

RN PRE-SCHOOL LEARNING ORGANISATION (WESTERN AREA)

TRUSTEES ANNUAL REPORT

Charity Registration no.	1040329
Covering the Accounting Year	1 May 2021 to 30 April 2022
Address:	1 Tiverton Close Widewell Plymouth PL6 7EN
Governing Document:	Constitution (adopted as on 7 June 1994 as amended on 26 February 2006)
Objects:	<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 2022 – 2023 continues to see RNPSLO offer quality Ofsted registered childcare to Service and civilian families and offer support for parents and carers comparable to that of pre pandemic.

The Area Coordinator , Deputy Area Coordinator and Accounts/ pay roll clerk continue to work supporting the settings , through centralised stock controls, fees paid by BACS reducing the need for physical visits to the bank and collection of fees from each setting.

June 2021 RNPSLO purchased 6 new Aspire desk tops for the settings due to the previous Apple Macs being outdated and not fit for purpose.

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April all staff had a 6.6% hourly pay rise . The organisation now runs with a Deputy Area Coordinator who works alongside the Area Coordinator to support the organisation in continuing to deliver quality Childcare to families.

May 2022 Ofsted inspected the Goosewell Jack and jills and received an inspection grading of Good.

Jack and Jills Crowmnhill will be closing as a preschool on Friday 22nd July due to the setting becoming un viable and un sustainable due to the 50% reduction of children's attendances there are 12 other providers with a 2 mile radius offering full day care as opposed to term time only care.

One long standing staff member of 34 years has been offered voluntary redundancy . All staff were offered other positions within the organisation and all children have been accommodated within other Jack and Jill's childcare settings.

Due to the staffing shortage (Nationally) the organisation has been focused on keeping childcare settings open for families and having to use the services of agency staff , which has impacted on the organisations expenditure.

The organisation is running a recruitment drive to reduce the need of using agency staff in the future.

Financial Review The value of the fund had dropped by £24.8K to £229.6K. In house analysis of activity at the six settings demonstrated that some were in profit and some in loss. However, the losses in one setting were such that the trustees have decided to close it at the start of the next school year making one long serving employee redundant.

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 £95.6K in Apr 22, having increased their value despite the recent dip in the stock market. Dividend income was £2.8K.

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.

R Talbot
Trustee

15 July 2022

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 2022, 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.

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

15 July 2022

RN PRE-SCHOOL LEARNING ORGANISATION (WESTERN AREA)

Registered Charity No: 1040329

BALANCE SHEET

30-Apr-22

30-Apr-21

	Notes			
<i>Fixed Assets</i>				
Property	6	£ 4,235.00	£ 2,980.00	
Investment	2	<u>£ 95,553.32</u>	<u>£ 94,513.83</u>	
		£ 99,788.32		£ 97,493.83
<i>Current Assets</i>				
Debtors	9	£ 2,242.00	£ 695.00	
Bank Account		<u>£ 236,170.23</u>	<u>£ 239,592.24</u>	
Total Current Assets		<u>£ 238,412.23</u>	<u>£ 240,287.24</u>	
<i>Less Liabilities</i>				
Creditors	10	<u>£ 108,649.64</u>	<u>£ 83,375.60</u>	
Net Current Assets		<u>£ 129,762.59</u>		<u>£ 156,911.64</u>
Total Assets		<u>£ 229,550.91</u>		<u>£ 254,405.47</u>
Represented by:				
General Fund		£ 226,554.48	£ 247,907.29	
Foundation Degree (Restricted Fund)		£ 1,343.76	£ 2,568.62	
Healthy Eating Fund (Designated)		£ 1,011.58	£ 1,161.43	
Groups (Designated Fund)		<u>£ 641.09</u>	<u>£ 2,768.13</u>	
		<u>£ 229,550.91</u>	<u>£ 254,405.47</u>	

Approved
on behalf of all of the trustees

Signed on Original

R Talbot
Trustee

15 July 2022

RN PRE-SCHOOL LEARNING ORGANISATION (WESTERN AREA)

STATEMENT OF FINANCIAL ACTIVITIES

For year ended 30 Apr 22

					Totals Year to Apr 21
Income	Note	Unrestricted Funds	Restricted Funds	Totals	
Grants		£ 263,237.77	£ -	£ 263,237.77	£ 374,985.21
Charitable Activities		£ 147,726.91	£ -	£ 147,726.91	£ 84,888.07
Investment Income		£ 2,799.04	£ -	£ 2,799.04	£ 2,757.77
Total Incoming Resources	3	£ 413,763.72	£ -	£ 413,763.72	£ 462,631.05
Expenditure					
Raising Funds		£ 1,498.26	£ -	£ 1,498.26	£ 1,752.50
Charitable Activities		£ 436,934.65	£ 1,224.86	£ 438,159.51	£ 436,494.73
		£ 438,432.91	£ 1,224.86	£ 439,657.77	£ 438,247.23
Net Operating Gain or (loss)	4	£ (24,669.19)	£ (1,224.86)	£ (25,894.05)	£ 24,383.82
Gains (or losses) on Investments		£ 1,039.49	£ -	£ 1,039.49	£ 14,350.87
Net income (expenditure)		£ (23,629.70)	£ (1,224.86)	£ (24,854.56)	£ 38,734.69
Total Funds brought forward		£ 251,836.84	£ 2,568.63	£ 254,405.47	£ 215,670.78
Total Funds carried forward		<u>£ 228,207.14</u>	<u>£ 1,343.77</u>	<u>£ 229,550.91</u>	<u>£ 254,405.47</u>

