



Company number: 5055356

Charity Number: 1102887

The Children's Workshop

Report and financial statements

For the period ended 31st August 2020



The Children's Workshop

For the period ended 31st August 2020

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The Children's Workshop Trustees' Annual Report

For the period ended 31st August 2020

Company number	5055356
Charity number	1102887
Registered office and operational address	Environmental Park, Buckhurst Lane, Sevenoaks, TN13 1FE
Trustees	Trustees, who are also directors under company law, who served during the year and up to the date of this report were as follows: Rebecca Rushton (Chair) David Bill (Treasurer) Katalina Bateman (Secretary) Nazma Ahmed Anneen Aucamp Joanne Forder Kinvara Rogers Luke Stringer Richard White
Key management Personnel	Nazma Ahmed (Preschool Manager) Nicola Mackert (Office Manager) Melanie Lloyd-Nolan (Finance & HR Officer)

The trustees present their report and the financial statements for the period ended 31st August 2020.

Reference and administrative information set out on page 1 forms part of this report. The financial statements comply with current statutory requirements, the memorandum and articles of association and the Statement of Recommended Practice – Accounting and Reporting by Charities: SORP applicable to charities preparing their accounts in accordance with FRS 102.

The Children's Workshop's Purpose and Ethos

The purpose of The Children's Workshop is to enhance the development and education of children primarily under statutory school age. This is achieved by offering appropriate play, education, care facilities and training courses, together with the right of parents to take responsibility for, and to become involved in, the activities of The Children's Workshop. Thereby ensuring opportunities for all children whatever their background race, culture, religion, means or ability. The ethos that guides our work is:

OUR ETHOS

At The Children's Workshop Preschool, we believe all children have an innate desire to learn and explore and that each child is a special individual. At our preschool we work together children, staff, parents, carers and the wider community to ensure ALL children learn and have FUN in a safe, nurturing environment that supports them to develop their individual potential whilst building HAPPY FRIENDSHIPS and MEMORIES.

OUR AIMS

We aim to provide an environment where children can:

Develop a 'can do' attitude –

- We nurture our children's sense of self and belief
- We foster Self-Involvement, Engagement, Motivation, Risk Taking and Assessing
- We motivate exploration, investigation and problem solving

Develop a sense of 'wonder of the world':

- We stimulate our children's interest in their community, the world we live in and their sustainability
- We love to learn outdoors; we have a special focus on forest-style outdoor activities
- We strive to enthuse children with a love for learning

Grow to be 'their very best':

- Developing skills for life such as listening, learning, manners, teamwork
- Developing a strong sense of self as individual within a tolerant community built on respect for others
- Developing resilience, independence and confidence to move towards each next step in life
- Develop creativity and celebrate and listen to each other's successes and ideas.

Aims and Objectives

The charity's main activities and who it tries to help are described below. Annually, the trustees review the aims, objectives, and activities of the charity. These are set against 3 key areas:

1. *Children's Learning and Development* – to provide an exciting, high quality and varied learning programme for all children attending
2. *Management of Setting* – to run the setting effectively and efficiently
3. *Partnership Working* – to create and sustain positive and mutually-beneficial partnerships with organisations in the community

This report looks at what the charity has achieved and the outcomes of its work in the reporting period. The trustees report the success of each key activity and the benefits the charity has brought to those groups of people that it is set up to help. The review also helps the trustees ensure the charity's aims, objectives and activities remain focused on its stated purposes.

The trustees have referred to the guidance contained in the Charity Commission's general guidance on public benefit when reviewing the charity's aims and objectives and in planning its future activities. In particular, the trustees consider how planned activities will contribute to the aims and objectives that have been set.

2019–2020 Aims and Objectives

Children's Learning and Development:

- I. To test the new model of planning for our workshop
- II. To develop the United Nations Sustainable Development Goal programme
- III. To develop a more natural indoor environment where plastic is limited and open-ended resources are at the forefront of thinking, planning, developing, and learning
- IV. To develop outdoor learning from experiences of previous year
- V. To develop the use of Tapestry for tracking children's progress and evaluate and moderate staff's interpretation and use of EYFS Areas of learning

Management of the Setting:

- I. To implement recommendations following the Management Review and ensure strong accountability to the Committee of Trustees in light of revised governance structure.

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- II. To review admissions and occupancy model and identify efficiencies for stronger financial planning as well as benefit current and future families.
- III. To identify all current media platforms used and make more user friendly in order to provide more targeted and effective communications to target audience

Partnership working:

- I. To source other activities within the community the children can engage in
- II. To deepen the new partnerships developed over the last year

Achievements and performance

All its charitable activities focus on providing a quality preschool education for children aged 2–4 and are undertaken to further The Children's Workshop charitable purposes for the benefit of the public. Based on achieving these aims for the charity, detailed below are the achievements based on the aims and objectives for 2019–2020.

Children's Learning and Development:

I. To test the new model of planning for our workshop

During this academic year, a review of the 'planning, doing and reviewing' cycle took place. Together with the staff, the manager's aim was to move away from standardised forms which were not often clear, nor used in their entirety. The concept was to move from paperwork planning to 'action' planning by carrying out 'planning in the moment' through which, by listening to the child/ren's interests practitioners would provide the right environment and resources for individualised and group extension. The white boards in each room, aimed to facilitate this exercise. Halfway through the academic year and staff were beginning to utilise this approach. However, Covid-19 pandemic halted the process. This will need to be continued and reviewed with the team moving forward.

Planning for each workshop had become burdensome for the practitioners carrying out the workshops. The manager adopted a simpler version of this planning. This consisted of giving practitioners an overall guidance e.g. a recipe, activity to be undertaken and the objectives to be reached. The practitioner leading the activity was encouraged and supported to interpret the objectives, using both personal and professional understanding. The practitioner needed to adjust the activity, where necessary, to accommodate children's abilities e.g. attention span and skills. This resulted in practitioners developing confidence in their practice, as they became

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owner of the activity they led and supported staff continuous professional development. All workshops were halted due to the COVID-19 pandemic. This type of planning will be put forward for the next academic year.

