

Hillside Pre-School (Chorleywood) Ltd

A Charitable Company Limited by Guarantee

Trustees' Annual Report and Unaudited Financial Statements

For the period 1 September 2019 to 31 August 2020

Registered Charity Number: 1132378

Company registration Number: 7013187

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HILLSIDE PRE-SCHOOL (CHORLEYWOOD) LTD (THE 'COMPANY')

REPORT OF THE TRUSTEES FOR THE PERIOD 1 SEPTEMBER 2019 TO 31 AUGUST 2020

The Trustees are pleased to present their annual report together with the financial statements for the period 1 September 2019 to 31 August 2020.

The financial statements have been prepared in accordance with the accounting policies set out in note 1 to the financial statements and 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 the Republic of Ireland (FRS 102) (effective 1 January 2015).

REFERENCE AND ADMINISTRATIVE INFORMATION

Charity name: Hillside Pre-School (Chorleywood) Ltd

Registered charity number: 1132378

Company Registration number: 7013187

Address of principal office and registered office:

Hillside Free Church Hall

Hillside Road

Chorleywood

Hertfordshire

WD3 5AS

Trustees:

The Trustees, who are also the directors for the purpose of company law, and who served during the period are listed below. The Trustees together comprise the management committee.

Chair: Sarah Papadopoulos (1st Sept 2019 – 31st Aug 2020)

Treasurer: Geetali Khatri (1st Sept 2019 – 31st Aug 2020)

Secretary: Megan Dalo (1st Sept 2019 – 31st Dec 2019)

Secretary: Nadia White (1st Jan 2020 – 31st Aug 2020)

Elected Member: Katherine Butler (1st Sept 2019 – 1st March 2020)

Elected Member: Paola Fagel (1st Sept 2019 – 31st Aug 2020)

Co-opted then Elected Member: Georgina Murphy (12th Nov 2019 - 31st Aug 2020)

Co-opted then Elected Member: Kirsten-Lee Bower (1st Jan 2020 - 31st Aug 2020)

Independent Examiner: Ms Myfanwy Ronchetti FCA

Bankers: NatWest Bank
13 High Street
Chesham
Buckinghamshire
HP5 1BQ

CAF Bank
25 Kings Hill Avenue
Kings Hill
West Malling
Kent ME19 4TA

Website: www.hillsidepreschool.co.uk

STRUCTURE, GOVERNANCE AND MANAGEMENT

Governing Document

Hillside Pre-School (Chorleywood) Ltd is a company limited by guarantee, incorporated on 8th September 2009 and registered as a charity on 28 October 2009. The Company does not have any share capital. It is governed by its Memorandum and Articles of Association dated 4 September 2009, as amended on 4 May 2010 and subsequently the 13 October 2010. In the event of the Company being wound up members are required to contribute an amount not exceeding £1.

Appointment of Management Committee ("the Committee")

The directors of the Hillside Pre-School (Chorleywood) Limited are also the charity's Trustees for the purpose of charity law and under the company's Articles of Association are known as members of the Management Committee ("the Committee").

Under the requirements of the Memorandum and Articles of Association, the members of the Committee are elected at the Annual General Meeting ("AGM") to serve for a period of one year after which they must be re-elected at the next AGM. All members are circulated with invitations to nominate trustees prior to the AGM.

The Committee must consist of a Chair, a Treasurer and a Secretary plus a minimum of 2 and no more than 9 elected members.

All members of the Committee give their time voluntarily and receive no remuneration or benefits from the charity.

OBJECTIVES AND ACTIVITIES

Purposes of the Charity

The aims of the Pre-School are to enhance the development and education of children primarily under statutory school age by encouraging parents to understand and provide for the needs of their children through community groups and by

- Offering appropriate play, education and care facilities and training courses, together with the right of parents to take responsibility for and to become involved in the activities of such groups, ensuring that such groups offer opportunities for all children whatever their race, culture, religion, means or ability;
- Encouraging the study of needs of such children and their families and promoting public interest in and recognition of such needs;
- Instigating and adhering to and furthering the aims and objects of the Pre-School Learning Alliance.

