

RN PRE-SCHOOL LEARNING ORGANISATION (WESTERN AREA)

TRUSTEES ANNUAL REPORT

Charity Registration no.	1040329
Covering the Accounting Year	1 May 2022 to 30 April 2023
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 continued to see RNPSLO offer quality Ofsted registered childcare to Service and civilian families.

July 2022 saw the closure of one of the childcare facilities due to the lack of children attending the setting. RNPSLO currently now have 5 childcare provisions in the Plymouth area.

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.

February 2022 Naval Families Federation (NFF) provided funding of £20,000 for two years for the introduction of holiday respite play days to be operated at the Radford and Widewell childcare settings working with families who have family members deployed either on active duties or working away from home .

The holiday provision has been regularly used by a portion of service families and activities are offered around deployment / separation for families . The facility has been promoted within the armed forces community there remains one year left to support this facility.

March 2022 NFF provided funding for all the childcare settings to move from their current electronic nursery management programme (Tapestry) to FAMLY which provides a more extensive communication facility for parents and staff to share information about the children. All settings are now using FAMLY with one years funding remaining.

During the last 12 months RNPSLO have increased settings offering full day care 0800- 1700hrs., there are now currently 3 settings operating 50 weeks a year .

April 2023 all staff had a 9.7% hourly pay rise .

Due to the continued staffing shortage seen 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 organisation's expenditure.

The organisation continues to run a recruitment drive to reduce the need to use agency staff in the future, working with local training providers and regular advertising.

Financial Review The fund was worth £196.6K having made an operating loss of £31K plus a further loss of £2K in the market value of its investment. However, bank assets of £197.2K easily covered liabilities of £99.4K and a further £93.5K was held in the investment.

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 reached a market value of £93.5K in Apr 23, albeit after losing a little of their value over the year. Dividend income was £2.9K.

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

14 July 2023

Independent Examiner's Report to the Trustees of the RN Pre-School Learning Organisation (Western Area) Charity No 1040329

I report on the accounts of the Charity for the year ended 30 April 2023, which are set out in pages 1 to 5.

Respective responsibilities of trustees and examiner

As the charity's trustees are responsible for the preparation of the accounts in accordance with the requirements of the Charities Act 2011 ("the Act"). I report in respect of my examination of the charity's accounts carried out under section 145 of the 2011 Act and in carrying out my examination I have followed all the applicable Directions given by the Charity Commission under section 145(5)(b) of the Act. 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.

Independent examiner's statement

I have completed my examination; I confirm that 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 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.

Signed on Original

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

14 July 2023

RN PRE-SCHOOL LEARNING ORGANISATION (WESTERN AREA)

Registered Charity No: 1040329

BALANCE SHEET

30-Apr-23

30-Apr-22

	Notes			
<i>Fixed Assets</i>				
Property	6	£ 2,990.00	£ 4,235.00	
Investment	2	<u>£ 93,524.03</u>	<u>£ 95,553.32</u>	
		£ 96,514.03		£ 99,788.32
<i>Current Assets</i>				
Debtors	9	£ 2,368.00	£ 2,242.00	
Bank Account		<u>£ 197,179.08</u>	<u>£ 236,170.23</u>	
Total Current Assets		<u>£ 199,547.08</u>	<u>£ 238,412.23</u>	
<i>Less Liabilities</i>				
Creditors	10	<u>£ 99,421.42</u>	<u>£ 108,649.64</u>	
Net Current Assets		<u>£ 100,125.66</u>		<u>£ 129,762.59</u>
Total Assets		<u>£ 196,639.69</u>		<u>£ 229,550.91</u>
Represented by:				
General Fund		£ 194,615.64	£ 226,554.48	
Foundation Degree (Restricted Fund)	Note 5	£ 291.75	£ 1,343.76	
Healthy Eating Fund (Designated)		£ 987.08	£ 1,011.58	
Groups (Designated Fund)		<u>£ 745.22</u>	<u>£ 641.09</u>	
		<u>£ 196,639.69</u>	<u>£ 229,550.91</u>	

Approved
on behalf of all of the Trustees

Signed on Original

R Talbot
Trustee

14 July 2023

RN PRE-SCHOOL LEARNING ORGANISATION (WESTERN AREA)

