

ACORNS2OAKS LIMITED  
(A Company limited by Guarantee – Reg.No.04536406)

Registered Charity No. 1104861

ANNUAL REPORT  
AND  
UNAUDITED FINANCIAL STATEMENTS  
FOR THE YEAR ENDED

31<sup>st</sup> March 2022

ACORNS2OAKS LIMITED

<b>Contents</b>	<b>Page</b>
Legal and Administrative details	2
Report of the Trustees	3 to 5
Independent Examiner's Report	6
Statement of Financial Activities	7
Balance Sheet	8
Cash Flow Statement	9
Notes to the Financial Statements	10 to 16

## ACORNS2OAKS LIMITED

### Legal and administrative details

<b>Status</b>	The organisation is a charitable company limited by guarantee, incorporated on 16 <sup>th</sup> September 2002 and registered as a charity in August 2004.
<b>Governing document</b>	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.
<b>Company Number</b>	04536406
<b>Charity Number</b>	1104861
<b>Registered Office</b>	Peppermint Healthy Living Centre Franklin Way Croydon Surrey CR0 4YD
<b>Directors/Trustees</b>	Beverley Noble - Chair Judith Osakwe Amanda Tucker
<b>Chief Executive</b>	Lauraine Nicholson
<b>Company Secretary</b>	Gaynor Murphy
<b>Bankers</b>	HSBC plc 9 Wellesley Road Croydon, Surrey CR9 2AA
<b>Independent Examiners</b>	Palmer McCarthy Suite 70, Capital Business Centre 22 Carlton Road, South Croydon, CR2 0BS

## **ACORNS2OAKS LIMITED**

### **TRUSTEES ANNUAL REPORT FOR THE YEAR ENDED 31ST MARCH 2022**

#### **Objectives and Activities**

Acorns 2 Oaks was originally set up as CRSSC Ltd to provide childcare services to families within the Broad Green area as a result of the Broad Green Sure Start programme being operational in the area. The capital to build the Centres to deliver these services was an investment from Broad Green Sure Start.

Canterbury Centre has operated as a community-based Day Nursery since June 2003. Peppermint Centre provided a Nursery & Pre-School from July 2005 until September 2014 when the provision then changed to a term-time Pre-School.

Both settings aim to provide quality and affordable childcare to working parents living in the Broad Green area, supporting parents to access and sustain employment, and thereby furthering the charity's purposes for the public benefit. The charity's strategy, in order to achieve its aims and objectives, is to employ quality staff and maintain its facilities. The charity measures its success by the number of children and families that make use of its services.

A2O believes that a placement for a student or volunteer within our organisation is a valuable opportunity to build experience whilst learning about working within this sector. Equally, we appreciate the positive contribution that such committed and enthusiastic people can bring. Whilst it was not possible to accommodate students and volunteers during the last two years, it is anticipated that this will change with the pandemic restrictions now lifted.

The Trustees have had regard to the guidelines set out by the Charities Commission on Public Benefit when reviewing its aims and objectives and in planning for the future.

#### **Achievements and Performance**

The year was again hindered by the pandemic, with nursery placements uptake remaining relatively low until the last quarter when restrictions were lifted. Our Nurseries remained open with our Nursery teams working tirelessly to adhere to ever-changing regulations. Whilst funded placements, attending and waiting list, increased towards the year end, there were very few fee-paying placements in either Nursery.

Best Start's ABCD project continued until December 2021, when the respective Local Authority funding ceased. The service ran for five years, over which time our Community Builders worked proactively within the Broad Green & Selhurst areas, assisting Connectors in the development of an array of projects and sustainable initiatives. We are incredibly proud of the community cohesion created from this service and intend to seek opportunities to fund similar community development projects.

Peppermint Youth Club reopened in June 2021 offering one weekly session for local young people.

Hall hire remained low and most of the regular hirers did not return when restrictions lifted. It is our immediate objective for the coming year to refurbish and market our hire facilities as to attract regular users and ad-hoc hirers.

## Directors Responsibilities

The directors are required by UK company law to prepare the financial statements for each financial year, in accordance with applicable law and regulations and in accordance with United Kingdom Generally Accepted Accounting Practice.

Company law requires the directors 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 company and of the statement of financial activity for that period.

In preparing the financial statements the directors are required to:

- i) Select suitable accounting policies and then apply them consistently
- ii) Make judgments and accounting estimates that are reasonable and prudent
- iii) State whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements, and
- iv) Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and that enable them to ensure that the financial statements comply with the Companies Act.

The directors are responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Where appropriate, the directors are responsible for the maintenance and integrity of the corporate and financial information included on the company's website. It is important to bear in mind that legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

This report has been prepared having taken advantage of the small companies exemption in the Companies Act 2006.

