

Charity Registration No. 1093347

Company Registration No. 04071171 (England and Wales)

THE VILLAGE COMMUNITY NURSERY
ANNUAL REPORT AND UNAUDITED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2017



THE VILLAGE COMMUNITY NURSERY

LEGAL AND ADMINISTRATIVE INFORMATION

Trustees	C Coppage S Batool H Porter W Sharples Dr I Wali	(Appointed 15 April 2016)
Secretary	C Coppage	
Charity number	1093347	
Company number	04071171	
Registered office	St Peters Urban Village Trust College Road Alum Rock Birmingham B8 3TE	
Independent examiner	Michael Kay & Company Limited 2 Water Court Water Street Birmingham West Midlands B3 1HP	

THE VILLAGE COMMUNITY NURSERY

CONTENTS

	Page
Trustees' report	1 - 2
Independent examiner's report	3
Statement of financial activities	4
Balance sheet	5
Notes to the accounts	6 - 12

THE VILLAGE COMMUNITY NURSERY

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT)

FOR THE YEAR ENDED 31 MARCH 2017

The trustees present their report and accounts for the year ended 31 March 2017.

The accounts have been prepared in accordance with the accounting policies set out in note 1 to the accounts and comply with the memorandum and articles of association, the Companies Act 2006 and the Statement of Recommended Practice, "Accounting and Reporting by Charities", issued in March 2005.

Objectives and activities

The charity's objects are the provision of affordable pre-school and out of school activities for children from Birmingham and the surrounding area. The policies adopted in furtherance of these objects are the operation of the The Village Nursery and there has been no change in these activities during the year.

The trustees have paid due regard to guidance issued by the Charity Commission in deciding what activities the charity should undertake.

The Village Community Nursery, based on the grounds of St Peter's Urban Village Trust, has continued its activities over the last year.

Achievements and performance

The Village Community Nursery has continued to work in conjunction with colleges of further and higher education including Matthew Boulton, City College, Solihull, South Birmingham and Bournville as well as the four local Surestarts. We have started to extend future links with parents and local projects including working with local job centres.

Financial review

The trustees are pleased to report a surplus of £5,752 for the year. Income has remained at a similar level to the previous year but expenditure has increased with staff costs increasing by over 5% and higher costs being incurred on the property in the form of increased service charge costs and higher repairs and maintenance costs. The state of affairs of the charity at the balance sheet date is however considered to be satisfactory.

It is the policy of the charity that unrestricted funds which have not been designated for a specific use should be maintained at a level equivalent to three month's expenditure. The trustees considers that reserves at this level will ensure that, in the event of a significant drop in funding, they will be able to continue the charity's current activities while consideration is given to ways in which additional funds may be raised. This level of reserves has been maintained throughout the year with free reserves at 31 March 2017 being £77,372 (2016 £71,519).

The trustees have assessed the major risks to which the charity is exposed, and are satisfied that systems are in place to mitigate exposure to the major risks.

Structure, governance and management

The charity is a company limited by guarantee and is governed by the memorandum and articles of association.

The trustees, who are also the directors for the purpose of company law, and who served during the year were:

C Coppage

S Batool

H Porter

W Sharples

Dr I Wali

(Appointed 15 April 2016)

THE VILLAGE COMMUNITY NURSERY

TRUSTEES' REPORT (CONTINUED)(INCLUDING DIRECTORS' REPORT) FOR THE YEAR ENDED 31 MARCH 2017

Dr Iram Wali was appointed a trustee on 15 April 2016.

Potential new trustees are lobbied by the existing trustees and any applicants are approved by the main board.

None of the trustees has any beneficial interest in the company. All of the trustees are members of the company and guarantee to contribute £1 in the event of a winding up.

The charity is governed by the trustees who hold regular meetings to review the operation of the activities. The day to day management is performed by Michelle Witherington, the Nursery Manager.

The charity occupies property owned by St Peter's Urban Village Trust, a charity in which C Coppage is administrator.

The trustees' report was approved by the Board of Trustees.



