

COMPANY NO. 03867657

CHARITY NO. 1078467

THE PHOENIX CENTRE
FINANCIAL STATEMENTS
YEAR ENDED 31 AUGUST 2020

SIDAWAYS
CHARTERED ACCOUNTANTS & BUSINESS ADVISORS
ROWLEY REGIS,
WEST MIDLANDS B65 0JA

THE PHOENIX CENTRE

TRUSTEES	Mrs W Mannings Mr J Brown Mrs L Jones (previously Mrs L Vaughan) Mrs C McEwan Mr I D Smith Mrs L Ashfield (appointed 1 December 2020)
COMPANY NUMBER	03867657
CHARITY NUMBER	1078467
REGISTERED OFFICE	Barnett Lane Wordsley Stourbridge West Midlands DY8 5PY
BANKERS	National Westminster Bank PLC 141 High Street Stourbridge West Midlands DY8 1BF
INDEPENDENT EXAMINER	David Burrows FCCA Sideways Chartered Accountants & Business Advisors 5-6 Long Lane Rowley Regis West Midlands B65 0JA

ANNUAL REPORT AND ACCOUNTS – 31 AUGUST 2020

Pages	2 – 8	Trustees' Report (including Directors Report)
	9 – 10	Independent Examiner's Report
	11	Statement of Financial Activities
	12	Balance Sheet
	13 – 18	Notes to the Financial Statements

THE PHOENIX CENTRE

TRUSTEES ANNUAL REPORT (INCLUDING DIRECTORS REPORT) FOR THE YEAR ENDED 31 AUGUST 2020

The trustees, who are also directors of the charity for the purposes of the Companies Act, submit their annual report and the financial statements for the year ended 31 August 2020. The trustees have adopted the provisions of the Statement of Recommended Practice (SORP) "Accounting and Reporting by Charities (FRS 102)" in preparing the annual report and financial statements of the charity.

Structure, Governance and Management

The charity is a charitable company limited by guarantee and was set up 28 October 1999 and its company registration number is 03867657. It is governed by a Memorandum and Articles of Association; its objects are to advance the education of young children with learning difficulties and/or disabilities.

The directors of the charitable company are its trustees for the purposes of charity law. The trustees are appointed by the Board of Trustees and serve for three years after which they may put themselves forward for re-appointment at the Annual General Meeting. At the regular trustees' meetings, the trustees agree the broad strategy and areas of activity for the trust including reserves and risk management policies and performance. Prospective trustees are identified from parents of children using the service and through Dudley CVS who can signpost prospective trustees to the Board for initial consideration. All prospective trustees meet the Board prior to appointment to discuss their possible future role.

Enhanced data barring checks are undertaken prior to accepting appointment and a Code of Conduct is signed on appointment by each trustee. As at the 31 August 2020 there are five Trustees in place who are able to effectively manage the Charity. However, there remain up to three positions available to interested parties, be they parents, guardians or other appropriate members of the community; which is proving difficult to fill; particularly so with the current Covid19 pandemic.

In terms of governance compliance, the minimum living wage and work place pensions are two specific issues that the Trustees continually monitor. In relation to pensions the implementation of the NEST Pension Scheme has gone well and during this year the lowest hourly rate was increased to £8.80 and in line with legislation would continue to be increased in a phased manner during April over the forthcoming years to ensure that we retained our valued staff.

Day to day administration of the charity is carried out by a Centre Manager who is employed by Dudley MBC, with key matters being drawn to the attention of the Chair of Trustees for consideration and discussion with other trustees as required, either at the regular Trustee meetings or by direct contact in between the same.

Objectives and activities

Our charity's purposes as set out in the objectives contained in the company's Memorandum of Association are to: -

- Provide specialist support to advance the education (including social and physical training) of the children in the area of benefit up to the age of 16 years with learning difficulties and/or disabilities.
- Enhance the development and education of such children by encouraging parents to understand and provide for the needs of their children and encouraging parents to take responsibility for and to become involved in the activities by which the objectives are furthered and promoted.

THE PHOENIX CENTRE

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 AUGUST 2020 (CONTINUED)

- Advance the education of such children by enabling them to interact with their parents and guardians and with children who do not have any learning difficulties.

