

Charity registration number 1143896

Company registration number 07195148 (England and Wales)

**WEST DEAN PRESCHOOL**  
**ANNUAL REPORT AND UNAUDITED FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2023**

# WEST DEAN PRESCHOOL

## LEGAL AND ADMINISTRATIVE INFORMATION

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<b>Trustees</b>	Andrew Davies	
	Sophie Huxham	
	Annalisse Hanan	(Appointed 15 September 2022)
	Sandra Sloma	(Appointed 15 September 2022)
	Maeva Colchester	(Appointed 9 March 2023)
	Sarah McNally	(Appointed 23 November 2023)
	Amy Matten	(Appointed 23 November 2023)
	Michaela Maclean	(Appointed 23 November 2023)
<b>Secretary</b>	A Shopland	
<b>Charity number</b>	1143896	
<b>Company number</b>	07195148	
<b>Principal address</b>	West Dean West Sussex Chichester PO18 0RJ	
<b>Registered office</b>	West Dean West Sussex Chichester PO18 0RJ	
<b>Independent examiner</b>	Jordan Abbott BSc ACA Carpenter Box Jones Avens Piper House 4 Dukes Court Bognor Road Chichester West Sussex PO19 8FX	

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# WEST DEAN PRESCHOOL

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# WEST DEAN PRESCHOOL

## TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) FOR THE YEAR ENDED 31 AUGUST 2023

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The Trustees present their report and financial statements for the year ended 31 August 2023.

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 Charity's Memorandum and Articles of Association, the Companies Act 2006 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)".

### **Objectives and activities**

The charity's objects are to introduce children between 2.5 and 5 years old to basic learning skills in a safe and enjoyable environment, prior to them entering mainstream education.

The policies adopted in furtherance of these objects are in accordance with the constitution of the Preschool Learning Alliance.

Our aims are to provide children with the basic learning skills required to interact with their peers, also to provide a stable foundation upon which they can build on once in mainstream education. Our preschool has strong links with the local primary school and we fully support any opportunity to assist the school in fund-raising events as well as preschool specific ventures.

### *Public benefit*

The Trustees have paid due regard to guidance issued by the Charity Commission in deciding what activities the Charity should undertake.

### **Achievements and performance**

#### *Significant activities and achievements against objectives*

The year began with a full team of staff and 21 children already on role, with sessions a fantastic 81% full rising to 94% by the start of the Spring term and ending with preschool being 97% full by the end of the academic year. This led to an annual funding income of £56,750 from Funded Entitlement. With the inclusion of private fee-paying income, this brought the fee income up to £74,101.00, resulting in a slight increase on the previous year and much on a par with the £75,000 total of August 2019.

Staff salaries showed a significant increase this year from the average £51,000.00 of the previous two years, rising to £58,907.16. Around 50% of the preschool workforce is paid an hourly rate of little above National Living Wage (NLW). The NLW during the year 2021-2022 was £8.91/£9.50, and rose in the year 2022-2023 to £9.50/£10.44. The difference between the salaries costs of this financial year and the previous is £6,869.70 and the NLW increase alone accounts for over £3000 of this, on the assumption that all staff were paid at this minimum rate, which of course they are not.

In addition to the rise in NLW, there was significantly long periods of absence for three members of staff. This resulted in the payment of statutory sick pay, alongside the costs of covering them with bank staff to ensure that adult:child ratios were maintained. On the positive, this was achieved, and the preschool remained open and operating at full capacity for the whole year.

In financial terms, the preschool operated at a loss last year of £2,631.28, however this does not take into account any additional income from fruit fees and fundraising. This loss can be attributed to the significant payment of statutory sick pay, alongside £6,809 of HR fees used to externally manage a staff grievance, which was settled satisfactorily for the preschool. We are satisfied that without these unexpected expenses, the preschool's profitability would have continued to increase year on year.