II. To develop the United Nations Sustainable Development Goal programme

In 2019, The Children's Workshop signed up to participate in The United Nations Sustainable Development Goals Action Programme. The Global Goals project therefore formed the basis and springboard for many of the activities that were planned for the year. Together with donations and support from businesses including Sevenoaks Council, further resources were secured to engage the children in addressing some of the goals within their own community. Focus of learning started with "Life below water" and subsequently "Life on land" where the children learned about the changing environment and what has impacted e.g. climate change, life cycle, increased waste and how they can make a change. For outdoor learning this translated into activities that would support waste reduction, outcomes being:

- (i) *Litter picking* – which taught the children not only to throw away waste carefully and much waste can be recycled but highlighted the level of waste that many in their community leave lying around and how this needs to change.
- (ii) *Walks in Knole Park* – children were shown how different trees have different leaves as well as the importance of protecting trees and the wildlife.
- (iii) *Visits to the library* – to understand the local community amenities and to show that children can borrow books and then return them rather than always buying books.
- (iv) *Visits to the local market* – learning about local produce and supporting local business.
- (v) *Making Eco bricks* – using plastic waste, children made Eco bricks that can be used in building.
- (vi) *Using the composter* – for leftover food from snacks, lunch and cooking workshops and learning about what can be composted
- (vii) *Neighbourly scheme* – partnering with ALDI, received food that was nearing sell-by date and unable to be sold, and given to the Setting to be used at snack time and taught the children not to waste food

III. To develop a more natural indoor environment where plastic is limited and open-ended resources are at the forefront of thinking, planning, developing, and learning

For the period ended 31st August 2020

The UN SDG programme has supported the setting in moving towards a more natural and sustainable setting. A setting which would reduce the use of plastic through toys, disposable water bottles etc. and using an efficient recycling system which the children learnt to adopt. The staff continued to ensure that the setting resources contributed to this approach. Key outcomes included:

- Use of 3 different recycling bins within each room which the children were taught to use
- Use of everyday materials in learning activities e.g. mathematical learning using recycled lids
- Challenging children to use their imagination to repurpose materials at the setting e.g. making a boat, bus, or castle from a large cardboard box

IV. To develop outdoor learning from experiences of previous year

Here the setting has continued to enhance the way the environment is utilised and cared for. The seasons were used very much in unison with the UN programme to understand climate change, the impact human actions have on this and the importance to try reversing the course of disruption e.g. litter picking, looking at the process of filtering water, using water butts to collect rain water, creating different habitats to encourage animals to visit the like building hedgehog sanctuaries around the setting's outdoor space.

Play equipment was made from natural and re-used resources e.g. tyres, ladder, and pallets. A new adventure play area was completed by staff. Here, the use of recycled resources created a challenging environment, for our most intrepid children (pretty much all of them).

Using the booklets provided by the Kent County Council UN Sustainable Development Goals partners, the children were able to take home tasks to undertake with their families which further enhanced the learning that had taken place in the Setting.

V. To develop the use of Tapestry for tracking children's progress and evaluate and moderate staff's interpretation and use of EYFS Areas of learning

The use of Tapestry was pivotal in developing extension in the learning and partnership with families. Parents posted on their child's learning journal the activities that children undertook during weekends and holidays in line with the booklets. Through posting observations and pictures from both in the setting and home, practitioners were able to broaden their view of each child's progress through the year. This gave the manager the opportunity to review the perspective of each

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practitioner and their approach to interpreting the observations they were analysing against the EYFS. This enabled the manager to better understand where and what to focus any following training for the staff to further develop their skills for the year ahead.

The use of Tapestry for tracking, evaluating and moderating staff's interpretation of the EYFS needs further reviewing, however. It is apparent that this electronic system, though perhaps the most accurate on the market, does not allow for practitioners' interpretation of the EYFS to be tailored to the individual child. Therefore, it is necessary to continue to utilise the Kent tracker to ensure a more accurate estimations of children's progress.

Management of the Setting:

- 1. To implement recommendations following the Management Review and ensure strong accountability to the Committee of Trustees in light of revised governance structure*

As a direct result of the Management Review that was undertaken in 2019, 8 recommendations to focus change were subsequently proposed to the committee of trustees. The rationale for the review had been "to review The Children's Workshop management, operating and governance structure in order to ensure optimal and effective management and coverage for the preschool's staff and clients". Priority recommendations were:

- Re-define job descriptions of Manager and Office Manager
- Refine Chair and Committee responsibilities and Committee framework
- Create staff contingency plan
- Parking
- Create more accountable appraisal process for Management Team
- IT System Review
- Building Maintenance Review
- Review admissions process and charges to parents

From these recommendations, focus was given to the first 2 priorities for this academic year.

- 1. Re-define job descriptions of Manager and Office Manager*

The job descriptions for the Manager and Office Manager were revised and approved, to ensure clarity of responsibilities of roles and a clearly defined "Management Team" tier. The role of Office Manager was also updated with the

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requirement for the 4 days working to be at the setting rather than remotely.

The impact of both these changes was significant. The positive outcomes:

- i. Increased efficiency of Manager and Office Manager as revised job description better reflected areas of responsibilities of these positions.
- ii. Manager better supported with additional management representation at the setting. Enabled prompt discussion and action on daily matters.
- iii. Quicker response times to parents.
- iv. Stepping back of key members of committee of trustees (particularly the Chair) to focus more on governance and financial priorities of the preschool, rather than numerous hours engaged in more operational matters.

2. Refine Chair and Committee responsibilities and Committee framework

At the AGM in November 2019, the trustees and members of The Children's Workshop agreed the resolution to reduce parent obligation on the committee of trustees from 60% to 25% with the aim of having more associate members who may have more time to provide the setting with varied and experienced skills and as a result a more stable governing oversight. The opportunity to have a more diverse committee and skills base to continue to maintain a strong governance base through the Committee will be seen over the next academic year as we look to recruit further trustees.

