

**REGISTERED COMPANY NUMBER: 07422642 (England and Wales)**  
**REGISTERED CHARITY NUMBER: 1142850**

**REPORT OF THE TRUSTEES AND  
UNAUDITED FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 OCTOBER 2021  
FOR  
THE TREE HOUSE CHILDREN'S CENTRE**

Dexter & Sharpe  
Chartered Certified Accountants  
Rollestone House  
20-22 Bridge Street  
Horncastle  
Lincolnshire  
LN9 5HZ

**THE TREE HOUSE CHILDREN'S CENTRE**  
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**FOR THE YEAR ENDED 31 OCTOBER 2021**

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**THE TREE HOUSE CHILDREN'S CENTRE**  
**REPORT OF THE TRUSTEES**  
**FOR THE YEAR ENDED 31 OCTOBER 2021**

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The trustees who are also directors of the charity for the purposes of the Companies Act 2006, present their report with the financial statements of the charity for the year ended 31 October 2021. The trustees have adopted the provisions of 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).

#### **OBJECTIVES AND ACTIVITIES**

- a) To provide the necessary facilities for the daily care, recreation, development and education of children aged from six weeks old.
- b) To advance the education and training of the persons in the provision of such care, education, development and recreational facilities.

#### **Occupancy**

Occupancy levels within all rooms remain consistent with previous years and most days are at the maximums in line with our ethos. Spaces in the Little People's room left by school leavers have been quickly filled by children filtering up from the Small People's room and babies have transitioned from the Tiny People's room to make way for new starters. Even though we do not actively advertise other than through our Facebook page and posters within our local communities, the vast majority of our custom comes through word of mouth and recommendations. We are very fortunate to always have a consistent gentle flow of interest in the Tree House with regular visits to look at our setting. Nearly all of parents who visit our setting book a place with us. This is testament to our reputation of the unique ethos and the service we provide. We have a waiting list in place and parents placing their children onto our waiting list as soon as their pregnancy has been confirmed to ensure they have a place. Kids club has unfortunately remained on a reduced service due to staffing levels but places that have been offered have been well received. It is hoped that with the successful recruitment of more staff the kids club will be able to return to a full service.

#### **Developments at The Tree House**

The outside area continues to flourish and this year the allotment area has had a new polytunnel erected which has meant a lot more own produce can be grown and used within the kitchen. Gregory Croft Trust have had new windows and doors installed to the front of the property and the driveway and carpark resurfaced both making a huge improvement to the appearance and efficiency of the building.

Within the building new additions have seen the inspiration board, a borrowing bag scheme, the Nursery mice Derek and Terrance and the Nursery dog Lyric - all of whom are firm favourites with the children.

#### **Parent Partnership**

With the easing of Covid restrictions we have welcomed parents back into the setting for events such as the Halloween celebration, the Christmas Nativity and the Easter celebration.

Parent Consultations are embedded within the Tree House and staff regularly offer these to parents throughout the year to discuss their children's progress. Learning journeys are also regularly shared throughout the year.

We are very fortunate to have some lovely parents who contribute to the well-being of the setting in various ways, from donating resources, sharing ideas, attending our fundraising events such as the Christmas and Easter raffles.

We continue to share information with our parents through a variety of ways including emails, Facebook and newsletters.

#### **Community Links**

We continue to develop our links with the local community as much as staffing and Covid restrictions have allowed.

The tree at the front of the nursery has become a community gifting tree during popular celebratory periods. We have had an Easter Egg gifting Tree and also a Halloween trick or treat tree which we have had some lovely feedback from demonstrating gratitude from our parents and the local community. A definite highlight once again was visiting the care home to sing Christmas songs with our children and their residents.

We are very fortunate to have received some very generous donations of furniture recently from friends of the Tree House which go a long way to making the setting feel like a real home from home for the children.

We have continued to reach out to nearby settings this year by offering out frog spawn via Facebook when we had an abundance this spring. This was gratefully accepted by several who then kept in contact as pen pals providing updates on the spawn's development. We are hoping this is something that will continue.