The trustees have had regard to the Charity Commissions guidance on public benefit. The charity provides a public benefit by: -

- Continuing to provide a specialist pre-school nursery provision for children 2 to 4 years old with a range of special needs whose families/guardians reside within the area of Dudley Metropolitan Borough Council (DMBC) and beyond. There is limited specialist pre-school nursery provision for children under 4 with disabilities within DMBC area and as such demand exceeds the number of places available.
- Making available spaces for up to a maximum of 15 children per week from this specific disadvantaged group and engaging with parents and guardians at their homes and within the setting to enable them to discuss concerns and educational development of their child.
- Endeavouring to ensure that the staff at the Phoenix Centre has the resources and training required to maintain the support and educational requirements of the children in their care.

Achievements and Performance

On behalf of the Trustees, I have to report that 2019/20 has been a challenging year at the Phoenix Centre due to the impact of Covid19 both on staff and the children attending the centre. During the year two members of staff left during the latter part of the school term; one on retirement and the other due to personal reasons. The two new members of staff appointed have taken to their roles in a positive and effective manner and I am confident that they will also go on to become valued members of the team. The annual pay review was undertaken by the Trustees and implemented in April 2020 to ensure that all of the pay of the staff was above the minimum working wage.

The National Employers Savings Trust (NEST) is now in its fourth year; which with the assistance of our current payroll provider continues to operate well. The current level of contributions is 8% comprising 5% for staff and 3% for the Charity.

Securing funding remains an ongoing challenge and the staff at Phoenix; along with pledges for the Christmas Fayre and Easter raffle from a wide range of local businesses and support of the trustees, organised and ran a Christmas Fayre and Easter Raffle during December 2019, with some £1,567.50 being realised from this Fayre and £2,555 from the raffle. These funds along with donations received from the Co-Op Community Fund, Kinver Rotary Club, the Masters' Family Christmas Light fund, plus various donations from parents, who were also extremely generous during the year, resulted in a further £2,189.73 being donated to the Charity. Therefore, the total received amounted to £6,312.23.

The prior donation from JLR will be ring fenced in the accounts for expenditure on the Sensory Room during 2020/21. Providing the balances at the close of 2019/20 allow; it is intended to ring fence a further £4200.00 in the accounts to enable essential repairs to be undertaken during 2020/21 relating to the fire door and parents room windows. In addition, a further £3,900 has been earmarked to provide for additional PPE, cleaning materials and equipment that may be required during the next school year.

THE PHOENIX CENTRE

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 AUGUST 2020 (CONTINUED)

Due to the ongoing Covid19 pandemic the Trustees have been unable to resume their endeavours to re-engage a professional bid writer to secure funding for various projects at the Centre; with the exception of staff salaries and running costs. It is hoped that this can be resumed in the latter part of 2021/2022.

Risk and Fire Safety Assessments, including the annual fire extinguisher maintenance and PAT testing, have all been undertaken during 2019/20. The Disclosure and Barring Service (DBS) checks for staff, volunteers and trustees have all been updated; including where appropriate the requirement to register for the new automatic DBS renewal scheme.

Covid 19 Financial Impact and Health & Safety Assessments were completed during June 2020 to ensure that the Charity was able to provide the necessary funding, protective equipment and a safe setting for both, staff and children to work for as long as the pandemic restrictions, both local and national, remain in force.

Our insurance cover remains with Merkel (UK) Ltd; who continue to provide the levels of cover required at complete premium.

The scheduled renewal of the lease for the Phoenix Centre (April 2017) with Dudley MBC has been delayed due to two specific matters being required to be addressed by the Charity in relation to having an Asbestos and Energy Efficiency survey completed for the premises. Both of these were satisfactorily completed and Dudley MBC advised accordingly. The lease has now been renewed for a period of 7 years commencing August 2020.

As a consequence of the lease renewal the garage roof has been replaced with the necessary waste transfer notes being issued by the company concerned relating to the roofing materials that were asbestos based.

The intake of the morning groups of children (Tuesday to Friday) remained at a maximum of 10. The intake of the afternoon group of children to a maximum of 5; with the same cohort of 5 children each afternoon all with complex needs is still continuing and will do so for the next school year 2020/21. The assurances that these changes would not impact on funding received by the Phoenix Centre have been honoured by the Children's Directorate.

