

Company number: 04749158

Charity Number: 1109711

QUAGGY DEVELOPMENT TRUST
(A Charitable Company Limited by Guarantee)

ANNUAL REPORT AND ACCOUNTS

FOR THE YEAR ENDED 31 MARCH 2021



QUAGGY DEVELOPMENT TRUST
*Improving the lives of
local children and families*

QUAGGY DEVELOPMENT TRUST

CONTENTS

	Page
Legal & administrative information	1
Report of the Trustees	2 – 9
Independent Auditor's report	10 – 12
Accounts comprising:	
Consolidated Statement of financial activities	13
Consolidated Balance sheet	14
Consolidated Statement of cashflows	15
Notes to the accounts	16 – 29

QUAGGY DEVELOPMENT TRUST

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 MARCH 2021

Trustees

Susan McKee (Chair)
Naomi Delap
Simon Riley (Treasurer and Vice-Chair)
Natalie Meguerditchian
Emma Brady

Key Management

Dawn Jacovou (Chief Executive)
Joanna Lawrence (Deputy Executive)

Registered office

Quaggy Childrens Centre
Orchard Hill
London
SE13 7QZ

Bankers

National Westminster Bank Plc
143 High Street
Bromley
BR1 1JH

Auditor

Simpson Wreford LLP
Wellesley House
Duke of Wellington Avenue
Royal Arsenal
London
SE18 6SS

Company number

04749158

Charity number

1109711

QUAGGY DEVELOPMENT TRUST

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 MARCH 2021

The trustees (who are also the directors of the charitable company for the purposes of company law) are pleased to present their report together with the consolidated financial statements of the Charity for the year ended 31 March 2021 which are also prepared to meet the requirements for a directors' report and accounts for Companies Act purposes. The information shown on page 1 forms part of this report.

The financial statements comply with the Charities Act 2011, the Companies Act 2006, the Memorandum and Articles of Association, and "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)".

STRUCTURE, GOVERNANCE AND MANAGEMENT

Governing Document

Quaggy Development Trust (QDT) is a company limited by guarantee, governed by its Memorandum and Articles of Association dated 30 April 2003 (company number 04749158). It was registered as a charity with the Charity Commission on 26 May 2005 (charity number 1109711). Only persons living, working, or using the services in the defined area of benefit may become members of the company. The area of benefit is defined as Coldbath and Orchard Estate located in the west ward of the London Borough of Greenwich and the immediate surrounding area. Members have agreed to contribute £1 in the event of the charity being wound up.

The principal operating address is Quaggy Childrens Centre, Orchard Hill, London SE13 7QZ.

Charity governance

The Charity is governed by one board comprising Trustees and Key Management. This combined board is responsible for the Charity's operations. Where a vote is required, only those on the Board who are Trustees have the power to register a vote.

The Board Members of the charitable company throughout the year and to the date of signing of this report, except where indicated, are as follows:

Trustees

Susan McKee (Chair)
Naomi Delap
Simon Riley (Treasurer and Vice-Chair)
Kathryn Klaentschi - (resigned 15th August 2020)
Natalie Meguerditchian
Emma Brady

Key management

Dawn Jacovou (Chief Executive)
Joanna Lawrence (Deputy Chief Executive)

Appointment of Trustees

As set out in the Articles of Association, the Chair, Secretary and Treasurer are appointed at a meeting of the Trustees following the Annual General Meeting. There shall be a minimum of three and a maximum of twelve Trustees. A maximum of eight individual members will be elected as Trustees with the Trustees having the power to co-opt a maximum of four additional members to act as Trustee. The Trustees may fill any casual vacancy that occurs during the year. All Trustees, except co-opted Trustees, are to be re-elected into office each year. When considering co-opting Trustees, the Board has regard to the requirements of any specialist skills needed in pursuit of the Charity's aims and objectives.

QUAGGY DEVELOPMENT TRUST

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 MARCH 2021

STRUCTURE, GOVERNANCE AND MANAGEMENT (continued)

Appointment of Key Management

The Trustees have the power to appoint Key Management to the board as they see fit, in order to improve the governance of the Charity. An appointed member to the Board does not necessarily have to also be appointed as a Trustee.

Trustees' Induction and Training

New Trustees and Key Management undergo an orientation meeting to brief them on their legal obligations under charity and company law, the content of the Memorandum and Articles of Association, the Committee and decision-making processes, business plans and recent financial performance of the Charity. During the induction process, they meet key employees and other Trustees and are given a Trustees' information pack containing comprehensive guidance notes relating to their role. Internal training sessions are held for Trustees on an annual basis after their initial induction and Trustees are encouraged to attend appropriate external training events where these will facilitate the undertaking of their role.

Organisation

The Board of Trustees administers the charity. The Board holds meetings every other month and more frequently when required. The Board may appoint a Trustee to the un-remunerated office of Managing Director. The Trustees may appoint a Secretary at such remuneration and upon such conditions as they think fit, but if that person is a Trustee, that position shall be un-remunerated. The Board has appointed Human Resources and Finance sub-committees and the devolved responsibilities of these sub-committees are set out in their governing terms of reference. On a day-to-day basis, the charity is under the immediate control of the Key Management, Dawn Jacovou, Chief Executive, and Joanna Lawrence, Deputy Chief Executive.

Related Parties

The charity owns 100% of the share capital in Quaggy Café at Parkside Limited, a trading company. The trading company's accounts have been consolidated in these accounts.

Apart from the subsidiary the only other known related parties are the Trustees and Key Management.

The charity maintains a close working relationship with the Royal Borough of Greenwich and the London Borough of Lewisham.

Risk Management

A comprehensive risk assessment review, in line with Charity Commission guidance, was undertaken by the senior leadership team and Trustees at the start of 2020 and completed by March 2020. The areas of risk considered were governance, external, regulatory and compliance, financial and operational. The Trustees support the need for risks to be kept under regular review. The Risk Register is reviewed at least annually and more regularly if appropriate.

The following general principles underpin the risk management processes:

- Evaluation of risk forms part of strategic and business planning, and investment and project appraisal;
- Risk management ensures that the application of internal controls is proportionate to the risk the controls are designed to manage;
- Managers and staff at all levels have a responsibility to identify, evaluate and manage or report risks;

QUAGGY DEVELOPMENT TRUST

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 MARCH 2021

Risk Management (continued)

- Ownership of risk is allocated to individuals best placed to manage the risk – i.e. they have the authority and necessary resources to manage the risk;
 - QDT fosters a culture which spreads best practice, lessons learned and expertise acquired from risk management activities across the Trust.
-

OBJECTIVES AND ACTIVITIES

The objectives of the Charity are to further the charitable purpose for the benefit of the community, those that live and use services, in the defining area including:

- The advancement of education;
- The promotion of good citizenship;
- Promotion of any other charitable purpose which will increase the quality of life and develop the capacity and skills, alleviate poverty and deprivation of residents and community members;
- The elimination of unfair discrimination on any grounds;
- Other activities for the enhancement and benefit of the local area.