Summary of the main activities

The Pre-School provides 5 sessions per week from 9am to 3pm during term time only. The sessions are available as follows: 9am-12pm, 9am-1.30pm, 12.00pm-1.30pm (lunch club) and 12pm- 3pm.

During each session the Pre-School will:

- Develop the various skills of the children through play and education;
- Introduce different themes throughout the year to help focus and educate the children
- Encourage the children to experience different activities during a session.

Value of Public Good by the charity

Our charity provides education for children under the statutory school age in our area of operation. This includes both social and educational activities for the children during our morning sessions, our lunch club, which encourages social eating, and our afternoon session giving the children an opportunity for further educational development and play.

Our charity works alongside the local community, attending local events such as the Christmas Evening and Village Day.

ACHIEVEMENTS AND PERFORMANCE

Chair's Report

For 2019-20 Hillside continued to offer full time places providing education for 2–4 year-olds from 9am to 3pm, 5 days per week in term time. Following analysis of the 2018-19 finances it was concluded that Hillside's running costs were not being covered by our income. This was partly due to an increased demand for 2 year old places (requiring a smaller child to adult ratio than 3 year olds) and an more children taking up the "free early education" for 3 and 4 year olds (these funded hours paying significantly less per hour than our hourly cost). This was combined with rising staff costs (increase in national minimum wage and the introduction of the auto-enrolment pension scheme), increasing consumables costs (such as items for snack time, providing personalised "Learning Journals", baking and craft supplies and personal care consumables) and increasing annual staff training costs. From 1st Jan 2020 fees were therefore increased with the introduction of new charging structure for 2yrs olds, plus the introduction of a voluntary 50p per hour Services and Consumables Charge for children taking up a 3-4yr funded place.

In March 2020 the Covid-19 pandemic caused the temporary closure of Hillside on 25th March due to the country going into lockdown and the government closure of all schools and early year settings. The full staff team (except our Administrator) was placed on furlough. The majority of parents continued to voluntarily pay outstanding invoices to April to support the pre-school. We were not able to charge fees from May to mid June, as the Pre School remained closed. Fortunately, Herts County Council continued to pay us for our planned funded hours and combined with our staff furlough claims and a rent holiday from Hillside Free Church for the period we were closed, meant that the financial impact was limited. The Pre-School Committee continued to meet remotely via Zoom during this period to review the changing government guidance. Following extensive risk-assessments new procedures were put in place, so we were able to partially re-open in mid June. We opened with 2 staff and a limited number of sessions for 3-4yrs olds only for the remainder of the summer term to enable a small 'bubble' of 10 children with lots of time spent outdoors.

A £500 'Coronavirus Grant' from Herts County Council enabled us to purchase additional PPE, cleaning equipment and supplies plus two mobile sinks to enable increased hand-washing, allowing us to operate within public health guidance to ensure the safety of children and staff.

July 2020 saw the retirement of Arderne Gilles the Minister of Hillside Free Church and the end of the operation of the building as a functioning place of worship. Covid-19 delayed the planned purchase of the building from the Baptist Union by St Andrews Church (expected to complete in 2021-22. A formal 20yr lease has been negotiated with our landlords the Baptist Union protecting and formalising our existing arrangement prior to any sale and securing Hillside's future in the building. Arderne was a regular visitor to pre-school with her guitar and joyful music sessions which will be missed sorely by children and staff alike.

Fundraising

Fundraising efforts were dramatically curtailed due to the start of the Covid-19 pandemic in the Spring Term. A total of £1,740 (2019: £2,341) was raised as a result of fundraising efforts which

included taking part in the Chorleywood Parish Council Quiz Night, designing and selling Christmas cards, children's Christmas Shop, a stall at both the Chorleywood Christmas Evening, Waitrose/Tesco collection schemes and the selling of an Anniversary tea towel to end our year of 40th Birthday celebrations. A number of leaving families generously donated their 'deposits' rather than asking for them to be returned and a GoFundMe page set-up at the end of term for leaving families generated a sizable sum of donations.

