

Mildmay Community Nursery Limited
Company Limited by Guarantee
Unaudited Financial Statements
31 March 2017

N M KHAN & ASSOCIATES LTD.

Chartered Accountants
1 Bromley Lane
Chislehurst
Kent
BR7 6LH

Mildmay Community Nursery Limited

Company Limited by Guarantee

Financial Statements

Year ended 31 March 2017

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Mildmay Community Nursery Limited

Company Limited by Guarantee

Trustees' Annual Report (Incorporating the Director's Report)

Year ended 31 March 2017

The trustees, who are also the directors for the purposes of company law, present their report and the unaudited financial statements of the charity for the year ended 31 March 2017.

Reference and administrative details

Registered charity name Mildmay Community Nursery Limited

Charity registration number 1135043

Company registration number 07114831

Principal office and registered office 19-23 Mildmay Park
Islington
London
N1 4NA

The trustees

Z S James

A Josa

N Reyes Chacon (Appointed 15 June 2016)

K Anderson-Tyrrell (Resigned 15 June 2016)

Company secretary M Aldrige

Accountants N M Khan & Associates Ltd.
Chartered accountant
1 Bromley Lane
Chislehurst
Kent
BR7 6LH

Structure, governance and management

Legal Status

Mildmay Community Nursery Ltd is a registered charity and a company limited by guarantee. It was formed in January 2010. The organisation abides by its constitution and by its company Memorandum and Articles of Association.

Committee

The Directors/Trustee committee is made up of a Chair, Secretary and Treasurer. The day to day running of the Nursery is carried out by the Manager Ms D Bryne on behalf of the committee.

Mildmay Community Nursery Limited

Company Limited by Guarantee

Trustees' Annual Report (Incorporating the Director's Report) *(continued)*

Year ended 31 March 2017

Objectives and activities

Principle Activity

The principle activity of the charity is to provide care and education for children aged between six months and five years, for 48 weeks of the year (Monday to Friday)

Governing Document

The Nursery's objectives are to enhance the education and development of children under the age of five by providing good quality play, care and education facilities to stimulate and promote positive learning. To provide a warm, welcoming and inclusive environment that encourages children to develop a sense of community, regardless of their race, sex, culture, religion or ability. To provide an environment where parents are actively involved in their child's learning and group activities. The Nursery actively promotes and builds strong links to the wider community.

Public Benefit

The Public benefits provided by the charity;

Firstly, helping to advance the development and education of children, including those with special educational needs. Secondly, it enables working parents to return to work and parents who wish to return to studies The Nursery also provides job opportunities for members of the community.

The trustees confirm having had regard to the Charity Commission's guidance on public benefit.

Achievements and performance

Fundraising

We had an amazingly successful Summer Fete, at which we made £1,000 profit. Thank you again to all who contributed food, skills, attendance and time, especially in visiting businesses to solicit raffle prizes. The Nursery has since purchased a home corner for the baby room and a wonderful mud kitchen for the open plan garden.

Financial review

Reserves

The Nursery continues to maintain a healthy reserve account of £140,622.

The purpose of this account is to support the Nursery's contingency plan if anything happens to the Nursery. This amount includes children's deposits of one month's fees and would also cover the running costs (including staff salaries) for four months.

Principle Source of Funds

The Nursery continues to receive its principle source of funding from children's fees. The Nursery also receives regular additional funding grants from Islington council (to subsidise fees, pay for staff training etc).

Plans for future periods

The Charity plans in the coming financial year to focus on fundraising opportunities to increase finances. We will be applying for larger grants to raise money for larger toys and equipment. We will continue our smaller fundraising opportunities, such as photos and Christmas bags or tea towels.

Mildmay Community Nursery Limited

Company Limited by Guarantee

Trustees' Annual Report (Incorporating the Director's Report) *(continued)*

Year ended 31 March 2017

Trustees Responsibilities Statement

The charity trustees (who are also the directors of Mildmay Community Nursery Limited for purposes of company law) are responsible for preparing the trustees' Annual Report and the financial statements in accordance with applicable law and regulations.

Company law requires the charity trustees to prepare financial statements for each financial year. Under that law the trustees have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting standards and applicable law). Under company law the charity 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 charity and the income and expenditure of the charity for that period. In preparing the financial statements, the trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgements and accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in business.

The charity trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the charity's transactions and 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.

Small company provisions

This report has been prepared in accordance with the provisions applicable to companies entitled to the small companies exemption.