## THE TREE HOUSE CHILDREN'S CENTRE

### REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 OCTOBER 2021

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#### FINANCIAL REVIEW

##### Financial position

Our financial report shows that fees and Early Years Entitlement Funded Places have increased this year mainly due to being back up to full capacity after lockdowns, but also due to a fee increase that was implemented on 1 July 2021. The main reason for the fee increase was to cover the minimum wage increase for staff and ever rising overheads.

As stated wages have increased due to staff levels returning to normal after lockdowns and the increase in minimum wage. Expenses such as food and light and heat have also increased as occupancy returns to normal and as prices have started to rise. Rent has returned to the normal annual charge after the reduction we were generously given during the pandemic.

We are closely monitoring the ever increasing cost of living crisis and will, if needed, look at implementing another fee increase. This is not something we take on lightly as we understand our families are already under the strain of increasing costs but we need to ensure our reserves are not depleted too far risking the future of the setting.

#### FUTURE PLANS

We continue to look to provide more opportunities for our parents and their families to benefit from the setting including opening up the setting on a weekend day to provide picnic and play days, pond dipping sessions etc.

We are still looking into the possibility of obtaining a wooden cabin/ hummer House to provide a base within the field which can be used by the Kids Club during the holiday periods. During non-holiday periods this can be used by the little people and would also provide potential opportunities for groups within the community to use.

We are continuously looking to develop links and opportunities with our wider community. One such example is the aim of setting up a Mother and Baby/Toddler group to be held once a month. We also want to continue to build links with outside settings particularly with contrasting communities to build our children's knowledge and understanding of the world around them.

#### STRUCTURE, GOVERNANCE AND MANAGEMENT

##### Governing document

The charity is controlled by its governing document, a deed of trust, and constitutes a limited company, limited by guarantee as defined by the Companies Act 2006. This means that it is a not-for-profit company and as such does not distribute its profits to members but retains them within the organisation.

#### REFERENCE AND ADMINISTRATIVE DETAILS

##### Registered Company number

07422642 (England and Wales)

##### Registered Charity number

1142850

##### Registered office

Gregory Croft House  
Fen Road  
East Kirkby  
Spilsby  
Lincolnshire  
PE23 4DB

##### Trustees

E K Moss  
Miss C C Tait  
Mrs B Bailey  
Mrs A Sweetman  
Mrs K E Waterson  
Ms K Jacklin  
Miss L Farrell (appointed 10.11.2020)

##### Independent Examiner

Tristan J Russell FCCA  
Dexter & Sharpe  
Chartered Certified Accountants  
Rollestone House  
20-22 Bridge Street  
Horncastle  
Lincolnshire  
LN9 5HZ

**THE TREE HOUSE CHILDREN'S CENTRE**

**REPORT OF THE TRUSTEES  
FOR THE YEAR ENDED 31 OCTOBER 2021**

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**REFERENCE AND ADMINISTRATIVE DETAILS**

The committee provide an invaluable support network to the Tree House and between all members there is a wide range of knowledge which is a great asset to the setting. The Committee and staff within the Tree House have great relationships, who all work well together to achieve the same goals. Where there are any concerns or tasks which need to be dealt with the committee can always be called upon to support and assist which ensures the Tree House continues to run as effectively as it does.

Approved by order of the board of trustees on 2 August 2022 and signed on its behalf by:



Mrs K E Waterson - Trustee

**INDEPENDENT EXAMINER'S REPORT TO THE TRUSTEES OF  
THE TREE HOUSE CHILDREN'S CENTRE**

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**Independent examiner's report to the trustees of The Tree House Children's Centre ('the Company')**

I report to the charity trustees on my examination of the accounts of the Company for the year ended 31 October 2021.

**Responsibilities and basis of report**

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


Having satisfied myself that the accounts of the Company are not required to be audited under Part 16 of the 2006 Act and are eligible for independent examination, I report in respect of my examination of your charity's accounts as carried out under section 145 of the Charities Act 2011 ('the 2011 Act'). In carrying out my examination I have followed the Directions given by the Charity Commission under section 143(5) (b) of the 2011 Act.