The building continues to approach the end of its life and during October 2022 the bathroom had to undertake some maintenance due to a leaking pipe, resulting in the pulling up of the plywood floor and drying out. This was minimal in respect to what we had originally feared, although it still resulted in the preschool staff and children having to relocate to the Primary School premises for a total of three days whilst the work was carried out. The support of the school meant that the children were still able to attend and there was no significant financial impact to the preschool during this time. The need to continue making plans for the future of the preschool is essential and the minimum quote of £100k back in 2019 is likely to have increased significantly. There are a number of possibilities that require greater consideration and this will need to be the focus for the Committee over the coming years.

# WEST DEAN PRESCHOOL

## TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2023

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Fundraising is crucial, not only for the future proofing of the building, but for the day to day running costs of classroom supplies. Income from events raised £2,192.37 this year, a slightly higher figure than that of 2021-22 but only enough to cover the constant improvements needed to enhance the provision. It is unlikely that preschool is able to raise anything like the amount needed for a new building through minimal fundraising events, so the Committee need to begin to explore larger scale opportunities for raising money. Conversations between the Headteacher at the Primary School and the head of the local Edward James Foundation have begun in relation to exploring options for the future proofing of the preschool.

The preschool is largely only able to survive because it is a charity, and that controls some of the fixed costs, and because we have a number of children in fee paying places, who pay an amount per hour that better meets costs. The 30 hour Free Entitlement (FE) extended funding scheme remains one of our biggest challenges as we are only open for 27.5 hours per week, ultimately leaving us unable to charge any additional 'wrap around' private fees. However, the Government are beginning to roll out a programme to provide funded entitlement to working families of 2 year olds. The rates are currently in consultation, but are looking likely to be around £8 per hour for 2 year olds, an hourly rate significantly above that which we currently charge. In reality, it is difficult to predict the impact this may have on income, due to an inability to predict which families will actually qualify for the entitlement.

Whilst the fruit snack fee became voluntary in 2021-2022, in accordance with the FE Provider declaration, this has continued to have little impact on any additional income, as all parents this year have opted in to paying this minimal contribution. Resulting in an additional £2,144.25 income. The private fees have not been reviewed this year and have not increased in line with the rise in the NLW percentage increase of almost 10%. These fees need to be reviewed in the academic year 2023-2024, as the NLW is sure to rise again and we must do so alongside this.

The committee has remained fairly stable this year, however we need to remain aware of the challenges posed as their children age into Primary school and the requirement of a new Chair as a replacement due to resignation. It is essential that the Committee raises its profile within the parent community, inviting new members to be involved in fundraising activities and future proofing the Committee for the coming years. In practical terms, preschool is a 'committee run, charity pre-school'. The committee is the employer, it provides the trustees of the registered charity and the directors of the limited company. This year, the manager has worked to produce Committee packs that ensure the Committee members understand the importance and legalities of their role as Directors and Trustees.

### **Financial review**

#### *Reserves policy*

It is the policy of the Charity that unrestricted funds which have not been designated for a specific use should be maintained at a level equivalent to between three and six month's expenditure. The Trustees consider that reserves at this level will ensure that, in the event of a significant drop in funding, they will be able to continue the Charity's current activities while consideration is given to ways in which additional funds may be raised. This level of reserves has been maintained throughout the year.

#### *Major risks*

The Trustees have assessed the major risks to which the Charity is exposed, and are satisfied that systems are in place to mitigate exposure to the major risks.

### **Structure, governance and management**

The Charity is a company limited by guarantee incorporated under the Companies Act 2006 on 18 March 2010 and is a registered charity (number 1143896).

# WEST DEAN PRESCHOOL

## TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2023

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The Trustees, who are also the directors for the purpose of company law, and who held office during the year and up to the date of signature of the financial statements were as follows:

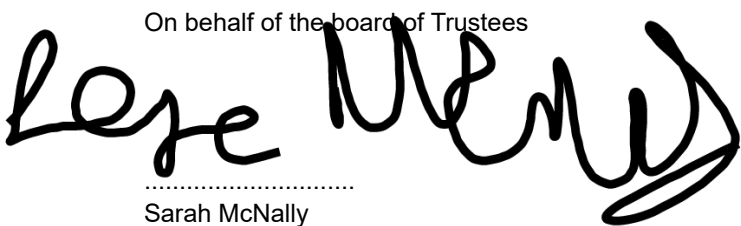
Louise Jarvis	(Resigned 6 October 2022)
Andrew Davies	
Cherry Parsons	(Resigned 22 September 2022)
Sophie Huxham	
Ami Austin	(Resigned 20 March 2024)
Annalisse Hanan	(Appointed 15 September 2022)
Sandra Sloma	(Appointed 15 September 2022)
Maeva Colchester	(Appointed 9 March 2023)
Sarah McNally	(Appointed 23 November 2023)
Amy Matten	(Appointed 23 November 2023)
Michaela Maclean	(Appointed 23 November 2023)

### *Recruitment and appointment of trustees*

The charity is run by a parent elected committee, with volunteers being elected into key positions by committee members.

None of the Trustees have any beneficial interest in the company. All of the Trustees are members of the company and guarantee to contribute £1 in the event of a winding up.

On behalf of the board of Trustees



.....  
Sarah McNally  
**Trustee**

Date: 30/05/2024 .....

# WEST DEAN PRESCHOOL

## INDEPENDENT EXAMINER'S REPORT TO THE TRUSTEES OF WEST DEAN PRESCHOOL

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I report to the Trustees on my examination of the financial statements of West Dean Preschool (the Charity) for the year ended 31 August 2023.

### Responsibilities and basis of report

As the Trustees of the Charity (and also its directors for the purposes of company law) you are responsible for the preparation of the financial statements in accordance with the requirements of the Companies Act 2006 (the 2006 Act).

Having satisfied myself that the financial statements of the Charity 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 the Charity's financial statements carried out under section 145 of the Charities Act 2011 (the 2011 Act). In carrying out my examination I have followed all the applicable Directions given by the Charity Commission under section 145(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 that in any material respect:

- 1 accounting records were not kept in respect of the Charity as required by section 386 of the 2006 Act; or
- 2 the financial statements do not accord with those records; or
- 3 the financial statements 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 financial statements 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 financial statements to be reached.



**Jordan Abbott BSc ACA**

Carpenter Box Jones Avens  
Piper House 4 Dukes Court  
Bognor Road  
Chichester  
West Sussex  
PO19 8FX

Dated: 31/05/2024

# WEST DEAN PRESCHOOL

## STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT

**FOR THE YEAR ENDED 31 AUGUST 2023**

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	Notes	Unrestricted funds 2023 £	Unrestricted funds 2022 £
<b>Income from:</b>			
Donations and legacies	2	4,192	1,701
Charitable activities	3	81,902	71,483
Investments	4	159	5
		<hr/>	<hr/>
<b>Total income</b>		86,253	73,189
		<hr/>	<hr/>
Charitable activities	5	78,354	66,076
		<hr/>	<hr/>
<b>Net income and movement in funds</b>		7,899	7,113
		<hr/>	<hr/>
<b>Reconciliation of funds:</b>			
Fund balances at 1 September 2022		58,661	51,548
		<hr/>	<hr/>
<b>Fund balances at 31 August 2023</b>		66,560	58,661
		<hr/> <hr/>	<hr/> <hr/>

The statement of financial activities includes all gains and losses recognised in the year. All income and expenditure derive from continuing activities.

The statement of financial activities also complies with the requirements for an income and expenditure account under the Companies Act 2006.



# WEST DEAN PRESCHOOL

## BALANCE SHEET

AS AT 31 AUGUST 2023

	Notes	2023 £	£	2022 £	£
<b>Fixed assets</b>					
Tangible assets	10		627		1,260
<b>Current assets</b>					
Debtors	11	1,266		1,549	
Cash at bank and in hand		74,003		69,348	
		<u>75,269</u>		<u>70,897</u>	
<b>Creditors: amounts falling due within one year</b>	12	9,336		13,496	
		<u>9,336</u>		<u>13,496</u>	
Net current assets			65,933		57,401
<b>Total assets less current liabilities</b>			<u>66,560</u>		<u>58,661</u>
<b>The funds of the Charity</b>					
Unrestricted funds			66,560		58,661
			<u>66,560</u>		<u>58,661</u>

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 August 2023.