Trustee

Dated: 6 October 2017

THE VILLAGE COMMUNITY NURSERY

INDEPENDENT EXAMINER'S REPORT

TO THE TRUSTEES OF THE VILLAGE COMMUNITY NURSERY

I report on the accounts of the charity for the year ended 31 March 2017, which are set out on pages 4 to 12.

Respective responsibilities of trustees and examiner

The charity's trustees, who are also the directors of The Village Community Nursery 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.

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:

- (i) examine the accounts under section 145 of the 2011 Act;
- (ii) 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
- (iii) to state whether particular matters have come to my attention.

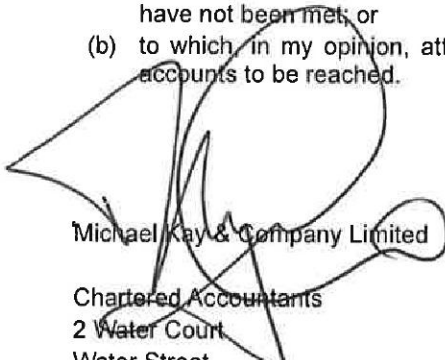
Basis of independent examiner's report

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 next statement.

Independent examiner's statement

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

- (a) which gives me reasonable cause to believe that in any material respect the requirements:
 - (i) to keep accounting records in accordance with section 386 of the Companies Act 2006; and
 - (ii) 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
- (b) to which, in my opinion, attention should be drawn in order to enable a proper understanding of the accounts to be reached.



Michael Kay & Company Limited

Chartered Accountants
2 Water Court
Water Street
Birmingham
West Midlands
B3 1HP

Dated: 6 October 2017

THE VILLAGE COMMUNITY NURSERY

STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT FOR THE YEAR ENDED 31 MARCH 2017

	Notes	Unrestricted funds £	Restricted funds £	Total 2017 £	Total 2016 £
<u>Income from:</u>					
Incoming resources from charitable activities	3	207,509	-	207,509	211,515
<u>Expenditure on:</u>					
Charitable activities	4	201,757	16,369	218,126	210,870
Net income/(expenditure) for the year/ Net movement in funds		5,752	(16,369)	(10,617)	645
Fund balances at 1 April 2016		71,923	129,288	201,211	200,566
Fund balances at 31 March 2017		<u>77,675</u>	<u>112,919</u>	<u>190,594</u>	<u>201,211</u>

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

All income and expenditure derive from continuing activities.

The statement of financial activities also complies with the requirements for an income and expenditure account under the Companies Act 2006.

THE VILLAGE COMMUNITY NURSERY

BALANCE SHEET

AS AT 31 MARCH 2017

	Notes	2017 £	£	2016 £	£
Fixed assets					
Tangible assets	8		113,222		129,692
Current assets					
Debtors	10	12,066		3,428	
Cash at bank and in hand		67,592		71,016	
		<u>79,658</u>		<u>74,444</u>	
Creditors: amounts falling due within one year	11	<u>(2,286)</u>		<u>(2,925)</u>	
Net current assets			77,372		71,519
Total assets less current liabilities			<u>190,594</u>		<u>201,211</u>
Income funds					
Restricted funds	12	112,919		129,288	
Unrestricted funds		77,675		71,923	
		<u>190,594</u>		<u>201,211</u>	

The company is entitled to the exemption from the audit requirement contained in section 477 of the Companies Act 2006, for the year ended 31 March 2017. No member of the company has deposited a notice, pursuant to section 476, requiring an audit of these accounts.

The trustees' responsibilities for ensuring that the charity keeps accounting records which comply with section 386 of the Act and for preparing accounts which give a true and fair view of the state of affairs of the company as at the end of the financial year and of its incoming resources and application of resources, including its income and expenditure, for the financial year in accordance with the requirements of sections 394 and 395 and which otherwise comply with the requirements of the Companies Act 2006 relating to accounts, so far as applicable to the company.