The defined area is the Coldbath and Orchard Estates, located in the West Ward of the London Borough of Greenwich, and the immediate surrounding area.

The Trustees have considered the Charity Commission's general guidance on public benefit when reviewing the aims and objectives. During the year the Charity's activities were principally focused on:

- Continuing the consolidation of our work providing, supporting and developing community services on the Coldbath and Orchard Estate and surrounding areas;
- Maintaining the development of the long-term strategic plan in order to identify and embrace new and existing ways in which our work will benefit the local area;
- Implementing the proposals made in the successful bid for the Start Well Greenwich contract, which commenced on 1st April 2020 and maintaining our close relationship with the Royal Borough of Greenwich Council.

FINANCIAL REVIEW

The Statement of Financial Activities shows a surplus for the year of £92,225 (2020: £274,022) with the principal funding sources of the Charity being a contract for the provision of Children's Centres, Nursery fees, Crèche and Counselling services.

The Balance Sheet at the year-end shows total funds of £2,224,637 (2020: £2,132,412) of which £345,286 (2020: £256,838) is restricted.

The Trustees acknowledge the following funders during the year:

- Children-in-need - £22,087;
- Royal Borough of Greenwich (Start Well Greenwich West) - £2,162,641;
- Royal Borough of Greenwich (Perinatal Mental Health Service) - £13,957;
- Lewisham Council (Additional Restrictions Grant) - £2,000
- London Community Foundation - £9,990.

QUAGGY DEVELOPMENT TRUST

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 MARCH 2021

FINANCIAL REVIEW (continued)

In November 2019 the Royal Borough of Greenwich awarded Quaggy Development Trust the Contract for Start Well Greenwich (West). This is a 5-year contract which commenced in April 2020, with an option for a further 4 years running to March 2029.

ACHIEVEMENTS AND PERFORMANCE 2020-2021

Due to the Covid-19 pandemic and the national lockdown enforced in March 2020, all of QDT's work and future plans had to be adapted and or changed to be in line with government restrictions during the course of the year. This period was extremely challenging but the team worked really hard to be as creative as possible.

Early Years and Children's Centres

The nurseries stayed open throughout the year in accordance with government guidelines and, during the first lockdown, provided provision for keyworkers and vulnerable children.

Throughout the year, provision was adapted in accordance with guidance and restrictions to minimise risk in response to the pandemic. Due to the pandemic nursery occupancy rates dropped significantly in line with a national pattern.

During the year our service delivery changed for families and an online offer was developed to support families virtually with over 200 videos being recorded including activities, stories and information. When allowed, small face to face sessions were provided in line with government guidelines

Start Well Greenwich Children's Centres

On 1st April 2020, our Start Well Greenwich contract commenced, giving us responsibility for managing six Children's Centres in the Greenwich West area. This new contract meant that we welcomed the staff from Pound Park Children's Centre into our team. Our Children's Centre staff have worked throughout this challenging time and have been a lifeline to our families by keeping in regular contact and supporting where possible, as well as being present at our hub Children's Centre for assisting people who needed help.

Due to the challenges of the pandemic and the many delays which it caused (as experienced by many organisations), we, in consultation with our Start Well Greenwich partners, made the decision to subcontract the Health Visiting Service to Oxleas NHS Foundation Trust (the previous provider) for the first year of the contract. They therefore delivered the Health Visiting service until 31st March 2021.

Volunteers

We express our appreciation and thanks to all our wonderful volunteers, some of whom were able to continue their voluntary work with us in a 'Covid Safe' manner over the year. This included our Breastfeeding one to one support, Older People's Lunch Club and Youth Club support. Our Trustees, who support across all areas of our Trust, have also continued to steer Quaggy throughout, supporting all aspects of our governance.

Despite having a committed group of volunteers before the pandemic, volunteering was severely affected by the pandemic. Some volunteers naturally decided to self-isolate and Quaggy also made a conscious decision, following Risk Assessment and seemingly continuously changing government guidelines, to keep the number of people on site to a minimum to enable social distancing in our centres.

QUAGGY DEVELOPMENT TRUST

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 MARCH 2021

ACHIEVEMENTS AND PERFORMANCE 2020-2021 (continued)

Volunteers (continued)

We very much look forward to relaunching our Volunteering Programme later in 2021, which we know will add value to our services and enable us to help develop people from our community, making the volunteering experience with Quaggy a rewarding one.

Covid-19 Response

We were successful in gaining funding of £6,900 from the COVID – 19 Emergency Fund from Greenwich Charitable Trust and Metro GAVS. The focus of the project was to develop a range of mainly online sessions to support the wellbeing of local residents. We delivered a wide range of activities such as Laughter Yoga, Mindfulness and Wellbeing Workshops as well as direct telephone calls to our Older People. The project supported 55 people in total and the feedback clearly showed that engaging in it made a difference to the participants, in particular, helping them to develop their coping strategies to deal with stress and anxiety.

In order to sustain the outcomes made possible by this funding, we used some of the grant to create a Wellbeing Hub on our website, which contains resources such as videos and links to further support. This is available at: <https://quaggydevelopmenttrust.org/wellbeing-hub/>

During the year we made and delivered food parcels to local residents in partnership with Peabody Housing Association. This was during the first national lockdown to provide food parcels to vulnerable families. Over 400 were delivered.

At Christmas the children's centres took part in delivering breakfast bags for vulnerable children over the Christmas holidays as part of Marcus Rashford's campaign as well as delivering toy parcels that we had obtained from the Salvation Army to vulnerable families with whom we work.

Our Lunch Club continued when possible within guidelines. During the third lockdown, we provided a home delivery service once a week for those that wanted it, dropping the ready prepared meal to participants' doors and having a quick socially distanced chat to help them stay connected.

Think Aloud

In the summer of 2020, QDT successfully applied for a Covid-19 response grant from BBC Children in Need. Working closely with Invicta Deptford and Blackheath primary schools, our goal was to ensure children had the emotional support and creative space they needed in the wake of the pandemic and multiple national lockdowns. The grant enabled us to double the 1-2-1 art and play therapeutic counselling sessions delivered in the schools and to run arts-based sessions that used dance, music and storytelling prompts from local artists to inspire young people to share their thoughts about the pandemic through creative means.

