

REGISTERED COMPANY NUMBER: 02689929 (England and Wales)

REGISTERED CHARITY NUMBER: 1035863

REPORT OF THE TRUSTEES AND
UNAUDITED FINANCIAL STATEMENTS FOR THE
YEAR ENDED 30 SEPTEMBER 2018
FOR
AFRICAN CARIBBEAN DAY NURSERY



Synergy Consultancy Group
Chartered Tax and Accountancy Advisors
17 Hopkins Close
London, N10 2PF

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REPORT OF THE TRUSTEES

The trustees who are also directors of the charity for the purposes of the Companies Act 2006, present their report with the financial statements of the charitable company for the year ended 30 September 2018. As more fully explained in Note 1 on pages 9 the financial statements have been prepared in accordance with Charities SORP (FRS 102) and the Companies Act 2006.

OBJECTIVES AND ACTIVITIES

Objectives and aims

The charitable company's principal objective continues to be providing nursery day care, and educational and recreational services for children in the local community.

The success of the African Caribbean Day Nursery (ACDN) has largely depended on a combination of excellent ideas along with the efforts and enthusiasm of the trustees/ management committee, together with staff and parents thus ensuring we achieve the targets we set out to meet.

The ethos of the nursery is to provide an educational head start for children under five and to promote a positive self-image, primarily but not exclusively, for children of the African and Caribbean community. ACDN provides a positive, stimulating environment which aims to further the childrens' personal, social, educational and cultural development with the object of improving their condition of life for the future, and thereby increasing the wellbeing of the community in general.

Our objectives are set to reflect the aims and ethos of the nursery. In setting our objectives and planning our future activities the trustees and management committee have given careful consideration to the Charity Commissioner's guidance on public benefit and of how this can be applied in advancing preschool education.

In meeting our key objectives, the children provide the starting point for their learning and in this way we ensure that we tailor learning programmes for each child that covers the curriculum in the Foundation Stage thus preparing them for school.

Another key objective is to work in partnership with parents. We see parents as the 'primary partners' in helping us to meet their child's needs and contributing to the development of ACDN.

ACHIEVEMENT AND PERFORMANCE

The trustees and management committee confirm that the charitable company has continued to achieve its targets with regard to the delivery and quality of nursery services provided.

FINANCIAL REVIEW

The net deficit for the year, as shown on Page 6, fell by £2,893 to £8,722 (2017: £717) this was primarily due to an increase in income from nursery fees compared with 2017.

In 2016 nursery income had fallen due to a temporary cessation of Early Years funding for 2/3 year olds, following an 'inadequate' Ofsted inspection rating. A 'good' rating was achieved at the subsequent re-inspection and funding was resumed. However, the knock-on effect of this funding

cessation continued to have a serious effect on overall finances, it also led to material rent arrears, and resulted in total accumulated funds falling to -£8,722 (2017: £717) as shown on the balance sheet on page 6.

Reserves policy The trustees and management committee have considered the nursery's requirement for reserves in the light of its financial needs and where possible aimed to maintain unrestricted reserves at a level equivalent to approximately two months of total expenditure.

FUTURE PLANS AND DEVELOPMENTS

The trustees and management committee are carrying out measures to improve the nursery's finances, to return it to full capacity and to ensure that improvements continue to be made in its ability to provide day care, educational and recreational services of the highest quality for children in the local community. The nursery is still continuing to work collaboratively with another nursery with the review of extending their services to the wider community.

Amongst other developments these measures include a collaborative arrangement with another nursery as more fully explained in Note 15 on Page 16.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Governing document

The nursery is a private company, limited by guarantee and without any share capital. On 7 April 1994 it became a registered charity. It was established under a Memorandum of Association which established the objects and powers of the charitable company and it is governed under its Articles of Association. In the event the charitable company is wound up, members are required to contribute an amount not exceeding £1.

Recruitment and appointment of trustees and management committee

The trustees and management committee may from time to time appoint any member of the charitable company as a trustee or member of the management committee, either to fill a casual vacancy or by way of addition, provided that the prescribed maximum be not thereby exceeded. Any member so appointed shall retain his or her office only until the next Annual General Meeting, but he or she shall then be eligible for re-election. No person who is not a member of the charitable company shall be eligible to hold office as a trustee or member of the management committee.

Organisational structure

The charitable company has a board of approximately four trustees and seven members of the management committee (including trustees) who meet regularly throughout the year and are responsible for the strategic direction and policy of the charitable company. In addition, there are various sub-committees of the management committee, with specific responsibilities, who report to the board. At the present the board has members from a variety of professional and ethnic backgrounds relevant to the work of the nursery.