A close working partnership with DMBC Children's Directorate, the Early Years Development and Child Care Team continues to remain a key focus within the Phoenix Team; along with that of all the other agencies involved in supporting children and families within the Borough. I am pleased to report that the reputation of the continuing and unquestionable professionalism and commitment of the entire Centre staff working closely as a team with Trustees ensures that the Phoenix Centre is able to provide some of the best quality educational opportunities and care for young children with disabilities and their families across the Dudley Borough.

It remains clear that the Centre Manager along with all of the staff remain committed to the ongoing development of partnership working with Health and Education professionals welcoming them into the setting and incorporating their professional advice into individual children's educational plans to ensure positive outcomes for each child.

In concluding we as the Trustees are proud of the fact that Phoenix Centre is renowned for the quality of work and care, and the attention and professionalism of its staff continues to be acknowledged by parents and professionals alike; particularly since March 2020 with the challenges presented by the ongoing Covid19 pandemic.

THE PHOENIX CENTRE

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 AUGUST 2020 (CONTINUED)

Coronavirus Impact Assessment

As a result of the Coronavirus lockdown policies Government's introduced in March 2020 to protect the wider community the Phoenix Centre has been closed to children and staff. Where possible staff have been working from home or shielding as a consequence of medical advice. Staff that have needed to attend the work place have liaised with the Centre Manager, who has ensured that the maximum number of staff safely permitted within the building to comply with social distancing measures has been no more than three.

Due to shielding and the clinical vulnerability of the children it was anticipated that the earliest that these particular groups would be in a position to be able to attend the Phoenix Centre would be late June 2020.

However, following the Governments proposals to initiate a staged re-opening and schools and nurseries the Trustees, in consultation with the Centre Manager, considered the guidance issued on 12th May 2020 by the Department of Education (DfE) – **Actions for education and childcare settings to prepare for wider opening from 1st June 2020** - and the implications of re-opening the Centre for both staff and children along with their parents and carers.

Notwithstanding the fact that some staff needed to continue to continue shielding until late June 2020 the return of staff to the work place was possible; with social distancing measures implemented to manage all the classroom areas, office, kitchen, toilets and main reception area; along with the access and egress to the nursery in a safe manner. Additional cleaning measures, plus extra personal protective equipment have been provided and worn by staff whilst working at the nursery. A regime requiring the regular wipe down of surfaces, hand washing as well as wearing disposable gloves and masks at all times whilst in the workplace was implemented and will remain in place until we are advised otherwise.

In taking account the guidance issued by the DfE it is considered that due to the clinical vulnerability of the children attending the Phoenix Centre, particularly their advice relating to very young children:

-

'without the capacity to adhere to the instructions on social distancing their inability to comprehend and actually practice social distancing. If stringent social distancing cannot be adhered to, we do not expect those individuals to attend'

Therefore, it has not been possible for all of the children currently attending the Phoenix Centre to resume attendance at the nursery for the remainder of this school year (ending July 2020).

With regard to the new school year commencing September 2020, discussions with the Local Authority, Centre Manager, staff and parents/guardians will need to be ongoing to determine how we may collectively be able to move forward and operate in a safe and effective manner for all concerned.

Risk Assessments

As indicated previously, specific Coronavirus Risk Assessments have and will need to take place on a regular basis taking account of current Health & Safety legislation and DfE guidance; along with any updates provided by the Local Authority and these agencies.

THE PHOENIX CENTRE

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 AUGUST 2020 (CONTINUED)

Additional Equipment

By the very nature of its present use staff at the Phoenix Centre use disposable aprons and gloves when in direct contact with the children. Antibacterial wipes and cleanser for work surfaces around the Centre continue to be used. The stock levels of these particular items are being reviewed by the Manager and additional quantities purchased. In relation to the provision of personal face masks these have been provided for the staff. The ongoing anticipated costs of providing these additional cleansing and PPE equipment are circa £1,300 per term. Therefore, the Trustees have ring fenced £3,900 in the budget to meet these costs.

To mitigate the potential for cross infection two additional laptop computers along with the necessary security/antivirus software have been purchased for staff to have a dedicated device when inputting information about the children on to the children's records.