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

The members have not required the company to obtain an audit of its financial statements for the year in question in accordance with section 476.

These financial statements 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 30/05/2024

  
Sarah McNally  
Trustee

Company registration number 07195148 (England and Wales)

# WEST DEAN PRESCHOOL

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2023

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### 1 Accounting policies

#### Charity information

West Dean Preschool is a private company limited by guarantee incorporated in England and Wales. The registered office is West Dean, West Sussex, Chichester, PO18 0RJ.

#### 1.1 Accounting convention

The financial statements have been prepared in accordance with the Charity's Memorandum and Articles of Association, the Companies Act 2006 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)". The Charity is a Public Benefit Entity as defined by FRS 102.

The Charity has taken advantage of the provisions in the SORP for charities applying FRS 102 Update Bulletin 1 not to prepare a Statement of Cash Flows.

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 £.

The financial statements have been prepared under the historical cost convention. The principal accounting policies adopted are set out below.

#### 1.2 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.

#### 1.3 Charitable funds

Unrestricted funds are available for use at the discretion of the Trustees in furtherance of their charitable objectives.

Restricted funds are subject to specific conditions by donors or grantors as to how they may be used. The purposes and uses of the restricted funds are set out in the notes to the financial statements.

#### 1.4 Income

Income is recognised when the Charity is legally entitled to it after any performance conditions have been met, the amounts can be measured reliably, and it is probable that income will be received.

Cash donations are recognised on receipt. Other donations are recognised once the Charity has been notified of the donation, unless performance conditions require deferral of the amount. Income tax recoverable in relation to donations received under Gift Aid or deeds of covenant is recognised at the time of the donation.

#### 1.5 Expenditure

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, 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 classified by activity. The costs of each activity are made up of the total of direct costs and shared costs, including support costs involved in undertaking each activity. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs which contribute to more than one activity and support costs which are not attributable to a single activity are apportioned between those activities on a basis consistent with the use of resources. Central staff costs are allocated on the basis of time spent, and depreciation charges are allocated on the portion of the asset's use.

All expenditure is accounted for on an accruals basis and includes attributable VAT.

# WEST DEAN PRESCHOOL

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2023

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### 1 Accounting policies

(Continued)

Governance costs are those associated with constitutional and statutory requirements.

#### 1.6 Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Plant and machinery	5 years straight line
Fixtures, fittings & equipment	3 years straight line

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is recognised in the statement of financial activities.

#### 1.7 Impairment of fixed assets

At each reporting end date, the Charity reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any).

#### 1.8 Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

#### 1.9 Financial instruments

The Charity has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the Charity's balance sheet when the Charity becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

#### **Basic financial assets**

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

# WEST DEAN PRESCHOOL

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2023

### 1 Accounting policies

(Continued)

#### **Basic financial liabilities**

Basic financial liabilities, including creditors and bank loans are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of operations from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

#### **Derecognition of financial liabilities**

Financial liabilities are derecognised when the Charity's contractual obligations expire or are discharged or cancelled.

#### 1.10 Employee benefits

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the Charity is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

#### 1.11 Retirement benefits

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

### 2 Income from donations and legacies

	Unrestricted funds 2023 £	Unrestricted funds 2022 £
Donations and gifts	4,192	1,701

### 3 Income from charitable activities

	Unrestricted funds 2023 £	Unrestricted funds 2022 £
<b>Charitable Activity</b>		
School fees	81,902	71,483

# WEST DEAN PRESCHOOL

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2023

### 4 Income from investments

	Unrestricted funds 2023 £	Unrestricted funds 2022 £
Interest receivable	159	5
	<u>          </u>	<u>          </u>