Around 280 young people took part – nine classes from the two schools each of around 29 students participated in the school based sessions whilst a further 20 young people from Quaggy's Young Person's group took part in a media and photography discovery hub which inspired them to document their culture, share ideas and imagine new activities that could be programmed for the club in the year ahead as restrictions ease.

This was an intricate and organic project that had to pivot around lockdowns, social distancing and the constant presence of the Covid pandemic that impacted each person and the staff that work with them differently. Monitoring has shown that it has been effective in reaching and engaging young people and that many have benefitted from the targeted, specialist support.

QUAGGY DEVELOPMENT TRUST

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 MARCH 2021

ACHIEVEMENTS AND PERFORMANCE 2020-2021 (continued)

Getting through it together

Just before the second national lockdown in the Autumn of 2020, Quaggy was successful in securing funding to create a menu of online wellbeing, learning and fun activities to help people stay well and connected. The funding was focused on meeting the needs of children and families and those dealing with the challenges of being a new parent.

Older people, who had become both more vulnerable and isolated as a result of the pandemic, were also supported. From Zoom based fitness classes, music sessions and bouncing babies to online wellbeing/engagement workshops for mums/carers at risk of peri-natal depression, 'Getting through it together' facilitated many QDT services online providing new ways for people in need of support to get the help they needed.

Counselling Service

As with our other services, the Counselling Service had to stop in March 2020 when the first lockdown was announced. Clients were kept in touch with and supported via emails, but it was not viable to see clients in our settings, so the decision was made to close the counselling service for a temporary period. During the summer of 2020 plans were made to re-launch it in October; this included a blended mix of online and face to face counselling, initially for those clients who had previously had to stop their sessions suddenly.

Circumstances also changed for the Counsellors and we began recruiting to re-build the team, this included a new Counselling Service Lead, who joined the team in January 2021.

FUTURE PLANS AND KEY OBJECTIVES FOR 2021-2022

We are currently still in the midst of a global pandemic and so most of our plans for the coming year will be focusing on the recovery and adaptation of services. These will include services for older people, young people and children and families.

We will re-open the counselling service and reinstate face to face sessions when and where people feel comfortable.

We also aim to increase occupancy in the nurseries post pandemic and restoring parents' confidence in accessing the provision post pandemic.

We are strengthening our commitment to our ECO journey; building on the things we are already doing, celebrating and embedding them. We will develop an Action Plan, Eco Policy and address sustainability across the Trust.

The Trustees have initiated a review of the Charity's Memorandum and Articles of Association, which they expect to be concluded during the year.

QUAGGY DEVELOPMENT TRUST

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 MARCH 2021

INVESTMENT POLICY

The Charity owns two investment properties in the local area. It is the Charity's policy to maintain these investments for the foreseeable future in order to provide regular income and capital appreciation. The Trustees continue to monitor the local housing market to ensure that they are fully informed and can make appropriate decisions on the investments.

RESERVES POLICY

After consideration of funding and contingency requirements of the Charity, the Trustees believe that free reserves (as defined by the Charity Commission) equivalent to approximately six months of expenditure should be maintained, which they estimate as being approximately £1,500,000. At 31 March 2021, free reserves amounted to £847,780 and so were some way below the target.

TRUSTEES' RESPONSIBILITIES

The trustees 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. 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 company and of the income and expenditure of the 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 judgments and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

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 the group 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 audit information of which the charitable company's auditor is unaware; and
- the trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor 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.

QUAGGY DEVELOPMENT TRUST

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 MARCH 2021

AUDITORS

Simpson Wreford LLP have expressed their willingness to continue as auditors and their reappointment will be proposed at the Annual General Meeting.

The above report has been prepared in accordance with the special provisions of Section 419(2) of the Companies Act 2006 relating to small companies.

Signed on behalf of the board of trustees on 30th November 2021.



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S Riley (Treasurer and Vice-Chair)

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF
QUAGGY DEVELOPMENT TRUST FOR THE YEAR ENDED 31 MARCH 2021**

Opinion

We have audited the financial statements of Quaggy Development Trust (the 'Charity') for the year ended 31 March 2021 which comprise the Consolidated Statement of Financial Activities, Consolidated Balance Sheet, Consolidated Cash Flow Statement and the related notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102: The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the Charity's affairs as at 31 March 2021 and of its incoming resources and application of resources for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the Charity in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the trustees' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the Charity's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information

The trustees are responsible for the other information. The other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF
QUAGGY DEVELOPMENT TRUST FOR THE YEAR ENDED 31 MARCH 2021**

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the trustees' report (incorporating the strategic report and the directors' report) for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the trustees' report (incorporating the strategic report and the directors' report) have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

~~In the light of the knowledge and understanding of the Charity and its environment obtained in the course of the audit, we have not identified material misstatements in the Trustees' Annual Report.~~

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept or returns adequate for our audit have not been received from branches not visited by us;
- the financial statements are not in agreement with the accounting records and returns;
- we have not obtained all the information and explanations necessary for the purposes of our audit;
- the directors were not entitled to prepare the financial statements in accordance with the small companies' regime and take advantage of the small companies' exemption in preparing the directors' report and take advantage of the small companies' exemption from the requirement to prepare a strategic report.

Responsibilities of the trustees

As explained more fully in the trustees' responsibilities statement set out on page 8, the trustees are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the Charity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the Charity or to cease operations, or have no realistic alternative but to do so.

Our responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements. A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: [www.frc.org.uk/auditorsresponsibilities]. This description forms part of our auditor's report.

Extent to which the audit was considered capable of detecting irregularities, including fraud

- the engagement partner ensured that the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with applicable laws and regulations;
- we identified the laws and regulations applicable to the company through discussions with directors and other management, and from our commercial knowledge and experience of membership organisations and support services sector;
- we focused on specific laws and regulations which we considered may have a direct material effect on the financial statements or the operations of the company, including the Companies Act 2006, data protection and OFSTED regulations

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF
QUAGGY DEVELOPMENT TRUST FOR THE YEAR ENDED 31 MARCH 2021**

- we assessed the extent of compliance with the laws and regulations identified above through making enquiries of management and inspecting legal correspondence; and
- identified laws and regulations were communicated within the audit team regularly and the team remained alert to instances of non-compliance throughout the audit.

Audit response to risks identified

We assessed the susceptibility of the Charity's financial statements to material misstatement, including obtaining an understanding of how fraud might occur, by:

- making enquiries of management as to where they considered there was susceptibility to fraud, their knowledge of actual, suspected and alleged fraud; and
- considering the internal controls in place to mitigate risks of fraud and non-compliance with laws and regulations.