Funding

Short Term/Medium Term (August 2020 to August 2021): The Charity is supported in its operation by Local Authority Grant funding based on each individual child that attends the Phoenix Centre, along with donations and fundraising. The DfE has indicated that funding is intended to continue for school year 2020/21. Therefore, the Trustees are of the view that all of the operating costs of the Centre, including staff salaries and designated funds for the provision of the key additional equipment identified above, are able to be met from within the Charities existing general funds and grant income until the end of August 2021. The Trustees, have based this assertion on the charities projected **general balances of circa £33,250.00** commencing September 2020 and are of the opinion that they would be able to meet the staff and day to day running costs of the Centre until the end of August 2021.

Long Term (September 2021 to August 2022): Notwithstanding the above short/medium term measures the Local Authority has indicated that as a consequence of restructuring its Early Years Provision within Children's Services, it would wish to explore the potential for the Phoenix Centre to be 'self-funding' as from **September 2022**. At this time, it is unclear what this proposal actually means. The Authority has confirmed that the current grant funding provisions will continue to be paid for the academic year 2021/22. They have also confirmed that they would wish to enter into formal discussions with the Trustees to determine a joint way forward. It should be pointed out that if grant funding for whatever reason is reduced or is unable to be provided, or becomes limited due to the number of children that are able to attend the Phoenix Centre, then the Trustees would have no alternative but to reduce staff numbers, reduce staff hours or a combination of both to a level that is required to safely meet not only the needs of the children attending the Centre, but also aligned to the actual level grant income being received. If the Charity is left with no alternative it would have to implement redundancies in line with statutory procedures; which would have to be initiated prior to and in any event no later than **1st January 2023**.

Ring fenced **designated reserve funding of £19686** is in place at 31 March 2021 to meet statutory redundancy payments to staff who are entitled to receive these payments. Based on current time served these have been calculated to be **£7023.00** In addition, final staff salary payments for two months up to the end of February 2023, subject to the notice period required for each individual staff member, which require further funding of approximately **£12600.00**

The Trustees wish to stress that they sincerely hope that it will not become necessary to take the ultimate and difficult course of action to reduce staff hours or indeed make some or all of the staff redundant; but they are mindful of their legal responsibilities to ensure that the Charity does not become financially insolvent. It is hoped that over the coming year that these significant challenges are able to be addressed by the constructive engagement all of the parties involved in the operation and the funding of the Phoenix Centre.

THE PHOENIX CENTRE

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 AUGUST 2020 (CONTINUED)

Trustees' Responsibilities

The trustees (who are also directors of The Phoenix Centre for the purposes of company law) are responsible for preparing the Trustees' Annual Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law 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 charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that period. In preparing these financial statements, the trustees are required to:

- ❖ select suitable accounting policies and then apply them consistently;
- ❖ observe the methods and principles in the Charities SORP (FRS 102);
- ❖ make judgements and estimates that are reasonable and prudent;
- ❖ state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- ❖ prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in operation.

The trustees are responsible for keeping adequate accounting records that disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

In so far as the trustees are aware:

- ❖ there is no relevant accounting information of which the charitable company's independent examiner is unaware; and
- ❖ the trustees have taken all steps that they ought to have taken to make themselves aware of any relevant accountancy information and to establish that the independent examiner is aware of that information.

Reserves Policy

The trustees aim to maintain free reserves in unrestricted funds at a level which equates to approximately three months of unrestricted charitable expenditure.

Transactions and Financial Position

The Statement of Financial Activities shows a net surplus for the year of £8,484 (2019: £21,135) and our reserves stand at £70,799 (2019: £62,315) in total.

The report of the trustees has been prepared in accordance with special provisions of Part 15 of the Companies Act 2006 relating to small companies and in accordance with the Statement of Recommended Practice (SORP) "Accounting and Reporting by Charities (FRS 102)".

THE PHOENIX CENTRE

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 AUGUST 2020 (CONTINUED)

Approved by the Board of trustees on 7 May 2021 and signed on their behalf by:



Mr J Brown
Director, Chair Trustees

INDEPENDENT EXAMINER'S REPORT TO THE TRUSTEES OF THE PHOENIX CENTRE

I report to the charity trustees on my examination of the accounts of the company for the year ended 31 August 2020 are set out on pages 11 to 18.

Responsibilities and basis of report

As the charity 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 company'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 examiners' 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 that in any material respect:

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 (FRS102).

