against 'Income from other trading activities' and the proceeds are recognised as 'Income from other trading activities'. Where it is impracticable to fair value the items due to the volume of low value items they are not recognised in the financial statements until they are sold. This income is recognised within 'Income from other trading activities'.

Fixed asset gifts in kind are recognised when receivable and are included at fair value. They are not deferred over the life of the asset.

For legacies, entitlement is the earlier of the charity being notified of an impending distribution or the legacy being received. At this point income is recognised. On occasion legacies will be notified to the charity however it is not possible to measure the amount expected to be distributed. On these occasions, the legacy is treated as a contingent asset and disclosed.

Income from trading activities includes income earned from fundraising events and trading activities to raise funds for the charity. Income is received in exchange for supplying goods and services in order to raise funds and is recognised when

Income from government and other grants are recognised at fair value when the charity has entitlement after any performance conditions have been met, it is probable that the income will be received and the amount can be measured reliably. If entitlement is not met then these amounts are deferred.

Investment income is earned through holding assets for investment purposes such as shares and property. It includes dividends, interest and rent. Where it is not practicable to identify investment management costs incurred within a scheme with reasonable accuracy the investment income is reported net of these costs. It is included when the amount can be measured reliably. Interest income is recognised using the effective interest method and dividend and rent income is

Other income includes the conversion of endowment funds into income which arises when capital funds are released to an income fund from expendable endowments or when a charity has authority to adopt a total return approach to its permanent endowment fund. It also includes other income such as gains on disposals of tangible fixed assets.

Expenditure recognition

All expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all costs related to the category. Expenditure is recognised where there is a legal or constructive obligation to make payments to third parties. Irrecoverable VAT is charged as an expense against the activity for which expenditure arose.

Grants payable to third parties are within the charitable objectives. Where unconditional grants are offered, this is accrued as soon as the recipient is notified of the grant, as this gives rise to a reasonable expectation that the recipient will receive the grants. Where grants are conditional relating to performance then the grant is only accrued when any unfulfilled

Support cost allocation

office costs, governance costs, administrative payroll costs. They are incurred directly in support of expenditure on the

Fund-raising costs are those incurred in seeking voluntary contributions and do not include the costs of disseminating information in support of the charitable activities.

Tangible fixed assets

Tangible fixed assets for use by the charity are stated at cost less depreciation.

Depreciation is provided at rates calculated to write off the cost or valuation of fixed assets, less their estimated residual value, over their expected useful lives on the following bases:

- Freehold property - 1% straight line basis
- office equipment - 25% straight line basis

Taxation

The charity is an exempt charity within the meaning of schedule 3 of the Charities Act 2011 and is considered to pass the tests set out in Paragraph 1 Schedule 6 Finance Act 2010 and therefore it meets the definition of a charitable company for

Operating leases

Rentals payable and receivable under operating leases are charged to the SoFA on a straight line basis over the period of the

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.

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 less than three months from the date of acquisition or opening of the deposit or similar account.

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

Financial instruments

The trust has only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. The charity does not acquire put options, derivatives or other complex financial instruments. The main form of financial risk faced by the charity is that of volatility in equity and investment markets due to wider economic conditions, the attitude of investors to

Pensions

The Company operates a NEST pension scheme for its employees . Contributions are expensed as they become payable.

Going concern

The financial statements have been prepared on a going concern basis as the trustees believe that no material uncertainties exist. The trustees have considered the level of funds held and the expected level of income and expenditure for 12 months from authorising these financial statements. The budgeted income and expenditure is sufficient with the level of reserves for the charity to be able to continue as a going concern.

1 Legal status of the Trust

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

2 Financial performance of the charity

	2022/23	2021/22
	£	£
Income	1,653,864	1,650,533
Expenditure on charitable activities	1,415,895	1,257,200
Expenditure on management and administration	140,365	129,670
Depreciation	8,107	4,632
	<u>1,564,367</u>	<u>1,391,502</u>
Net Income	89,497	259,051
Total funds brought forward	1,704,561	1,445,510
Total funds carried forward	<u>1,794,058</u>	<u>1,704,561</u>
Represented by:		
Unrestricted funds	<u>1,810,676</u>	<u>1,721,180</u>