On behalf of the Board



Beverley Noble - Chair

Date: 12<sup>th</sup> August 2022

## **Financial Review**

The year ended 31<sup>st</sup> March 2022 resulted in a deficit of £53,761 (2021: £102,160 deficit). This deficit is attributable to:

- ♦ nursery placements remaining low with most placements being government funded and not fee paying
- ♦ hall hire income remaining low due to restrictions remaining in place until the 4<sup>th</sup> quarter
- ♦ Croydon Council Best Start ABCD funding ceased in December 2021

The only other income received was Service Charges from AT Medics (NHS Croydon) for use of the premises.

The charity's reserves were used to support the loss in revenue, ensuring that the running costs could be met, and the aims and objectives of the charity were upheld.

The charity's policy is to hold an adequate level of reserves in order to meet future operational costs that may not be sufficiently covered by income. The charity had closing reserves on 31<sup>st</sup> March 2022 of £159,866, of which £1,372 are restricted (2021: reserves of £213,627 of which £1,372 were restricted). The charity considers this level of reserves to be in line with its policy.

The principal risk to the charity is a reduction to the government free education and childcare funding, which is the charity's main source of income. The risk is mitigated by the charity seeking other income streams, such as the hiring of its hall to community groups.

## **Plans for the Future**

Acorns 2 Oaks main objective for the coming year is to:

- ♦ promote the nurseries in order to return to full capacity
- ♦ refurbish and market our hire facilities
- ♦ re-open the Centres for the wide use amongst the community and seek opportunities and funding for a similar Asset Based Community Development Programme

## **Structure, Governance and Management**

The governing document is detailed on the information page attached to these accounts.

The company is governed by the Directors who are volunteers, as listed on the information page attached to these accounts. The major risks to which the company is exposed to are reviewed regularly by the Directors and management, and systems have been put in place to mitigate those risks.

Trustees are trained on their responsibilities initially on induction and periodically thereafter. The Board continues to advertise for Trustees.

The Trustees review and set the remuneration of key management personnel, having had regard to the recent performance of the charity when carrying out the review.

ACORNS2OAKS LIMITED

**INDEPENDENT EXAMINER'S REPORT TO THE TRUSTEES  
FOR THE YEAR ENDED 31ST MARCH 2022**

I report to the charity trustees on my examination of the accounts of the Company for the year ended 31st March 2022.

**Responsibilities and basis of report**

As the charity's trustees (and also the directors of the company for the purposes of company law) you are responsible for the preparation of the accounts in accordance with the requirements of the Companies Act 2006 ('the 2006 Act').

Having satisfied myself that the accounts of the company are not required to be audited under Part 16 of the 2006 Act and are eligible for independent examination, I report in respect of my examination of your company's accounts as carried out under section 145 of the Charities Act 2011 ('the 2011 Act'). In carrying out my examination I have followed the Directions given by the Charity Commission under section 145(5)(b) of the 2011 Act.

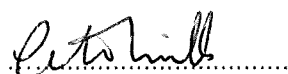
**Independent examiner's statement**

Since the company'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 member of the 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 that in any material respect:

1. accounting records were not kept in respect of the company as required by section 386 of the 2006 Act; or
2. the accounts do not accord with those records; or
3. the accounts do not comply with the accounting requirements of section 396 of the 2006 Act other than any requirement that the accounts give a 'true and fair view' which is not a matter considered as part of an independent examination; or
4. the accounts have not been prepared in accordance with the methods and principles of the Statement of Recommended Practice for accounting and reporting by charities applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102).

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.



25/8/2022

Peter Mills ACA CTA  
Independent Examiner  
Palmer McCarthy  
Chartered Certified Accountants  
Suite 70, Capital Business Centre, 22 Carlton Road  
South Croydon, CR2 0BS

**ACORNS2OAKS LIMITED****STATEMENT OF FINANCIAL ACTIVITIES (INCLUDING INCOME & EXPENDITURE ACCOUNT)****For the year ended 31 March 2022**

	£	2022 £		2021 £
Incoming resources				
	Unrestricted Funds	Restricted Funds	Total	Total
Charitable Activities - Note 3	458,595	-	457,331	442,534
Other Trading Activities - Note 4	79,439	-	80,703	33,908
Investment Income - Note 6	28	-	28	134
Total Incoming resources	538,062	-	538,062	476,576
Expenditure on Charitable Activities- Note 7	591,823	-	591,823	578,736
Total Expenditure	591,823	-	591,823	578,736
Net movement in funds	(53,761)	-	(53,761)	(102,160)
Total funds brought forward	212,255	1,372	213,627	315,787
Total funds carried forward	158,494	1,372	159,866	213,627