Further recommendations following the Management Review will continue to form the basis for objectives in the coming 2 years.

II. To review admissions and occupancy model and identify efficiencies for stronger financial planning as well as benefit current and future families

With the continued commitment to strong financial planning, the focus this year has been on reviewing the model for admissions and occupancy and factors that impact on budget and any efficiencies that could be identified. Key factors identified through reviewing the model have been:

- *Size of cohort joining the preschool each academic year.* There is a limit on occupancy numbers and yet each year the occupancy of one room impacts on the other. For 2019–2020, there had been a small cohort of children in Buds that moved up to Saplings. This meant a larger admission pool for Buds, thereby income was increased due to fees. However, 2020–2021 this large cohort will move to Saplings (and have access to government funds) meaning a smaller cohort of Buds children, thereby a negative budgetary impact. Reviewing if there is a better model of approach and allocation of sessions

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continues and will form a priority aim for 2020–2021, with a view of a 2-year planning approach.

- *Families on wait list who secured sessions, pulling out prior to start of year* – to reduce last minute vacancies and financial impact, a new starter deposit of £100 became a requirement to be paid for confirmation of sessions secured by each new family. This deposit was then set against the first invoice of the year. Those families accessing FF2 and free places were exempt. This reduced the dropout rate to zero prior to the start of the academic year.
- *Universal government funding and voluntary contributions* – government funding hourly rate remains low and as a charity we ensure we are totally inclusive and offer spaces to all who wish to secure a place irrespective of situation. However, the pattern remains with families taking minimal sessions (3 sessions per week) until eligibility for universal government funding (which covers for 5 sessions) when they increase for these sessions, however this carries a significant drop in income. Added to this, the preschool may only recommend families consider giving a “voluntary contribution” to cover any shortfall. Managing this impact is ongoing.
- *Tracking admissions and occupancy administratively burdensome and inefficient* – wait lists, registration forms and funding declarations all completed manually due to requirement for record keeping. However, forms do not match to database systems and government funding patterns. Hence numerous information required to be input manually on database system and spreadsheets to cover differing requirements of information requested including tracking budget status. Aim for 2020–2021 to explore any efficiencies that can be made yet adhere to required record keeping.

III. To identify all current media platforms used and make more user friendly in order to provide more targeted and effective communications to target audience

The development of ICT platforms has been pivotal to this year's success. The website has been streamlined and has most certainly become more user-friendly. The aim for 2020–2021 is to continue to build the information reflected on the site. The Early Years is a continuously developing sector and we aim to keep parents informed with latest news and updates on various aspects that affects it e.g. Online Safety, Safeguarding, Funding, Sector's County wide successes etc. The website can be a great platform for this.

The transition to Tapestry has been gradual and smooth. Practitioners' feedback has been positive particularly regarding more user-friendly layout of the EYFS. Parental feedback has also been very positive with the majority delighted at having both image and video clips of their child/ren and receiving so many insights about their time in preschool. A good percentage of parents have also used this platform to

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communicate with their child's key person and to post observations from home. This practice development supports the setting in accomplishing one of the Ofsted Inspection (2018) recommendations, that of enhancing partnership with parents. These IT platforms became the vital communication tools during the Covid-19 pandemic lockdown. The Manager used Tapestry, together with emails, zoom sessions and Facebook to share activities with families at home and many positive feedbacks were received by the manager.

At the end of Term 2 December 2019, the setting manager tendered her resignation. This started the process of recruitment for a new manager to join the preschool. However, following the start of the recruitment process, the COVID-19 pandemic began to develop and by March we were in lockdown which hampered the recruitment process significantly. As a direct result of this, the manager agreed to remain until the end of the academic year to support the cohort move through this unprecedented, challenging time. A new manager was appointed at the end of July 2020 to start in September 2020.

Partnership working:

I. To source other activities within the community the children can engage in

Exploring further opportunities to strengthen the setting's partnership with the community we organised a 'Grandparents Coffee Morning' in conjunction with the McMillan Big Coffee Morning. Grandparents made cakes which were then served by the children to their grandparents. An amazing £100 was raised.

Further fundraising community-based events were booked to take place but unfortunately the COVID-19 brought everything to a halt.

II. To deepen the new partnerships developed over the last year

Visits to the library continued to be an enthusiastic trip, with the children enjoying the nursery rhyme time. This year we removed the opportunity for the children to take books home from the library due to families losing several of them the previous year. Children were however, encouraged to discuss with their parents the possibility of going to the library to borrow books. Many parents reported using the library more regularly.

This year we continued to visit our 'friends at the leisure centre' a group of adults with Learning Difficulties who attend sessions there. We invited our friends for litter picking walks, and to share a cup of hot chocolate and roasted chestnuts in the

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Autumn. Such experiences enriched our relationship and partnership. However, due to COVID-19 lockdown the visits had to stop. It is hoped to resume this partnership as soon as the pandemic allows.

Coronavirus Pandemic

On 20th March 2020, the setting, much like the rest of the country was put under lockdown by the Government due to the COVID-19 pandemic.

This resulted in children being confined to their homes, with gardens or nearby parks the only opportunity for physical exercise. Children's emotional wellbeing became a cause for concern across the county. The manager kept daily contact with members of the Providers Association, the Collaboration group, and Collaboration Leaders across Kent to ensure the setting continued to offer support to all children and their families.

A zoom account was purchased and by week three weekly zoom sessions were led by staff and the manager to keep children in contact with each other and entertained for short while.

Tapestry, emails, and Facebook platforms were used to enhance this communication and maintain partnerships with the children and their families. Additional support was offered to those children who were recognised, before lockdown, to need some additional help. Furthermore, additional zoom calls were made with some children who were identified being uncomfortable with the class zoom sessions.