STATEMENT OF FINANCIAL ACTIVITIES

For year ended 30 Apr 23

					Totals Year to Apr 22
Income	Note	Unrestricted Funds	Restricted Funds	Totals	
Grants		£ 241,763.95	£ -	£ 241,763.95	£ 263,237.77
Charitable Activities		£ 218,799.47	£ -	£ 218,799.47	£ 147,726.91
Investment Income		£ 2,875.31	£ -	£ 2,875.31	£ 2,799.04
Total Income	3	£ 463,438.73	£ -	£ 463,438.73	£ 413,763.72
Expenditure					
Raising Funds		£ 917.10	£ -	£ 917.10	£ 1,498.26
Charitable Activities		£ 492,351.54	£ 1,052.02	£ 493,403.56	£ 438,159.51
Total Expenditure	4	£ 493,268.64	£ 1,052.02	£ 494,320.66	£ 439,657.77
Net Operating Loss		£ (29,829.91)	£ (1,052.02)	£ (30,881.93)	£ (25,894.05)
Gains (or losses) on Investments		£ (2,029.29)	£ -	£ (2,029.29)	£ 1,039.49
Net Expenditure		£ (31,859.20)	£ (1,052.02)	£ (32,911.22)	£ (24,854.56)
Total Funds brought forward		£ 228,207.14	£ 1,343.77	£ 229,550.91	£ 254,405.47
Total Funds carried forward		<u>£ 196,347.94</u>	<u>£ 291.75</u>	<u>£ 196,639.69</u>	<u>£ 229,550.91</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 Acts. 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.

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	£ 95,553.32	at 30 Apr 22
Loss in market value	<u>£ (2,029.29)</u>	
	<u>£ 93,524.03</u>	at 30 Apr 23

Unrestricted Funds

Note 3 - Income

	<u>2022/23</u>	<u>2021/22</u>
<i>Grants</i>		
Early Years Grants	£ 241,563.95	£ 261,972.77
Training Grant	£ -	£ 1,265.00
Other Grants	<u>£ 200.00</u>	<u>£ -</u>
	£ 241,763.95	£ 263,237.77
<i>Charitable Activities</i>		
Playgroup Fees	£ 208,530.86	£ 138,330.46
Hot Meals	£ 9,801.16	£ 8,705.40
Entertainment (Groups Fund)	£ 207.95	£ 189.35
Uniform Contributions	<u>£ 259.50</u>	<u>£ 501.70</u>
	£ 218,799.47	£ 147,726.91
<i>Investment Income</i>		
Dividends	<u>£ 2,875.31</u>	<u>£ 2,799.04</u>
Total Income	£ 463,438.73	£ 413,763.72

Note 4 - Expenditure

Raising Funds

Publicity	£	917.10	£	1,498.26
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Charitable Activities

Operating Costs

Wages & National Insurance	£ 337,706.01	£ 313,093.63
Pensions	£ 5,065.16	£ 4,101.34
Agency Staff	£ 7,385.59	£ 8,244.68
Registrations & Subscriptions	£ 10,147.24	£ 3,667.80
DBS Checks	£ 597.20	£ 629.80
Water	£ 1,773.58	£ 1,510.14
Hot Meal Catering	£ 9,271.88	£ 8,034.60
Domestic	£ 2,369.37	£ 1,768.71
Towels Gloves etc	£ 4,981.87	£ 5,782.10
Waste Bins	£ 650.79	£ 619.22
Equipment	£ 2,232.68	£ 1,047.96
Repairs & Renewals, Grasscutting	£ 3,531.15	£ 5,839.15
Healthy Eating Project	£ 24.50	£ 149.85
Goosewell School	£ 1,409.95	£ 1,911.84
Insurance	£ 2,074.74	£ 1,774.79
Entertainment (Groups Fund)	£ 103.82	£ 2,316.39
Grant Funded Expenditure	£ 1,346.71	£ 2,131.77
DAF costs	£ -	£ 353.30
Misc Expenses	£ 540.34	£ 30.00

Governance Costs

Independent Examination fees	£ 650.00	£ 635.00
Professional Advice	£ -	£ 2,032.50

Support Costs

Administration Wages	£ 67,000.70	£ 53,191.29
Pensions	£ 1,266.70	£ 1,052.49
Redundancy Package	£ 13,857.02	£ -
Sage	£ 4,158.84	£ 3,803.29
Print, Post, Stationery,	£ 3,556.29	£ 2,214.96
Travelling Expenses	£ 1,435.96	£ 1,441.44
Telephone/Internet	£ 6,864.31	£ 6,340.86
Uniform	£ 655.72	£ 1,212.22
Bank Charges	£ 168.20	£ -
Gifts and Flowers	£ 280.22	£ 758.53
Depreciation	£ 1,245.00	£ 1,245.00

£ 492,351.54

£ 436,934.65

Total Expenditure

£ 493,268.64

£ 438,432.91

Note 5 - Restricted Funds

	Balance Apr 22	Movement In	Movement Out	Balance Apr 23
Foundation Degree	£ 1,343.77	£ -	£ 1,052.02	£ 291.75
	<u>£ 1,343.77</u>	<u>£ -</u>	<u>£ 1,052.02</u>	<u>£ 291.75</u>