The chair is responsible for ensuring that the nursery delivers the services specified and that the key performance indicators are met. The coordinator has responsibility for day to day operational

management, staff supervision and for ensuring that staff continue to develop their skills and working practices in line with best practice.

Trustees and management committee induction and training

Most new trustees and members of the management committee are already familiar with the practical work of the charitable company having visited the nursery and observed its activities prior to their appointment. Additionally, new trustees and members of the management committee are briefed regarding trustees' and management committee powers, duties and obligations and are provided with copies of the Memorandum and Articles of Association, the latest annual report, and other relevant information.

REFERENCE AND ADMINISTRATIVE DETAILS

Registered Company number
02689929 (England and Wales)

Registered Charity number
1035863

Registered office
30 Hornsey Park Road
London
N8 0JP

Trustees
Ms N Williams
Ms N Stewart-Campbell
Mr I Mebrahtu
Mr H Findley
Ms D Ferdinand

Management committee
Ms N Williams
Ms N Stewart-Campbell
Mr I Mebrahtu
Mr H Findley

Co-ordinator
Ms B Jennings

Company Secretary
Ms P E Howard

Independent examiner
Synergy Consultancy Group
17 Hopkins Close
Muswell Hill
London, N10 2PF

Bankers
National Westminster Bank plc
Wood Green
14 The Broadway
London, N22 6BZ

This report has prepared in accordance with special provisions of Part 15 of the Companies Act 2006 relating to small companies.

Approved by order of the board of trustees on 10 October 2019 and signed on its behalf by:



Mr I Mebrahtu - Trustee

INDEPENDENT EXAMINER'S REPORT TO THE TRUSTEES OF AFRICAN CARIBBEAN DAY NURSERY

Independent examiner's report to the trustees of African Caribbean Day Nursery ('the Company')

I report to the charity trustees on my examination of the accounts of the Company for the year ended 30 September 2018.

Responsibilities and basis of report

As the charity's trustees of the Company (and also its directors for the purposes of company law) you are responsible for the preparation of the accounts 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 your 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

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 Company as required by section 386 of the 2006 Act; or
2. the accounts do not accord with those records; or
3. the accounts 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 accounts 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.



Abraham Amoo
Synergy Consultancy Group
17 Hopkins Close
London, N10 2PF

10 October 2019

STATEMENT OF FINANCIAL ACTIVITIES

Year ended 30 September 2018

		Unrestricted fund	Restricted fund	30.09.18 Total funds	30.09.17 Total funds
		£	£	£	£
	Notes				
Donations and legacies	2	58,267	0	58,267	68,297
Other trading activities	3	41,790	0	41,790	49,476
Total		<u>100,057</u>	<u>0</u>	<u>100,057</u>	<u>117,773</u>
Expenditure on					
Charitable activities					
<i>Nursery's charitable activities</i>		108,796	0	108,796	123,852
<i>Other</i>		700	0	700	6,253
Total		<u>109,496</u>	<u>0</u>	<u>109,496</u>	<u>130,105</u>
Net income / (expenditure)		<u>(9,439)</u>	<u>0</u>	<u>(9,439)</u>	<u>(12,332)</u>
Reconciliation of funds					
Total funds brought forward		(17,856)	18,573	717	13,049
Total funds carried forward		<u>(27,295)</u>	<u>18,573</u>	<u>(8,722)</u>	<u>717</u>

BALANCE SHEET
At 30 September 2018

				30.09.18	30.09.17
		Unrestricted fund	Restricted fund	Total funds	Total funds
		£	£	£	£
	Notes				
Fixed assets					
Tangible assets	8	458	14,026	14,483	19,183
Current assets					
Debtors	9	3,710		3,710	19,242
Cash at bank and in hand		7,857		7,857	589
		<u>11,566</u>	<u>0</u>	<u>11,566</u>	<u>19,831</u>
Creditors					
Amounts falling due within one year	10	(34,771)		(34,771)	(38,297)
Net current assets / (liabilities)		<u>(23,205)</u>	<u>0</u>	<u>(23,205)</u>	<u>(18,466)</u>
Total assets less current liabilities		<u>(22,748)</u>	<u>14,026</u>	<u>(8,722)</u>	<u>717</u>
Net assets / (liabilities)		<u>(22,748)</u>	<u>14,026</u>	<u>(8,722)</u>	<u>717</u>
Funds					
Unrestricted works:					
General fund				(27,295)	(17,856)
Restricted funds:					
Capital & refurbishment fund				18,573	18,573
				<u>(8,722)</u>	<u>717</u>

BALANCE SHEET - CONTINUED

At 30 September 2018

The charitable company is entitled to exemption from audit under Section 477 of the Companies Act 2006 for the year ended 30 September 2018.