Though all practitioners were subsequently furloughed, the Manager, Office Manager and Finance Officer maintained the running of the setting and contact with families. The communication between manager and children continued till the lockdown was partially lifted. Furthermore, activities packs were delivered to some of the children who were further identified with needing additional material to continue to learn and develop.

Despite the pandemic, referrals were made to specialists' team where children were identified needing additional support from external agencies i.e.: SaLT, OT etc. All such referrals were successful, and children were being contacted (virtually) by the necessary teams.

After much planning and reorganisation of the premises, the setting reopened in June 2020, when the lockdown was partially lifted. A thorough risk assessment made everyone (staff, committee, and parents) feel reassured about the safe return of the children into the setting. It was an absolute delight to see the children return, in smaller groups, and pick up their play and learning from where they left it almost three months earlier.

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Transition for the older children, moving to Reception classes and, for the younger ones moving to other settings, took place via zoom and telephone conversations. Reports were posted or hand delivered. Overall, the feedback from families was very positive. Despite the upheaval of this academic year, it was a shared feeling among the staff that all the children demonstrated great levels of resilience and determination to continue their journey to learning and develop.

The Chair of Trustees and Finance Officer worked tirelessly to understand and adhere to the rules for furlough to ensure correct claims were made regarding staff members, that business rate holidays were attributed and any other financial support that the setting was eligible for was claimed. The Office Manager communicated regularly with KCC to ensure that government funding for the term was correctly claimed in line with revised guidelines and clear evidentiary support provided as well as overview of the setting's offering and business operation throughout the Summer term.

The COVID-19 impact continues and this in turn continues to impact on the setting but the partnership between the committee of trustees and management team ensured the continued smooth running of the setting and sessions being able to be run for families.

Beneficiaries of our services

The key beneficiaries of our services are children aged 2-4 (rising five) who are part of The Children's Workshop with their parents and carers. The children who attend the setting are from diverse backgrounds and inclusion is at the heart of the pre-school's approach. Amongst the children in our care are children from challenging homes, children from families whose first language is not English and children with special educational needs. This year we have had 61 children on our register who attend different sessions over the week. Following on from last year we continue to allow up to a maximum of 36 children per session. Of these 61 children 12 have English as an additional language and 1 is in receipt of extra funding (SENIF) for learning support.

The children's progress is monitored throughout the year using the Kent Progress Tracker system and evidence from this shows that this year, all children have made average or above average progress. Children who display more specific needs are monitored using a personalised targeted plan and parents and the setting work closely together to support the child to progress. Building on last year's success with the younger cohort of children, a focus on a topic titled "all about me" to contribute to the settling-in process was used and again, parents were supported to potty train their children and encourage them to put on their own shoes and coats. The tracker has shown this year that the children with Special Educational Needs (SEN) and with

For the period ended 31st August 2020

English as an additional language have made good progress. Children attending The Children's Workshop display an eagerness to learn through the activities on offer, and happiness and confidence in communicating with others, familiar and unfamiliar members of the community. All children have enjoyed taking part in the activities within the community. Both adults and children have benefitted from these visits in emotional well-being, empathy and understanding of others' needs.

Financial review

For the year ending 31st August 2020, The Children's Workshop made a profit of £25,092, an increase from the deficit of £2,770 from 31st August 2019. The loss for the previous period is accounted for due to the extended accounting period 6th April 2018 to 31st August 2019.

The total income was £197,493, an overall decrease of £51,026 from £248,519 in August 2019. This decrease is due to the August 2019 return covering an extended period (6th April 2018 – 31st August 2019, almost 17 months) and the loss of fees due to the setting closing during the Coronavirus pandemic.

The Children's Workshop's total expenditure last year was £172,401 an overall decrease of £78,888 from £251,289 in August 2019. However, as detailed above, the decrease can be attributed to the change in financial year reporting.

Staff costs remain broadly in line with the previous period considering the previous extended time frame. Staffing costs accounted for £135,105 of the expenditure to 31st August 2020 (£198,820 for period ending 31st August 2019).

The net asset balance is now £218,534 up from £193,442 in August 2019. To purchase our building, we obtained a loan from the Charity Bank which is repayable over 7 years. We currently have 3 years remaining on the loan (end date 12/08/2023) with an estimated balance of £29,561 as at August 2020. Our current financial position and our current cash at bank of £88,162 (up from £81,975 in August 2019) gives assurance that ongoing activities can repay the loan and continue as a going concern.

Principal risks and uncertainties

The Children's Workshop's ownership of a building forms the basis of most of the financial risks undertaken by The Children's Workshop. Principal risks and uncertainties have been identified as follows:

- Ongoing COVID-19 impact – on business and numbers attending

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- Paying back the loan to the Charity Bank is contingent on filling spaces and adequate income.
- Introduction of further Government initiatives which may not provide level of income per child to maintain the current service e.g. totally free places.

Reserves policy and going concern

The Children's Workshop policy is to have three months running costs which we keep as a general fund. Due to prudent budgeting, general reserves are now £82,795 which means that The Children's Workshop has built up specific reserves to cover three months running costs. The aim is to continue to maintain this three-month reserve fund over the next financial year.

Plans for the future

For the development of a more strategic approach for the sustainability and growth of The Children's Workshop, the following aims all work towards this overall goal:

Aims for 2020–2021

Children's Learning and Development:

- To develop planning and activities that utilise all 7 areas of development, focussing on the outdoor ethos of the Setting as start point for planning
- To prioritise the 3 main prime areas of focus – communication and language, physical development and personal social and emotional development – taking the lead in each activity through child-led interest.
- To fully utilise the Tapestry platform as key method to track every child's progress and continue to develop staff's interpretation and use of EYFS Areas of learning.
- To ensure the wellbeing of staff and children.
- To continue to build on the focus and activities started in line with the United Nations Sustainable Development Goal programme.

