

**Hillside Pre-School (Chorleywood) Ltd**  
**A Charitable Company Limited by Guarantee**

**Trustees' Annual Report  
and Audited Financial Statements**

**For the period 1 September 2021 to 31 August 2022**

**Registered Charity Number: 1132378**

**Company registration Number: 7013187**

## **CONTENTS**

|                                      |                |
|--------------------------------------|----------------|
| <b>Report of the Trustees</b>        | <b>Page 3</b>  |
| <b>Independent Examiner's Report</b> | <b>Page 9</b>  |
| <b>Audited Financial Statements</b>  | <b>Page 10</b> |

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

### **REPORT OF THE TRUSTEES FOR THE PERIOD 1 SEPTEMBER 2021 TO 31 AUGUST 2022**

The Trustees are pleased to present their annual report together with the financial statements for the period 1 September 2021 to 31 August 2022.

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 (1<sup>st</sup> Sept 2021 – 31<sup>st</sup> March 2022)

Co Chair: Elected Member: Kirsten-Lee Bower (1<sup>st</sup> Sept 2021 - 1<sup>st</sup> March 2022)

Chair: Charlie Lamont ( 1<sup>st</sup> April 2022 - 31<sup>st</sup> Aug 2022)

Treasurer: Naseem Sadique (1<sup>st</sup> Sept 2021 – 31<sup>st</sup> Aug 2022)

Secretary: Georgina Murphy (1<sup>st</sup> Sept 2021 – 31<sup>st</sup> Aug 2022)

Elected Member: Kirsten-Lee Bower (1<sup>st</sup> Sept 2021 - 1<sup>st</sup> March 2022)

Elected Member: Georgina Murphy (1<sup>st</sup> Sept 2021 – 31<sup>st</sup> Aug 2022)

Elected Member: Charlie Lamont (1<sup>st</sup> Sept 2021 – 31<sup>st</sup> Aug 2022)

Elected Member: Emily Harris (7th March 2022 – 31<sup>st</sup> Aug 2022)

Elected Member: Laurie Randall (7th March 2022 – 31<sup>st</sup> Aug 2022)

**Independent Examiner:** Nigel Challis 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](http://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

The ultimate measure of our success has always and will always be the education and happiness of the children entrusted to our care. On this measure, the 2021/2022 school year has been a huge success. We are very proud and thankful to all the staff for their continued dedication and hard work. However, the Pre-School does need to cover its costs, and, on this front, we have had a difficult year.

A Parent Survey was sent out in the Summer Term which resulted in some excellent feedback to be published on the Pre-school's website. In summary, out of 10 questions asked surrounding the quality of care, support and staffing at Hillside Pre-School, 9 questions received 100% agree or strongly agree answers, with only 1 question relating to regularity of children's progress reports with a 12.5% disagree result.

Key to many of the parent comments was the caring and nurturing environment that staff create – and how well children were prepared for their next steps -

*"My daughter has definitely loved her time at Hillside and her confidence levels have increased during her year at Hillside. She always looks forward to going to school and always comes out with a smile on her face."*

*"Hillside has been absolutely wonderful & we feel very lucky to be a part of the school. We are so grateful for the extra support you have given us too with extra sessions! Looking forward to next year!"*

*"Thank you for all the hard work and commitment that you have put into my son's development. It's been such a nurturing environment for him and he loved his Hillside family. We are sad that he's leaving but also know that he'd been prepared well for the next step. Thank you so much!"*

We are still feeling the ongoing fallout from Covid and the fundamental changes to the way society operates as a result. We had all hoped that we would see a pickup in the number of children coming to the Pre-School but "Work from home" is still the norm for a lot of parents and as a result childcare requirements have changed. We have seen a reduction in the number of children on our books this year compared to previous years. Coupled with an increase in government enforced minimum wages and record inflation driving up our costs we have been required to be focused on fiscal prudence to ensure the continued operation of the pre-school.

This year saw a near total refresh of the Committee whilst members retired as their children moved through the schooling system. Our thanks are extended to these members who served so faithfully through such difficult times and all the new members who so willingly give so much to our little community for the benefit of all our children.