3 Income from Donations and Grants

Minik Kardes

Grants receivable

L B Islington - Community Links		69,800
LBH Household Support Fund	28,000	40,000
L B Islington - G A P		8,463
L B Islington - N E G	6,502	9,337
L B Islington - Rebates		
L B Islington - S F S C		30,000
L B Islington - 2 year old Pilot	3,240	5,265
L B Islington - 3&4 YO	6,492	23,583
LB Islington bright start	100,000	
LB Islington-SEND		289
LB Islington family kitchen project		305
Hackney additional restriction		10,350
Hackney Learning Trust - 2 year old	25,591	9,271
Hackney Learning Trust - Children Centre	79,052	78,552
Hackney Learning Trust - Headcount/S F F	26,272	65,264
Hackney FE	21,861	
NHS Incredible Years	20,649	18,042
NHS CITY antenatal		10,591
Big lottery	157,160	123,996
Greenich university		3,500
HCVS		7,000
HMRC JRC		3,526
Grant Aid	6,728	
Sunbabies		6,910
Tesco groundwork UK		1,000
Campsbourne school	1,000	
Speech support	9,817	
Other miscellaneous	599	697
Factory		
LB Islington	523,447	538,021
LB Islington: SEN	3,220	9,791
LB Islington: EYPR	4,708	4,357
LB Islington: Maternity	8,492	
LB Islington: Bright start	12,999	
LB Islington: 2 year olds		
LB Islington: 3-4 year olds	5,962	
LB Islington: Miscellaneous	1,845	7415
Early years premium	2,142	
NDNA		250
Grant aid	443	
	<u>1,056,221</u>	<u>1,085,575</u>

4 Income from charitable activities

Nursery fees	<u>559,882</u>	<u>555,845</u>
--------------	----------------	----------------

	2022/23 £	2021/22 £
5 Income from other charitable activities		
Fundraising	35,936	9,065
Interest receivable	1,825	68
	<u>37,761</u>	<u>9,133</u>
6 Analysis of expenditure on charitable activities		
Staff & agency costs	1,063,179	986,714
Other running costs	360,823	275,118
	<u>1,424,002</u>	<u>1,261,832</u>
7 Analysis of governance and support cost		
Staff costs	120,218	116,681
Audit and accountancy	12,890	12,103
Legal & professional	6,377	-
Bank charges	880	886
	<u>140,365</u>	<u>129,670</u>
8 Net income /(expenditure) for the year		
This is stated after charging:		
Depreciation -owned assets	8,107	4,632
Auditors remuneration for audit services	4,200	4,200
Auditors remuneration for other services	6,190	5,403
	<u>188,504</u>	<u>14,235</u>
9 Analyses of staff costs, trustee remuneration and expenses, and the cost of key management personnel		
Wages and salaries	946,476	891,818
Redundancy	2,860	-
Employers national insurance	77,822	69,899
Employers Pension	17,572	18,384
Agency & sessional staff	141,527	123,294
	<u>1,186,257</u>	<u>1,103,395</u>
The average number of staff employed during the year were as follows:		
Direct charitable	41	39
Administration & support	3	3
	<u>44</u>	<u>42</u>
The number of employees whose emoluments as defined for taxation purposes amounted to over £60,000 in the year were as follows:	<u>1</u>	<u>1</u>
10 Trustees' remuneration		
The trustees were not paid or received any other benefits from the Charity during the year in their capacity as trustees.		
11 Related party transactions		
N Cosar received remuneration during the year in her capacity as Nursery Head.		

12 Government Grants

Income from government grants comprises of grant funding made available by local authorities to fund the children centre running cost of the Charity. See note 4 for more information and to the amount and sources of these grants.