### 5 Charitable activities

	Preschool child care 2023 £	Preschool child care 2022 £
Staff costs	58,907	51,625
Depreciation and impairment	633	633
Rent	300	600
Rates	308	212
Insurance	1,668	1,617
Light and heat	745	745
Repairs and maintenance	902	1,720
Cleaning	591	621
Toys, books and uniforms	660	655
Printing, stationary and postage	471	465
Telephone	841	666
Computer costs	118	50
Bookkeeping	441	26
Sundry expenses	2,104	2,186
Staff training and subscriptions	806	1,330
	<u>69,495</u>	<u>63,151</u>
Share of governance costs (see note 6)	8,859	2,925
	<u>78,354</u>	<u>66,076</u>

# WEST DEAN PRESCHOOL

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2023

### 6 Support costs

	Support costs £	Governance costs £	2023 £	2022 £
Independent examination	-	1,240	1,240	1,182
Legal and professional	-	7,619	7,619	1,743
	<u>-</u>	<u>8,859</u>	<u>8,859</u>	<u>2,925</u>
Analysed between Charitable activities	<u>-</u>	<u>8,859</u>	<u>8,859</u>	<u>2,925</u>

### 7 Trustees

None of the Trustees received any remuneration or benefits from the Charity during the year.

### 8 Employees

The average monthly number of employees during the year was:

	2023 Number	2022 Number
	<u>7</u>	<u>6</u>
<b>Employment costs</b>	<b>2023 £</b>	<b>2022 £</b>
Wages and salaries	58,147	51,215
Other pension costs	760	410
	<u>58,907</u>	<u>51,625</u>

There were no employees whose annual remuneration was more than £60,000.

#### Remuneration of key management personnel

The remuneration of key management personnel is as follows.

### 9 Taxation

The charity is exempt from taxation on its activities because all its income is applied for charitable purposes.

# WEST DEAN PRESCHOOL

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2023

### 10 Tangible fixed assets

	Plant and machinery	Fixtures, fittings & equipment	Total
	£	£	£
<b>Cost</b>			
At 1 September 2022	13,985	1,677	15,662
At 31 August 2023	13,985	1,677	15,662
<b>Depreciation and impairment</b>			
At 1 September 2022	12,858	1,544	14,402
Depreciation charged in the year	500	133	633
At 31 August 2023	13,358	1,677	15,035
<b>Carrying amount</b>			
At 31 August 2023	627	-	627
At 31 August 2022	1,127	133	1,260

### 11 Debtors

	2023	2022
	£	£
<b>Amounts falling due within one year:</b>		
Prepayments and accrued income	1,266	1,549

### 12 Creditors: amounts falling due within one year

	Notes	2023	2022
		£	£
Other taxation and social security		663	439
Deferred income	13	6,624	11,101
Accruals and deferred income		2,049	1,956
		9,336	13,496

### 13 Deferred income

	2023	2022
	£	£
Other deferred income	6,624	11,101

Deferred income is included in the financial statements as follows:

# WEST DEAN PRESCHOOL

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2023

### 13 Deferred income

(Continued)

	2023 £	2022 £
Deferred income is included within:		
Current liabilities	6,624	11,101
Movements in the year:		
Deferred income at 1 September 2022	11,101	7,789
Released from previous periods	2,147	(7,789)
Resources deferred in the year	(6,624)	11,101
Deferred income at 31 August 2023	6,624	11,101

### 14 Unrestricted funds

The unrestricted funds of the charity comprise the unexpended balances of donations and grants which are not subject to specific conditions by donors and grantors as to how they may be used. These include designated funds which have been set aside out of unrestricted funds by the trustees for specific purposes.

	At 1 September 2022 £	Incoming resources £	Resources expended £	At 31 August 2023 £
General funds	58,661	86,253	(78,354)	66,560
Previous year:	At 1 September 2021 £	Incoming resources £	Resources expended £	At 31 August 2022 £
General funds	51,548	73,189	(66,076)	58,661

### 15 Related party transactions

The spouse of Andrew Davies, a trustee appointed in the year, is an employee of West Dean Preschool. This employee was paid a salary in the year and was employed in line with normal market terms. The trustee took no part in the decision of her employment, as she was already employed by the charity prior to his appointment.