

REPORT OF THE TRUSTEES AND
FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2017
FOR
ST JOHN'S NURSERY GROUP CIO

DRAFT

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Chartered Accountants
44 Springfield Road
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West Sussex
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REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 AUGUST 2017

The trustees present their report with the financial statements of the charity for the year ended 31 August 2017. The trustees have adopted the provisions of Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2015).

OBJECTIVES AND ACTIVITIES

Objectives and aims

The charity exists to advance the education of children below compulsory school age by providing satisfactory group play in a safe and secure environment. It aims to ensure to the best of its ability that excellent facilities and pre-school education are provided to each child who attends the nursery.

ACHIEVEMENT AND PERFORMANCE

Charitable activities

The last academic year has been a turbulent and challenging year, with the nursery starting the year on the back foot after the late decision regarding the fee structure and the knock effect of offering and filling the places.

Both the Committee and Nursery Management have worked well together in reacting to the forecasted loss for the year by focussing on marketing and streamlining costs where appropriate. The team managed to fill the nursery places and decrease the predicted deficit.

The Nursery Team have been fantastic this year, accommodating in the changes that have been made and supporting the business. They have gelled as a team this year, which was evident in the space rockets being built, the activities they have developed and the smiles on their and the children's faces. This I am sure will be carried forward in to the new nursery year.

We are waiting for our follow-up Ofsted inspection, which is now a year over due and we anticipate it happening imminently.

The Nursery continues to be committed to improve further so we are well placed to deal with any future changes to Early Years requirements and to provide quality childcare that is accessible to all in the local community.

FINANCIAL REVIEW

Reserves policy

Historically the Trustees have established a policy whereby the unrestricted funds not committed or invested in tangible fixed assets ('the free reserves') held by the charity should be 3 months of the resources expended plus redundancy costs. Given the large costs involved relocating to the new site at Redstone the trustees agree that future free reserves shall be equal to the redundancy costs only, with the intention of rebuilding the free reserves once established at the new site. Current redundancy costs are £11,500. At present the free reserves, which amount to £12,450, of which £848 are restricted funds, exceed this target level.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Governing document

The Charity is controlled by its governing constitution, using the Charity commission CIO 'Association' model template.

REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 AUGUST 2017

STRUCTURE, GOVERNANCE AND MANAGEMENT

Organisational structure

The members of the Management Committee are as follows:

Kate Pawlowicz	Chairman	
Jonathan Cottrell	Treasurer	
Peter Martin	Property Maintenance	Resigned September 2016
Vicky Wood	Fundraising	Resigned September 2016
Katherine Lloyd	Fundraising	Resigned September 2016
Claire Gribble	Secretary	Appointed September 2016
Phil Innes	Property Maintenance	Appointed September 2016
		Resigned July 2017
	General Member	Appointed July 2017
Paul Corcoran	General Member	Appointed September 2016
Alice Crutchington	General Member	Appointed September 2016
		Resigned February 2017
Rob Crutchington	General Member	Appointed September 2016
Rachel Stansbury	General Member	Appointed September 2016

Trustees and Management Committee members self-nominate for roles and are voted in at the charity's Annual General Meeting.

Advice and information

The nursery is a member of the Pre-School Learning Alliance (PLA) and as such is able to benefit from PLA training sessions in addition to free advice, both legal and otherwise. The nursery is registered with social services and is inspected by OFSTED.

REFERENCE AND ADMINISTRATIVE DETAILS

Registered Charity number
1163181

Principal address
Redstone Lodge
Philanthropic Road
Redhill
Surrey
RH1 4DG

Trustees

J Cottrell	
K Pawlowicz	
P Martin	- resigned 28/9/16
Mrs V Wood	- resigned 28/9/16
Mrs C Gribble	- appointed 28/9/16
P Innes	- appointed 28/9/16
	- resigned 29/7/17

Independent examiner

Hartley Fowler LLP
Chartered Accountants
44 Springfield Road
Horsham
West Sussex
RH12 2PD

REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 AUGUST 2017

STATEMENT OF TRUSTEES RESPONSIBILITIES

The trustees are responsible for preparing the Report of the Trustees and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

The law applicable to charities in England and Wales, the Charities Act 2011, Charity (Accounts and Reports) Regulations 2008 and the provisions of the trust deed requires the trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charity and of the incoming resources and application of resources, including the income and expenditure, of the charity for that period. In preparing those financial statements, the trustees are required to

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charity SORP;
- make judgements and 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 trustees are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the charity and to enable them to ensure that the financial statements comply with the Charities Act 2011, the Charity (Accounts and Reports) Regulations 2008 and the provisions of the trust deed. 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.

Approved by order of the board of trustees on and signed on its behalf by:

.....
K Pawlowicz - Trustee

INDEPENDENT EXAMINER'S REPORT TO THE TRUSTEES OF
ST JOHN'S NURSERY GROUP CIO

I report on the accounts for the year ended 31 August 2017 set out on pages five to eleven.

Respective responsibilities of trustees and examiner

The charity's trustees are responsible for the preparation of the accounts. The charity's 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 required.

It is my responsibility to:

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

Basis of the 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 statements below.

Independent examiner's statement

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

- (1) which gives me reasonable cause to believe that, in any material respect, the requirements
- to keep accounting records in accordance with Section 130 of the 2011 Act; and
 - to prepare accounts which accord with the accounting records and to comply with the accounting requirements of the 2011 Act

have not been met; or

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

P R Collins (Senior Statutory Auditor)
ACA
Hartley Fowler LLP
Chartered Accountants
44 Springfield Road
Horsham
West Sussex
RH12 2PD

Date:

STATEMENT OF FINANCIAL ACTIVITIES
FOR THE YEAR ENDED 31 AUGUST 2017

				Year Ended 31/8/17 Total funds £	Period 1/11/15 to 31/8/16 Total funds £
	Notes	Unrestricted fund £	Restricted fund £		
INCOME AND ENDOWMENTS FROM					
Charitable activities					
Grants Receivable		88,389	-	88,389	97,861
Charitable Activities		86,814	-	86,814	46,426
Other trading activities	2	2,799	-	2,799	2,074
Total		178,002	-	178,002	146,361
EXPENDITURE ON					
Charitable activities					
Charitable Activities		164,776	-	164,776	139,545
Support Costs		14,565	392	14,957	12,356
Total		179,341	392	179,733	151,901
NET INCOME/(EXPENDITURE)		(1,339)	(392)	(1,731)	(5,540)
RECONCILIATION OF FUNDS					
Total funds brought forward		12,941	1,240	14,181	19,721
TOTAL FUNDS CARRIED FORWARD		11,602	848	12,450	14,181
CONTINUING OPERATIONS					
All income and expenditure has arisen from continuing activities.					

ST JOHN'S NURSERY GROUP CIO

STATEMENT OF FINANCIAL POSITION
AT 31 AUGUST 2017

	Notes	Unrestricted fund £	Restricted fund £	2017 Total funds £	2016 Total funds £
FIXED ASSETS					
Tangible assets	6	2,305	848	3,153	3,577
CURRENT ASSETS					
Debtors	7	2,584	-	2,584	3,955
Cash in hand		12,634	-	12,634	13,437
		15,218	-	15,218	17,392
CREDITORS					
Amounts falling due within one year	8	(5,921)	-	(5,921)	(6,788)
NET CURRENT ASSETS		9,297	-	9,297	10,604
TOTAL ASSETS LESS CURRENT LIABILITIES		11,602	848	12,450	14,181
NET ASSETS		11,602	848	12,450	14,181
FUNDS	10				
Unrestricted funds				11,602	12,941
Restricted funds				848	1,240
TOTAL FUNDS				12,450	14,181

The financial statements were approved by the Board of Trustees on and were signed on its behalf by:

.....
K Pawlowicz -Trustee

The notes form part of these financial statements

1. ACCOUNTING POLICIES

Basis of preparing the financial statements

The financial statements of the charity, which is a public benefit entity under FRS 102, have been prepared in accordance with the Charities SORP (FRS 102) 'Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2015)', Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and the Charities Act 2011. The financial statements have been prepared under the historical cost convention.

