

Company registration number: 04848315

Charity registration number: 1100327

# Redwood Pre-School

(A company limited by guarantee)

Annual Report and Financial Statements

for the Year Ended 31 August 2021

Field Sullivan Limited  
70 Royal Hill  
Greenwich  
SE10 8RF

## **Redwood Pre-School**

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## **Redwood Pre-School**

### **Reference and Administrative Details**

<b>Chair</b>	Helen Fawbert
<b>Trustees</b>	Helen Fawbert Farzana Hussain Kirstie Macqueen Stacey Young Christopher Dell Clarence De Silva Nicholas Hallbery Yu Jung Lee Anna Patricia Yates
<b>Secretary</b>	Christopher Dell
<b>Charity Registration Number</b>	1100327
<b>Company Registration Number</b>	04848315
<b>Registered Office</b>	The Bell Centre 3 Holloway Road London E11 4LD
<b>Principal Office</b>	The Bell Centre 3 Holloway Road London E11 4LD
<b>Independent Examiner</b>	Field Sullivan Limited 70 Royal Hill Greenwich SE10 8RF

## Redwood Pre-School

### Trustees' Report

This report should be read in conjunction with the Annual Report for the year ended 31 August 2021.

#### Public Benefit

The view of the management committee is that the charity has had proper regard for its obligations, as a registered charity, towards the Charity Commission's published guidance notes on public benefits. In particular, the charity continues to be fully inclusive whereby all children of the relevant ages are eligible to join the pre-schools services including children with special educational needs and disabilities. The charity has also continued its policy of sharing experiences with organisations of a similar nature, within reasonable geographic bounds.

#### Statement of Trustees' Responsibilities

The trustees (who are also the directors for the purpose of company law) are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulations.

Company law requires the trustees to prepare financial statements for each financial year. Under that law the trustees must prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the trustees must not approve the financial statements unless they are satisfied that they 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:

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

The trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the charitable company's transactions and 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 company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The annual report was approved by the trustees of the charity on 9 May 2022 and signed on its behalf by:



Helen Fawbert  
Chair and trustee

## **Redwood Pre-School**

### **Independent Examiner's Report to the trustees of Redwood Pre-School ("the Company")**

I report to the trustees (who are also Directors for the purpose of company law) on my examination of the financial statements of Redwood Pre-School ('the charitable company') for the year ended 31 August 2021 which comprise the Statement of Financial Activities, the Balance Sheet, the Statement of Cash Flows and related notes.

This report is made solely to the charity's trustees, as a body, in accordance with section 145 of the Charities Act 2011. My work has been undertaken so that I might state to the charity's trustees those matters I am required to state to them in this report and for no other purpose. To the fullest extent permitted by law, I do not accept or assume responsibility to anyone other than the charity and the charity's trustees as a body, for my work, for this report, or for the opinions I have formed.

#### **Responsibilities and basis of report**

As the charity's trustees of Redwood Pre-School 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 Redwood Pre-School 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 charity'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.

An independent examination does not involve gathering all the evidence that would be required in an audit and consequently does not cover all the matters that an auditor considers in giving their opinion on the financial statements. The planning and conduct of an audit goes beyond the limited assurance that an independent examination can provide. Consequently I express no opinion as to whether the financial statements present a 'true and fair' view and my report is limited to those specific matters set out in the independent examiner's statement.

#### **Independent examiner's statement**

Since Redwood Pre-School's gross income exceeded £250,000 your examiner must be a member of a body listed in section 145 of the 2011 Act. I confirm that I am qualified to undertake the examination because I am a member of ICAEW which is one of the listed bodies.

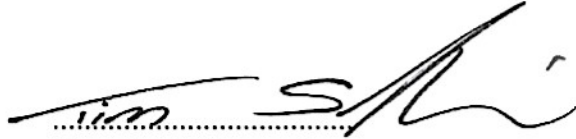
I have completed my examination. I confirm that no matters have come to my attention in connection with the examination giving me cause to believe:

1. accounting records were not kept in respect of Redwood Pre-School 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 (FRS 102)].

## Redwood Pre-School

### Independent Examiner's Report to the trustees of Redwood Pre-School ("the Company")

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.