Material uncertainty related to going concern

I draw attention to Note 1 in the financial statements which indicates the charity is dependent upon continued funding from the Local Authority which is provided on a term by term basis. At the date of signing these accounts the Centre is open and operating within the Government & Department for Education requirements as a result of the ongoing coronavirus outbreak. Currently there is no certainty of continued funding from the Local Authority from September 2022 onwards, although the Trustees believe that funding will be available. This material uncertainty casts significant doubt on the charity's ability to continue as a going concern. My opinion is not modified in respect of this matter.

In completing the Independent Examination, I have concluded the trustees' use of the going concern basis of accounting is appropriate. My evaluation of the trustees' assessment of the entity's ability to continue to adopt the going concern basis of accounting included reviewing a Covid Financial Impact Assessment for the period September 2021 to March 2023.

INDEPENDENT EXAMINER'S REPORT TO THE TRUSTEES OF
THE PHOENIX CENTRE (CONTINUED)

I have no concerns and have come across no other matters other than detailed above 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.



David Burrows FCCA
Sideways
Chartered Accountants & Business Advisors
5-6 Long Lane
Rowley Regis
West Midlands
B65 0JA

Date: 7 May 2021

THE PHOENIX CENTRE

STATEMENT OF FINANCIAL ACTIVITIES
(Incorporating an Income and Expenditure Account)

FOR THE YEAR ENDED 31 AUGUST 2020

	<u>Note</u>	<u>Unrestricted</u> <u>Funds</u> <u>2020</u> <u>£</u>	<u>Restricted</u> <u>Funds</u> <u>2020</u> <u>£</u>	<u>Total</u> <u>Funds</u> <u>2020</u> <u>£</u>	<u>Total</u> <u>Funds</u> <u>2019</u> <u>£</u>
Income and endowments from:					
Donations and legacies	2	6,312	-	6,312	6,828
Charitable activities	3	79,776	7,559	87,335	89,968
Other	4	50	-	50	358
Total income and endowments		<u>£86,138</u>	<u>7,559</u>	<u>£93,697</u>	<u>£97,154</u>
Expenditure on:					
Charitable activities		73,393	7,559	80,952	72,219
Other - Governance costs		4,261	-	4,261	3,800
Total Expenditure	6	<u>£77,654</u>	<u>7,559</u>	<u>£85,213</u>	<u>£76,019</u>
Net Income and net movement in funds		8,484	-	8,484	21,135
Reconciliation of funds:					
Total funds brought forward		58,900	3,415	62,315	41,180
Total funds carried forward		<u>£67,384</u>	<u>£3,415</u>	<u>£70,799</u>	<u>£62,315</u>

All incoming resources and resources expended are derived from continuing activities.

The statement of financial activities includes all gains and losses in the year.

The notes on pages 13 to 18 form part of these financial statements

THE PHOENIX CENTRE**BALANCE SHEET AT 31 AUGUST 2020**

	<u>Note</u>	<u>2020</u> £	<u>2019</u> £
Current assets			
Debtors	9	5,712	27,856
Cash at bank and in hand		67,116	36,595
		<hr/>	<hr/>
		72,828	64,451
Creditors: Amount falling due within one year	10	2,029	2,136
		<hr/>	<hr/>
Net assets		<u>£70,799</u>	<u>£62,315</u>
Funds of the charity:			
Unrestricted funds	12	67,384	58,900
Restricted funds	13	3,415	3,415
		<hr/>	<hr/>
Total charity funds		<u>£70,799</u>	<u>£62,315</u>

The company is entitled to exemption from audit under Section 477 of the Companies Act 2006 for the year ended 31 August 2020.

The members have not required the company to obtain an audit of its financial statements for the year ended 31 August 2020 in accordance with Section 476 of the Companies Act 2006.

The directors acknowledge their responsibilities for:

- (a) ensuring that the company keeps accounting records which comply with Section 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 company as at the end of each financial year and of its statement of financial activities for each financial year in accordance with the requirements of Section 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 company.

The financial statements have been prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small companies and FRS 102 The Financial Standard applicable in the UK and Republic of Ireland.

The financial statements were approved by the Board of Directors on 7 May 2021 and were signed on its behalf by:



Mr J Brown
Director, Chair Trustees

The notes on pages 13 to 18 form part of these financial statements

THE PHOENIX CENTRE
NOTES TO THE ACCOUNTS
YEAR ENDED 31 AUGUST 2020

1. ACCOUNTING POLICIES

(a) General information and basis of preparation

The charity is a private company limited by guarantee and incorporated in England and Wales. The members of the company are the trustees named on page 1. In the event of the charity being wound up, the liability in respect of the guarantee is limited to £1 per member of the charity.