The presentation currency of the financial statements is the Pound Sterling (£).

These financial statements for the year ended 31 August 2017 are the first financial statements that comply with FRS 102.

The transition to FRS 102 has not resulted in any changes in accounting policies or valuations in the Statement of Financial Activities or Statement of Financial Position.

Financial reporting standard 102 - reduced disclosure exemptions

The charity has taken advantage of the following disclosure exemptions in preparing these financial statements, as permitted by FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland':

- the requirements of Section 7 Statement of Cash Flows;
- the requirement of Section 3 Financial Statement Presentation paragraph 3.17(d);
- the requirements of Section 11 Financial Instruments paragraphs 11.41(b), 11.41(c), 11.41(e), 11.41(f), 11.42, 11.44, 11.45, 11.47, 11.48(a)(iii), 11.48(a)(iv), 11.48(b) and 11.48(c);
- the requirements of Section 12 Other Financial Instruments paragraphs 12.26, 12.27, 12.29(a), 12.29(b) and 12.29A.

Income

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

Expenditure

Liabilities are recognised as expenditure as soon as there is a legal or constructive obligation committing the charity to that expenditure, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. Expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all cost related to the category. Where costs cannot be directly attributed to particular headings they have been allocated to activities on a basis consistent with the use of resources.

Tangible fixed assets

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life.

Fixtures and fittings	- 25% on cost
Computer equipment	- 25% on cost

Taxation

The charity is exempt from tax on its charitable activities.

Fund accounting

Unrestricted funds can be used in accordance with the charitable objectives at the discretion of the trustees.

Restricted funds can only be used for particular restricted purposes within the objects of the charity. Restrictions arise when specified by the donor or when funds are raised for particular restricted purposes.

Further explanation of the nature and purpose of each fund is included in the notes to the financial statements.

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 31 AUGUST 2017

1. ACCOUNTING POLICIES - continued

Pension costs and other post-retirement benefits

The charity operates a defined contribution pension scheme. Contributions payable to the charity's pension scheme are charged to the Statement of Financial Activities in the period to which they relate.

2. OTHER TRADING ACTIVITIES

	Year Ended 31/8/17 £	Period 1/11/15 to 31/8/16 £
Fundraising	1,738	1,291
Other Income	1,061	783
	<u>2,799</u>	<u>2,074</u>

3. TRUSTEES' REMUNERATION AND BENEFITS

There were no trustees' remuneration or other benefits for the year ended 31 August 2017 nor for the period ended 31 August 2016.

Trustees' expenses

During the year, £1,047 (2016: £538) of expenses were reimbursed to the trustees in respect of items purchased on behalf of the charity.

4. STAFF COSTS

The average monthly number of employees during the year was as follows:

	Year Ended 31/8/17	Period 1/11/15 to 31/8/16
Nursery Staff	12	12

No employees received emoluments in excess of £60,000.

5. COMPARATIVES FOR THE STATEMENT OF FINANCIAL ACTIVITIES

	Unrestricted fund £	Restricted fund £	Total funds £
INCOME AND ENDOWMENTS FROM			
Charitable activities			
Grants Receivable	90,021	7,840	97,861
Charitable Activities	46,426	-	46,426
Other trading activities	2,074	-	2,074
Total	138,521	7,840	146,361

5. COMPARATIVES FOR THE STATEMENT OF FINANCIAL ACTIVITIES - continued

	Unrestricted fund £	Restricted fund £	Total funds £
EXPENDITURE ON			
Charitable activities			
Charitable Activities	133,272	6,273	139,545
Support Costs	12,029	327	12,356
Total	145,301	6,600	151,901
NET INCOME/(EXPENDITURE)	(6,780)	1,240	(5,540)
RECONCILIATION OF FUNDS			
Total funds brought forward	19,721	-	19,721
TOTAL FUNDS CARRIED FORWARD	12,941	1,240	14,181