Management of the Setting:

- To focus on the continual professional development of each practitioner to achieve their potential
- To review admissions and occupancy model and identify administration efficiencies and systems to track financial planning more effectively

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- In line with Management Review (2019), continue to refine Chair and Committee roles and responsibilities to ensure Committee focus on strategy and governance with management being responsible for operational decision-making.
- To leverage all media platforms e.g. website, Facebook, Tapestry both in communication with families and wider understanding of activities as member of community.

Partnership working:

- To re-connect, in light of COVID-19, partnerships developed within the community prior to the pandemic and support these community groups.
- To engage parents further in the contribution of observations of their child to support the ongoing development of their child's communication skills whilst at the Setting

Structure, governance and management

The Children's Workshop is a charitable company limited by guarantee and governed by a committee principally comprised of parents of children at the Children's Workshop who are elected at the AGM. The committee meets at least four times a year as a full committee and in between as necessary as sub-committees (finance and fundraising). Named roles include the Chair, Secretary and Treasurer. The committee also comprises of a member appointed by Lady Boswell's School and the preschool manager.

Following election at the AGM, Ofsted is notified immediately of each new Trustee, they are then DBS checked and formally registered with Ofsted. There is then an induction programme which introduces the work of the Charity, its employees and volunteers. This provides trustees with an understanding of the rules outlined in its governing document, its financial situation, how the preschool operates and the roles of all those who work and volunteer within the charity. Trustees must sign a code of conduct, confidentiality document and agree to a conflict of interest policy.

Public benefit

The Trustees confirm that they have complied with the duty in Section 4 of the Charities Act 2006 to have due regard to the Charity Commission's general guidance on public benefit, 'Charities and Public Benefit'. That guidance addresses the need for all charities' aims to be, demonstrably, for the public benefit.

The Children's Workshop Trustees' Annual Report

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Trustees

The Trustees are also Directors for the purposes of company law. The Trustees who served during the year and up to the date of this report were as follows:

<u>Committee members who resigned during the financial period.</u>	<u>Date of resignation</u>
Debora Bell	August 2020
Jadie Codd	November 2019
Amara Hansford	September 2020
Selina Harvey	November 2019
Fiona Lowrie	November 2019

<u>Current committee members</u>	<u>Date of appointment, election or re-election</u>
Rebecca Rushton (Chair)	November 2019
David Bill (Treasurer)	November 2019
Katalina Bateman (Secretary)	November 2019
Nazma Ahmed	September 2020
Anneen Aucamp	November 2019
Joanne Forder	November 2019
Kinvara Rogers	November 2019
Luke Stringer	November 2019
Richard White	November 2019

The organisation is a charitable company limited by guarantee, incorporated on 25th February 2004 and registered as a charity on 26th March 2004.

The company was established under a memorandum of association which established the objects and powers of the charitable company and is governed under its articles of association.

Trustees give their time voluntarily and receive no benefits from the charity for their work as trustees. Debora Bell has been employed by the preschool in this period for operational work. Debora formally tendered her resignation in December 2019 to the Committee of Trustees, however due to COVID-19, agreed under a revised contract to remain at The Children's Workshop until 31st August 2020. Nicola

The Children's Workshop Trustees' Annual Report

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Mackert was formally offered the post of Office Manager at in December 2019 by the Chair and Committee of Trustees and accepted the position.

Volunteers

Our volunteers contribute in many important ways to The Children's Workshop's success and achievements. Volunteers include our Trustees and a variety of students on placement at the Children's Workshop.

Statement of responsibilities of the Trustees

The Trustees (who are also directors of The Children's Workshop 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
- Make judgements and estimates that are reasonable and prudent
- State whether applicable UK Accounting Standards and statements of recommended practice 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 charity will continue in operation

The trustees are responsible for keeping proper 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 financial information of which the charitable company's independent examiner is unaware

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- The trustees have taken all steps that they ought to have taken to make themselves aware of any relevant financial information and to establish that the independent examiner is aware of that information

The trustees are responsible for the maintenance and integrity of the corporate and financial information included on the charitable company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Members of the charity guarantee to contribute an amount not exceeding £1 to the assets of the charity in the event of winding up. The total number of such guarantees at 31st August 2020 was 561 (2019: 60). The trustees are members of the charity, but this entitles them only to voting rights. The trustees have no beneficial interest in the charity.

The trustees' annual report has been approved by the trustees on 07 December 2020 and signed on their behalf by:



Rebecca Rushton
Chair of Committee of Trustees



David Bill
Treasurer

Independent Examiners Report

To the trustees of The Children's Workshop

Independent Examiner's Report to the Trustees of The Children's Workshop Financial Year Ended 31 August 2020

I report on the accounts of the Registered Charity, number 1102887 and Company Limited by Guarantee, company number 5055356, for the period from 1 September 2019 to 31 August 2020, which are set out on the following pages.

Basis of Independent Examiner's Report

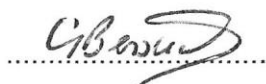
My examination was carried out in accordance with the General Directions given by the Charity Commissioners. An examination includes a review of the accounting records kept by the charity and a comparison of the accounts presented with those records. It also includes consideration of any unusual items disclosed in the accounts, and seeking explanations from the trustees concerning any such matters. The procedures undertaken do not provide all the evidence that would be required in an audit, and consequently I do not express an audit opinion on the view of the accounts.

Independent Examiner's Statement

In connection with my examination, no matter has come to my attention:

- (1) which gives me reasonable cause to believe that in any material respect the requirements:
 - to keep accounting records in accordance with section 41 of the Charities Act 1993 (the Act); and
 - to prepare accounts which accord with the accounting records and to comply with accounting requirements of the Act have not been met; or
- (2) to which, in my opinion, attention should be drawn in order to enable a proper understanding of the accounts to be reached.