The charity constitutes a public benefit entity as defined by FRS 102. The financial statements have been prepared in accordance with 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) issued on 16 July 2014 (as updated through Update Bulletin 1 published on 2 February 2016), the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102), The Charities Act 2011, the Companies Act 2006 and UK Generally Accepted Accounting Practice.

The financial statements are presented in sterling which is the functional currency of the charity and rounded to the nearest pound. The significant accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all years presented unless otherwise stated.

Going concern

The financial statements are prepared on a going concern basis under the historical cost convention. The trustees have considered the impact of coronavirus in the Trustees Report and the potential that no grant funding is received from the Local Authority, the charity's principal source of funding, from September 2022. The trustees have plans in place anticipating the centre will continue to operate even if on a reduced basis, and believe it is appropriate to adopt the going concern basis of preparation in these financial statements but recognise the material uncertainty related to going concern which exists due to the potential cessation of grant funding from September 2022. If the financial statements were prepared on a break up basis there would be no material effect on the results and Balance Sheet as at 31 August 2020.

(b) Fund accounting

General funds are unrestricted funds which are available for use at the discretion of the trustees in furtherance of the general objectives of the charity and which have not been designated for other purposes.

Designated funds are unrestricted funds which have been earmarked by the trustees for a particular use. The designation does not legally restrict the trustees' discretion in how to apply the unrestricted funds they have earmarked.

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by donors or which have been raised by the charity for particular purposes. The cost of raising and administering such funds are charged against the specific fund.

THE PHOENIX CENTRE
NOTES TO THE ACCOUNTS
YEAR ENDED 31 AUGUST 2020

(c) **Incoming resources**

All incoming resources are included in the Statement of Financial Activities when the charity is legally entitled to the income and the amount can be quantified with reasonable accuracy. Voluntary income is received by way of grants and donations and is included in full in The Statement of Financial Activities when receivable. Grants, where entitlement is not conditional on the delivery of a specific performance by the charity are recognised when the charity becomes unconditionally entitled to the grant. For legacies, entitlement is the earlier of the charity being notified of an impending distribution or the legacy being received.

(d) **Resources expended**

All expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all costs related to the category. Where costs cannot be directly attributed to particular headings, they have been allocated to activities on a basis consistent with use of the resources.

Charitable expenditure comprises those costs incurred by the Charity in the delivery of its activities for its beneficiaries. It includes both costs that can be allocated directly to such activities and those costs of an indirect nature necessary to support them.

(e) **Cash and Cash equivalents**

Cash and cash equivalents include cash at bank and in hand and short term deposits repayable on or within a three month notice period.

(f) **Debtors**

Trade and other debtors are recognised at the settlement amount due after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due.

(g) **Creditors**

Creditors are recognised where the charity has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably.

(h) **Employee benefit**

When employees have rendered service to the charity, short-term employee benefits to which the employees are entitled are recognised at the undiscounted amount expected to be paid in exchange for that service.

The charity operates pension auto-enrolment for eligible employees. Contributions are expensed as they become payable.

THE PHOENIX CENTRE

NOTES TO THE ACCOUNTS (CONTINUED)
YEAR ENDED 31 AUGUST 2020

2. Income and endowments from donations and legacies	<u>2020</u>	<u>2019</u>
Voluntary income – donations	£6,312	£6,828
	<u>=====</u>	<u>=====</u>
3. Charitable activities	<u>2020</u>	<u>2019</u>
Grant funding - unrestricted	79,776	89,968
Grant funding – restricted	7,559	-
	<u>£87,335</u>	<u>£89,968</u>
	<u>=====</u>	<u>=====</u>
4. Other	<u>2020</u>	<u>2019</u>
Bank interest	£50	£65
Compensation from Nat West Bank	-	£293
	<u>£50</u>	<u>£358</u>
	<u>=====</u>	<u>=====</u>
5. Net income	<u>2020</u>	<u>2019</u>
Net Income is stated after:		
Rent	£250	£250
Amounts payable to independent examiner for:-		
- Independent Examination	£1,575	£1,656
- Other services	£454	£480
	<u>=====</u>	<u>=====</u>