To address the risk of fraud through management bias and override of controls, we:

- performed analytical procedures to identify any unusual or unexpected relationships;
- tested journal entries to identify unusual transactions;
- assessed whether judgements and assumptions made in determining the accounting estimates set out in Note 1 were indicative of potential bias; and
- investigated the rationale behind significant or unusual transactions.

In response to the risk of irregularities and non-compliance with laws and regulations, we designed procedures which included, but were not limited to:

- agreeing financial statement disclosures to underlying supporting documentation;
- enquiring of management as to actual and potential litigation and claims; and
- reviewing correspondence with OFSTED.

There are inherent limitations in our audit procedures described above. The more removed that laws and regulations are from financial transactions, the less likely it is that we would become aware of non-compliance. Auditing standards also limit the audit procedures required to identify non-compliance with laws and regulations to enquiry of the directors and other management and the inspection of regulatory and legal correspondence, if any.

Material misstatements that arise due to fraud can be harder to detect than those that arise from error as they may involve deliberate concealment or collusion.

Use of our report

This report is made solely to the Charity's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Charity's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Charity's members as a body, for our audit work, for this report, or for the opinions we have formed.



Michael Broder BSc FCA (Senior Statutory Auditor)
for and on behalf of Simpson Wreford LLP, Statutory Auditor
Wellesley House, Duke of Wellington Avenue, Royal Arsenal, London SE18 6SS

Dated: 10/12/21.....

Simpson Wreford LLP is eligible to act as an auditor in terms of section 1212 of the Companies Act 2006

QUAGGY DEVELOPMENT TRUST

**CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES
FOR THE YEAR ENDED 31 MARCH 2021
(including consolidated income and expenditure account)**

	Notes	2021 Unrestricted funds £	2021 Restricted funds £	2021 Total funds £	2020 Total funds £
Income					
Donations and legacies	3	98	47,000	47,098	47,790
Charitable activities	4	959,519	2,210,675	3,170,194	2,161,571
Investment income	5	21,661	-	21,661	16,547
Other trading activities	6	24,966	-	24,966	55,326
Other income		2,046	-	2,046	3,069
Total income		<u>1,008,290</u>	<u>2,257,675</u>	<u>3,265,965</u>	<u>2,284,303</u>
Expenditure					
Raising funds	8	39,101	-	39,101	65,350
Charitable activities	9	<u>1,108,150</u>	<u>1,925,399</u>	<u>3,033,549</u>	<u>2,032,418</u>
Total expenditure		<u>1,147,251</u>	<u>1,925,399</u>	<u>3,072,650</u>	<u>2,097,768</u>
Net (expenditure)/income		(138,961)	332,276	193,315	186,535
Transfer between funds	16	<u>243,828</u>	<u>(243,828)</u>	-	-
Net income before other recognised gains and losses		<u>104,867</u>	<u>88,448</u>	<u>193,315</u>	<u>186,535</u>
Other recognised gains and losses					
Gains on investment assets		-	-	-	45,000
Actuarial (losses)/gains on Defined benefit pension scheme	17	<u>(101,090)</u>	-	<u>(101,090)</u>	<u>42,487</u>
Net movement in funds		3,777	88,448	92,225	274,022
Reconciliation of funds					
Total funds brought forward		<u>1,875,574</u>	<u>256,838</u>	<u>2,132,412</u>	<u>1,858,390</u>
Total funds carried forward	16	<u>1,879,351</u>	<u>345,286</u>	<u>2,224,637</u>	<u>2,132,412</u>

The Statement of Financial Activities includes all gains and losses recognised in the year.

All income and expenditure is derived from continuing activities.

The notes on pages 16 to 29 form part of these financial statements.

QUAGGY DEVELOPMENT TRUST

CONSOLIDATED BALANCE SHEET AS AT 31 MARCH 2021

	Notes	Group		Charity	
		2021	2020	2021	2020
		£	£	£	£
Fixed assets					
Tangible assets	11	256,612	279,431	256,423	278,702
Investments	12	<u>966,038</u>	<u>475,000</u>	<u>966,039</u>	<u>475,001</u>
		1,222,650	754,431	1,222,462	753,703
Current assets					
Stock	13	188	188	-	-
Debtors	14	46,755	652,448	122,215	751,579
Cash at bank and in hand		<u>1,529,477</u>	<u>1,587,280</u>	<u>1,525,637</u>	<u>1,544,374</u>
		1,576,420	2,239,916	1,647,852	2,295,953
Creditors: amounts falling due within one year	15	<u>(383,354)</u>	<u>(798,381)</u>	<u>(379,203)</u>	<u>(792,430)</u>
Net current assets		<u>1,193,066</u>	<u>1,441,535</u>	<u>1,268,649</u>	<u>1,503,523</u>
Total assets less current liabilities		2,415,716	2,195,966	2,491,111	2,257,226
Defined benefit pension scheme	17	<u>(191,079)</u>	<u>(63,554)</u>	<u>(191,079)</u>	<u>(63,554)</u>
Total assets less liabilities		<u>2,224,637</u>	<u>2,132,412</u>	<u>2,300,032</u>	<u>2,193,672</u>
Funds					
Unrestricted general funds		1,677,766	1,610,435	1,753,161	1,671,695
Designated fund		-	63,554	-	63,554
Unrestricted revaluation reserve		201,585	201,585	201,585	201,585
Restricted funds		<u>345,286</u>	<u>256,838</u>	<u>345,286</u>	<u>256,838</u>
Total funds	16	<u>2,224,637</u>	<u>2,132,412</u>	<u>2,300,032</u>	<u>2,193,672</u>

The directors have prepared group accounts in accordance with section 398 of the Companies Act 2006 and section 138 of the Charities Act 2011.

The company is entitled to the exemption from the audit requirement contained in section 477 of the Companies Act 2006, for the year ended 31 March 2021, although an audit has been carried out under section 144 of the Charities Act 2011. No member of the company has deposited a notice, pursuant to section 476, requiring an audit of these accounts under the requirements of the Companies Act 2006.

These financial statements have been prepared in accordance with the special provisions of Part 15 of the Companies Act 2006.

The financial statements on pages 13 to 29 were approved by the Trustees on 30th November 2021 and are signed on their behalf by:



S Riley (Treasurer and Vice-Chair)
Trustee

Company number: 04749158 (England and Wales). Charity number: 1109711.