**ACORNS2OAKS LIMITED**

Company Registration number 04536406

**BALANCE SHEET AS AT 31 March 2022**

	2022 £	2021 £
<b>FIXED ASSETS</b>		
Intangible asset - note 9	-	-
Tangible assets - note 10	-	-
	-	-
<b>CURRENT ASSETS</b>		
Debtors and prepayments - note 11	41,168	8,402
Cash at bank and in hand	235,879	342,983
	277,047	351,385
<b>CURRENT LIABILITIES</b>		
Creditors and accruals - note 12	(117,181)	(137,758)
<b>NET CURRENT ASSETS</b>	159,866	213,627
<b>Total assets less liabilities</b>	159,866	213,627
<b>Financed by:</b>		
Unrestricted funds - note 13	158,494	212,255
Restricted funds - note 13	1,372	1,372
<b>Total funds</b>	159,866	213,627

For the Financial Year ended 31st March 2022 the company was entitled to exemption from audit under section 477 of the Companies Act 2006 relating to small companies. No member of the company has deposited a notice, pursuant to section 476, requiring an audit of these financial statements under the requirements of the Companies Act 2006.

The directors acknowledge their responsibility for ensuring the company keeps accounting records which comply with section 386 of the Act, and for preparing accounts which give a true and fair view of the state of affairs of the company at the end of its financial year, and of its income and expenditure for the financial year in accordance with sections 394 & 395, and which otherwise comply with the requirements of the Companies Act 2006 relating to accounts, so far as applicable to the company.

These financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime within Part 15 of the Companies Act 2006, and in accordance with the Charities SORP 2019 (FRS102) and were approved by the Trustee Board on 12<sup>th</sup> August 2022.



Beverley Noble – Chair

**ACORNS2OAKS LIMITED**

**STATEMENT OF CASH FLOWS**

**For the year ended 31 March 2022**

	2022 £	2021 £
Net Cash Provided by/(Used in) operating activities (note 17)	<u>(107,132)</u>	<u>(39,011)</u>
Cash Flows from investing activities		
Investment Income	28	134
Purchase of Fixed Assets	<u>-</u>	<u>-</u>
Cash Provided by (used in) investing activities	<u>28</u>	<u>134</u>
Increase (decrease) in cash and cash equivalents at the end of the year	(107,104)	(38,877)
Cash and cash equivalents at the beginning of the year	<u>342,983</u>	<u>381,860</u>
Total cash and cash equivalents at the end of the year	<u>235,879</u>	<u>342,983</u>

## ACORNS2OAKS LIMITED

### Notes to the Financial Statements

#### 1. Accounting Policies

##### Company information

The Company is a private company limited by guarantee and is incorporated in England and Wales under Company Number 04536406. The company is a registered charity under charity number 1104861. The company's principal activity and operations are that of providing pre-school education, childcare and youth services. The registered office address is Peppermint Healthy Living Centre, Franklin Way, Croydon, Surrey, CR0 4YD.

##### a) Basis of Accounting

These accounts have been prepared on a going concern basis under the historical cost convention, modified to include certain items at fair value.

The financial statements have been prepared in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102). The Charitable Company is a public benefit entity for the purposes of FRS102 and therefore the Charity also prepared its financial statements in accordance with the 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 (The Charities SORP 2019 (FRS102)), the Companies Act 2006 and the Charities Act 2011. The financial statements are prepared in pounds sterling which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest £.

##### b) Going concern

There were no material uncertainties related to events or conditions that may cast significant doubt upon the company's ability to continue as a going concern.

##### c) Incoming Resources

Incoming Resources from Charitable Activities and Grants receivable are accounted for on an accruals basis. All other income is accounted for on an as received basis.

##### d) Resources Expended

All expenditure is included in the accounts on an accruals basis.

##### e) Amortisation of Goodwill

The cost of Goodwill was written off over 10 years, being the estimated useful economic life of the asset

##### f) Tangible Fixed Assets

Tangible Fixed Assets are stated at historical cost less accumulated depreciation. Depreciation is provided on the straight line basis at rates calculated to write off the cost of the relevant asset over their expected useful economic life. The Depreciation Rates used are as follows:

Fixtures, Fittings & Equipment	25%
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## ACORNS2OAKS LIMITED

### Notes to the Financial Statements (continued)

g) Cash and cash equivalents

Cash and cash equivalents include cash in hand and deposits held with banks.

