

Noah's Ark: Note to the committee from the Independent Reviewer (Kevin Radley)

The purpose of this note is to provide the committee with some observations and opinions from my independent review of the 2021 accounts. It does not form part of the statutory report required by the Charities Commission; it is intended to be supplementary and provide input and opinion to the committee on the issue of the level of financial reserves appropriate for the organization.

The whole of the financial year was impacted by the COVID epidemic (whereas the impact in 2020 was mainly in the second half of the year). Compared with pre-COVID, fundraising activities were scaled back significantly and the breakfast club was cancelled. As noted last year, in 2020 discretionary and capital expenditure was minimized and deferred to ensure that a reasonable level of reserves (and therefore, cash) was maintained during the pandemic. In 2021, £5,397 was spent on essential (mainly deferred) capital items and an operating loss of £564 was incurred. Given the volatility of the pandemic years, I believe it reasonable to consider the combined P&L for FY 2020 and 2021 when overall a profit of £5,893 was recorded.

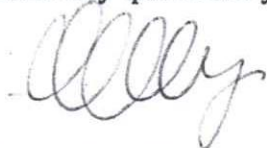
The accounts show a significant increase in staff costs reflecting:

- 6%+ increase in the minimum wage rates
- Special needs children requiring extra staff
- Extra costs of special needs related training courses to undertake assessments in-house whereas previously these were undertaken by the council.

Fees were increased but below inflation levels.

At year-end, reserves now stand at £11,772 and this is sufficient to cover 35 days of operating costs. Although this is below the range of 45+ days that I would regard as reasonable for this type of charity, it is a credit to the management that this is higher than the level pre-COVID.

I hope this helps to put last year's financial status into perspective. I am happy to answer any questions you might have.



KJR 10.05.2022

Noah's Ark Pre-school (Billericay)

Summary P&L Statement 2021 v 2020 (Accruals-basis)

Income	2021	2020	Change	%
Funding, fees, contributions & lunch	121,812.26	117,445.47	4,366.79	4%
Net other income	1,138.00	310.20	827.80	267%
Net Fundraising income	532.65	163.20	369.45	226%
Total income	123,482.91	117,918.87	5,564.04	5%

Operating Costs				
Staff related costs	103,896.66	83,165.70	20,730.96	25%
Premises & other operating costs	20,150.77	22,898.15	- 2,747.38	-12%
Total operating costs	124,047.43	106,063.85	17,983.58	17%
Operating Profit/(loss)	-	564.52	11,855.02	
Capital items	5,397.00		5,397.00	
Profit/loss	- 5,961.52	11,855.02	- 17,816.54	

Operating cost per day £ 340 291

Closing reserves 11,771.88 17,733.40

Reserves expressed in cost days 35 61



KJR 10/05/2022

Noah's Ark Pre-school (Billerica)

Summary Assets and Liabilities Statement as at 31/08/2021

	31/08/2021	31/08/2020
<u>Assets</u>		
Main Bank Account (per statement)	17,553.22	24,564.44
Fund Account (per statement)	2,010.80	1,852.80
Cash balance (main account)	972.58	717.92
Cash balance (fund account)	46.04	206.04
Total Bank and Cash balances	20,582.64	27,341.20
<u>Total Assets</u>	20,582.64	27,341.20
<u>Liabilities</u>		
Early receipt of council grant	8,810.76	8,187.48
Outstanding fees provision		555.32
Net: cost accruals		865.00
<u>Total Liabilities</u>	8,810.76	9,607.80
<u>Assets minus Liabilities (closing reserves)</u>	11,771.88	17,733.40
<u>Movement in reserves:</u>		
Opening balance	17,733.40	5,878.38
Closing balance	11,771.88	17,733.40
<u>Profit/(Loss) in year</u>	- 5,961.52	11,855.02
Reserves expressed in days of costs covered	35	61

KJR 10/05/2022





CHARITY COMMISSION
FOR ENGLAND AND WALES

Independent examiner's report on the accounts

Section A

Independent Examiner's Report

Report to the trustees/
members of

NOAH'S ARK

On accounts for the year
ended

31/08/21

Charity no
(if any)

1088981

Set out on pages

1 and 2

I report to the trustees on my examination of the accounts of the above charity ("the Trust") for the year ended DD / MM / YYYY.

Responsibilities and
basis of report

As the charity's trustees, you 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 Trust'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.

Independent
examiner's statement

I have completed my examination. I confirm that no material matters have come to my attention in connection with the examination (other than that disclosed below *) 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 accounts set out in the Charities (Accounts and Reports) Regulations 2008 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.

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.

* Please delete the words in the brackets if they do not apply.

Signed:

Date:

20/06/2022

Name:

KEVIN RADLEY

Relevant professional
qualification(s) or body
(if any):

ACMA CGMA

Address:

47 NORSEY ROAD
BILLERICAY, ESSEX
CM11 1BG

Section B

Disclosure

Only complete if the examiner needs to highlight material matters of concern (see CC32, Independent examination of charity accounts: directions and guidance for examiners).

Give here brief details of any items that the examiner wishes to disclose.

On accounts for the year ended

Set out on pages

Responsibilities and basis of report

Independent examiner's statement

Signed:

Name:

Relevant professional qualification(s) or body (if any):