In addition, in November 2019 we were fortunate enough to successfully secure a £550 Herts County Council 'Community Grant' to replace three essential supporting technology items; failing administrator laptop, broken walkies talkies and upgrade old digital camera.

FINANCIAL REVIEW

Financial Performance

During the year, Total Income exceeded Total Expenditure by £ 4,362 (as compared to a net deficit of £16,319 for the previous year).

There was a decrease in Income (Charitable activities) from £85,452 to £70,691 mainly caused by closure due to Covid-19 lockdown. The council funding did continue during lockdown period.

There was also decrease in Expenditure (Charitable activities) from £98,874 to £67,213. The factors contributing to decrease in Expenditure are the Government support received via Coronavirus Job retention scheme and freezing of rent during the lockdown period.

At the end of August 2020, we had a healthy number of children signed up for next year.

Additionally, fundraising initiatives resulted in £1,740 (previous year £ 2,341) being generated from various activities, mainly around Christmas period.

The charity has adequate reserves to cover contingencies and anticipated outflows.

Reserves Policy

It is the charity's policy that an unrestricted reserve of a minimum of one term's worth of operating costs (estimated at £25,000) is established in order to:

- ensure financial continuity in the event of a large variation in income;
- maintain a positive cash flow and,
- cover specific future projects as they are agreed.

The reserve level exceeded the minimum amount during the year and as at the end of the financial year.



Sarah Papadopoulos (Chair)

17th February 2021

For and on behalf of the Trustees of the Hillside Preschool (Chorleywood) Ltd

Independent examiner's report to the trustees of Hillside Pre-School (Chorleywood) Ltd

I report to the trustees on my examination of the accounts of the above charity for the year ended 31 August 2020, which are set out on pages 9 to 13.

Respective responsibilities of trustees and examiner

As the charity's trustees (who are the directors of the company for the purpose of company law), you are responsible for the preparation of the accounts in accordance with the requirements of the Charities Act 2011 (the 'Act').

The charity's trustees consider that an audit is not required for this year under section 144(2) of the Charities Act 2011 (the 2011 Act) and that an independent examination is needed.

I report in respect of my examination of the Trust's accounts carried out under section 145 of the 2011 Act and in carrying out my examination I have followed all the applicable Directions given by the Charity Commission under section 145(5)(b) of the Act.

Independent examiner's statement

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

1. accounting records were not kept in respect of the Trust as required by section 130 of the Act; or
2. the accounts do not accord with those records; or
3. The accounts do not comply with the applicable requirements concerning the form and content of accounts set out in the Charities (Accounts and Reports) Regulations 2008 other than any requirement that the accounts give a 'true and fair view which is not a matter considered as part of an independent examination.

I have no concerns and have come across no other matters in connection with the examination to which attention should be drawn in this report in order to enable a proper understanding of the accounts to be reached.



Name: Myfanwy Ronchetti

Relevant professional qualification or body: FCA (Fellow of the Institute of Chartered Accountants of England and Wales)

Address: 14 Shire Lane, Chorleywood, Hertfordshire, WD3 5NQ

Date: 27 February 2020

STATEMENT OF FINANCIAL ACTIVITIES

(Including Income and Expenditure Account)

For the period ended 31 August 2020

	Notes	Unrestricted / Total Funds 2020 £	/Total Funds 2019 £
Income from:			
Charitable activities		70,691	85,452
Other income	3	1,922	401
Total Income		72,613	85,853
Expenditure on:			
Charitable activities		67,213	98,874
Raising funds		475	2,735
Depreciation of assets		563	563
Total Expenditure		68,251	102,172
Net income / (expenditure) for the period /		4,362	(16,319)
Net movement in funds			
Balance brought forward at 1 September		47,930	64,250
Balance carried forward as 31 August		52,292	47,930

All amounts relate to continuing activities. The Company has no recognised gains or losses other than the results for the period as set out above. The charity has no Restricted Funds or Endowment Funds.