h) Recognition of liabilities

Expenditure approved for payment but not paid are recorded as liabilities in the balance sheet. Current liabilities consist of amounts expected to be settled within 12 months from the balance sheet date

i) Debtors

Debtors are recorded at transaction price and are impaired where there is evidence that, as a result of one or more events that occurred after the original recognition of the debtor, the estimated future cash flows have been affected. The impairment loss is recognised in the Statement of Financial Activities.

j) Fund accounting

Funds held by the charity are either

- a. Unrestricted general funds – these are funds which can be used in accordance with the charitable objects at the discretion of the Trustees;
- b. Restricted funds – these are funds that can only be used for particular restricted purposes within the objects of the charity

k) Activities in furtherance of the Charities objectives comprises nursery fees to third parties, including fees funded by Local Authority.

l) Judgements and key sources of estimation uncertainty.

In the application of the company's accounting policies, the directors 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 period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods. The following judgements (apart from those involving estimates) have the most significant effect on amounts recognised in the financial statements:

The company makes an estimate of the accrual relating to premises costs, included within current liabilities (see note 16 for the liability recognised in these financial statements).

The company makes an estimate of the recoverable value of debtors. When assessing impairment of debtors, management considers the ageing profile of debtors and historical experience (see note 11 for the carrying value).

## ACORNS2OAKS LIMITED

### Notes to the Financial Statements

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#### 2. Net Movement in Funds

Net Movement in Funds is Stated after Charging

	2022	2021
	£	£
Operating lease expense	1,815	1,815
Independent Examination fees	2,448	2,400
Amortisation	-	-
Depreciation	-	-
	<hr/>	<hr/>

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#### 3. Charitable Activities Income

	2022	2021
	£	£
Family services grant	22,500	30,000
Free education funding	378,306	368,654
Childcare placements	48,303	21,482
Coronavirus job retention scheme grants	8,222	22,398
Fundraising events	1,264	-
	<hr/>	<hr/>
	458,595	442,534

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#### 4. Other Trading Activities Income

	2022	2021
	£	£
Income From Hall Hire	55,156	9,625
Service Charges	24,283	24,283
	<hr/>	<hr/>
	79,439	33,908

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## **ACORNS2OAKS LIMITED**

### **Notes to the Financial Statements (continued)**

#### **5. Staff Costs and numbers:**

The Costs incurred in respect of employees were:

	2022	2021
	£	£
Salaries & Wages	457,560	450,175
Social Security Costs	20,222	18,775
Defined Contribution Pension Costs	7,049	6,774
	<u>484,831</u>	<u>475,724</u>

No employee earned over £60,000 during the year under review.

The average number of staff employed during the year was:

	2022	2021
Office & Administration	3	3
Direct Charitable work	41	42
Total	<u>44</u>	<u>45</u>

Key management personnel remuneration totalled £146,427 (2021: £138,245)

#### **6. Investment Income**

	2022	2021
	£	£
Bank Interest Received	<u>28</u>	<u>134</u>

#### **7. Expenditure on Charitable Activities**

	2022			2021
	Staff Costs	Others	Total	Total
	£	£	£	£
Childcare Placements	484,831	3,019	487,850	478,735
Establishment Costs	-	42,957	42,957	41,441
Catering	-	4,110	4,110	5,267
Educational Equipment	-	720	720	668
Governance Costs	-	2,718	2,718	2,670
Other	-	53,468	53,468	49,957
	<u>484,831</u>	<u>106,992</u>	<u>591,823</u>	<u>578,738</u>

#### **8. Corporation Tax**

The Company is a registered Charity and is not subject to Corporation Tax on its activities.

## ACORNS2OAKS LIMITED

### Notes to the Financial Statements (continued)

<b>9. Intangible Fixed Assets</b>		
		Goodwill
		£
Cost at 1st April 2021 and 31st March 2022		<u>15,000</u>
Amortisation		
at 1st April 2021		15,000
Charge For the Year		-
at 31st March 2022		<u>15,000</u>
Net Book Value at 31st March 2022		<u>-</u>
Net Book Value at 31st March 2021		<u>-</u>
<b>10. Tangible Fixed Assets</b>		
		Fixtures, Fittings & Equip.
		£
Cost at 1st April 2021 and 31st March 2022		<u>10,033</u>
Depreciation		
at 1st April 2021		10,033
Charge for the Year		-
at 31st March 2022		<u>10,033</u>
Net Book Value at 31st March 2022		<u>-</u>
Net Book Value at 31st March 2021		<u>-</u>
<b>11. Debtors &amp; Prepayments</b>		
	2022	2021
	£	£
Debtors arising from Charitable activities	32,531	-
Debtors arising from other trading activities	5,500	7,018
Prepayments	<u>3,137</u>	<u>1,384</u>
	<u>41,168</u>	<u>8,402</u>
<b>12. Creditors &amp; Accruals</b>		
	2022	2021
	£	£
Creditors arising from Charitable activities	4,228	45,481
Taxes and Social Security	9,318	6,887
Accruals	<u>103,635</u>	<u>85,390</u>
	<u>117,181</u>	<u>137,758</u>