Signed



Name GK BENSTED FCA

Address 19 MEADOWLANDS SEAL SEVENOAKS KENT
TN15 0DM

Date 7/12/20

The Children's Workshop

Statement of financial activities (incorporating an income and expenditure account)

For the period 1 September 2019 to 31 August 2020

		Unrestricted £	Restricted £	Year to 31/08/2020 Total £	Unrestricted £	Restricted £	Period to 31/08/2019 Total £
	Note						
Income from:							
Donations and legacies	2	15,208	12,642	27,850	10,534	541	11,075
Charitable activities	3	169,320	300	169,620	236,394	1,024	237,418
Investment income	4	23	–	23	26	–	26
Total income		184,551	12,942	197,493	246,954	1,565	248,519
Expenditure on:							
Raising funds	5	0	–	0	1,357	–	1,357
Charitable activities							
Pre-school	5	159,459	12,942	172,401	247,917	2,015	249,932
Total expenditure		159,459	12,942	172,401	249,274	2,015	251,289
Net income / (expenditure) before net gains / (losses) on investments		25,092		25,092	(2,320)	(450)	(2,770)
Net gains / (losses) on investments		–	–	–	–	–	–
Net income / (expenditure) for the year	15	25,092		25,092	(2,320)	(450)	(2,770)
Transfers between funds		–	–	–	–	–	–
Net income / (expenditure) before other recognised gains and losses		25,092		25,092	(2,320)	(450)	(2,770)
Gains / (losses) on revaluation of fixed		–	–	–	–	–	–
Other gains / (losses)		–	–	–	–	–	–
Net movement in funds		25,092		25,092	(2,320)	(450)	(2,770)
Reconciliation of funds:							
Total funds brought forward		192,892	550	193,442	195,212	1,000	196,212
Total funds carried forward		217,984	550	218,534	192,892	550	193,442

All of the above results are derived from continuing activities. There were no other recognised gains or losses other than those stated above. Movements in funds are disclosed in Note 14 to the financial statements.

The Children's Workshop

Balance sheet

As at 31 August 2020

	Note	31/08/2020 £	31/08/2019 £
Fixed assets:			
Tangible assets	8	164,749	175,290
		164,749	175,290
Current assets:			
Debtors	9	–	–
Balance at Bank		88,162	81,975
Cash in hand		–	–
		88,162	81,975
Liabilities:			
Creditors: amounts falling due within one year	10	13,947	34,262
		74,215	47,713
Net current assets / (liabilities)		238,965	223,003
Total assets less current liabilities		20,431	29,561
Creditors: amounts falling due after one year	12		
		218,534	193,442
Net assets excluding pension asset / (liability)		–	–
Defined benefit pension scheme asset / (liability)			
Total net assets / (liabilities)		218,534	193,442
Funds:	14		
Restricted income funds		550	550
Unrestricted income funds:			
Designated funds		135,189	137,263
Revaluation reserve		–	–
Pension reserve		–	–
General funds		82,795	55,629
Non-charitable trading funds		–	–
		217,984	192,892
Total unrestricted funds		218,534	193,442

For the year ending 31 August 2020 the company was entitled to exemption from audit under section 477 of the Companies Act 2006 relating to small companies.

The members have not required the company to obtain an audit of its accounts for the year in question in accordance with section 476.

The directors acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and the preparation of accounts.

These accounts have been prepared in accordance with the provisions applicable to companies subject to the small companies' regime.

Approved by the trustees on 2nd November 2020 and signed on their behalf by



Rebecca Rushton
Chair



David Bill
Treasurer

The Children's Workshop

Consolidated statement of cash flows

For the period 1 September 2019 to 31 August 2020

	Note	Year to 31/08/2020 £	Period to 31/08/2019 £
Cash flows from operating activities			
Net cash provided by/ (used in) operating activities	15	14,652	34,550
Cash flows from investing activities:			
Dividends, interest and rents from investments	-	-	-
Proceeds from the sale of fixed assets	-	(1,637)	-
Purchase of fixed assets	-	-	-
Proceeds from sale of investments	-	-	-
Purchase of investments	-	-	-
Net cash provided by / (used in) investing activities		-	(1,637)
Cash flows from financing activities:			
Repayments of borrowing	(8,465)	(10,959)	-
Cash inflows from new borrowing	-	-	-
Receipt of endowment	-	-	-
Net cash provided by / (used in) financing activities		(8,465)	(10,959)
Change in cash and cash equivalents in the year		6,187	21,954
Cash and cash equivalents at the beginning of the year		81,975	60,021
Change in cash and cash equivalents due to exchange rate movements		-	-
Cash and cash equivalents at the end of the year		88,162	81,975

Notes to the financial statements

For the period 1 September 2019 to 31 August 2020

1 Accounting policies

a) Basis of preparation

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 2015) - (Charities SORP FRS 102), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy or note.

b) Reconciliation with previously Generally Accepted Accounting Practice (GAAP)

In preparing the accounts, the trustees have considered whether in applying the accounting policies required by FRS 102 and the Charities SORP FRS 102 a restatement of comparative items was required. The transition date was 6th April 2014. No restatement of comparative items was required.

c) Public benefit entity

The charitable company meets the definition of a public benefit entity under FRS 102.

d) Going concern

The trustees consider that there are no material uncertainties about the charitable company's ability to continue as a going concern.

The trustees do not consider that there are any sources of estimation uncertainty at the reporting date that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next reporting period.

e) Income

Income is recognised when the charity has entitlement to the funds, any performance conditions attached to the income have been met, it is probable that the income will be received and that the amount can be measured reliably.

Income from government and other grants, whether 'capital' grants or 'revenue' grants, is recognised when the charity has entitlement to the funds, any performance conditions attached to the grants have been met, it is probable that the income will be received and the amount can be measured reliably and is not deferred.

Income received in advance of the provision of a specified service is deferred until the criteria for income recognition are met.

f) Donations of gifts, services and facilities

Donated professional services and donated facilities are recognised as income when the charity has control over the item or received the service, any conditions associated with the donation have been met, the receipt of economic benefit from the use by the charity of the item is probable and that economic benefit can be measured reliably. In accordance with the Charities SORP (FRS 102), volunteer time is not recognised so refer to the trustees' annual report for more information about their contribution.