Timothy Sullivan FCA  
Field Sullivan Limited  
70 Royal Hill  
Greenwich  
SE10 8RF

Date: 16/5/22

# Redwood Pre-School

## Statement of Financial Activities for the Year Ended 31 August 2021 (Including Income and Expenditure Account and Statement of Total Recognised Gains and Losses)

	Note	Unrestricted £	Total 2021 £	Unrestricted £	Total 2020 £
<b>Income and Endowments from:</b>					
Donations and legacies		424,819	424,819	423,221	423,221
Charitable activities		103,524	103,524	92,466	92,466
Other trading activities	5	2	2	-	-
Investment income	6	1,063	1,063	1,567	1,567
Other income		1,318	1,318	5,519	5,519
<b>Total income</b>		<b>530,726</b>	<b>530,726</b>	<b>522,773</b>	<b>522,773</b>
<b>Expenditure on:</b>					
Charitable activities		(560,267)	(560,267)	(513,656)	(513,656)
<b>Total expenditure</b>		<b>(560,267)</b>	<b>(560,267)</b>	<b>(513,656)</b>	<b>(513,656)</b>
<b>Net movement in funds</b>		<b>(29,541)</b>	<b>(29,541)</b>	<b>9,117</b>	<b>9,117</b>
<b>Reconciliation of funds</b>					
Total funds brought forward		299,780	299,780	290,662	290,662
Total funds carried forward	19	270,239	270,239	299,779	299,779

All of the charity's activities derive from continuing operations during the above two periods.

# Redwood Pre-School

(Registration number: 04848315)  
Balance Sheet as at 31 August 2021

	Note	2021 £	2020 £
<b>Fixed assets</b>			
Tangible assets	12	5,295	6,286
<b>Current assets</b>			
Debtors	13	22,633	14,022
Cash at bank and in hand	14	253,704	291,080
		276,337	305,102
<b>Creditors: Amounts falling due within one year</b>	15	(11,393)	(11,609)
<b>Net current assets</b>		264,944	293,493
<b>Net assets</b>		270,239	299,779
<b>Funds of the charity:</b>			
<b>Unrestricted income funds</b>			
Unrestricted		270,239	299,779
<b>Total funds</b>	19	270,239	299,779

For the financial year ending 31 August 2021 the charity was entitled to exemption from audit under section 477 of the Companies Act 2006 relating to small companies.

## Directors' responsibilities:

- The members have not required the charity to obtain an audit of its accounts for the year in question in accordance with section 476; and
- The directors acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and the preparation of accounts.

The financial statements on pages 5 to 19 were approved by the trustees, and authorised for issue on 9 May 2022 and signed on their behalf by:



Helen Fawbert  
Chair and trustee

The notes on pages 8 to 19 form an integral part of these financial statements.

# Redwood Pre-School

## Statement of Cash Flows for the Year Ended 31 August 2021

	Note	2021 £	2020 £
<b>Cash flows from operating activities</b>			
Net cash (expenditure)/income		(29,541)	9,117
<b>Adjustments to cash flows from non-cash items</b>			
Depreciation		3,501	7,505
Investment income	6	<u>(1,063)</u>	<u>(1,567)</u>
		(27,103)	15,055
<b>Working capital adjustments</b>			
(Increase)/decrease in debtors	13	(8,611)	5,303
(Decrease)/increase in creditors	15	<u>(216)</u>	<u>2,987</u>
Net cash flows from operating activities		<u>(35,930)</u>	<u>23,345</u>
<b>Cash flows from investing activities</b>			
Interest receivable and similar income	6	1,063	1,567
Purchase of tangible fixed assets	12	<u>(2,510)</u>	<u>(858)</u>
Net cash flows from investing activities		<u>(1,447)</u>	<u>709</u>
Net (decrease)/increase in cash and cash equivalents		(37,377)	24,054
Cash and cash equivalents at 1 September		<u>291,080</u>	<u>267,026</u>
Cash and cash equivalents at 31 August		<u><u>253,703</u></u>	<u><u>291,080</u></u>

All of the cash flows are derived from continuing operations during the above two periods.

The notes on pages 8 to 19 form an integral part of these financial statements.