## ACORNS2OAKS LIMITED

### Notes to the Financial Statements (continued)

#### 13. Movement in Funds

	Balance 1 Apr 2021 £	Income £	Expenditure £	Balance 31 Mar 2022 £
<u>Unrestricted Funds</u>	212,255	538,062	(591,823)	158,494
<u>Restricted Funds</u>				
Peppermint Grant	42	-	-	42
Crosfield Grant	1,330	-	-	1,330
	1,372	-	-	1,372
<u>Total</u>	213,627	538,062	(591,823)	159,866

The Peppermint Grant and the Crosfield Grant are for the purpose of future capital expenditure.

#### 14. Summary of assets and liabilities between funds

	Unrestricted Funds £	Restricted Funds £	Total £
Debtors	41,168	-	41,168
Cash	234,507	1,372	235,879
Creditors	(117,181)	-	(117,181)
Net Assets	158,494	1,372	159,866

#### 15. Trustees Remuneration and Related Party Transactions

No member of the Management Committee or Trustees received any remuneration during the year.

Where trustees of the company have children placed at the nursery they pay the full nursery fee for that placement.

No Trustee was reimbursed expenses by the charity.

There were no related party transactions that require disclosure.



## ACORNS2OAKS LIMITED

### Notes to the Financial Statements (continued)

#### 16. Contingent Liabilities

At 31st March 2022 the company had no contingent liabilities or capital commitments not provided for in these accounts. Creditors includes £98,213 (2021: £78,763) provided as a contingent liability in respect of service charges that have not been charged to the company by Croydon Council.

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#### 17. Reconciliation of net movements in funds to net cash flow from operating activities

	2022	2021
	£	£
Net Movement in Funds	(53,761)	(102,160)
Deduct Investment Income	(28)	(134)
Decrease (Increase) in Debtors	(32,766)	9,876
Increase (Decrease) in Creditors	20,577	53,406
Net Cash Provided by/(Used in) operating activities	<u>(107,132)</u>	<u>(39,012)</u>

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#### 18. Analysis of changes in net debt

	At 1 April 2021	Cash flows	At 31 March 2022
	£	£	£
<u>Cash and cash equivalents</u>			
Cash	342,983	(107,104)	235,879

The company has no borrowings.

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#### 19. Operating Lease Commitments

The company has operating lease commitments in relation to the rental of the premises used in the furtherance of its activities, as follows:

Future minimum operating lease payments	2022	2021
	£	£
Within one year	1,815	1,815
Between two and five years	7,258	7,258
In over five years	24,799	26,614
	<u>33,872</u>	<u>35,687</u>

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ACORNS2OAKS LIMITED

The following page does not form part the Statutory Financial Statements

**ACORNS2OAKS LIMITED**

**INCOME & EXPENDITURE ACCOUNT**

**For the year ended 31 March 2022**

	2022	2021
	£	£
Income Receivable		
Family services grant	22,500	30,000
Free education funding	378,306	368,654
Childcare fees	48,303	21,482
Bank interest	28	134
Coronavirus job retention scheme grants	8,222	22,398
Fundraising events	1,264	-
Hall hire	55,156	9,625
Service charges	24,283	24,283
<b>Total Income receivable</b>	<b>538,062</b>	<b>476,576</b>
Premises costs	42,957	41,441
Staff salaries	457,560	450,175
Employer's NI	20,222	18,775
Pensions	7,049	6,774
Staff training and information	2,544	2,536
Staff DBS Checks	475	475
Catering	4,110	5,267
Children social activities/educational	3,265	2,199
Cleaning and domestic supplies	28,716	25,040
Clinical waste	3,508	3,325
Expendable equipment	720	668
Insurance	3,159	3,159
Office supplies	673	1,276
Telephone, postage, fax and internet	6,464	6,653
Bank charges	569	484
Sundry expenses	76	502
Subscriptions	415	504
OFSTED registration	270	270
IT Maintenance & Software	6,610	6,800
Independent Examination Fees	2,448	2,400
Professional fees	13	13
<b>Total admin &amp; overhead expenses</b>	<b>591,823</b>	<b>578,736</b>
<b>Surplus/(Deficit) for the year</b>	<b>(53,761)</b>	<b>(102,160)</b>

