

RN PRE-SCHOOL LEARNING ORGANISATION (WESTERN AREA)

TRUSTEES ANNUAL REPORT

Charity Registration no.	1040329
Covering the Accounting Year	1 May 2020 to 30 April 2021
Address	1 Tiverton Close Widewell Plymouth PL6 7EN
Governing Document	Constitution (adopted as on 7 June 1994 as amended on 26 February 2006)
Objectives	<p>To advance the development and education of preschool children and in furtherance of this objective.</p> <p>To provide a safe, healthy, happy and stimulating environment to engender the development of children through play;</p> <p>To treat all children in a positive way and respect them as unique individuals and allow them to develop at their own pace;</p> <p>To encourage parental involvement whenever possible, while leaving the choice to the individual adult;</p> <p>To provide a range of topics and activities to promote the development of each child's individual need through a planned curriculum for the foundation stage.</p>
Trustees	<p>Mr R Talbot (Chair)</p> <p>Mrs W Rees</p> <p>Mr J Reid</p> <p>Mr S Moulton</p> <p>Trustees are selected by recommendation from existing trustees, interview, and instruction and then proposed at the next Trustees meeting.</p>
Bankers	<p>National Westminster Bank</p> <p>14 Old Town Street</p> <p>St Budeaux</p> <p>Plymouth PL1 1DG</p>
Independent Examiner	<p>Peter Nicholls MBE MAAT</p> <p>5 Nursery Road</p> <p>Havant</p> <p>Hants PO9 3BG</p>

The Activities of the Charity

The year 2020-21 saw the charity continue to offer quality Ofsted registered childcare to Service and civilian families and offer support for parents and carers albeit in a different way. The onset of the pandemic in early March 2020 saw the childcare settings being forced to close to all staff except for the setting managers who were required to remain working from home to stay in contact with vulnerable children and children with SEN's families or to attend for specific days in the childcare settings. All other childcare setting staff were furloughed but paid for by the charity. This was because the Early Years Grant funding continued to be paid to early years settings and therefore the charity was unable to claim back Government furlough payments for all staff but for only a percentage of the staff team of 30 staff which equated to 6 staff.

The Area Coordinator, Administration Assistant and the Accounts/pay roll clerk remained working throughout 2020-21 supporting the settings .

Later in the month of March 2020 the childcare settings were able to reopen to key workers, vulnerable and SEN children, with a small limited number of staff returning to work from being furloughed. The settings were working within strict COVID secure guidelines for a safe work place involving diligent and thorough cleaning routines and increased PPE resources. Access to the childcare settings has been restricted and continues to be the case for the foreseeable future.

Grants were available to access for childcare settings to enable them to continue to remain open with lower numbers than usual due to the pandemic and also parents' concerns about sending their children to the childcare settings. In addition, for periods of enforced closures due to positive test results of COVID-19 from staff members or from children attending the settings. Closures were for 10 – 14 days.

April 2021 saw the authority from the Government for all children to return to the early years settings to manage the measures remaining in place to protect adults and children attending. However, numbers remained below the usual attendances due to the continued fear and lack of confidence to return from parents.

Staff training and meetings have been completed virtually due to the pandemic and a training suite has been set up at the vacant Egguckland preschool site to allow Covid safe training to be undertaken.

April 2021 Ofsted was contacted to deregister the Egguckland preschool as a functioning setting due to the lack of children in the local area. However, the building remains the site of the charity's accounts office for the present time.

Financial Review Despite the Covid 19 tribulations of last year, the preschools had generally remained open. Although income from parents and early years funding was down, significant amounts had been received in Covid related grants. The fund had gained £24.4K from its operating activities and a further £14.3K from gains in the value of its investment. It had a total worth of £254.4K.

Investment Selection Policy The Trustees had placed £100K in the CCLA Charities Ethical Investment Fund to earn income and benefit from market growth, although £50K was withdrawn in Feb 18 to help cash flow. The remaining units had a market value of £94.5K in Apr 21, having increased their value despite the pandemic's impact on the stock market. Dividend income was £2.7K.