The trustees' annual report was approved on 5 December 2017 and signed on behalf of the board of trustees by:

A Josa
Trustee

Mildmay Community Nursery Limited

Company Limited by Guarantee

Independent Examiner's Report to the Trustees of Mildmay Community Nursery Limited

Year ended 31 March 2017

I report to the trustees on my examination of the financial statements of Mildmay Community Nursery Limited ('the charity') for the year ended 31 March 2017.

Responsibilities and basis of report

As the trustees of the company (and also its directors for the purposes of company law) you are responsible for the preparation of the financial statements in accordance with the requirements of the Companies Act 2006 ('the 2006 Act').

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

Independent examiner's statement

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

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

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

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

Mildmay Community Nursery Limited

Company Limited by Guarantee

Independent Examiner's Report to the Trustees of Mildmay Community Nursery Limited *(continued)*

Year ended 31 March 2017

Nila M Khan (Cantab) FCA CTA
Independent examiner
N M KHAN & ASSOCIATES LTD.
Chartered accountant

1 Bromley Lane
Chislehurst
Kent
BR7 6LH

5 December 2017

Mildmay Community Nursery Limited

Company Limited by Guarantee

Statement of Financial Activities (including income and expenditure account)

31 March 2017

		2017	2016
		Unrestricted funds	Total funds
	Note	£	£
Income and endowments			
Donations and legacies	5	109,496	109,496
Other trading activities	6	248,578	248,578
Investment income	7	52	52
Total income		<u>358,126</u>	<u>358,126</u>
Expenditure			
Expenditure on raising funds:			
Costs of other trading activities	8	383,298	383,298
Expenditure on charitable activities	9,10	—	—
Other expenditure	11	—	—
Total expenditure		<u>383,298</u>	<u>383,298</u>
Net (expenditure)/income and net movement in funds		<u>(25,172)</u>	<u>(25,172)</u>
Reconciliation of funds			
Total funds brought forward		167,531	167,531
Total funds carried forward		<u>142,359</u>	<u>167,531</u>

The statement of financial activities includes all gains and losses recognised in the year.
All income and expenditure derive from continuing activities.

The notes on pages 8 to 16 form part of these financial statements.

Mildmay Community Nursery Limited

Company Limited by Guarantee

Statement of Financial Position

31 March 2017

		2017		2016
		£	£	£
Fixed assets				
Tangible fixed assets	16		6,539	7,215
Current assets				
Debtors	17	5,963		6,872
Cash at bank and in hand		159,581		180,431
		165,544		187,303
Creditors: amounts falling due within one year	18	29,724		26,987
Net current assets			135,820	160,316
Total assets less current liabilities			142,359	167,531
Net assets			142,359	167,531
Funds of the charity				
Unrestricted funds			142,359	167,531
Total charity funds	20		142,359	167,531

For the year ending 31 March 2017 the charity was entitled to exemption from audit under section 477 of the Companies Act 2006 relating to small companies.

Directors' responsibilities:

- The members have not required the company to obtain an audit of its financial statements for the year in question in accordance with section 476;
- The directors acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and the preparation of financial statements.

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

These financial statements were approved by the board of trustees and authorised for issue on 5 December 2017, and are signed on behalf of the board by:

N Reyes Chacon
Trustee

Company Registration Number: 07114831

The notes on pages 8 to 16 form part of these financial statements.

Mildmay Community Nursery Limited

Company Limited by Guarantee

Notes to the Financial Statements

Year ended 31 March 2017

1. General information

The charity is a private company limited by guarantee, registered in England and Wales and a registered charity in England and Wales. The address of the registered office is 19-23 Mildmay Park, Islington, London, N1 4NA.

2. Statement of compliance

These financial statements have been prepared in compliance with FRS 102, 'The Financial Reporting Standard applicable in the UK and the Republic of Ireland', the 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) (Charities SORP (FRS 102)) and the Charities Act 2011.

3. Accounting policies

Basis of preparation

The financial statements have been prepared on the historical cost basis, as modified by the revaluation of certain financial assets and liabilities and investment properties measured at fair value through income or expenditure.

The financial statements are prepared in sterling, which is the functional currency of the entity.

Going concern

There are no material uncertainties about the charity's ability to continue.

Transition to FRS 102

The entity transitioned from previous UK GAAP to FRS 102 as at 1 April 2015. Details of how FRS 102 has affected the reported financial position and financial performance is given in note 24.