**Independent examiner's statement**

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

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

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



Tristran J Russell FCCA  
Dexter & Sharpe  
Chartered Certified Accountants  
Rollestone House  
20-22 Bridge Street  
Horncastle  
Lincolnshire  
LN9 5HZ

2 August 2022

**THE TREE HOUSE CHILDREN'S CENTRE**

**STATEMENT OF FINANCIAL ACTIVITIES  
FOR THE YEAR ENDED 31 OCTOBER 2021**

	Notes	Unrestricted fund £	Restricted fund £	2021 Total funds £	2020 Total funds £
<b>INCOME AND ENDOWMENTS FROM</b>					
Charitable activities					
Children's Centre		191,125	-	191,125	127,275
Other income		2,579	-	2,579	10,869
<b>Total</b>		<b>193,704</b>	<b>-</b>	<b>193,704</b>	<b>138,144</b>
<b>EXPENDITURE ON</b>					
Charitable activities					
Children's Centre		190,748	-	190,748	154,101
<b>NET INCOME/(EXPENDITURE)</b>		<b>2,956</b>	<b>-</b>	<b>2,956</b>	<b>(15,957)</b>
<b>RECONCILIATION OF FUNDS</b>					
Total funds brought forward		41,849	-	41,849	57,806
<b>TOTAL FUNDS CARRIED FORWARD</b>		<b>44,805</b>	<b>-</b>	<b>44,805</b>	<b>41,849</b>

**CONTINUING OPERATIONS**

All income and expenditure has arisen from continuing activities.

**THE TREE HOUSE CHILDREN'S CENTRE**

**BALANCE SHEET  
31 OCTOBER 2021**

	Notes	Unrestricted fund £	Restricted fund £	2021 Total funds £	2020 Total funds £
<b>FIXED ASSETS</b>					
Tangible assets	6	4,244	-	4,244	4,384
<b>CURRENT ASSETS</b>					
Debtors	7	9,879	-	9,879	379
Cash at bank and in hand		37,322	-	37,322	43,055
		<u>47,201</u>	<u>-</u>	<u>47,201</u>	<u>43,434</u>
<b>CREDITORS</b>					
Amounts falling due within one year	8	(6,640)	-	(6,640)	(5,969)
<b>NET CURRENT ASSETS</b>		<u>40,561</u>	<u>-</u>	<u>40,561</u>	<u>37,465</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<u>44,805</u>	<u>-</u>	<u>44,805</u>	<u>41,849</u>
<b>NET ASSETS</b>		<u>44,805</u>	<u>-</u>	<u>44,805</u>	<u>41,849</u>
<b>FUNDS</b>	9				
Unrestricted funds				44,805	41,849
<b>TOTAL FUNDS</b>				<u>44,805</u>	<u>41,849</u>

The charitable company is entitled to exemption from audit under Section 477 of the Companies Act 2006 for the year ended 31 October 2021.

The members have not required the company to obtain an audit of its financial statements for the year ended 31 October 2021 in accordance with Section 476 of the Companies Act 2006.

The trustees acknowledge their responsibilities for

- ensuring that the charitable company keeps accounting records that comply with Sections 386 and 387 of the Companies Act 2006 and
- preparing financial statements which give a true and fair view of the state of affairs of the charitable company as at the end of each financial year and of its surplus or deficit for each financial year in accordance with the requirements of Sections 394 and 395 and which otherwise comply with the requirements of the Companies Act 2006 relating to financial statements, so far as applicable to the charitable company.

These financial statements have been prepared in accordance with the provisions applicable to charitable companies subject to the small companies regime.

The financial statements were approved by the Board of Trustees and authorised for issue on 2 August 2022 and were signed on its behalf by:



K E Waterson - Trustee



# THE TREE HOUSE CHILDREN'S CENTRE

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 OCTOBER 2021

### 1. ACCOUNTING POLICIES

#### Basis of preparing the financial statements

The financial statements of the charitable company, which is a public benefit entity under FRS 102, have been prepared in accordance with the Charities SORP (FRS 102) '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)', Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and the Companies Act 2006. The financial statements have been prepared under the historical cost convention.

#### Income

All income is recognised in the Statement of Financial Activities once the charity has entitlement to the funds, it is probable that the income will be received and the amount can be measured reliably.