Reserves Policy The Trustees have considered the level of reserves they wish to retain appropriate to the charity's needs and these are held in the investment. These needs include future building projects. The trustees aim to ensure that the charity will be able to continue to fulfil its charitable objectives even if there is a temporary shortfall in income e.g. adverse demographics in the area, unexpected expenditure or a pandemic. Reserves are generated by parental paid fees, as opposed to Government funding, which may only be utilised in accordance with Ofsted regulations.

Risk Assessment The Trustees actively review the major risks that the charity faces on a regular basis. The major risk would be a radical change of policy by the Ministry of Defence. This has been assessed and is covered by the Service Level Agreement between the charity and the Ministry of Defence. Other risks centre on the change in numbers of children in the area and competition from other preschool facilities, some government funded, in the area. The trustees have examined the major strategic, business and operational risks which the charity faces and confirm that systems have been established to enable regular reports to be produced so that the necessary steps can be taken to lessen these risks. Low level welfare statistics are recorded and procedures are in place to record health and safety, safeguarding and risk factors.

Public Benefit Statement This fund provides public benefit by advancement of the education of pre-school children. I confirm that I have paid due regard to the Charity Commission of England and Wales's guidance on public benefit when deciding what activities the charity should undertake

Declaration

I declare in my capacity of charity trustee, that

- The trustees have approved the report above; and
- Have authorised me to sign it on their behalf.

Signed on Original

R Talbot
Trustee

15 July 2021

Independent Examiner's Report to the Trustees of the RN Pre-School Learning Organisation (Western Area)

I report on the accounts of the Charity for the year ended 30 April 2021, which are set out in pages 1 to 5.

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 Charities Act) and that an independent examination is needed. The charity's gross income exceeded £250,000 and I am qualified to undertake the examination by being a licenced member of the Association of Accounting Technicians.

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 Charities Act, and
- 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 trustee for 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 statement below.

Independent examiner's statement

In connection with my examination, no material matters have come to my attention which gives me cause to believe that in any material respect:

- The accounting records were not kept in accordance with section 130 of the Charities Act; or
- The accounts did not accord with the accounting records; or
- The accounts did not comply with the applicable requirements concerning the form and content of the accounts set out in the Charities (Accounts and Reports) Regulations 2008 other than in any requirement that the accounts give a "true and fair" view which is not a matter considered as part of an independent examination.

I 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.

Signed on Original

P A Nicholls MBE MAAT
5 Nursery Road
Havant
Hants PO9 3BG

15 July 2021

RN PRE-SCHOOL LEARNING ORGANISATION (WESTERN AREA)

Registered Charity No: 1040329

BALANCE SHEET

30-Apr-21

				<u>30-Apr-20</u>
	Notes			
<i>Fixed Assets</i>				
Property	6	£ 2,980.00	£ -	
Investment	2	<u>£ 94,513.83</u>	<u>£ 80,162.96</u>	
		£ 97,493.83		£ 80,162.96
<i>Current Assets</i>				
Cash		£ -	£ 380.00	
Debtors	9	£ 695.00	£ 3,575.00	
Bank Account		<u>£ 239,592.24</u>	<u>£ 243,542.82</u>	
Total Current Assets		<u>£ 240,287.24</u>	<u>£ 247,497.82</u>	
<i>Less Liabilities</i>				
Creditors	10	<u>£ 83,375.60</u>	<u>£ 111,990.00</u>	
Net Current Assets		<u>£ 156,911.64</u>		<u>£ 135,507.82</u>
Total Assets		<u>£ 254,405.47</u>		<u>£ 215,670.78</u>
Represented by:				
General Fund		£ 247,907.29		£ 196,996.46
Foundation Degree (Restricted Fund)		£ 2,568.62		£ 2,568.62
Healthy Eating Fund (Designated)		£ 1,161.43		£ 1,161.43
Deployment Dolls (Designated)		£ -		£ 214.15
Groups (Designated Fund)		<u>£ 2,768.13</u>		<u>£ 3,762.27</u>
		<u>£ 254,405.47</u>		<u>£ 215,670.78</u>