The committee has faced three main challenges this year

- i) *Increase to the National Minimum Wage* - Though this was a statutory change it did cause a few issues that the committee had to deal with. It was discovered that there had been an erroneous calculation relating to holiday pay that, on legal advice, we

corrected by back paying staff the statutory requirement of shortfall. This placed additional strain on our finances but was owed to staff and we were very grateful we were able to correct this. Adjustments were made to wages for staff falling below the new National Minimum Wage and they were informed as such. We also increased the wages of key staff in line with the National Minimum Wage increase to maintain their seniority.

ii) *Financial planning* – A large pool of time and resources were assigned to understanding our balance sheet as the charity is systematically losing money month on month. It became very clear that with the current number of children, staffing requirements set out by the government and income, our current fee structure makes the charity unsustainable. The Committee set out to understand parent requirements and wishes through surveys to best understand how we could increase our revenue. We are continuing with strategic planning sessions to maximise these options and looking at creative solutions to bring in more income. To help improve our financial situation the committee increased fees charged for both 2- and 3-year-olds and upped the voluntary top-up contribution asked for children on government funding hours. Using our best estimates on numbers of children for the upcoming year we believe this will allow us to approximately break even whilst concentrating on improving our financial situation.

iii) *Staff changes* – The Deputy Manager & SENco retired after 29 years at the Pre-School. The decision was taken to replace this staff member with full time hours to increase the number of sessions available to parents. A great effort was made to advertise, interview and recruit the correct replacement and I am pleased to say we managed to find a new The Deputy Manager & SENco, who not only covers the hours required, but also frees up some time of the manager to focus on improving our facilities and attracting more children to our preschool.

## **Fundraising**

One benefit of Covid restrictions lifting was the reinvigoration of the fundraising efforts. We managed to raise a recent maximum thanks to the tireless efforts of our committee, staff and parents totalling just over £2800. Events such as:

- Christmas Stall at the Village Christmas Event, Festive Trail, Photos, Cards and Shop raised £748
- Car Boot Sale raised £403
- Summer Raffle raised £950
- Ad-hoc Bake Sales raised £162
- Mother and Father's Day shops raising £93
- Money Boxes raised £84
- Village Day £144

## **FINANCIAL REVIEW**

### **Financial Performance**

Financial highlights for the year ended 31 August, 2022:

This was a very difficult period from a business point of view due to the pandemic and resulting lock downs.

Total expenditure exceeds total income by **£17,515** (2021: £12,965). Income (charitable activities) was down at **£59,654** in 2022 (2021: 71,815).

There was a reduction in total expenditure to **£77,169** (2021: £84,971)

The reduction in expenditure was mainly due to the wages costs in 2021 which included redundancy payments to two long time staff amounting to £6,500.

At the end of August 2022, we had a healthy number of children signed up for next year.

Additionally, fundraising initiatives resulted in **£2,810** (2021 : £ 2,439) being generated from various activities, mainly around the Christmas period.

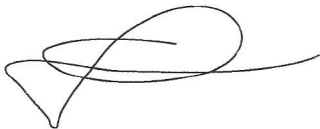
The charity has adequate reserves to cover contingencies and anticipated outflows.

### **Reserves Policy**

It is the charity's policy that an unrestricted reserve of a minimum of one term's worth of operating costs 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 as of the date of approval of these financial statements is considered sufficient to fund one term's operating costs.



**Charlene Lamont (Chair)**

**Friday 21st April 2023**



## **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 2022, which are set out on pages 10 to 14.

### **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: Nigel Challis

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

Address: Shepherd's Lodge, Homefield Road, Chorleywood, Hertfordshire, WD3 5QJ

Date: Friday 21st April 2023

## STATEMENT OF FINANCIAL ACTIVITIES

(Including Income and Expenditure Account)

For the period ended 31 August 2022

|  | Notes | 2022<br>£ | 2021<br>£ |
|--|-------|-----------|-----------|
| <b>Income from:</b>  |       |           |           |
| Charitable activities  |       | 59,154    | 71,815    |
| Other income   | 3     | 500       | 190       |
| <b>Total Income</b>  |       | 59,654    | 72,005    |
| <b>Expenditure on:</b>   |       |           |           |
| Charitable activities  |       | 75,928    | 83,922    |
| Raising funds  |       | 643       | 450       |
| Depreciation of assets   |       | 598       | 598       |
| <b>Total Expenditure</b>   |       | 77,169    | 84,970    |
| <b>Net income / (expenditure) for the period /<br/>Net movement in funds</b> |       | (17,515)  | (12,965)  |
| Balance brought forward at 1 September                                       |       | 39,327    | 52,292    |
| <b>Balance carried forward as 31 August</b>                                  |       | 21,812    | 39,327    |