On receipt, donated gifts, professional services and donated facilities are recognised on the basis of the value of the gift to the charity which is the amount the charity would have been willing to pay to obtain services or facilities of equivalent economic benefit on the open market; a corresponding amount is then recognised in expenditure in the period of receipt.

g) Interest receivable

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the charity; this is normally upon notification of the interest paid or payable by the bank.

The Children's Workshop

Notes to the financial statements

For the period 1 September 2019 to 31 August 2020

1 Accounting policies (continued)

h) Fund accounting

Restricted funds are to be used for specific purposes as laid down by the donor. Expenditure which meets these criteria is charged to the fund.

Unrestricted funds are donations and other incoming resources received or generated for the charitable

Designated funds are unrestricted funds earmarked by the trustees for particular purposes.

i) Expenditure and irrecoverable VAT

Expenditure is recognised once there is a legal or constructive obligation to make a payment to a third party, it is probable that settlement will be required and the amount of the obligation can be measured reliably.

Expenditure is classified under the following activity headings:

- Costs of raising funds relate to the costs incurred by the charitable company in inducing third parties to make voluntary contributions to it, as well as the cost of any activities with a fundraising purpose
- Expenditure on charitable activities includes the costs of running the preschool and its associated support costs
- Other expenditure represents those items not falling into any other heading

Irrecoverable VAT is charged as a cost against the activity for which the expenditure was incurred.

j) Allocation of support costs

Resources expended are allocated to the particular activity where the cost relates directly to that activity.

However, the cost of overall direction and administration of each activity, comprising the salary and overhead costs of the central function, is apportioned on the following basis which are an estimate, based on staff time, of the amount attributable to each activity.

Where information about the aims, objectives and projects of the charity is provided to potential beneficiaries, the costs associated with this publicity are allocated to charitable expenditure.

Where such information about the aims, objectives and projects of the charity is also provided to potential donors, activity costs are apportioned between fundraising and charitable activities on the basis of area of literature occupied by each activity.

• Pre-school	68%
• Support costs	16%
• Governance costs	16%

k) Tangible fixed assets

Tangible fixed assets are capitalised where the purchase price exceeds £1,000. Depreciation costs are allocated to activities on the basis of the use of the related assets in those activities. Assets are reviewed for impairment if circumstances indicate their carrying value may exceed their net realisable value and value in use. The Tangible Fixed Asset on the Balance Sheet represents the new preschool building and computer equipment.

Depreciation is provided at rates calculated to write down the cost of each asset to its estimated residual value over its expected useful life, once the fixed asset has been brought into use. The depreciation rates applied are as follows:

• Modular Building	20 years
• Computers & equipment	3 years

l) 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.

m) Cash at bank and in hand

Cash at bank and cash in hand includes cash and short term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account. Cash balances exclude any funds held on behalf of service users.

The Children's Workshop

Notes to the financial statements

For the period 1 September 2019 to 31 August 2020

1 Accounting policies (continued)

n) Creditors and provisions

Creditors and provisions 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. Creditors and provisions are normally recognised at their settlement amount after allowing for any trade discounts due.

2 Income from donations and legacies

			Year to 31/08/2020 Total £	Period to 31/08/2019 Total £
	Unrestricted £	Restricted £		
Donations	3,434	–	3,434	4,971
Grants	10,000	12,642	22,642	541
Fundraising events	1,774	–	1,774	5,563
	<u>15,208</u>	<u>12,642</u>	<u>27,850</u>	<u>11,075</u>

3 Income from charitable activities

			Year to 31/08/2020 Total £	Period to 31/08/2019 Total £
	Unrestricted £	Restricted £		
Pre-School Fees	71,220	–	71,220	92,652
Government contributions to fees	96,758	300	97,058	142,511
Contribution to school trips, uniform etc	1,343	–	1,343	2,255
Total income from charitable activities	<u>169,320</u>	<u>300</u>	<u>169,620</u>	<u>237,418</u>

4 Income from investments

			Year to 31/08/2020 Total £	Period to 31/08/2019 Total £
	Unrestricted £	Restricted £		
Bank Interest	23	–	23	26
	<u>23</u>	<u>–</u>	<u>23</u>	<u>26</u>

The Children's Workshop

Notes to the financial statements

For the period 1 September 2019 to 31 August 2020

5 Analysis of expenditure

	Cost of raising funds £	Charitable expenditure: Pre-school £	Governance costs £	Support costs £	Year to 31/08/2020 £	Period to 31/08/2019 £
Staff costs (Note 6)	-	101,695	9,339	24,071	135,105	198,820
Equipment	-	1,976	-	-	1,976	2,722
Pre-school Supplies (incl snack)	-	1,247	-	-	1,247	2,128
School activities	-	703	-	-	703	1,973
Recruitment	-	805	-	-	805	-
Rent	-	-	-	-	-	-
Ground Rent	-	4,100	-	-	4,100	2,625
Utilities	-	1,895	-	-	1,895	2,699
Maintenance costs	-	2,721	-	-	2,721	3,077
Cleaning costs	-	1,408	-	-	1,408	1,992
Other premises costs	-	854	-	-	854	1,103
Business Rates	-	335	-	-	335	937
Insurance	-	1,930	-	-	1,930	2,577
Professional costs	-	456	-	-	456	1,962
T-shirts and book bags	-	2,063	-	-	2,063	1,265
Training costs	-	1,504	-	-	1,504	2,348
Fundraising costs	-	-	-	-	-	1,357
Office supplies	-	888	-	-	888	1,877
Depreciation	-	10,539	-	-	10,539	15,214
Phone	-	1,079	-	-	1,079	1,249
Other administration costs	-	-	-	-	-	144
Bank charges	-	121	-	-	121	216
Loan financing - interest	-	2,573	-	-	2,573	4,678
Event costs	-	-	-	-	-	-
Transportation costs	-	98	-	-	98	326
Other	-	-	-	-	-	-
	-	138,991	9,339	24,071	172,401	251,289
Support costs	-	24,071		(24,071)	-	-
Governance costs	-	9,339	(9,339)		-	-
Total expenditure 2020	-	172,401	-	-	172,401	251,289
Total expenditure 2019	1,357	249,932	-	-	251,289	

Of the total expenditure, £159,459 was unrestricted (2019: £249,275) and £12,942 was restricted (2019: £2,015).