THE PHOENIX CENTRE

NOTES TO THE ACCOUNTS (CONTINUED)
YEAR ENDED 31 AUGUST 2020

6. Total Resources Expended

	<u>2020</u>	<u>2019</u>
Wages and national insurance	£59,721	£60,244
Pension costs	£1,914	£1,240
Telephone	£433	£923
Printing, post and stationery	£200	£402
Repairs and renewals	£11,402	£798
Sundry expenses	£2,918	£3,249
Professional fees	£1,921	£3,030
Rent and rates	£380	£380
Insurance	£1,356	£1,287
Light and heat	£1,809	£1,872
Equipment	£1,046	£992
Training	£1,455	£370
Pupil activity support	£646	£1,232
Bank charges	£12	-
	<hr/>	<hr/>
Total Expenditure	£85,213	£76,019
	<hr/> <hr/>	<hr/> <hr/>

Within Total Resources Expended are Governance costs which the trustees estimate at 5% of unrestricted costs £4,050 (2019: £3,800). The remaining £80,952 (2019: £72,219) are costs incurred in providing the charitable activity and include costs in respect of restricted funds of £7,559 (2019: £Nil) of which £6,316 relates to staff costs.

7. Staff costs

	<u>2020</u>	<u>2019</u>
Wages	59,721	60,244
Pension costs	1,914	1,240
	<hr/>	<hr/>
	£61,635	£61,484
	<hr/> <hr/>	<hr/> <hr/>

The average number of employees, calculated on a full time and part time basis is:

	<u>2020</u>	<u>2019</u>
Charitable activities	7	7
	=	=

No employees' emoluments, as defined for tax purposes amounted to over £60,000 (2019 – £60,000).

8. Trustees' Remuneration and out of pocket expenses

No trustee remuneration nor out of pocket expenses were paid to the trustees (2019 – £Nil).

THE PHOENIX CENTRE

NOTES TO THE ACCOUNTS (CONTINUED)
YEAR ENDED 31 AUGUST 2020

9. Debtors

	<u>2020</u>	<u>2019</u>
Other debtors	3,948	25,996
Prepayments	1,764	1,860
	<u>£5,712</u>	<u>£27,856</u>

10. Creditors: Amounts falling due within one year

	<u>2020</u>	<u>2019</u>
Accruals and deferred income	<u>£2,029</u>	<u>£2,136</u>

11. Share capital

The company is limited by guarantee and has no share capital.

12. Movement in funds

	<u>At 31.08.19 £</u>	<u>Incoming resources £</u>	<u>Resources expended £</u>	<u>Transfers £</u>	<u>At 31.08.20 £</u>
Unrestricted Funds					
General fund	58,900	93,697	85,213	(14,685)	52,699
Designated reserve fund	-	-	-	14,685	14,685
Total unrestricted funds	<u>58,900</u>	<u>93,697</u>	<u>85,213</u>	<u>-</u>	<u>67,384</u>
Restricted Funds					
Rear garden project	163	-	-	-	163
Sensory room	3,252	-	-	-	3,252
Total restricted funds	<u>3,415</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>3,415</u>
Total funds	<u>£62,315</u>	<u>£93,697</u>	<u>£85,213</u>	<u>-</u>	<u>£70,799</u>

Designated Funds

The designated reserve fund has been set up by the Trustees to provide a fund for future operating costs in line with the charity's stated reserve policy on Page 7. The fund will be increased as funds permit to represent approximately three months operating costs.

The rear garden project relates to funding for the improvement of the outside area at the rear of the Centre to improve the environment in which the children play. The remaining funds will be utilised in the year ending 31 August 2021.

THE PHOENIX CENTRE

NOTES TO THE ACCOUNTS (CONTINUED)
YEAR ENDED 31 AUGUST 2020

12. Movement in funds (continued)

Designated Funds

The Sensory Room funding relates to a donation from Jaguar Land Rover that has been designated for a sensory room equipment to be provided and installed in the year ended 31 August 2021.

13. Related Party Transactions

There are no related party transactions that require disclosure in 2020 or 2019.

14. Lease Commitment

The total future minimum lease payments under non-cancellable operating leases are;

	£
- Within one year	500
- Between two and five years	2,000
- Over five years	1,000
	<u>3,500</u>
	<u>=====</u>