Approved
on behalf of all of the trustees

Signed on Original

R Talbot
Trustee

15 July 2021

RN PRE-SCHOOL LEARNING ORGANISATION (WESTERN AREA)

STATEMENT OF FINANCIAL ACTIVITIES

For year ended 30 Apr 21

					Totals Year to Apr 20
Income	Note	Unrestricted Funds	Restricted Funds	Totals	
Grants		£ 374,985.21	£ -	£ 374,985.21	£ 385,013.06
Charitable Activities		£ 84,888.07	£ -	£ 84,888.07	£ 100,517.63
Investment Income		£ 2,757.77	£ -	£ 2,757.77	£ 2,691.07
Total Incoming Resources	3	£ 462,631.05	£ -	£ 462,631.05	£ 488,221.76
Expenditure					
Raising Funds		£ 1,752.50	£ -	£ 1,752.50	£ 1,445.64
Charitable Activities		£ 436,494.73	£ -	£ 436,494.73	£ 441,855.53
		£ 438,247.23	£ -	£ 438,247.23	£ 443,301.17
Net Operating Gain or (loss)	4	£ 24,383.82	£ -	£ 24,383.82	£ 44,920.59
Gains (or losses) on Investments		£ 14,350.87	£ -	£ 14,350.87	£ 297.94
Net income (expenditure)		£ 38,734.69	£ -	£ 38,734.69	£ 45,218.53
Total Funds brought forward		£ 213,102.15	£ 2,568.63	£ 215,670.78	£ 170,452.25
Total Funds carried forward		£ 251,836.84	£ 2,568.63	£ 254,405.47	£ 215,670.78

Notes to the Accounts

Note 1 - Accounting policies

a. The financial statements are prepared under the historic cost convention (as modified by the revaluation of fixed asset investments) and in accordance with applicable accounting standards: Charities Statement of Recommended Practice effective 1 January 2019 and the provisions of the Charities Act 2011. Significant policies adopted are:

Incoming resources

- Donations are included in the Statement of Financial Activities (SOFA) when the fund becomes entitled to the donation or grant and it is reasonably certain that it will be received.
- Incoming resources from fund raising are reported gross in the SOFA
- Intangible income is not included in the accounts.
- The fund receives no unpaid volunteer help, although staff members may occasionally work without pay when trialling new schemes.

Expenditure and Liabilities are recognised as soon as there is a legal or constructive obligation committing the fund to the expenditure.

Stock is valued at the lower of cost or net realisable value

Assets -Tangible assets are capitalised if they can be used for more than one year and cost at least £250. They are valued at cost or a reasonable value on receipt. The fund does not have a policy of revaluation. Depreciation is annually, straight line and over the estimated life of the item.

Note 2 - Investments

CCLA Charities Ethical Investment	£ 80,162.96	at 30 Apr 20
Gain or in market value	<u>£ 14,350.87</u>	
	<u>£ 94,513.83</u>	at 30 Apr 21

Unrestricted Funds

Note 3 - Income

	<u>2020/21</u>		<u>2019/20</u>
<i>Grants</i>			
Early Years Grants	£ 332,159.05		£ 381,113.06
Furlough Grant	£ 17,878.98		£ 2,900.00
Radford Closure Grant	£ 934.00		£ -
Isolating Grants	£ 1,088.18		£ -
Other PCC Grants	£ 20,300.00		£ 1,000.00
Green Energy Grant	<u>£ 2,625.00</u>		<u>£ -</u>
	£ 374,985.21		£ 385,013.06
<i>Charitable Activities</i>			
Playgroup Fees	£ 77,758.27	}	£ 99,149.84
Hot Meals	£ 6,499.00	}	£ -
Staff Meals	£ -		£ 157.30
Entertainment (Groups Fund)	£ 76.15		£ 553.84
Deployment Box - Dolls	£ -		£ 214.15
Uniform Contributions	<u>£ 554.65</u>		<u>£ 442.50</u>
	£ 84,888.07		£ 100,517.63
<i>Investment Income</i>			
Dividends	<u>£ 2,757.77</u>		<u>£ 2,691.07</u>
Total Income	£ 462,631.05		£ 488,221.76