Disclosure exemptions

The entity satisfies the criteria of being a qualifying entity as defined in FRS 102. As such, advantage has been taken of the following disclosure exemptions available under paragraph 1.12 of FRS 102:

(a) No cash flow statement has been presented for the company.

Fund accounting

Unrestricted funds are available for use at the discretion of the trustees to further any of the charity's purposes.

Designated funds are unrestricted funds earmarked by the trustees for particular future project or commitment.

Restricted funds are subjected to restrictions on their expenditure declared by the donor or through the terms of an appeal, and fall into one of two sub-classes: restricted income funds or endowment funds.

Mildmay Community Nursery Limited

Company Limited by Guarantee

Notes to the Financial Statements *(continued)*

Year ended 31 March 2017

3. Accounting policies *(continued)*

Incoming resources

All incoming resources are included in the statement of financial activities when entitlement has passed to the charity; it is probable that the economic benefits associated with the transaction will flow to the charity and the amount can be reliably measured. The following specific policies are applied to particular categories of income:

- income from donations or grants is recognised when there is evidence of entitlement to the gift, receipt is probable and its amount can be measured reliably.
- legacy income is recognised when receipt is probable and entitlement is established.
- income from donated goods is measured at the fair value of the goods unless this is impractical to measure reliably, in which case the value is derived from the cost to the donor or the estimated resale value. Donated facilities and services are recognised in the accounts when received if the value can be reliably measured. No amounts are included for the contribution of general volunteers.
- income from contracts for the supply of services is recognised with the delivery of the contracted service. This is classified as unrestricted funds unless there is a contractual requirement for it to be spent on a particular purpose and returned if unspent, in which case it may be regarded as restricted.

Resources expended

Expenditure is recognised on an accruals basis as a liability is incurred. Expenditure includes any VAT which cannot be fully recovered, and is classified under headings of the statement of financial activities to which it relates:

- expenditure on raising funds includes the costs of all fundraising activities, events, non-charitable trading activities, and the sale of donated goods.
- expenditure on charitable activities includes all costs incurred by a charity in undertaking activities that further its charitable aims for the benefit of its beneficiaries, including those support costs and costs relating to the governance of the charity apportioned to charitable activities.
- other expenditure includes all expenditure that is neither related to raising funds for the charity nor part of its expenditure on charitable activities.

All costs are allocated to expenditure categories reflecting the use of the resource. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs are apportioned between the activities they contribute to on a reasonable, justifiable and consistent basis.

Tangible assets

Tangible assets are initially recorded at cost, and subsequently stated at cost less any accumulated depreciation and impairment losses. Any tangible assets carried at revalued amounts are recorded at the fair value at the date of revaluation less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

Mildmay Community Nursery Limited

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Notes to the Financial Statements *(continued)*

Year ended 31 March 2017

3. Accounting policies *(continued)*

Tangible assets *(continued)*

An increase in the carrying amount of an asset as a result of a revaluation, is recognised in other recognised gains and losses, unless it reverses a charge for impairment that has previously been recognised as expenditure within the statement of financial activities. A decrease in the carrying amount of an asset as a result of revaluation, is recognised in other recognised gains and losses, except to which it offsets any previous revaluation gain, in which case the loss is shown within other recognised gains and losses on the statement of financial activities.

Depreciation

Depreciation is calculated so as to write off the cost or valuation of an asset, less its residual value, over the useful economic life of that asset as follows:

- 25% reducing balance

Impairment of fixed assets

A review for indicators of impairment is carried out at each reporting date, with the recoverable amount being estimated where such indicators exist. Where the carrying value exceeds the recoverable amount, the asset is impaired accordingly. Prior impairments are also reviewed for possible reversal at each reporting date.

For the purposes of impairment testing, when it is not possible to estimate the recoverable amount of an individual asset, an estimate is made of the recoverable amount of the cash-generating unit to which the asset belongs. The cash-generating unit is the smallest identifiable group of assets that includes the asset and generates cash inflows that largely independent of the cash inflows from other assets or groups of assets.

For impairment testing of goodwill, the goodwill acquired in a business combination is, from the acquisition date, allocated to each of the cash-generating units that are expected to benefit from the synergies of the combination, irrespective of whether other assets or liabilities of the charity are assigned to those units.

Financial instruments

A financial asset or a financial liability is recognised only when the charity becomes a party to the contractual provisions of the instrument.

Basic financial instruments are initially recognised at the amount receivable or payable including any related transaction costs.