## **Redwood Pre-School**

### **Notes to the Financial Statements for the Year Ended 31 August 2021**

#### **1 Charity status**

The charity is limited by guarantee, incorporated in England & Wales, and consequently does not have share capital. Each of the trustees is liable to contribute an amount not exceeding £1 towards the assets of the charity in the event of liquidation.

The address of its registered office is:

The Bell Centre  
3 Holloway Road  
London  
E11 4LD

These financial statements were authorised for issue by the trustees on 9 May 2022.

#### **2 Accounting policies**

##### **Summary of significant accounting policies and key accounting estimates**

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

##### **Statement of compliance**

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) (effective 1 January 2019) - (Charities SORP (FRS 102) - Second edition October 2019), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102). They also comply with the Companies Act 2006 and Charities Act 2011.

##### **Basis of preparation**

Redwood Pre-School meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy notes.

##### **Going concern**

The trustees consider that there are no material uncertainties about the charity's ability to continue as a going concern nor any significant areas of uncertainty that affect the carrying value of assets held by the charity.

## **Redwood Pre-School**

### **Notes to the Financial Statements for the Year Ended 31 August 2021**

#### **Judgements and key sources of estimation uncertainty**

In the application of the charity's accounting policies, the trustees are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the periods in which the estimate is revised where revisions affects only that period, or in the period of the revision and future periods where the revisions affects both current and future periods.

#### **Income and endowments**

All income is recognised once the charity has entitlement to the income, it is probable that the income will be received and the amount of the income receivable can be measured reliably.

#### **Donations and legacies**

Donations are recognised when the charity has been notified in writing of both the amount and settlement date. In the event that a donation is subject to conditions that require a level of performance by the charity before the charity is entitled to the funds, the income is deferred and not recognised until either those conditions are fully met, or the fulfilment of those conditions is wholly within the control of the charity and it is probable that these conditions will be fulfilled in the reporting period.

#### **Grants receivable**

Grants are recognised when the charity has an entitlement to the funds and any conditions linked to the grants have been met. Where performance conditions are attached to the grant and are yet to be met, the income is recognised as a liability and included on the balance sheet as deferred income to be released.

#### **Investment income**

Dividends are recognised once the dividend has been declared and notification has been received of the dividend due.

#### **Expenditure**

All expenditure is recognised once there is a legal or constructive obligation to that expenditure, it is probable settlement is required and the amount can be measured reliably. All costs are allocated to the applicable expenditure heading that aggregate similar costs to that category. Where costs cannot be directly attributed to particular headings they have been allocated on a basis consistent with the use of resources, with central staff costs allocated on the basis of time spent, and depreciation charges allocated on the portion of the asset's use. Other support costs are allocated based on the spread of staff costs.

#### **Charitable activities**

Charitable expenditure comprises those costs incurred by the charity in the delivery of its activities and services 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.

## Redwood Pre-School

### Notes to the Financial Statements for the Year Ended 31 August 2021

#### Government grants

Government grants are recognised based on the accrual model and are measured at the fair value of the asset received or receivable. Grants are classified as relating either to revenue or to assets. Grants relating to revenue are recognised in income over the period in which the related costs are recognised. Grants relating to assets are recognised over the expected useful life of the asset. Where part of a grant relating to an asset is deferred, it is recognised as deferred income.

#### Taxation

The charity is considered to pass the tests set out in Paragraph 1 Schedule 6 of the Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes. Accordingly, the charity is potentially exempt from taxation in respect of income or capital gains received within categories covered by Chapter 3 Part 11 of the Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

#### Tangible fixed assets

Individual fixed assets costing £500.00 or more are initially recorded at cost, less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

#### Depreciation and amortisation

Depreciation is provided on tangible fixed assets so as to write off the cost or valuation, less any estimated residual value, over their expected useful economic life as follows:

Asset class	Depreciation method and rate
Office equipment	straight line over 4 years
Fixtures and fittings	straight line over 5 years

#### Trade debtors

Trade debtors are amounts due from customers for merchandise sold or services performed in the ordinary course of business.

Trade debtors are recognised initially at the transaction price. They are subsequently measured at amortised cost using the effective interest method, less provision for impairment. A provision for the impairment of trade debtors is established when there is objective evidence that the charity will not be able to collect all amounts due according to the original terms of the receivables.

#### Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and call deposits, and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of change in value.

## Redwood Pre-School

### Notes to the Financial Statements for the Year Ended 31 August 2021

#### Trade creditors

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if the charity does not have an unconditional right, at the end of the reporting period, to defer settlement of the creditor for at least twelve months after the reporting date. If there is an unconditional right to defer settlement for at least twelve months after the reporting date, they are presented as non-current liabilities.

Trade creditors are recognised initially at the transaction price and subsequently measured at amortised cost using the effective interest method.

#### Fund structure

Unrestricted income funds are general funds that are available for use at the trustees discretion in furtherance of the objectives of the charity.

#### Pensions and other post retirement obligations

The charity operates a defined contribution pension scheme which is a pension plan under which fixed contributions are paid into a pension fund and the charity has no legal or constructive obligation to pay further contributions even if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods.

Contributions to defined contribution plans are recognised in the Statement of Financial Activities when they are due. If contribution payments exceed the contribution due for service, the excess is recognised as a prepayment.

### 3 Voluntary income

	Unrestricted		
	General	Total	Total
	£	2021	2020
		£	£
Donations and legacies;			
Donations	196	196	195
Grants, including capital grants;			
COVID grants	46,262	46,262	38,029
Grants	378,361	378,361	384,997
	<u>424,819</u>	<u>424,819</u>	<u>423,221</u>

### 4 Income from charitable activities

	Unrestricted		
	General	Total	Total
	£	2021	2020
		£	£
Pre-School fees	103,524	103,524	92,466

## Redwood Pre-School

### Notes to the Financial Statements for the Year Ended 31 August 2021

#### 5 Income from other trading activities

	Unrestricted funds General £	Total funds £
Events income;		
Other events income	<u>2</u>	<u>2</u>
<b>Total for 2021</b>	<u><u>2</u></u>	<u><u>2</u></u>

# Redwood Pre-School

## Notes to the Financial Statements for the Year Ended 31 August 2021

### 6 Investment income

	Unrestricted funds General £	Total 2021 £	Total 2020 £
Interest receivable and similar income; Interest receivable on bank deposits	<u>1,063</u>	<u>1,063</u>	<u>1,567</u>

### 7 Other income

	Unrestricted General £	Total 2021 £	Total 2020 £
Other income	<u>1,318</u>	<u>1,318</u>	<u>5,519</u>

## Redwood Pre-School

### Notes to the Financial Statements for the Year Ended 31 August 2021

#### 8 Expenditure on charitable activities

	Total 2021 £	Total 2020 £
Wages and salaries	394,774	392,542
Social security costs	24,655	24,863
Pension costs	9,889	10,283
Staff training	1,704	1,155
Agency staff	53,719	3,798
Premises costs and utilities	33,874	33,927
Insurance	4,422	4,249
Repairs and maintenance	8,651	8,369
EHC equipment	-	2,317
Telephone and fax	3,189	2,472
Office expenses	642	1,188
Computer software	685	2,962
Printing, postage and stationery	329	311
Materials and equipment	1,932	3,582
Shopping and school welfare	5,853	5,852
Sundries	4,900	1,615
Cleaning	5,730	4,890
Independent Examiner	1,734	1,716
Bank charges	84	60
Depreciation, amortisation and other similar costs	3,501	7,505
	<u>560,267</u>	<u>513,656</u>

#### 9 Net incoming/outgoing resources

Net (outgoing)/incoming resources for the year include:

	2021 £	2020 £
Depreciation of fixed assets	<u>3,501</u>	<u>7,505</u>

## Redwood Pre-School

### Notes to the Financial Statements for the Year Ended 31 August 2021

#### 10 Staff costs

The aggregate payroll costs were as follows:

	2021 £	2020 £
<b>Staff costs during the year were:</b>		
Wages and salaries	394,774	392,542
Social security costs	24,655	24,863
Pension costs	9,889	10,283
	<u>429,318</u>	<u>427,688</u>

No employee received emoluments of more than £60,000 during the year.

#### 11 Taxation

The charity is a registered charity and is therefore exempt from taxation.