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 2019 and the provisions of the Charities Act 2021. 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	£ 94,513.83	at 30 Apr 21
Gain in market value	£ 1,039.49	
	<u>£ 95,553.32</u>	at 30 Apr 22

Unrestricted Funds

Note 3 - Income

	<u>2021/22</u>	<u>2020/21</u>
<i>Grants</i>		
Early Years Grants	£ 261,972.77	£ 332,159.05
Training Grant	£ 1,265.00	£ -
Furlough Grant	£ -	£ 17,878.98
Isolating Grants	£ -	£ 1,088.18
Other PCC Grants	£ -	£ 20,300.00
Radford Closure Grant	£ -	£ 934.00
Green Energy Grant	£ -	£ 2,625.00
	<u>£ 263,237.77</u>	<u>£ 374,985.21</u>
<i>Charitable Activities</i>		
Playgroup Fees	£ 138,330.46	£ 77,758.27
Hot Meals	£ 8,705.40	£ 6,499.00
Entertainment (Groups Fund)	£ 189.35	£ 76.15
Uniform Contributions	£ 501.70	£ 554.65
	<u>£ 147,726.91</u>	<u>£ 84,888.07</u>
<i>Investment Income</i>		
Dividends	<u>£ 2,799.04</u>	<u>£ 2,757.77</u>
Total Income	£ 413,763.72	£ 462,631.05

Note 4 - Expenditure

Raising Funds

Publicity	£	1,498.26	£	1,752.50
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Charitable Activities

Operating Costs

Wages & National Insurance	£	313,093.63	£	331,255.33
Pensions	£	4,101.34	£	4,611.52
Agency Staff	£	8,244.68	£	3,943.27
Registrations & Subscriptions	£	3,667.80	£	2,477.26
DBS Checks	£	629.80	£	164.20
Training/Course Fees	£	-	£	734.38
Water	£	1,510.14	£	1,307.52
Hot Meal Catering	£	8,034.60	£	4,655.94
Domestic	£	1,768.71	£	1,744.91
Towels Gloves etc	£	5,782.10	£	5,790.17
Waste Bins	£	619.22	£	1,036.80
Equipment	£	1,047.96	£	997.41
Repairs & Renewals, Grasscutting	£	5,839.15	£	2,484.17
Healthy Eating Project	£	149.85	£	-
Goosewell School	£	1,911.84	£	810.00
Insurance	£	1,774.79	£	2,004.38
Entertainment (Groups Fund)	£	2,316.39	£	994.14
Grant Funded Expenditure	£	2,131.77	£	441.77
DAF costs	£	353.30	£	694.48
Misc Expenses	£	30.00	£	53.00

Governance Costs

Independent Examination fees	£	635.00	£	625.00
Professional Advice	£	2,032.50	£	1,689.00

Support Costs

Administration Wages	£	53,191.29	£	51,885.44
Pensions	£	1,052.49	£	1,192.93
Sage	£	3,803.29	£	3,582.88
Print, Post, Stationery,	£	2,214.96	£	2,516.98
Travelling Expenses	£	1,441.44	£	877.10
Telephone/Internet	£	6,340.86	£	6,128.47
Uniform	£	1,212.22	£	879.14
Gifts and Flowers	£	758.53	£	210.94
Depreciation	£	1,245.00	£	706.20

£ 436,934.65

£ 436,494.73

Total Expenditure

£ 438,432.91

£ 438,247.23

Note 5 - Restricted Funds

	Balance Apr 21	Movement In	Movement Out	Balance Apr 22
Foundation Degree	£ 2,568.62	£ -	£ 1,224.86	£ 1,343.76
	£ 2,568.62	£ -	£ 1,224.86	£ 1,343.76

Note 6 - Tangible Fixed Assets - Property Account

Property Valuation at 30 Apr 21	£	2,980.00
Additions	£	2,500.00
Depreciation	£	(1,245.00)
Property Valuation at 30 Apr 22	£	<u>4,235.00</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 £366283 (*previous year £381,103*)
- Employer's National Insurance Costs were £11568 (*previous year - £7681*)

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	£	700.00
Insurance Prepaid	£	<u>1,542.00</u>
	£	<u>2,242.00</u>

Note 10 - Creditors and Accruals

Independent Examiner's Fees	£	635.00
Wages	£	9,457.00
Pensions	£	172.00
Hot Meals	£	470.70
Holiday Club	£	18,967.94
Family Grant	£	12,331.00
Prepaid Local Authority Grants	£	<u>66,616.00</u>
	£	<u>108,649.64</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.

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Trustee

15 July 2022

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Signed on Original

P A Nicholls MBE MAAT
5 Nursery Road
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15 July 2022

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