QUAGGY DEVELOPMENT TRUST

**CONSOLIDATED STATEMENT OF CASHFLOWS
FOR THE YEAR ENDED 31 MARCH 2021**

	Notes	2021 £	2020 £
Cash generated by operating activities	21	<u>446,838</u>	<u>288,766</u>
Cash flows from investing activities			
Interest income		1,663	1,275
Purchase of investment property		(491,038)	-
Purchase of tangible fixed assets		<u>(15,266)</u>	<u>(36,447)</u>
Cash used in investing activities		<u>(504,641)</u>	<u>(35,172)</u>
(Decrease)/increase in cash and cash equivalents in the year		<u>(57,803)</u>	<u>253,594</u>
Cash and cash equivalents at the beginning of the year		<u>1,587,280</u>	<u>1,333,685</u>
Total cash and cash equivalents at the end of the year		<u>1,529,477</u>	<u>1,587,280</u>

QUAGGY DEVELOPMENT TRUST

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2021

1. Principal accounting policies

Company information

Quaggy Development Trust is a Charitable Company Limited by Guarantee incorporated in England and Wales, registration number 04749158. The registered office is Quaggy Childrens Centre, Orchard Hill, London, SE13 7QZ.

Basis of accounting

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

Quaggy Development Trust 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.

The financial statements are prepared in sterling, which is the functional currency of the charity. Monetary amounts in these financial statements are rounded to the nearest pound.

The financial statements have been prepared on the historical cost convention, modified to include certain financial instruments at fair value or amortised cost. The principal accounting policies adopted are set out below.

Group financial statements

The financial statements consolidate the results of the charity and its wholly owned subsidiary, Quaggy Café At Parkside Limited, on a line by line basis. A separate Statement of Financial Activities and Income and Expenditure Account for the charity has not been presented because the Trust has taken advantage of the exemption afforded by section 408 of the Companies Act 2006.

Income

Income is recognised dependent on the nature of the income receivable:

- Nursery and crèche fees are accounted for on an accrual basis. Any fees received in advance are deferred and included in the Statement of Financial Activities in the year the fees relate to.
- Donations are recognised when the charity is legally entitled to the income.
- Grants receivable are accounted for on an accrual basis and are accounted for in charitable activities and recognised in the restricted funds to which they relate.
- Other trading activities relate to income derived from the subsidiary company and are recognised at fair value upon transfer of goods or at the time of a service being provided.
- Other income, including bank interest, is accounted for on an accrual basis once the income becomes receivable and that amount can be measured reliably by the charity.
- Donated services and donated facilities are recognised as income when the charity has control over the item, any conditions associated with the donated item 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. On receipt, donated 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.

QUAGGY DEVELOPMENT TRUST

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2021

1. Principal Accounting Policies (continued)

Expenditure

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 comprise the costs of commercial trading and includes wage costs of employees' time spent and their associated support costs.
- Expenditure on charitable activities includes the costs of running community projects and the children's services, undertaken to further the purposes of the charity and their associated support costs.

Grants payable are accounted for on an accrual basis and are accounted for in charitable activities and recognised in the restricted funds to which they relate if applicable. Grants payable to third parties are within the charitable objectives. Where unconditional grants are offered, this is accrued as soon as the recipient is notified of the grant, as this gives rise to a reasonable expectation that the recipient will receive the grant.

Allocation of support costs

Support costs which are attributable to more than one activity, are apportioned across cost categories on the basis of an estimate of the proportion of time spent by staff on those activities. The apportionment is defined as either direct or indirect.

Investment property

Investment property, which is property held to earn rentals and/or for capital appreciation, is initially recognised at cost, which includes the purchase cost and any directly attributable expenditure. Subsequently it is measured at fair value at the reporting end date. Fair value is determined by the Trustees using freely available information from internet sites such as Rightmove and Zoopla. The surplus or deficit on revaluation is recognised in the Statement of Financial Activities.

Tangible fixed assets

Individual fixed assets with a cost of more than £300 are capitalised at cost and depreciated over their expected useful life, as follows:

Plant and machinery, consisting of:

- | | |
|---------------------------|-------------------|
| • Kitchen equipment | 20% straight line |
| • Toys and play equipment | 25% straight line |

Office equipment, consisting of:

- | | |
|--------------------|-------------------|
| • Office equipment | 15% straight line |
| • Computers | 25% straight line |

Leasehold improvements	15 years straight line
------------------------	------------------------

Quaggy Café at Parkside Limited

- | | |
|---------------------|----------------------|
| • Kitchen equipment | 25% reducing balance |
|---------------------|----------------------|

Stock

Stocks are valued at the lower of cost and net realisable value.

Debtors

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

QUAGGY DEVELOPMENT TRUST

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2021

1. Principal Accounting Policies (continued)

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.

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 discount due.

Operating lease commitments

Rentals paid under operating leases are charged on a straight-line basis over the lease term.

Going concern

At the time of approving the financial statements, the trustees have a reasonable expectation that the charity has adequate resources to continue in operational existence for the foreseeable future. Thus, the trustees continue to adopt the going concern basis of accounting in preparing the financial statements.

Pensions

Retirement benefits to one of the employees of the charity are provided by the Local Government Pension Scheme ('LGPS'). This is a defined benefit scheme, the assets of which are held separately from those of the charity.

The LGPS is a funded scheme and the assets are held separately from those of the charity in separate trustee administered funds. Pension scheme assets are measured at fair value and the liabilities are measured on an actuarial basis using the projected unit method and discounted at a rate equivalent to the current rate of return on a high quality corporate bond of equivalent term and currency to the liabilities. The actuarial valuations are obtained at least triennially and are updated at each balance sheet date. The amounts charged to operating surplus are the current service costs and gains and losses on settlements and curtailments. They are included as part of staff costs. Past service costs are recognised immediately if the benefits have vested. If the benefits have not vested immediately, the costs are recognised over the period until vesting occurs. The expected return on assets and the interest cost are shown as a net finance amount of other finance cost or credits adjacent to interest. Actuarial gains and losses are recognised immediately in other gains and losses.

The Charity also operates a defined contribution pension scheme. The assets of this scheme are also held separately from those of the Charity in an independently administered fund. Contributions are charged to the Statement of Financial Activities as they become payable. Pension contributions are allocated between restricted and un-restricted funds are allocated based on the time spent by staff.

Financial instruments

The charity only has financial assets and liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value.

Legal status of the Trust

The Trust is a company limited by guarantee and has no share capital. In the event of the charity being wound up, the liability in respect of the guarantee is limited to £1 per member of the charity.

QUAGGY DEVELOPMENT TRUST

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2021

1. Principal Accounting Policies (continued)

Fund accounting

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

Restricted funds are funds made to the charity which are to be used in accordance with specific restrictions imposed by donors. The cost of raising and administering such funds are charged against the specific fund. The aim and use of material restricted funds is set out in note 16 to the financial statements.

Designated funds are unrestricted funds which have been designated by the Trustees for a specific purpose.