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 2022

|   |              | 2022    |        | 2021    |        |
|---|--------------|---------|--------|---------|--------|
|   | <i>Notes</i> | £       | £      | £       | £      |
| <b>Fixed assets</b>                                       | 4            |         | 1,541  |         | 2,139  |
| <b>Current assets</b>                                     |              |         |        |         |        |
| Cash at bank and in hand                                  |              | 23,030  |        | 41,414  |        |
| Debtors   | 5            | 208     |        | 211     |        |
|   |              | 23,238  |        | 41,625  |        |
| <b>Creditors: amounts falling due within one year</b>     | 6            | (2,967) |        | (4,437) |        |
| Net current assets  |              |         | 20,271 |         | 37,188 |
| <b>Total assets less current liabilities / Net assets</b> |              |         | 21,812 |         | 39,327 |
| <b>Reserves</b>   |              |         |        |         |        |
| Unrestricted funds  |              |         | 21,812 |         | 39,327 |

The charity has no Restricted Funds or Endowment Funds.

For the period ended 31 August 2022, 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 Friday 21st April 2023.

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

  
**Naseem Sadique, Treasurer**  
Friday 21st April 2023

**Notes to the financial statements**  
**For the period ended 31 August 2022**

**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 2022**

**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 is a grant of £500 from the local councillor which was used towards refurbishment of the floor area. There were no grants awarded in 2021.

**4 Tangible fixed assets**

|   | £            |
|---|--------------|
| <b>Cost</b>                               |              |
| As at 31 August 2021                      | 5,977        |
| As at 31 August 2022                      | 5,977        |
| <b>Accumulated depreciation</b>           |              |
| As at 31 August 2021                      | 3,838        |
| Charge for the year                       | 598          |
| At 31 August 2022                         | 4,436        |
| <b>Net book value at 1 September 2021</b> | <b>2,139</b> |
| <b>Net book value at 31 August 2022</b>   | <b>1,541</b> |

**5 Debtors**

| <b>Amounts falling due within one year</b> | <b>2022</b> | <b>2021</b> |
|--|-------------|-------------|
|  | £           | £           |
| Prepayments and accrued income             | <b>208</b>  | <b>211</b>  |

**Notes to the financial statements**  
**For the period ended 31 August 2022**

**6 Creditors: amounts falling due within one year**

|                              | <b>2022</b>  | <b>2021</b>  |
|------------------------------|--------------|--------------|
|                              | <b>£</b>     | <b>£</b>     |
| Trade creditors              | -            | 200          |
| Deposits from Students       | 1,700        | 1,800        |
| Accruals and deferred income | 1,267        | 2,437        |
|                              | <b>2,967</b> | <b>4,437</b> |

Trade creditors in 2021 comprise fees of £200 for the annual independent examination of the financial statements.

**7 Commitments under operating leases**

As at 31 August 2022, the Company had annual commitments under an operating lease totalling £7,604 (2021: £7,604). 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.

**Notes to the financial statements**  
**For the period ended 31 August 2022**

**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.

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*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.

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| As at 31 August 2021                      | 3,838        |
| Charge for the year                       | 598          |
| At 31 August 2022                         | 4,436        |
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| <b>Net book value at 31 August 2022</b>   | <b>1,541</b> |

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|--|-------------|-------------|
|  | £           | £           |
| Prepayments and accrued income             | 208         | 211         |



**Notes to the financial statements**  
**For the period ended 31 August 2022**

**6 Creditors: amounts falling due within one year**

|                              | <b>2022</b>  | <b>2021</b>  |
|------------------------------|--------------|--------------|
|                              | <b>£</b>     | <b>£</b>     |
| Trade creditors              | -            | 200          |
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| Accruals and deferred income | 1,267        | 2,437        |
|                              | <b>2,967</b> | <b>4,437</b> |

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