The notes numbered 1 to 8 form part of these financial statements.

BALANCE SHEET

As at 31 August 2020

		2020	2019
	Notes	£	£
Fixed assets	4	2,389	2,952
Current assets			
Cash at bank and in hand		48,314	45,713
Debtors	5	4,144	264
		52,458	45,978
Creditors: amounts falling due within one year	6	(2,555)	(1,000)
Net current assets		49,903	44,978
Total assets less current liabilities / Net assets		52,292	47,930
Reserves			
Unrestricted funds		52,292	47,930

The charity has no Restricted Funds or Endowment Funds.

For the period ended 31 August 2020, the Company was entitled to exemption from audit under section 477 of the Company Act 2006 relating to small companies.

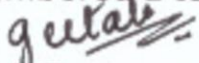
The members have not required the Company to obtain an audit of its financial statements for the period in question in accordance with section 476. In accordance with the Charities Act 2011, the financial statements have been independently examined.

The directors acknowledge their responsibilities for complying with the requirements of the Companies Act 2006 with respect to accounting records and the preparation of the financial statements.

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

The financial statements were approved by the Trustees on 17th February 2021.

The notes numbered 1 to 8 form part of these financial statements.


Geetali Khatri, Treasurer

17th February 2021

For and on behalf of the Trustees of the Hillside Preschool (Chorleywood) Ltd

Notes to the financial statements
For the period ended 31 August 2020

1 Basis of preparation and accounting policies

Basis of Preparation

The financial statements have been prepared under the historical cost convention with items recognised at cost or transaction value unless otherwise stated in the relevant note(s) to these accounts. The accounts have been prepared in accordance with the 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) issued on 16 July 2014 as updated through Update Bulletin 1 published on 2 February 2016. The financial statements are prepared in accordance with the Charities Act 2011.

Accounting policies

The following principal accounting policies have been applied:

a) Income and expenditure

Income from charitable activities comprises pre-school fees, government funding, donations and fund-raising income.

Pre-school fees are recognised when the amounts are invoiced.

Government funding relating to the current year is recognised when the amounts are received.

Donations and fund-raising income are recognised when received by the charity.

Expenditure is recognised on the accruals basis.

b) Fixed assets

Equipment used within the Pre-School premises is capitalised and depreciated on a straight-line basis over ten years. Individual items of equipment with a purchase price of £1,000 or less are written off when the asset is acquired.

c) Cash flow statement

The Company has taken advantage of the exemption in FRS 102 for a small entity from including a cash flow statement in the financial statements.

d) Leases

All leases are operating leases. Their annual rentals are charged to the profit and loss account on a straight-line basis over the term of the lease.

Notes to the financial statements
For the period ended 31 August 2020

2 Trustees

None of the Trustees (or any persons connect with them) received any remuneration or benefits from the charity during the year.

3 Other Income

Included in other income in 2020 are 2 grants totaling £1050 (2019: £0) - £500 'Coronavirus Grant' from Herts County Council and £550 Herts County Council 'Community Grant'.

4 Tangible fixed assets

Cost

As at 31 August 2019 5,629

As at 31 August 2020 5,629

Accumulated depreciation

As at 31 August 2019 2,677

Charge for the year 563

At 31 August 2020 3,240

Net book value at 1 September 2019 2,952

Net book value at 31 August 2020 2,389

5 Debtors

Amounts falling due within one year

2020 2019

£ £

Trade debtors - -

Due under Govt Coronavirus JRS 3,880

Prepayments and accrued income 264 264

4,144 264

6 Creditors: amounts falling due within one year

2020 2019

£ £

Trade creditors 200 200

Deposits from Students 1,800

Accruals and deferred income 555 800

2,555 1,000

Trade creditors comprise fees of £200 for the annual independent examination of the financial statements (2019: £200).

7 Commitments under operating leases

As at 31 August 2020, the Company had annual commitments under an operating lease totalling £7,216 (2019: £6,987). The lease relates to rental of the premises from which the Pre-School operates.

8 Transaction with related parties

There were no transactions with related parties during the year.