2. Financial performance of the Charity

The consolidated statement of financial activity includes the results of the Charity's wholly owned subsidiary, Quaggy Café at Parkside Limited. The summary financial performance of the Charity alone is:

	2021 £	2020 £
Income	3,240,999	2,228,977
Expenditure	(3,033,549)	(2,032,418)
	207,450	196,559
Gains/(losses) on investment assets	-	45,000
Actuarial (losses)/gains on defined benefit pension scheme	(101,090)	42,487
Net income	106,360	284,046
Funds brought forward	2,193,672	1,909,626
Total funds carried forward	2,300,032	2,193,672
Represented by:		
Restricted funds	345,286	256,838
Unrestricted funds	1,954,746	1,936,834
	2,300,032	2,193,672

3. Donations income

	2021 £	2020 £
Notional rent - restricted	47,000	47,000
Other donations - unrestricted	98	790
	47,098	47,790

The local council provides the buildings, from which the Quaggy Children's Centre and Nursery and Margaret Bondfield Nursey are run, free of charge. Notional rent is an estimated contribution of the cost to the Charity if the facilities were to be provided by third party.

QUAGGY DEVELOPMENT TRUST

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2021

4. Charitable activities income

	Unrestricted Funds 2021 £	Restricted Funds 2021 £	Total 2021 £	Total 2020 £
Nursery and crèche fees	837,068	-	837,068	1,146,545
Start Well Greenwich West contract	-	2,162,641	2,162,641	879,431
Other grant income	69,381	48,034	117,415	49,340
Catering income	182	-	182	1,115
Other community work income	22,042	-	22,042	64,009
Other Children's Centre income	30,846	-	30,846	21,131
	<u>959,519</u>	<u>2,210,675</u>	<u>3,170,194</u>	<u>2,161,571</u>

Comparative information regarding funds is shown in note 22.

5. Investment income

	2021 £	2020 £
Rental income	19,998	15,272
Bank interest	<u>1,663</u>	<u>1,275</u>
	<u>21,661</u>	<u>16,547</u>

All amounts relate to unrestricted funds.

6. Commercial trading operations

The wholly owned subsidiary Quaggy Café at Parkside Limited is incorporated in the United Kingdom (company number 10642622). The subsidiary company operates a local community café located near to the Quaggy Childrens Centre. The summary financial performance of the subsidiary alone is:

	2021 £	2020 £
Turnover and other operating income	24,966	55,326
Cost of sales and administrative expenses	<u>(39,101)</u>	<u>(65,350)</u>
Net loss retained in subsidiary	<u>(14,135)</u>	<u>(10,024)</u>
The assets and liabilities of the subsidiary were:		
Fixed assets	189	729
Current assets	4,028	45,155
Current liabilities	<u>(79,611)</u>	<u>(107,143)</u>
Total net liabilities	<u>(75,394)</u>	<u>(61,259)</u>
Aggregate share capital and reserves	<u>(75,394)</u>	<u>(61,259)</u>

QUAGGY DEVELOPMENT TRUST

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2021

7. Operating profit

	2021 £	2020 £
This is stated after charging:		
Depreciation of owned fixed assets	38,085	36,203
Auditor's remuneration		
- Audit of the financial statements	5,500	5,500
- Other services	1,748	1,748

8. Raising funds expenditure

	2021 £	2020 £
Commercial trading operations – note 6	39,101	65,350
Fundraising expenditure	-	-
	<u>39,101</u>	<u>65,350</u>

9. Charitable activities expenditure

	Unrestricted funds £	Restricted funds £	Total 2021 £	Total 2020 £
Staff costs including expenses	862,086	577,439	1,439,525	1,437,962
Subcontract costs	-	1,058,311	1,058,311	-
Premises, utilities and equipment	122,050	122,070	244,120	207,817
Community activities	13,903	68,811	82,714	172,560
Nursery and crèche	23,169	686	23,855	53,886
Office, computers and communications	29,510	48,242	77,752	42,724
Legal and professional	-	40,189	40,189	57,130
Depreciation	37,545	-	37,545	36,205
Sundry expenses	12,449	5,499	17,948	11,036
Audit and accountancy fees	<u>7,438</u>	<u>4,152</u>	<u>11,590</u>	<u>13,098</u>
	<u>1,108,150</u>	<u>1,925,399</u>	<u>3,033,549</u>	<u>2,032,418</u>

Comparative information regarding funds is shown in note 22.

QUAGGY DEVELOPMENT TRUST

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2021

10. Staff costs and numbers

No remuneration was paid to any of the Trustees in the year and none of the Trustees were reimbursed any expenses in the year.

Staff wage costs were as follows:

	2021	2020
	£	£
Salaries and wages	1,107,759	1,138,902
Key management remuneration	141,896	144,356
Social security costs	107,361	106,262
Defined contribution pension costs	21,655	22,532
Pension service cost	<u>25,516</u>	<u>22,013</u>
	<u>1,404,187</u>	<u>1,434,065</u>

One employee, who is included above within key management, received emoluments of between £90,001 and £100,000 both in the current year and the comparative year. No other employee received emoluments of more than £60,000 in either year.

The average monthly number of employees during the year was as follows:

	2021	2020
	No.	No.
Nursery and Children Centre staff	41	41
Management and administration	14	14
Other support services	4	4
Quaggy Café at Parkside	<u>2</u>	<u>2</u>
	<u>61</u>	<u>61</u>

11. Tangible fixed assets - Group

	Leasehold improvements	Office equipment	Plant & machinery	Kitchen equipment	Total
	£	£	£	£	£
Cost or valuation					
At 1 April 2020	302,355	139,826	78,381	1,728	522,290
Additions	-	15,266	-	-	15,266
Disposals	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
At 31 March 2021	<u>302,355</u>	<u>155,092</u>	<u>78,381</u>	<u>1,728</u>	<u>537,556</u>
Depreciation					
At 1 April 2020	60,472	103,007	78,381	999	242,859
Charge for the year	<u>20,156</u>	<u>17,389</u>	<u>-</u>	<u>540</u>	<u>38,085</u>
At 31 March 2021	<u>80,628</u>	<u>120,396</u>	<u>78,381</u>	<u>1,539</u>	<u>280,944</u>
Net book value					
At 31 March 2021	<u>221,727</u>	<u>34,696</u>	<u>-</u>	<u>189</u>	<u>256,612</u>
At 31 March 2020	<u>241,883</u>	<u>36,819</u>	<u>-</u>	<u>729</u>	<u>279,431</u>