#### 12 Tangible fixed assets

	Furniture and equipment £	Computer equipment £	Total £
<b>Cost</b>			
At 1 September 2020	42,758	6,351	49,109
Additions	<u>2,510</u>	<u>-</u>	<u>2,510</u>
At 31 August 2021	<u>45,268</u>	<u>6,351</u>	<u>51,619</u>
<b>Depreciation</b>			
At 1 September 2020	37,365	5,458	42,823
Charge for the year	<u>3,162</u>	<u>339</u>	<u>3,501</u>
At 31 August 2021	<u>40,527</u>	<u>5,797</u>	<u>46,324</u>
<b>Net book value</b>			
At 31 August 2021	<u>4,741</u>	<u>554</u>	<u>5,295</u>
At 31 August 2020	<u>5,393</u>	<u>893</u>	<u>6,286</u>

## Redwood Pre-School

### Notes to the Financial Statements for the Year Ended 31 August 2021

#### 13 Debtors

	2021 £	2020 £
Trade debtors	12,843	5,290
Prepayments	4,204	4,136
Accrued income	5,586	4,596
	<u>22,633</u>	<u>14,022</u>

#### 14 Cash and cash equivalents

	2021 £	2020 £
Cash at bank	<u>253,704</u>	<u>291,080</u>

#### 15 Creditors: amounts falling due within one year

	2021 £	2020 £
Trade creditors	2,124	69
Other taxation and social security	6,398	8,339
Other creditors	1,137	1,485
Accruals	1,734	1,716
	<u>11,393</u>	<u>11,609</u>

#### 16 Pension and other schemes

##### Defined contribution pension scheme

The charity operates a defined contribution pension scheme. The pension cost charge for the year represents contributions payable by the charity to the scheme and amounted to £9,889 (2020 - £10,283).

## Redwood Pre-School

### Notes to the Financial Statements for the Year Ended 31 August 2021

#### 17 Analysis of net funds

	At 1 September 2020 £	Financing cash flows £	At 31 August 2021 £
Cash at bank and in hand	<u>291,080</u>	<u>(37,377)</u>	<u>253,703</u>
Net debt	<u>291,080</u>	<u>(37,377)</u>	<u>253,703</u>

	At 1 September 2019 £	Financing cash flows £	At 31 August 2020 £
Cash at bank and in hand	<u>267,026</u>	<u>24,055</u>	<u>291,081</u>
Net debt	<u>267,026</u>	<u>24,055</u>	<u>291,081</u>

#### 18 Covid 19

This year has again, had unprecedented challenges due to COVID-19, and Redwood Pre-School has risen to meet these, adapting and changing to meet the needs of children and their families whilst managing the risks as best as possible, following government guidance throughout. Amongst the challenges faced have been financial planning with a lot of uncertainty regarding funding and reduced ability to fundraise, ongoing restrictions on services and significant decrease in demand for places.

During the year the charity received £46,262 (2020: £38,029) of COVID grants, this included £37,500 Hardship Grant, £1,336 COVID SSP reclaim and £7,426 of JRS claims.

# Redwood Pre-School

## Notes to the Financial Statements for the Year Ended 31 August 2021

### 19 Funds

#### 2021

	Balance at 1 September 2020 £	Incoming resources £	Resources expended £	Balance at 31 August 2021 £
<b>Unrestricted</b>				
General	<u>299,780</u>	<u>530,726</u>	<u>(560,267)</u>	<u>270,239</u>

#### 2020

	Balance at 1 September 2019 £	Incoming resources £	Resources expended £	Balance at 31 August 2020 £
<b>Unrestricted</b>				
General	<u>290,662</u>	<u>522,773</u>	<u>(513,656)</u>	<u>299,779</u>

# Redwood Pre-School

## Notes to the Financial Statements for the Year Ended 31 August 2021

### 20 Analysis of net assets between funds

2021

	Unrestricted funds General £	Total funds at 31 August 2021 £
Tangible fixed assets	5,295	5,295
Current assets	276,337	276,337
Current liabilities	(11,393)	(11,393)
Total net assets	<u>270,239</u>	<u>270,239</u>

2020

	Unrestricted funds General £	Total funds at 31 August 2020 £
Tangible fixed assets	6,286	6,286
Current assets	305,102	305,102
Current liabilities	(11,609)	(11,609)
Total net assets	<u>299,779</u>	<u>299,779</u>