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

The accounts were approved by the Trustees on 6 October 2017



C Coppage
Trustee

Company Registration No. 04071171

THE VILLAGE COMMUNITY NURSERY

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2017

1 Accounting policies

Charity information

The Village Community Nursery is a private company limited by guarantee incorporated in England and Wales. The registered office is St Peters Urban Village Trust, College Road, Alum Rock, Birmingham, B8 3TE.

1.1 Accounting convention

The accounts have been prepared in accordance with the charity's memorandum and articles of association, the Companies Act 2006 and "Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102)" (as amended for accounting periods commencing from 1 January 2016). The charity is a Public Benefit Entity as defined by FRS 102.

The charity has taken advantage of the provisions in the SORP for charities applying FRS 102 Update Bulletin 1 not to prepare a Statement of Cash Flows.

The accounts are prepared in sterling, which is the functional currency of the charity. Monetary amounts in these financial statements are rounded to the nearest £.

The accounts have been prepared under the historical cost convention. The principal accounting policies adopted are set out below.

These accounts for the year ended 31 March 2017 are the first accounts of The Village Community Nursery prepared in accordance with FRS 102, The Financial Reporting Standard applicable in the UK and Republic of Ireland. The date of transition to FRS 102 was 1 April 2015. The reported financial position and financial performance for the previous period are not affected by the transition to FRS 102.

1.2 Going concern

At the time of approving the accounts, the trustees have a reasonable expectation that the charity has adequate resources to continue in operational existence for the foreseeable future. Thus the trustees continue to adopt the going concern basis of accounting in preparing the accounts.

1.3 Charitable funds

Unrestricted funds are available for use at the discretion of the trustees in furtherance of their charitable objectives unless the funds have been designated for other purposes.

Designated funds comprise funds which have been set aside at the discretion of the trustees for specific purposes. The purposes and uses of the designated funds are set out in the notes to the accounts.

Restricted funds are subject to specific conditions by donors as to how they may be used. The purposes and uses of the restricted funds are set out in the notes to the accounts.

Endowment funds are subject to specific conditions by donors that the capital must be maintained by the charity.

1.4 Incoming resources

Income is recognised when the charity is legally entitled to it after any performance conditions have been met, the amounts can be measured reliably, and it is probable that income will be received.

Cash donations are recognised on receipt. Other donations are recognised once the charity has been notified of the donation, unless performance conditions require deferral of the amount. Income tax recoverable in relation to donations received under Gift Aid or deeds of covenant is recognised at the time of the donation.

THE VILLAGE COMMUNITY NURSERY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2017

1 Accounting policies

(Continued)

Legacies are recognised on receipt or otherwise if the charity has been notified of an impending distribution, the amount is known, and receipt is expected. If the amount is not known, the legacy is treated as a contingent asset.

Turnover is measured at the fair value of the consideration received or receivable and represents amounts receivable for goods and services provided in the normal course of business, net of discounts, VAT and other sales related taxes.

1.5 Resources expended

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 a payments to third parties, it is probable that the settlement will be required and the amount of the obligation can be measured reliably.

Irrecoverable VAT is charged as an expense against the activity for which the expenditure arose.

1.6 Tangible fixed assets

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

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Expenditure on leasehold property	5% straight line
Fixtures, fittings & equipment	25% reducing balance

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is recognised in net income/(expenditure) for the year.

1.7 Impairment of fixed assets

At each reporting end date, the charity reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any).

Intangible assets with indefinite useful lives and intangible assets not yet available for use are tested for impairment annually, and whenever there is an indication that the asset may be impaired.

1.8 Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

THE VILLAGE COMMUNITY NURSERY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2017

1 Accounting policies

(Continued)

1.9 Financial instruments

The charity has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the charity's balance sheet when the charity becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Basic financial assets

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

Basic financial liabilities

Basic financial liabilities, including creditors and bank loans are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of operations from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

Derecognition of financial liabilities

Financial liabilities are derecognised when the charity's contractual obligations expire or are discharged or cancelled.