Current assets and current liabilities are subsequently measured at the cash or other consideration expected to be paid or received and not discounted.

Debt instruments are subsequently measured at amortised cost.

Where investments in shares are publicly traded or their fair value can otherwise be measured reliably, the investment is subsequently measured at fair value with changes in fair value recognised in income and expenditure. All other such investments are subsequently measured at cost less impairment.

Mildmay Community Nursery Limited

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Notes to the Financial Statements *(continued)*

Year ended 31 March 2017

3. Accounting policies *(continued)*

Financial instruments *(continued)*

Other financial instruments, including derivatives, are initially recognised at fair value, unless payment for an asset is deferred beyond normal business terms or financed at a rate of interest that is not a market rate, in which case the asset is measured at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

Other financial instruments are subsequently measured at fair value, with any changes recognised in the statement of financial activities, with the exception of hedging instruments in a designated hedging relationship.

Financial assets that are measured at cost or amortised cost are reviewed for objective evidence of impairment at the end of each reporting date. If there is objective evidence of impairment, an impairment loss is recognised under the appropriate heading in the statement of financial activities in which the initial gain was recognised.

For all equity instruments regardless of significance, and other financial assets that are individually significant, these are assessed individually for impairment. Other financial assets are either assessed individually or grouped on the basis of similar credit risk characteristics.

Any reversals of impairment are recognised immediately, to the extent that the reversal does not result in a carrying amount of the financial asset that exceeds what the carrying amount would have been had the impairment not previously been recognised.

Defined contribution plans

Contributions to defined contribution plans are recognised as an expense in the period in which the related service is provided. Prepaid contributions are recognised as an asset to the extent that the prepayment will lead to a reduction in future payments or a cash refund.

When contributions are not expected to be settled wholly within 12 months of the end of the reporting date in which the employees render the related service, the liability is measured on a discounted present value basis. The unwinding of the discount is recognised as an expense in the period in which it arises.

4. Limited by guarantee

Mildmay Community Nursery Ltd is a company limited by guarantee and accordingly does not have a share capital.

Every member of the company undertakes to contribute such amount as may be required not exceeding £1 to the assets of the charitable company in the event of it being wound up while he or she is a member, or within one year after he or she ceases to be a member.

Mildmay Community Nursery Limited

Company Limited by Guarantee

Notes to the Financial Statements *(continued)*

Year ended 31 March 2017

5. Donations and legacies

	Unrestricted Funds £	Total Funds 2017 £	Unrestricted Funds £	Total Funds 2016 £
Grants				
Grants receivable- borough council	109,496	109,496	115,593	115,593

6. Other trading activities

	Unrestricted Funds £	Total Funds 2017 £	Unrestricted Funds £	Total Funds 2016 £
Fundraising events	–	–	230	230
Other activities for generating funds - nursery	248,578	248,578	260,453	260,453
	<u>248,578</u>	<u>248,578</u>	<u>260,683</u>	<u>260,683</u>

7. Investment income

	Unrestricted Funds £	Total Funds 2017 £	Unrestricted Funds £	Total Funds 2016 £
Bank interest receivable type 1	52	52	76	76

Mildmay Community Nursery Limited

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Notes to the Financial Statements *(continued)*

Year ended 31 March 2017

8. Costs of other trading activities

	Unrestricted Funds £	Total Funds 2017 £	Unrestricted Funds £	Total Funds 2016 £
Staging events - purchases	32,946	32,946	30,703	30,703
Staging events - wages and salaries	271,963	271,963	268,231	268,231
Staging events - employer's NIC	23,692	23,692	23,064	23,064
Staging events - pension costs	1,364	1,364	—	—
Fundraising activity 2 - lease of office equipment	2,209	2,209	1,906	1,906
Staging events - rates & water	693	693	1,007	1,007
Staging events - light & heat	4,196	4,196	6,100	6,100
Staging events - repairs & maintenance	5,851	5,851	3,761	3,761
Staging events - insurance	504	504	978	978
Fundraising activity 2 - cleaning	10,634	10,634	10,852	10,852
Staging events - other motor/travel costs	16	16	24	24
Fundraising activity 2 - Auditor fee	5,949	5,949	5,047	5,047
Staging events - telephone	1,025	1,025	1,048	1,048
Fundraising activity 2 - administration fees	7,750	7,750	1,364	1,364
Staging events - depreciation	2,180	2,180	2,405	2,405
Fundraising activity 2 - staff training	1,555	1,555	3,190	3,190
Fundraising activity 2 - printing, postage and stationery	1,938	1,938	1,677	1,677
Fundraising activity 2 - computer and software	2,432	2,432	1,695	1,695
Fundraising activity 2 - staff welfare	2,340	2,340	2,100	2,100
Fundraising activity 2 - recruitment expenses	4,061	4,061	1,163	1,163
	<u>383,298</u>	<u>383,298</u>	<u>366,315</u>	<u>366,315</u>