Note 4 - Expenditure

Raising Funds

Publicity	£ 1,752.50	£ 1,445.64
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Charitable Activities

Operating Costs

Wages & National Insurance	£ 331,255.33	£ 324,699.51
Pensions	£ 4,611.52	£ 4,191.48
Agency Staff	£ 3,943.27	£ -
Registrations & Subscriptions	£ 2,477.26	£ 1,625.00
DBS Checks	£ 164.20	£ 63.40
Training/Course Fees	£ 734.38	£ 3,994.96
Water	£ 1,307.52	£ 1,506.66
Hot Meal Catering	£ 4,655.94	£ 8,526.14
Domestic	£ 1,744.91	£ 2,106.36
Towels Gloves etc	£ 5,790.17	£ 4,078.97
Waste Bins	£ 1,036.80	£ 883.56
Equipment	£ 997.41	£ 765.63
Repairs & Renewals, Grasscutting	£ 2,484.17	£ 3,857.76
Healthy Eating Project	£ -	£ 207.21
Goosewell School	£ 810.00	£ 2,282.35
Insurance	£ 2,004.38	£ 2,346.56
Entertainment (Groups Fund)	£ 994.14	£ 2,742.28
Grant Funded Expenditure	£ 441.77	£ 1,871.68
DAF costs	£ 694.48	£ -
Misc Expenses	£ 53.00	£ 138.68
Governance Costs		
Independent Examination fees	£ 625.00	£ 615.00
Professional Advice	£ 1,689.00	£ 192.00
Support Costs		
Administration Wages	£ 51,885.44	£ 58,770.15
Pensions	£ 1,192.93	£ 1,049.23
Sage	£ 3,582.88	£ 3,387.75
Print, Post, Stationery,	£ 2,516.98	£ 3,676.61
Travelling Expenses	£ 877.10	£ 2,077.00
Telephone/Internet	£ 6,128.47	£ 5,474.47
Hall Hire	£ -	£ 86.00
Uniform	£ 879.14	£ 571.68
Gifts and Flowers	£ 210.94	£ 67.45
Depreciation	£ 706.20	£ -
	£ 436,494.73	£ 441,855.53

Total Expenditure	<u>£ 438,247.23</u>	<u>£ 443,301.17</u>
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Note 5 - Restricted Funds

	Balance Apr 20	Movement In	Movement Out	Balance Apr 21
Foundation Degree	£ 2,568.62	£ -	£ -	£ 2,568.62
	<u>£ 2,568.62</u>	<u>£ -</u>	<u>£ -</u>	<u>£ 2,568.62</u>

Note 6 - Tangible Fixed Assets - Property Account

Property Valuation at 30 Apr 20	£	-
Additions	£	3,686.20
Depreciation	£	(706.20)
Property Valuation at 30 Apr 21	£	<u>2,980.00</u>

Previously the restricted fund for buildings related to a grant for the acquisition of a playgroup building. However the MOD has taken responsibility for the building and it is not considered to be the legal property of the charity. Therefore it has been removed from the accounts.

Note 6A - Intangible Assets

The office and pre-school venues are provided by the Ministry of Defence in exchange for providing the pre-school service to the naval community.

Note 7 - Paid Employees

- The Charity has paid employees, average numbers were 36. All are employed directly on the charity's objectives. None was paid in excess of £60,000 in this year or last.
- Staff wage costs were £381,103 (*previous year £374,460*)
- Employer's National Insurance Costs were £7,681 (*previous year - £5,561*)

Note 8 - Trustee and Other Related Parties

- No expenses or emoluments have been paid to the Trustees
- There were no amounts due to or from the Trustees

Note 9 - Debtors and Prepayments

Dividend	£	695.00
	£	<u>695.00</u>

Note 10 - Creditors and Accruals

Independent Examiner's Fees	£	625.00
Wages	£	10,490.60
Pensions	£	148.00
Prepaid Local Authority Grants	£	<u>72,112.00</u>
	£	<u>83,375.60</u>

Note 11 - Declarations

- The Trustees have not changed the year end date nor the length of the fund's financial year.
- All the fund's operations are continuing operations and there no operations were discontinued.
- The fund has no marketable intangible assets
- There were no interfund loans outstanding at the balance sheet date.
- None of the fund's functional assets have been revalued during the year and the fund does not have a policy of revaluation of these assets.
- The fund has no material fixed assets which have not been capitalised and included in the Balance Sheet.