The members have not required the company to obtain an audit of its financial statements for the year ended 30 September 2018 in accordance with Section 476 of the Companies Act 2006.

The trustees acknowledge their responsibilities for:

- a) ensuring that the charitable company keeps accounting records that comply with Sections 386 and 387 of the Companies Act 2006 and
- b) preparing financial statements which give a true and fair view of the state of affairs of the charitable company as at the end of each financial year and of its surplus or deficit for each 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 financial statements, so far as applicable to the charitable company.

These financial statements have been prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to charitable small companies.

The financial statements were approved by the Board of Trustees on 10 October 2019 and were signed on its behalf by:

A handwritten signature in black ink, appearing to be 'I Mebrahtu', written over a horizontal line.

Mr I Mebrahtu - Trustee

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 30 September 2018

1. ACCOUNTING POLICIES

Basis of preparing the financial statements

The financial statements of the charitable company, 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 Companies Act 2006. The financial statements have been prepared under the historical cost convention.

Notwithstanding that the nursery made a deficit for the year and had net current liabilities at the balance sheet date, the financial statements have been prepared on a going concern basis as the trustees believe that it will return to surplus and will be able to meet its liabilities as they fall due. Furthermore, they confirm their continued support for the foreseeable future.

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.

Depreciation

Depreciation is provided on tangible fixed assets, at rates calculated to write the assets down to their residual values at the end of their estimated useful lives as follows:

Plant & machinery etc	25% reducing balance
Short leasehold	10% straight line

Taxation

The nursery is a grant funded non-profit making charity and is exempt from corporation tax on the income it receives from, fees, grants, interest and certain fundraising activities.

Fund accounting

Unrestricted funds can be used in accordance with the nursery's charitable objectives at the discretion of the trustees and management committee.

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 restricted fund is included in the notes to the financial statements.

Pension costs and other post-retirement benefits

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

Value Added Tax

Value Added Tax is not recoverable by the nursery, and as such is included in the relevant costs in the Statement of Financial Activities.

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
for the year ended 30 September 2018

2. DONATIONS AND LEGACIES

	30.9.18	30.9.17
	£	£
Grants receivable	<u>58,267</u>	<u>68,297</u>

All grants receivable are from Haringey Council

3. OTHER TRADING ACTIVITIES

	30.9.18	30.9.17
	£	£
Fundraising events	0	818
Nursery fees income	<u>41,790</u>	<u>48,658</u>
	<u>41,790</u>	<u>49,476</u>

4. NET INCOME / (EXPENDITURE)

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

	30.9.18	30.9.17
	£	£
Depreciation - owned assets	<u>4,700</u>	<u>4,928</u>

5. TRUSTEES' REMUNERATION AND BENEFITS

Trustees' remuneration

There were no trustees' remuneration or benefits for the year ended 30 September 2018 or for the year ended 30 September 2017.

Trustees' expenses

There were no trustees' expenses paid for the year ended 30 September 2018 nor for the year ended 30 September 2017.

6. STAFF COSTS

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

	30.9.18	30.9.17
Nursery childcare	4	6
Nursery management and administration	<u>1</u>	<u>1</u>
	<u>5</u>	<u>7</u>

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

7. COMPARATIVES FOR THE STATEMENT OF FINANCIAL ACTIVITIES

	Unrestricted fund £	Restricted fund £	Total funds £
Income and endowments from			
Donations and legacies	58,267	0	58,267
Other trading activities	41,790	0	41,790
Total	<u>100,057</u>	<u>0</u>	<u>100,057</u>
Expenditure on			
Charitable activities			
Nursery's charitable activities	108,796	0	108,796
Other	700	0	700
Total	<u>109,496</u>	<u>0</u>	<u>109,496</u>
Net income / (expenditure)	(9,439)	0	(9,439)
Reconciliation of funds			
Total funds brought forward	(17,856)	18,573	717
Total funds carried forward	<u>(27,295)</u>	<u>18,573</u>	<u>(8,722)</u>

8. TANGIBLE FIXED ASSETS

	Short leasehold £	Plant and machinery £	Fixtures and fittings £	Computer equipment £	Totals £
Cost					
At 1 October 2017 and 30 September 2018	<u>40,174</u>	<u>2,605</u>	<u>29,682</u>	<u>5,268</u>	<u>77,729</u>
Depreciation					
At 1 October 2017	23,722	2,585	27,292	4,947	58,546
Charge for year	<u>4,017</u>	<u>5</u>	<u>598</u>	<u>80</u>	<u>4,700</u>
At 30 September 2018	<u>27,739</u>	<u>2,590</u>	<u>27,890</u>	<u>5,027</u>	<u>63,246</u>
Net book value					
At 30 September 2018	<u>12,435</u>	<u>15</u>	<u>1,793</u>	<u>241</u>	<u>14,483</u>
At 30 September 2017	<u>16,452</u>	<u>20</u>	<u>2,390</u>	<u>321</u>	<u>19,183</u>

9. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	30.9.18 £	30.9.17 £
Trade debtors	2,557	16,481
Other debtors	1,153	1,153
Prepayments and accrued income	-	1,608
	<u>3,710</u>	<u>19,242</u>

10. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	30.9.18 £	30.9.17 £
Trade creditors	585	9,838
Other creditors	25,200	6,108
Accrued expenses	8,987	22,351
	<u>34,772</u>	<u>38,297</u>

11. MOVEMENT IN FUNDS

	At 1.10.17 £	Net movement in funds £	At 30.9.18 £
Unrestricted funds			
General fund	(17,856)	(9,439)	(27,295)
Restricted funds			
Capital & refurbishment fund	18,573	0	18,573
Total funds	<u>717</u>	<u>(9,439)</u>	<u>(8,722)</u>

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

	Incoming resources £	Resources expended £	Movement in funds £
Unrestricted funds			
General fund	100,057	(109,496)	(9,439)
Restricted funds			
Capital & refurbishment fund	0	0	0
Total funds	<u>100,057</u>	<u>(109,496)</u>	<u>(9,439)</u>

Comparatives for movement in funds

	At 1.10.17 £	Net movement in funds £	At 30.9.18 £
Unrestricted funds			
General fund	(17,856)	(9,439)	(27,295)
Restricted funds			
Capital & refurbishment fund	18,573	0	18,573
Total funds	<u>717</u>	<u>(9,439)</u>	<u>(8,722)</u>

11. MOVEMENT IN FUNDS - CONTINUED

Comparative net movement in funds, included in the above are as follows:

	At 1.10.17 £	Net movement in funds £	At 30.9.18 £
	Incoming resources £	Resources expended £	Movement in funds £
Unrestricted funds			
General fund	100,057	(109,496)	(9,439)
Restricted funds			
Capital & refurbishment fund	0	0	0
Total funds	<u>100,057</u>	<u>(109,496)</u>	<u>(9,439)</u>

12. OTHER FINANCIAL COMMITMENTS

The nursery premises are rented from the London Borough of Haringey under an informal agreement at a rent of £11,000 per annum.

13. RELATED PARTY DISCLOSURES

There were no related party transactions for the year ended 30 September 2018.

14. PURPOSE OF RESTRICTED FUNDS

Capital & refurbishment fund: This fund was established by a grant from Haringey Council to be spent on indoor and outdoor capital additions, improvements and refurbishment of the nursery premises and facilities.

15. POST BALANCE SHEET DEVELOPMENTS

In order to improve ACDN's finances the nursery continues to have a collaborative arrangement with another nursery in order to more fully utilise resources and to sustain its existence and services.

It is also proposed to introduce additional services and extend hours so as to more fully meet the needs of parents within the local community. These extra services would boost the status of the nursery and make it more financially viable. In addition the more active approach to the recovery of past debts, including the use of debt collectors, has continued subsequent to the year end.

16. COMPARATIVES

The comparative figures have been regrouped where necessary to provide a fair comparison with those of the current year. Such regroupings have had no effect on previously reported income/expenses, net current assets, or net assets.

RECONCILIATION OF FUNDS
at 30 September 2018

	UK GAAP £	Effect of transition to FRS 102 £	FRS 102 £
Fixed assets			
Tangible assets	14,483	0	14,483
Current assets			
Debtors	3,710	0	3,710
Cash at bank and in hand	7,857	0	7,857
	<u>11,566</u>	<u>0</u>	<u>11,566</u>
Creditors			
Amounts falling due within one year	(34,771)	0	(34,771)
NET CURRENT ASSETS / (LIABILITIES)	<u>(23,205)</u>	<u>0</u>	<u>(23,205)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES	<u>(8,722)</u>	<u>0</u>	<u>(8,722)</u>
NET ASSETS / (LIABILITIES)	<u>(8,722)</u>	<u>0</u>	<u>(8,722)</u>
FUNDS			
Unrestricted funds	(27,295)	0	(27,295)
Restricted funds	18,573	0	18,573
TOTAL FUNDS	<u>(8,722)</u>	<u>0</u>	<u>(8,722)</u>