9. Expenditure on charitable activities by fund type

	Unrestricted Funds £	Total Funds 2017 £	Unrestricted Funds £	Total Funds 2016 £
Support costs	—	—	(1)	(1)

10. Expenditure on charitable activities by activity type

	Total funds 2017 £	Total fund 2016 £
Governance costs	—	(1)

Mildmay Community Nursery Limited

Company Limited by Guarantee

Notes to the Financial Statements *(continued)*

Year ended 31 March 2017

11. Other expenditure

	Unrestricted Funds	Total Funds 2017	Unrestricted Funds	Total Funds 2016
	£	£	£	£
Fines & penalties	—	—	500	500

12. Net (expenditure)/income

Net (expenditure)/income is stated after charging/(crediting):

	2017 £	2016 £
Depreciation of tangible fixed assets	2,180	2,404
Operating lease rentals	2,209	1,906

13. Independent examination fees

	2017 £	2016 £
Fees payable to the independent examiner for:		
Independent examination of the financial statements	1,050	1,050
Other assurance services	4,452	3,344
	5,502	4,394

14. Staff costs

The total staff costs and employee benefits for the reporting period are analysed as follows:

	2017 £	2016 £
Wages and salaries	271,963	268,231
Social security costs	23,692	23,064
Employer contributions to pension plans	1,364	—
	297,019	291,295

The average head count of employees during the year was 13 (2016: 13). The average number of full-time equivalent employees during the year is analysed as follows:

	2017 No.	2016 No.
Number of staff - type 1	13	13

No employee received employee benefits of more than £60,000 during the year (2016: Nil).

15. Trustee remuneration and expenses

No remuneration or other benefits from employment with the charity or a related entity were received by the trustees.

No trustee expenses have been incurred

Mildmay Community Nursery Limited

Company Limited by Guarantee

Notes to the Financial Statements *(continued)*

Year ended 31 March 2017

16. Tangible fixed assets

	Equipment £	Total £
Cost		
At 1 April 2016	35,517	35,517
Additions	1,504	1,504
At 31 March 2017	37,021	37,021
Depreciation		
At 1 April 2016	28,302	28,302
Charge for the year	2,180	2,180
At 31 March 2017	30,482	30,482
Carrying amount		
At 31 March 2017	6,539	6,539
At 31 March 2016	7,215	7,215

17. Debtors

	2017 £	2016 £
Trade debtors	2,873	5,046
Other debtors	3,090	1,826
	5,963	6,872

18. Creditors: amounts falling due within one year

	2017 £	2016 £
Trade creditors	1,259	1,823
Other creditors	28,465	25,164
	29,724	26,987

19. Pensions and other post retirement benefits

Defined contribution plans

The amount recognised in income or expenditure as an expense in relation to defined contribution plans was £1,364 (2016: £Nil).

Mildmay Community Nursery Limited

Company Limited by Guarantee

Notes to the Financial Statements *(continued)*

Year ended 31 March 2017

20. Analysis of charitable funds

Unrestricted funds

	At 1 April 2016	Income	Expenditure	At 31 March 2017
	£	£	£	£
General funds	<u>167,531</u>	<u>358,126</u>	<u>(383,298)</u>	<u>142,359</u>

21. Analysis of net assets between funds

	Unrestricted Funds	Total Funds 2017	Total Funds 2016
	£	£	£
Tangible fixed assets	6,539	6,539	7,215
Current assets	165,544	165,544	187,303
Creditors less than 1 year	(29,724)	(29,724)	(26,987)
Net assets	<u>142,359</u>	<u>142,359</u>	<u>167,531</u>

22. Operating lease commitments

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

	2017	2016
	£	£
Not later than 1 year	–	936
Later than 1 year and not later than 5 years	919	910
	<u>919</u>	<u>1,846</u>

23. Related parties

There were no related party transactions during the reporting period.

24. Transition to FRS 102

These are the first financial statements that comply with FRS 102. The charity transitioned to FRS 102 on 1 April 2015.

No transitional adjustments were required in the retained funds or income or expenditure for the year.