1.10 Employee benefits

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the charity is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

2 Critical accounting estimates and judgements

In the application of the charity's accounting policies, the trustees are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

THE VILLAGE COMMUNITY NURSERY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2017

3 Incoming resources from charitable activities

	2017 £	2016 £
Sales within charitable activities	207,509	211,515

4 Charitable activities

	Nursery running costs £	Capital grants amortised £	Total 2017 £	Total 2016 £
Staff costs	135,996	-	135,996	129,222
Depreciation and impairment	101	16,369	16,470	17,993
Rent, rates and service charge	33,279	-	33,279	32,641
Repairs and maintenance	7,245	-	7,245	2,093
Printing, postage and stationery	3,507	-	3,507	1,536
Telephone and fax	792	-	792	419
Laundry, cleaning and waste disposal	2,543	-	2,543	2,302
Travel expenses	1,240	-	1,240	1,231
Sundry expenses	715	-	715	1,726
Nursery food and refreshments	5,221	-	5,221	5,279
Bank charges	426	-	426	141
Material and play equipment	3,141	-	3,141	8,373
Professional charges	4,068	-	4,068	3,454
Insurance	1,393	-	1,393	2,580
	199,667	16,369	216,036	208,990
Share of governance costs (see note 5)	2,090	-	2,090	1,880
	201,757	16,369	218,126	210,870

THE VILLAGE COMMUNITY NURSERY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2017

5 Support costs

	Support costs £	Governance costs £	2017 £	2016 £	Basis of allocation
Accountancy	-	2,090	2,090	1,880	Governance
	-	2,090	2,090	1,880	
Analysed between Charitable activities	-	2,090	2,090	1,880	

Governance costs includes payments to the independent examiners of £1,380 (2016- £1,380) for work performed.

6 Trustees

None of the trustees (or any persons connected with them) received any remuneration or expenses during the year.

7 Employees

Number of employees

The average monthly number employees during the year was:

	2017 Number	2016 Number
Nursery staff	16	15
Employment costs	2017 £	2016 £
Wages and salaries	133,890	125,968
Social security costs	2,106	3,254
	135,996	129,222

There were no employees whose annual remuneration was £60,000 or more.

THE VILLAGE COMMUNITY NURSERY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2017

8 Tangible fixed assets

	Expenditure on leasehold property £	Fixtures, fittings & equipment £	Total £
Cost			
At 1 April 2016	237,990	113,883	351,873
At 31 March 2017	237,990	113,883	351,873
Depreciation and impairment			
At 1 April 2016	126,579	95,602	222,181
Depreciation charged in the year	11,900	4,570	16,470
At 31 March 2017	138,479	100,172	238,651
Carrying amount			
At 31 March 2017	99,511	13,711	113,222
At 31 March 2016	111,411	18,281	129,692

9 Financial instruments

	2017 £	2016 £
Carrying amount of financial assets		
Debt instruments measured at amortised cost	12,066	3,428
Carrying amount of financial liabilities		
Measured at amortised cost	2,286	2,925

10 Debtors

	2017 £	2016 £
Amounts falling due within one year:		
Trade debtors	1,242	3,428
Other debtors	10,824	-
	12,066	3,428

11 Creditors: amounts falling due within one year

	2017 £	2016 £
Trade creditors	786	1,425
Accruals and deferred income	1,500	1,500
	2,286	2,925

THE VILLAGE COMMUNITY NURSERY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2017

12 Restricted funds

The income funds of the charity include restricted funds comprising the following unexpended balances of donations and grants held on trust for specific purposes:

	Balance at 1 April 2016 £	Movement in funds Incoming resources £	Resources expended £	Balance at 31 March 2017 £
Refurbishment grants	129,288	-	(16,369)	112,919

13 Analysis of net assets between funds

	Unrestricted funds £	Restricted funds £	Total £
Fund balances at 31 March 2017 are represented by:			
Tangible assets	303	112,919	113,222
Net current assets	77,372	-	77,372
	77,675	112,919	190,594

14 Related party transactions

Transactions with related parties

During the year the charity entered into the following transactions with related parties:

	Rent and service charge	
	2017 £	2016 £
Other related parties	30,693	30,078
	30,693	30,078

Rent and Service charge is paid to St Peter's Urban Village Trust, a charity in which Christine Coppage is an employee and Company secretary.