QUAGGY DEVELOPMENT TRUST

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2021

11. Tangible fixed assets - *Charity*

	Leasehold improvements £	Office equipment £	Plant & machinery £	Total £
Cost or valuation				
At 1 April 2020	302,355	139,826	78,381	520,562
Additions	-	15,266	-	15,266
Disposals	-	-	-	-
At 31 March 2021	<u>302,355</u>	<u>155,092</u>	<u>78,381</u>	<u>535,828</u>
Depreciation				
At 1 April 2020	60,472	103,007	78,381	241,860
Charge for the year	<u>20,156</u>	<u>17,389</u>	-	<u>37,545</u>
At 31 March 2021	<u>80,628</u>	<u>120,396</u>	<u>78,381</u>	<u>279,405</u>
Net book value				
At 31 March 2021	<u>221,727</u>	<u>34,696</u>	-	<u>256,423</u>
At 31 March 2020	<u>241,883</u>	<u>36,819</u>	-	<u>278,702</u>

12. Investments - *Group*

	Investment properties £	Total £
Valuation		
At 1 April 2020	475,000	475,000
Additions	<u>491,038</u>	<u>491,038</u>
At 31 March 2021	<u>966,038</u>	<u>966,038</u>

Charity

	Investments	Investment properties £	Total £
Valuation			
At 1 April 2020	1	475,000	475,001
Additions	-	<u>491,038</u>	<u>491,038</u>
At 31 March 2021	<u>1</u>	<u>966,038</u>	<u>966,039</u>

The investment in subsidiary relates to the entire ordinary share capital of Quaggy Café at Parkside Limited and the details of this company are provided in note 6 to these financial statements.

13. Stock

	Group		Charity	
	2021 £	2020 £	2021 £	2020 £
Food	<u>188</u>	<u>188</u>	-	-

QUAGGY DEVELOPMENT TRUST

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2021

14. Debtors

	Group		Charity	
	2021	2020	2021	2020
	£	£	£	£
Trade debtors	18,058	607,162	18,058	605,162
Other debtors	14,811	16,756	14,811	16,694
Amounts owed by group undertakings	-	-	75,460	101,193
Prepayments and accrued income	<u>13,886</u>	<u>28,530</u>	<u>13,886</u>	<u>28,530</u>
	<u>46,755</u>	<u>652,448</u>	<u>122,215</u>	<u>751,579</u>

15. Creditors

	Group		Charity	
	2021	2020	2021	2020
	£	£	£	£
Trade creditors	51,089	63,138	50,922	60,853
Accruals and deferred income	291,258	69,955	287,274	66,289
Other creditors	<u>41,007</u>	<u>665,288</u>	<u>41,007</u>	<u>665,288</u>
	<u>383,354</u>	<u>798,381</u>	<u>379,203</u>	<u>792,430</u>

16. Reserves

	At beginning of period	Incoming resources	Resources expended	Gains & losses	Transfers	At 31 March 2021
	£	£	£	£	£	£
<i>Unrestricted funds</i>						
General funds (gross)	1,610,435	1,008,290	(1,147,251)	(101,090)	498,461	1,868,845
Pension liability	-	-	-	-	(191,079)	(191,079)
General funds (net)	1,610,435	1,008,290	(1,147,251)	(101,090)	307,382	1,677,766
Revaluation reserve	201,585	-	-	-	-	201,585
Designated fund	<u>63,554</u>	-	-	-	<u>(63,554)</u>	-
<i>Total unrestricted funds</i>	<u>1,875,574</u>	<u>1,008,290</u>	<u>(1,147,251)</u>	<u>(101,090)</u>	<u>243,828</u>	<u>1,879,351</u>
<i>Restricted funds</i>						
Children-in-need	-	22,087	(13,532)	-	-	8,555
RBG Perinatal grant	13,010	13,957	(420)	-	-	26,547
Notional rent - QCC	-	22,250	(22,250)	-	-	-
Notional rent - MBN	-	24,750	(24,750)	-	-	-
Lewisham Council grant	-	2,000	(2,000)	-	-	-
London Comm. Foundation	-	9,990	(9,990)	-	-	-
RBG West area CC	243,828	-	-	-	(243,828)	-
RBG West area SWG	-	<u>2,162,641</u>	<u>(1,852,457)</u>	-	-	<u>310,184</u>
<i>Total restricted funds</i>	<u>256,838</u>	<u>2,257,675</u>	<u>(1,925,399)</u>	-	<u>(243,828)</u>	<u>345,286</u>
<i>Total funds</i>	<u>2,132,412</u>	<u>3,265,965</u>	<u>(3,072,650)</u>	<u>(101,090)</u>	-	<u>2,224,637</u>

Unrestricted funds

The revaluation reserve relates to the investment properties.

The designated fund was intended to match the defined benefit pension scheme deficit.

QUAGGY DEVELOPMENT TRUST

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2021

16. Reserves (continued)

Restricted funds

Children-in-Need – Funding received from BBC Children-in-need for a project entitled “Think aloud – Document your Pandemic”.

RBG Perinatal Services – Funding received from Royal Borough of Greenwich for Perinatal Services.

Notional Rent QCC and MBN represents estimates of the rent that would be payable for the premises from which Quaggy Children’s Centre and Margaret Bondfield Nurseries operate if they were not provided rent-free by the Royal Borough of Greenwich. The estimates are included as donations in note 3 and expenditure in note 9.

Lewisham Council Grant relates to an Additional Restrictions Grant received from Lewisham Council to mitigate financial losses due to the Covid-19 pandemic at the charity’s nursery in the Borough of Lewisham.

London Community Foundation relates to a grant received to provide remote well-being support services for families during lockdown.

RBG West area CC relates to funds relating to the Contract to deliver Children’s Centre Services in the Greenwich West area which ran until 31 March 2020, when the balance of funds became unrestricted.

RBG West area SWG relates to the “Start Well Greenwich” Contract to deliver Children’s Centre and Health Visitor Services in the Greenwich West area for a period of five years from 1 April 2020. The Charity has subcontracted the delivery of Health Visitor services in conjunction with two partner organisations.

17. Pension commitments – group and charity

During the year, the charity employed three (2020: one) members of staff who belonged to the Local Government Pension Scheme (LGPS), a defined benefit pension scheme managed by a local authority.

The pension costs are assessed in accordance with the advice of independent qualified actuaries. The latest actuarial valuation related to the year ended 31 March 2021. There were no outstanding or prepaid contributions at either the beginning or the end of the financial year.

Local Government Pension Scheme (LGPS)

The charity is one of the several employing bodies included within the Local Government Pension Scheme.

The LGPS is a funded defined-benefit scheme, with the assets held in separate trustee-administered funds. The total employer’s contribution for the year ended 31 March 2021 was £16,185 (2020: £9,818) representing a contribution rate of 18.6%.