6. TANGIBLE FIXED ASSETS

	Fixtures and fittings £	Computer equipment £	Totals £
COST			
At 1 September 2016	17,044	2,542	19,586
Additions	611	470	1,081
At 31 August 2017	17,655	3,012	20,667
DEPRECIATION			
At 1 September 2016	14,176	1,833	16,009
Charge for year	1,066	439	1,505
At 31 August 2017	15,242	2,272	17,514
NET BOOK VALUE			
At 31 August 2017	2,413	740	3,153
At 31 August 2016	2,868	709	3,577

7. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2017 £	2016 £
Other debtors	2,584	3,955

8. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2017 £	2016 £
Taxation and social security	2,343	2,640
Other creditors	3,578	4,148
	<u>5,921</u>	<u>6,788</u>

9. LEASING AGREEMENTS

Minimum lease payments under non-cancellable operating leases fall due as follows:

	2017	2016
Within one year	18,000	18,000
Between one and five years	72,000	72,000
In more than 5 years	<u>304,500</u>	<u>322,500</u>
	<u>394,500</u>	<u>412,500</u>

10. MOVEMENT IN FUNDS

	At 1/9/16 £	Net movement in funds £	At 31/8/17 £
Unrestricted funds			
General fund	12,941	(1,339)	11,602
Restricted funds			
New Place Grant	1,240	(392)	848
	<u>14,181</u>	<u>(1,731)</u>	<u>12,450</u>

Net movement in funds, included in the above are as follows:

	Incoming resources £	Resources expended £	Movement in funds £
Unrestricted funds			
General fund	178,002	(179,341)	(1,339)
Restricted funds			
New Place Grant	-	(392)	(392)
	<u>178,002</u>	<u>(179,733)</u>	<u>(1,731)</u>

11. RELATED PARTY DISCLOSURES

There were no related party transactions for the year ended 31 August 2017.

12. FIRST YEAR ADOPTION

These are the charities first set of financial statements in accordance with the Charities SORP (FRS102). The transitional date to FRS102 was 1 November 2015 with the end of the comparative period being 31 August 2016. There have been no changes to accounting policies or to any balances in the financial statements.

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DETAILED STATEMENT OF FINANCIAL ACTIVITIES
FOR THE YEAR ENDED 31 AUGUST 2017

	Year Ended 31/8/17 £	Period 1/11/15 to 31/8/16 £
INCOME AND ENDOWMENTS		
Other trading activities		
Fundraising	1,738	1,291
Other Income	1,061	783
	<u>2,799</u>	<u>2,074</u>
Charitable activities		
Fees	78,857	39,088
Hot Lunches	7,957	7,338
Grants	88,389	97,861
	<u>175,203</u>	<u>144,287</u>
Total incoming resources	178,002	146,361
EXPENDITURE		
Charitable activities		
Wages	123,082	95,549
Pensions	717	-
Session Expenses	5,900	3,452
Hot Lunches	7,658	7,141
Fundraising costs	961	358
Rent and Insurance	19,839	16,495
Training courses	1,372	95
Advertising	415	1,030
Sundries	246	563
Refurbishment of new premises	2,878	13,630
Uniform Costs	1,708	1,232
	<u>164,776</u>	<u>139,545</u>
Support costs		
Management		
Legal and Professional	-	782
Committee Administration	297	554
Nursery Utilities	7,055	3,628
Telephone	1,936	669
Accountancy	2,370	1,170
Website Maintenance	1,622	1,313
Bank Charges	172	158
Depreciation of tangible fixed assets	1,505	4,082
	<u>14,957</u>	<u>12,356</u>
Total resources expended	179,733	151,901

DETAILED STATEMENT OF FINANCIAL ACTIVITIES
FOR THE YEAR ENDED 31 AUGUST 2017

	Year Ended 31/8/17 £	Period 1/11/15 to 31/8/16 £
	<u> </u>	<u> </u>
Net expenditure	<u><u>(1,731)</u></u>	<u><u>(5,540)</u></u>

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