Note 6 - Tangible Fixed Assets - Property Account

Property Valuation at 30 Apr 22	£ 4,235.00
Depreciation	£ (1,245.00)
Property Valuation at 30 Apr 23	<u>£ 2,990.00</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

- a. The Charity has paid employees. Numbers reduced and ended at 29 at year end . All were employed directly on the charity's objectives. None was paid in excess of £60,000 in this year or last.
- b. Staff wage costs were £418563 (*previous year £366283*)
- c. Employer's National Insurance Costs were £15868 (*previous year - £11568*)

Note 8 - Trustee and Other Related Parties

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

Note 9 - Debtors and Prepayments

Dividend	£ 725.00
Insurance Prepaid	£ 1,643.00
	<u>£ 2,368.00</u>

Note 10 - Creditors and Accruals

Prepaid Local Authority Grants	£ 68,070.00
Independent Examiner's Fees	£ 650.00
Wages	£ 8,252.00
HMRC	£ 617.00
Pensions	£ 168.00
Holiday Club	£ 10,419.02
Family Grant	£ 11,193.40
Bank Charges	£ 52.00
	<u>£ 99,421.42</u>

Note 11 - Declarations

- a. The Trustees have not changed the year end date nor the length of the fund's financial year.
- b. All the fund's operations are continuing operations and there no operations were discontinued.
- c. The fund has no marketable intangible assets
- d. There were no interfund loans outstanding at the balance sheet date.
- e. 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.
- f. 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)

9 Jun 23

RN PRE-SCHOOL LEARNING ORGANISATION (PSLO) - ACCOUNTS & INDEPENDENT EXAMINATION – 30 APR 23

1. The fund has been examined for the year ended 30 Apr 23 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. The PSLO received local authority initial funding from PCC and CCC for the Summer Term in Apr 23. Based on last year's funding it has been assumed that PCC have paid 75% of the eventual sum and CCC 45%. This enabled an estimated total amount to be calculated and hence the amount due for the one week in Apr 23. Therefore, the remainder of the initial funding is treated as a prepayment for the following year.
5. Nat West had levied bank service fees of around £50-£65 pm but charged them to the closed RNCC bank account! The bank had realised this in Jan 23 and therefore bank charges to the PSLO bank account started in Feb 23. No request had been received to pay the arrears.

Investment and Deposits

6. The investment held in a CCLA Charities Ethical Investment was worth £93.5K having lost £2K (2.1%) in market value over the year. It had earned £2.9K in dividends (3%).
7. The trustees do not wish to add to the investment at this point. However, the interest paid by deposit accounts has changed dramatically in the last 12 month. The trustees could consider placing some of the £197.2K held in the bank account in an instant access charity deposit account. One such account popular with Service funds is currently paying 4.28%. An £85K deposit would earn £3.6K pa.

Income

8. As numbers had fallen, local authority funding had fallen by £21.4K to £241.6K. On the other hand income from parents had increased by 53% to £208.3K.

9. Amounts received for hot meals in the Plympton, Radford and Widewell settings had increased to £9.8K leading to a small £0.5K profit.

Expenditure

10. The Crownhill Pre-School was closed at the end of Jul 22. The redundancy package for a long serving employee cost nearly £13.9K.

11. Despite the closure of the Crownhill Pre-School and a fall in the number of children attending, wage costs increased by 10% to £404.7K, largely because of the increase in the minimum wage. Agency worker costs fell slightly to £7.4K.

Funds

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

- The General Fund was worth £ 194.6K.
- The Foundation Degree Fund is a restricted fund and was worth £292. As there has been no objection from PCC, the fund has been used for more general training purposes and is likely to be exhausted in the coming year.
- The Groups' Fund (formerly Entertainments Fund) held £745. 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. It held £1K at year end. As a designated fund, the trustees can, if they wish, decide to absorb it into the main fund.

13. The Holiday Club is separate from the activities of the PSLO and its holding had reduced to £10.4K. This sum is shown as a liability to the fund (Note 10 to the accounts)

14. A Business/Financial Plan had been drafted to cover the five years from 2019. This should be updated as an annual process by the trustees, but this was proving difficult as the Government/PCC had yet to announce the new funding rates.

Summary

15. The fund was worth £196.6K having made an operating loss of £31K plus a further loss of £2K in the market value of its investment. However, bank assets of £197.2K easily covered liabilities of £99.4K and a further £93.5K was held in the investment.