#### Expenditure

Liabilities are recognised as expenditure as soon as there is a legal or constructive obligation committing the charity to that expenditure, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. Expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all cost related to the category. Where costs cannot be directly attributed to particular headings they have been allocated to activities on a basis consistent with the use of resources.

#### Tangible fixed assets

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life.

Plant and machinery	- 15% on reducing balance
Computer equipment	- 15% on reducing balance

#### Taxation

The charity is exempt from corporation tax on its charitable activities.

#### Fund accounting

Unrestricted funds can be used in accordance with the charitable objectives at the discretion of the trustees.

Restricted funds can only be used for particular restricted purposes within the objects of the charity. Restrictions arise when specified by the donor or when funds are raised for particular restricted purposes.

Further explanation of the nature and purpose of each fund is included in the notes to the financial statements.

#### Pension costs and other post-retirement benefits

The charitable company operates a defined contribution pension scheme. Contributions payable to the charitable company's pension scheme are charged to the Statement of Financial Activities in the period to which they relate.

### 2. NET INCOME/(EXPENDITURE)

Net income/(expenditure) is stated after charging/(crediting):

	2021	2020
	£	£
Depreciation - owned assets	683	773
Other operating leases	4,329	2,331
Deficit on disposal of fixed assets	146	-
	<u>5,158</u>	<u>3,104</u>

**THE TREE HOUSE CHILDREN'S CENTRE**  
**NOTES TO THE FINANCIAL STATEMENTS - continued**  
**FOR THE YEAR ENDED 31 OCTOBER 2021**

**3. TRUSTEES' REMUNERATION AND BENEFITS**

There were no trustees' remuneration or other benefits for the year ended 31 October 2021 nor for the year ended 31 October 2020.

**Trustees' expenses**

There were no trustees' expenses paid for the year ended 31 October 2021 nor for the year ended 31 October 2020.

**4. STAFF COSTS**

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

	2021	2020
Childcare provision	<u>13</u>	<u>10</u>

No employees received emoluments in excess of £60,000.

**5. COMPARATIVES FOR THE STATEMENT OF FINANCIAL ACTIVITIES**

	Unrestricted fund £	Restricted fund £	Total funds £
<b>INCOME AND ENDOWMENTS FROM</b>			
Charitable activities			
Children's Centre	127,275	-	127,275
Other income	<u>10,869</u>	<u>-</u>	<u>10,869</u>
<b>Total</b>	<b>138,144</b>	<b>-</b>	<b>138,144</b>
 <b>EXPENDITURE ON</b>			
Charitable activities			
Children's Centre	154,101	-	154,101
<b>NET INCOME/(EXPENDITURE)</b>	<u><b>(15,957)</b></u>	<u><b>-</b></u>	<u><b>(15,957)</b></u>
 <b>RECONCILIATION OF FUNDS</b>			
Total funds brought forward	57,806	-	57,806
 <b>TOTAL FUNDS CARRIED FORWARD</b>	<u><u><b>41,849</b></u></u>	<u><u><b>-</b></u></u>	<u><u><b>41,849</b></u></u>

**THE TREE HOUSE CHILDREN'S CENTRE**  
**NOTES TO THE FINANCIAL STATEMENTS - continued**  
**FOR THE YEAR ENDED 31 OCTOBER 2021**

**6. TANGIBLE FIXED ASSETS**

	Plant and machinery £	Computer equipment £	Totals £
<b>COST</b>			
At 1 November 2020	14,569	-	14,569
Additions	360	329	689
Disposals	(275)	-	(275)
At 31 October 2021	14,654	329	14,983
<b>DEPRECIATION</b>			
At 1 November 2020	10,185	-	10,185
Charge for year	654	29	683
Eliminated on disposal	(129)	-	(129)
At 31 October 2021	10,710	29	10,739
<b>NET BOOK VALUE</b>			
At 31 October 2021	3,944	300	4,244
At 31 October 2020	4,384	-	4,384

**7. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	2021 £	2020 £
Trade debtors	9,878	-
Other debtors	1	379
	9,879	379

**8. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	2021 £	2020 £
Trade creditors	70	-
Pensions	-	313
Accrued expenses	6,570	5,656
	6,640	5,969