PN INDEPENDENT Examinations

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☎ 07801
064450

The Trustees
RN Pre-School Learning Organisation (Western Area)
Jun 21

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RN PRE-SCHOOL LEARNING ORGANISATION (PSLO) - ACCOUNTS & INDEPENDENT EXAMINATION - 30 APRIL 2021

1. The fund has been examined for the year ended 30 Apr 21 and accounts prepared. A draft Trustees Annual Report (TAR) is also enclosed, although the activities section still requires completion.
2. Once agreed by the trustees, PDF versions of the accounts and TAR can be provided by PNIE which can then be uploaded to the Charity Commission website at the same time as the annual return is completed. There is no requirement to upload the PNIE report. Reports and accounts on the Charity Commission website are, of course, available for parents and the public at large to peruse.

Accounts

3. The Fund Accountant presented an accurate set of accounts supported by a comprehensive range of documentation. Cash is no longer held.
4. As part of the legacy from the closure of Crownhill Community Centre's bar, Shortfal had an arrangement with the PSLO that it would pay Shortfal's employees and then these sums paid would be reimbursed by Shortfal. However, the current PSLO trustees have directed that this arrangement should not continue. In addition, they have decided that the accounts of Shortfal can no longer be actioned, even as a separate organisation, on its Sage accounting package. These directives were implemented at year end.

Investment

5. The investment had continued its recovery after the market crash and it had a market value at year end of £94.5K having gained £14.3K (16%) in the year. Dividend income was £2.7K (a 3.2% return).

Property

6. A grant enabled the fund to purchase two laptops for £3.7K. These were taken on as property and have been given a life of 5 years and will depreciate straight line over that period. The net effect increased the assets of the fund by nearly £3K (after depreciation).

Income

7. Early Years grants had fallen by £49K to £332K (13%). On the other hand, there were various Covid related grants totalling £40.2K.

8. A Green Energy grant had been received five years ago but the project for work in Radford never took place, and therefore it remained in the accounts as a liability for repayment. However, after due diligence, no mechanism to repay the grant was found and therefore it has been brought into the accounts as an income.

9. Amounts received for hot meals in Plympton and Widewell had been separated from parents' fee payments. These totalled £6.5K which covered costs of £4.6K.

Expenditure

10. Despite the 6.2% rise in the minimum wage, wage costs in the settings only rose by £6.5K (2%), whilst administration wage costs fell by £6.9K (12%).

11. Waste removal costs exceeded £1K but is understood that these will be much reduced in the coming year.

Funds

12. The RNPSLO fund was made up of four sub funds:

- ☐ The General Fund was worth £247.9K.
- ☐ The Foundation Degree Fund is a restricted fund and was worth £2.6K. As the money was given for a particular purpose it must be spent on supporting this type of course or training or if not, it should be returned to PCC. However, if PCC is contacted it may allow the fund to be used for other types of training.
- ☐ The Groups' Fund (formerly Entertainments Fund) held nearly £2.8K. This is a designated fund as the money belongs to the RNPSLO but as it was raised by fund raising and contributions it is ring-fenced for the groups to spend. There is no need for groups to fund raise whilst this money is available.
- ☐ The Healthy Eating Fund. This is a designated fund as it is ring fenced for the garden project. As it was not utilised during the year, it still held £1.2K at year end.

13. A Business/Financial Plan had been drafted to cover the five years from 2019. This should be updated annually by the trustees.

Summary

14. Despite the Covid 19 tribulations of last year, the playgroups had generally remained open. Although income from parents and early years funding was down, significant amounts had been received in Covid related grants. The fund had gained £24.4K from its operating activities and a further £14.3K from gains in the value of its investment. It had a total worth of £254.4K.

P A Nicholls
PN Independent Examinations