Notes to the financial statements

For the period 1 September 2019 to 31 August 2020

6 Analysis of staff costs, trustee remuneration and expenses, and the cost of key management personnel

Staff costs were as follows:

	Year to 31/08/2020	Period to 31/08/2019
	£	£
Salaries and wages	126,481	184,943
Redundancy and termination costs	–	–
Social security costs	4,976	10,015
Pension contributions	3,649	3,862
	135,105	198,820

No employee earned more than £60,000 during the year (2019: nil).

The charity trustees were not paid or received any other benefits for their duties as a trustee in the year (2019: £nil). One trustee was employed by the charity during the year. Debora Bell was paid under a contract of employment £27,680 as the preschool manager.

7 Staff numbers

The average number of employees (head count based on number of staff employed) during the year was as follows:

	Year to 31/08/2020	Period to 31/08/2019
	No.	No.
Raising funds	–	–
Pre-school	9.6	11.5
Support	1.8	0.5
Governance	0.6	0.8
	11.9	12.8

8 Tangible fixed assets

	Pre-school building £	Fixtures and fittings £	Computers & equipment £	Total £
Cost				
At the start of the year	203,217	–	2,816	206,033
Additions in year	–	–	–	–
At the end of the year	203,217	–	2,816	206,033
Depreciation				
At the start of the year	29,052	–	1,692	30,745
Charge for the year	9,961	–	578	10,539
At the end of the year	39,013	–	2,271	41,284
Net book value				
At the end of the year	164,204	–	546	164,749
At the start of the year	174,165	–	1,124	175,289

All of the above assets are used for charitable purposes.

The Children's Workshop

Notes to the financial statements

For the period 1 September 2019 to 31 August 2020

9 Debtors

	2020 £	2019 £
Trade debtors	-	-
Prepayments	-	-
	<u>-</u>	<u>-</u>
	<u>-</u>	<u>-</u>

10 Creditors: amounts falling due within one year

	2020 £	2019 £
Creditors (loans due within 1 year)	9,130	8,465
Accruals	2,917	4,500
Deferred income	1,900	21,296
	<u>13,947</u>	<u>34,262</u>
	<u>13,947</u>	<u>34,262</u>

11 Deferred income

	2020 £	2019 £
Balance at the beginning of the year	21,296	-
Amount released to income in the year	(21,296)	-
Amount deferred in the year	1,900	21,296
	<u>1,900</u>	<u>21,296</u>
Balance at the end of the year	<u>1,900</u>	<u>21,296</u>

12 Creditors: amounts falling due after one year

	2020 £	2019 £
Bank loans	20,431	29,561
Amounts due under finance leases	-	-
	<u>20,431</u>	<u>29,561</u>
	<u>20,431</u>	<u>29,561</u>

Bank loans totalling £29,561 (2019: £38,026) are secured against the preschool building.

13 Analysis of group net assets between funds

	General unrestricted £	Designated funds £	Restricted funds £	Total funds £
Tangible fixed assets	-	164,749	-	164,749
Net current assets	82,795	(9,130)	550	74,215
Long term liabilities	-	(20,431)	-	(20,431)
	<u>82,795</u>	<u>135,189</u>	<u>550</u>	<u>218,534</u>
Net assets at the end of the year	<u>82,795</u>	<u>135,189</u>	<u>550</u>	<u>218,534</u>

The Children's Workshop

Notes to the financial statements

For the period 1 September 2019 to 31 August 2020

14 Movements in funds

	At the start of the year £	Incoming resources & gains £	Outgoing resources & losses £	Transfers £	At the end of the year £
Restricted funds:					
Funding for specific pre-school	550	12,942	(12,942)	-	550
Total restricted funds	550	12,942	(12,942)	-	550
Unrestricted funds:					
<i>Designated funds:</i>					
New pre-school building	137,263	-	-	(2,074)	135,189
Total designated funds	137,263	-	-	(2,074)	135,189
General funds	55,629	184,551	(159,459)	2,074	82,795
Total unrestricted funds	192,892	184,551	(159,459)	-	217,984
Total funds	193,442	197,493	(172,401)	-	218,534

Purposes of restricted funds

Restricted funds have been received towards funding for specific pre-school activities.

Purposes of designated funds

New pre-school building

Funds raised over many years were designated by the Trustees to construct a new purpose-built pre-school building which is now completed. The designated fund now represents the net book value of the charity's fixed assets less the amount owed on the bank loan.

15 Reconciliation of net income / (expenditure) to net cash flow from operating activities

	Year to 31/08/2020 £	Period to 31/08/2019 £
Net income / (expenditure) for the reporting period (as per the statement of financial activities)	25,092	(2,770)
Depreciation charges	10,539	15,213
(Increase)/decrease in debtors	-	811
Increase/(decrease) in creditors	(20,979)	21,296
Net cash provided by / (used in) operating activities	14,652	34,550

	At 1 September 2019 £	Cash flows £	Other changes £	At 31 August 2020 £
16 Analysis of cash and cash equivalents				
Cash in hand	-	-	-	-
Cash at Bank	81,975	6,187	-	88,162
Overdraft facility repayable on demand	-	-	-	-
Total cash and cash equivalents	81,975	6,187	-	88,162

17 Legal status of the charity

The charity is a company limited by guarantee and has no share capital. The liability of each member in the event of winding up is limited to £1.