13 Corporation Tax

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

	Freehold Property £	Office Equipment £	Total £
14 Tangible fixed assets			
Cost:			
At 1 April 2022	466,147	63,109	529,256
Additions	-	5,381	5,381
At 31 March 2023	<u>466,147</u>	<u>68,490</u>	<u>534,637</u>
Depreciation			
At 1 April 2022	127,496	60,157	187,653
Charge in year	4,661	3,446	8,107
At 31 March 2023	<u>132,157</u>	<u>63,603</u>	<u>195,760</u>
Net book value			
At 31 March 2023	<u>333,990</u>	<u>4,887</u>	<u>338,877</u>
At 31 March 2022	<u>338,651</u>	<u>2,952</u>	<u>341,603</u>
15 Debtors			
Amounts due within one year:		2022/23	2021/22
Fee Debtors		17,256	18,852
Prepayments		9,638	5,980
Grant fee debtor		-	161,665
Other debtor		2,400	
		<u>29,294</u>	<u>186,497</u>
16 Creditors			
Amounts falling due within one year:			
Other taxation & social security		17,000	17,519
Other creditors & accruals		66,424	44,672
		<u>83,424</u>	<u>62,191</u>
17 Deferred income			
Deferred income comprise advance receipt of nursery fees for 2022/23.			
Balance as at 1 April 2022		-	-
Amount released to income earned from charitable activities		-	-
Amount deferred in the year		-	-
Balance as at 31 March 2023		<u>-</u>	<u>-</u>

	2022/23	2021/22
	£	£
18 Analysis of charitable funds		
Analysis of movement in unrestricted funds		
<u>Unrestricted - Functional fixed assets reserve</u>		
Balance at 1 April 2022	345,081	345,081
Movement in year	(6,204)	-
Balance at 31 March 2023	338,877	345,081
<u>Unrestricted - General reserve:</u>		
Balance at 1 April 2022	944,626	685,576
Movement in year	89,497	259,051
Inter-fund transfers	6,204	-
Balance at 31 March 2023	1,040,327	944,627
<u>Designated - Staff & maternity fund:</u>		
Balance at 1 April 2022	26,472	26,472
Movement in year	-	-
Balance at 31 March 2023	26,472	26,472
<u>Running costs reserve</u>		
Balance at 1 April 2022	405,000	405,000
Inter-fund transfers	-	-
Balance at 31 March 2023	405,000	405,000
Total	1,810,676	1,721,180

19 Analysis between fund balances

	Unrestricted		Total
	General	Designated	
	£	£	£
Tangible fixed assets	-	338,877	338,877
Cash at bank and in hand	1,094,457	431,472	1,525,929
Other net current assets/ (liabilities)	(54,130)	-	(54,130)
	1,040,327	770,350	1,810,676

20 Analysis of Restricted Funds

Funders name	Balance 1/4/22 £	Incoming Resources £	Resources Expended £	Balance at 31/3/23 £
Minik Kardes				
L B Islington - Community Links			-	-
LBH Household Support Fund		28,000	(28,000)	-
L B Islington - G A P			-	-
L B Islington - N E G		6,502	(6,502)	-
L B Islington - S F S C			-	-
L B Islington - 2 year old Pilot		3,240	(3,240)	-
L B Islington - 3&4 YO		6,492	(6,492)	-
LB Islington-bright start		100,000	(100,000)	-
LB Islington family kitchen project			-	-
Hackney additional restriction				
Hackney Learning Trust - 2 year old	-	25,591	(25,591)	-
Hackney Learning Trust - Children Centre		79,052	(79,052)	-
Hackney Learning Trust - Headcount/S F F		26,272	(26,272)	-
Hackney FE		21,861	(21,861)	-
Big lottery		157,160	(157,160)	-
NHS incredible years	-	20,649	(20,649)	-
Grant aid		6,728	(6,728)	-
Speech support		9,817	(9,817)	-
Campsbourne school		1,000	(1,000)	-
Other miscellaneous		599	(599)	-
Factory				
LB Islington		523,447	(523,447)	-
LB Islington: SEN		3,220	(3,220)	-
LB Islington: EYPR		4,708	(4,708)	-
LB Islington: Miscellaneous		1,845	(1,845)	-
Islington Maternity		8,492	(8,492)	-
LB Islington Bright start		12,999	(12,999)	-
LB Islington 3-4 year olds		5,962	(5,962)	-
Early years premium		2,142	(2,142)	-
Grant aid		443	(443)	-
	-	1,056,221	(1,056,221)	-

21

A new lease was entered into on 1st March 2018 with The Mayor and Burgesses of the London Borough of Islington for the new Nursery site at a rent of one peppercorn per annum

22 Financial commitments

Total future minimum lease payments under operating leases:

	2022/23	2021/22
Within 1 year	1,005	1,992
Within two to five years	-	1,508
	<u>1,005</u>	<u>3,500</u>