**9. MOVEMENT IN FUNDS**

	At 1.11.20 £	Net movement in funds £	At 31.10.21 £
<b>Unrestricted funds</b>			
General fund	41,849	2,956	44,805
<b>TOTAL FUNDS</b>	41,849	2,956	44,805

**THE TREE HOUSE CHILDREN'S CENTRE**  
**NOTES TO THE FINANCIAL STATEMENTS - continued**  
**FOR THE YEAR ENDED 31 OCTOBER 2021**

**9. MOVEMENT IN FUNDS - continued**

Net movement in funds, included in the above are as follows:

	Incoming resources £	Resources expended £	Movement in funds £
<b>Unrestricted funds</b>			
General fund	193,704	(190,748)	2,956
<b>TOTAL FUNDS</b>	<u>193,704</u>	<u>(190,748)</u>	<u>2,956</u>

**Comparatives for movement in funds**

	At 1.11.19 £	Net movement in funds £	At 31.10.20 £
<b>Unrestricted funds</b>			
General fund	57,806	(15,957)	41,849
<b>TOTAL FUNDS</b>	<u>57,806</u>	<u>(15,957)</u>	<u>41,849</u>

Comparative net movement in funds, included in the above are as follows:

	Incoming resources £	Resources expended £	Movement in funds £
<b>Unrestricted funds</b>			
General fund	138,144	(154,101)	(15,957)
<b>TOTAL FUNDS</b>	<u>138,144</u>	<u>(154,101)</u>	<u>(15,957)</u>

A current year 12 months and prior year 12 months combined position is as follows:

	At 1.11.19 £	Net movement in funds £	At 31.10.21 £
<b>Unrestricted funds</b>			
General fund	57,806	(13,001)	44,805
<b>TOTAL FUNDS</b>	<u>57,806</u>	<u>(13,001)</u>	<u>44,805</u>

**THE TREE HOUSE CHILDREN'S CENTRE**  
**NOTES TO THE FINANCIAL STATEMENTS - continued**  
**FOR THE YEAR ENDED 31 OCTOBER 2021**

**9. MOVEMENT IN FUNDS - continued**

A current year 12 months and prior year 12 months combined net movement in funds, included in the above are as follows:

	Incoming resources £	Resources expended £	Movement in funds £
Unrestricted funds			
General fund	331,848	(344,849)	(13,001)
<b>TOTAL FUNDS</b>	<u>331,848</u>	<u>(344,849)</u>	<u>(13,001)</u>

**10. RELATED PARTY DISCLOSURES**

There were no related party transactions for the year ended 31 October 2021.

**THE TREE HOUSE CHILDREN'S CENTRE**  
**DETAILED STATEMENT OF FINANCIAL ACTIVITIES**  
**FOR THE YEAR ENDED 31 OCTOBER 2021**

	2021 £	2020 £
<b>INCOME AND ENDOWMENTS</b>		
Charitable activities		
Fees	191,125	127,275
Other income		
HMRC JRS grants	2,579	10,869
<b>Total incoming resources</b>	<b>193,704</b>	<b>138,144</b>
<b>EXPENDITURE</b>		
Charitable activities		
Wages	156,729	123,749
Pensions	2,036	1,329
Rent	4,329	2,331
Rates and water	612	828
Insurance	2,007	900
Light and heat	6,289	5,065
Telephone	421	417
Sundries	3,195	3,054
Repairs and office costs	2,413	7,023
Waste and cleaning	1,249	1,284
Children's resources	883	492
Food	8,218	4,791
Fees	255	255
Bank charges	118	117
Training	193	316
HMRC interest	4	-
Depreciation of tangible fixed assets	683	774
Loss on sale of intangible fixed assets	146	-
	<b>189,780</b>	<b>152,725</b>
<b>Support costs</b>		
Governance costs		
Accountancy, legal and professional fees	968	1,376
<b>Total resources expended</b>	<b>190,748</b>	<b>154,101</b>
<b>Net income/(expenditure)</b>	<b>2,956</b>	<b>(15,957)</b>

This page does not form part of the statutory financial statements