Principal Activity Assumptions

	2021	2020
	%	%
Rate of increase in salaries	3.80	2.75
Rate of increase in pensions	2.80	1.75
Discounted rate for liabilities	2.05	2.35
Inflation rate	2.80	1.75
The return on the Fund is estimated to be -7%		

QUAGGY DEVELOPMENT TRUST

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2021

17. Pension commitments – group and charity (continued)

Mortality assumptions

The assumed life expectations on retirement at age 65 are:

	2021	2020
<i>Retiring today</i>		
Males	20.9	20.8
Females	23.6	23.5

Retiring in 20 years

Males	22.4	22.3
Females	25.2	25.1

Analysis of amounts recognised in the Statement of Financial Activities

	2021 £	2020 £
Current service cost	40,891	22,013
Net interest on defined benefit liability	1,664	2,077
Administration expenses	65	58
Total expenditure to be recognised in the SOFA	<u>42,620</u>	<u>24,148</u>

Value of scheme assets and liabilities

	2021 £	2020 £
Equities	13,174	6,285
Bonds	23,812	13,041
Property	12,615	7,713
Cash	1,774	1,104
Unutilised insurance policies	55,595	25,548
UK & Overseas unit trusts	<u>35,400</u>	<u>15,004</u>
Market value of assets	142,370	68,695
Present value of scheme liabilities – funded	<u>(333,449)</u>	<u>(132,249)</u>
Net pension deficit in scheme	<u>(191,079)</u>	<u>(63,554)</u>

The expected return on assets, other than bonds, is calculated using an economic scenario generator that uses probability distributions to project a range of possible outcomes for the future behaviour of asset returns and economic variable. Expected returns on bond assets are derived from the yields applicable to the accounting date on suitable bond indices.

QUAGGY DEVELOPMENT TRUST

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2021

17. Pension commitments – group and charity (continued)

Analysis of amount chargeable to the Statement of Financial Activities (SOFA)

	2021 £	2020 £
Return of fund assets in excess of interest	22,879	(6,335)
Other actuarial gains/(losses) on assets	-	(1,677)
Change in financial assumptions	(123,969)	26,169
Change in demographic assumptions	-	15,670
Experience gain on defined benefit obligation	-	8,660
Actuarial losses on scheme liabilities	-	-
Actuarial (loss)/gain recognised	<u>(101,090)</u>	<u>42,487</u>

Movements in present value of defined benefit obligations:

	2021 £	2020 £
Liabilities at 1 April 2020	132,249	152,869
Current service cost	25,516	19,482
Contributions from scheme members	6,536	4,071
Change in financial assumptions	123,969	(26,169)
Change in demographic assumptions	-	(15,670)
Liabilities assumed on settlements	41,034	-
Experience gain on defined benefit obligation	-	(8,660)
Past service cost	-	2,531
Interest cost	<u>4,145</u>	<u>3,795</u>
At 31 March 2021	<u>333,449</u>	<u>132,249</u>

Movements in the fair value of Fund assets

	2021 £	2020 £
Fair value of assets at 1 April 2020	68,695	65,229
Interest on assets	2,481	1,718
Return on assets less interest	22,879	(6,335)
Actuarial loss	-	(1,677)
Administration expenses	(65)	(58)
Settlement prices received / (paid)	25,659	-
Contributions by employer	16,185	5,747
Contributions by scheme members	<u>6,536</u>	<u>4,071</u>
Fair value of assets at 31 March 2021	<u>142,370</u>	<u>68,695</u>

QUAGGY DEVELOPMENT TRUST

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2021

18. Other financial commitments

At the year end the Charity had annual commitments under non-cancellable operating lease in relation to the Nursery at Parkside Square, Lewisham, SE10 8FN as set out below:

	2021 £	2020 £
Falling due within one year	112,000	112,000
Falling due between two and five years	112,000	224,000
	<u>224,000</u>	<u>336,000</u>

All operating lease payments are charged to the SOFA as they fall due.

19. Analysis of group net assets between funds

	Unrestricted funds £	Restricted funds £	Total £
<i>2021</i>			
Fixed assets	1,222,650	-	1,222,650
Cash at bank and in hand	1,184,191	345,286	1,529,477
Other net current liabilities	(336,411)	-	(336,411)
Pension scheme provision	<u>(191,079)</u>	<u>-</u>	<u>(191,079)</u>
	<u>1,879,351</u>	<u>345,286</u>	<u>2,224,637</u>
<i>2020</i>			
Fixed assets	754,431	-	754,431
Cash at bank and in hand	1,330,441	256,839	1,587,280
Other net current liabilities	(145,745)	-	(145,745)
Pension scheme provision	<u>(63,554)</u>	<u>-</u>	<u>(63,554)</u>
	<u>1,875,573</u>	<u>256,839</u>	<u>2,132,412</u>

20. Related parties

During the year and the comparative year no Trustees were reimbursed any expenses.

At 31 March 2021, the charity was owed £75,460 (2020: £101,193) by its subsidiary, Quaggy Café at Parkside Limited. No interest is charged on the balance, which is repayable on demand.

QUAGGY DEVELOPMENT TRUST

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2021

21. Reconciliation of net movement in funds to net cash flow from operating activities

	2021 £	2020 £
Net movement in funds	92,225	274,022
Depreciation charge	38,085	36,446
Interest shown as investment income in SOFA	(1,663)	(1,275)
Revaluation gain	-	(45,000)
Increase/(decrease) in defined benefit pension liability	127,525	(24,086)
Increase in stock	-	-
Decrease/(increase) in debtors	605,693	(553,865)
(Decrease)/increase in creditors	(415,027)	602,524
Net cash generated by operating activities	<u>446,838</u>	<u>288,766</u>

22. Comparative information

	Unrestricted Funds £	Restricted Funds £	Total £
<i>Analysis of Income from charitable activities by fund (note 4)</i>			
Nursery and crèche fees	1,146,545	-	1,146,545
Greenwich West Children's Centre contract	-	879,431	879,431
Other grant income	-	49,340	49,340
Catering income	1,115	-	1,115
Other community work income	64,009	-	64,009
Other Children's Centre income	21,131	-	21,131
	<u>1,232,800</u>	<u>928,771</u>	<u>2,161,571</u>
<i>Analysis of Expenditure on charitable activities by fund (note 6)</i>			
Staff costs including expenses	790,177	647,785	1,437,962
Premises, utilities and equipment	98,054	109,763	207,817
Community activities	38,369	134,191	172,560
Nursery and crèche	52,682	1,204	53,886
Office, computers and communications	30,666	12,058	42,724
Legal and professional	243	56,887	57,130
Depreciation	36,205	-	36,205
Sundry expenses	7,963	3,073	11,036
Audit and accountancy fees	7,408	5,690	13,098
	<u>1,061,767</u>	<u>970,651</u>	<u>2,032,418</u>

