

**REGISTERED COMPANY NUMBER: 07916241 (England and Wales)**  
**REGISTERED CHARITY NUMBER: 1146542**

**Trustees' Report and  
Financial Statements  
for the Year Ended 31 August 2021  
for  
The Aldershot Garrison Pre-School  
Settings**

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**Trustees' Report  
for the Year Ended 31 August 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 August 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**

**Objectives and aims**

The objectives of the charity as set out in the company's articles of association are to:

- provide non-public day nursery facilities and non-publicly funded early years education for children under five years of age of service personnel and qualifying civilian staff;
- provide breakfast and after school childcare for children of primary school age of service personnel and qualifying civilian staff; and
- enhance the development and education of children primarily under the statutory school age by working in partnership with parents to understand and provide for the needs of their children.

Children aged 2, 3 and 4 years are able to access free early years education through government funding.

For the purposes of this document service personnel shall mean serving uniformed personnel of the armed forces of the Crown and qualifying civilians shall mean personnel who are wholly or mainly engaged in activities which directly support the serving personnel of the Aldershot Garrison.

The objectives are achieved through the operation of 1 nursery and 3 pre-schools settings in the vicinity of the Aldershot Garrison.

We will achieve the charity's objectives by working closely with the Executive Manager and individual settings managers to maintain stringent Human Resource practices to ensure that we comply across the board with all local government standards and standards set by Ofsted. By achieving these targets, we will ensure that our military families are provided with outstanding nursery care at an affordable rate which competes strongly with the local market.

**Trustees' Report  
for the Year Ended 31 August 2021**

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**OBJECTIVES AND ACTIVITIES**

**Significant activities, achievement and performance**

The new Executive Manager started in the post mid October 2020, the post had been vacant for a few months prior.

Sarah Carrington started in September 2020 as the new manager in Toye Box pre-school (TB). When she began in the post the number of children attending the setting was very low and with the right support, mentorship and advertising, Sarah managed to raise the number from 37 to 84.

The other settings were also quite low and have improved significantly over the academic year:

Clocktower (CT)  
Sept 20: 32 children  
July 21: 68 children

Queen Mary's Nursery (QMN)  
Sept 20: 50 children  
July 21 : 76 children

Quetta Park (QP)  
Sept 20: 12 children  
July 21: 19 children

The percentage of children at the period end whose parents are military are as follows for each of the settings.

QMN: 60 %  
TB: 79 %  
QP: 55 %  
CT: 65 %

COVID 19 - staff were feeling worried, anxious and vulnerable with the steady rise in cases in the area. We had 2 staff on furlough due to medical reasons at Queen Marys who returned to work in April 2021. A new COVID policy was written and was reviewed weekly, all staff had to complete lateral flow tests twice per week and parents/visitors were not allowed into the buildings.

Karen Murphy (the manager at Clocktower pre-school) and her team made homemade packages for our children who were yet to return due to COVID. They gave each child a book, homemade playdough, glue stick and collage items, recipes, colouring sheets, and some ideas. The staff then delivered them to each child who had been at home with Covid throughout the year. The parents and children have loved this.

Many changes have been put in place from October 2020 to August 2021:

-The Executive Manager introduced Peninsula HR company and they have been a brilliant asset to each of the managers and we now have access to Croner-i who are affiliated with Peninsula; they produce the majority of the setting policies and information that we require. We are delighted to also use BrightHR. This facility is used a lot for HR, employment advice and H&S advice.

-Policies are written and updated by the Executive Manager on a regular basis.

-The Garrison Fire Safety Officer has been to visit each of the settings to ensure that we are compliant. These visits have highlighted some minor concerns and we now have a book to complete daily and monthly checks, with the safety officer visiting monthly.

-We have introduced a staff recognition scheme for staff to receive a box of chocolates or a bouquet of flowers to reward them for going above and beyond in their role, this is voted by peer nominations and has been very well received.

-We have introduced the addition of paid annual leave on staff birthdays, once they have completed their probation period.

-New staff handbook has been written, all staff must sign and date to acknowledge they understand.

-All staff contracts have been reviewed with a 6 month probation period introduced and 6 weeks notice period on resignation.

**Trustees' Report  
for the Year Ended 31 August 2021**

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**OBJECTIVES AND ACTIVITIES**

- New staff uniform has been issued, consisting of polo shirts and fleeces.
- We have introduced an Employee Assistance programme - free for all staff to use, this is to support them professionally or personally. This is a perk for staff and is completely confidential.
- We have introduced advertising banners for all four settings to help raise our profile around the Garrison. The banners went up in February 2021 and by March 2021 the numbers of children had gone up by 94 since the Executive Manager started in her post in October 2020.
- From 1st April 2021 all new staff are not paid for their lunch break. This is to help reduce our staff costs and upon research most local nurseries do not offer this benefit to staff.
- The Executive Manager has cut key carer time for all staff from 'up to 5 hours per week, per staff member' to 3 hours per week maximum. This again is to reduce our staff costs and to reduce the amount of paperwork the staff are currently doing in line with the EYFS. By reducing the key carer time by 2 hours per week per staff member it is a total cost saving of £2,000 per month. This will be reviewed again by the Executive Manager with the intention to take this away completely to help with further cost saving.
- Introduced quarterly advertising in the Garrison magazine.
- Increased social media presence.
- Website is continually being reviewed.
- Managers are going on BFBS radio bi-monthly to promote their settings.
- Staff training: All managers and deputies have completed Level 4 safeguarding training.
- First Aid training for 22 staff completed on 20th March and 27th March 2021.
- Tighter/fairer processes have been introduced with regards to recruiting and interviewing.
- We no longer use agency staff, we have advertised for 'bank' staff instead to help us reduce costs.
- Each setting is now responsible for organising their own fundraising, this includes sponsored walks, photographer, Christmas jumper day, etc.
- The water fountains have been removed from each of the settings, this again was an unnecessary cost of £2,000 per year.
- Regular managers meetings have been introduced to ensure our managers feel supported.
- Annual performance reviews have been introduced and a template created by the Executive Manager.
- Trustees agreed to give the staff at Queen Mary's Nursery 2 extra days holiday at Christmas, the reason for this is that they must set aside 4 days of their own holiday entitlement to cover the Christmas period, leaving them with only 16 days to take when they want. This was very good for morale and will be reviewed on a yearly basis by the trustees.
- Trustees agreed to reward all staff with a £25 voucher for Christmas to say thank you for a particularly hard year during COVID.
- The trustees agreed that staff would receive a £0.19p per hour pay rise in line with the national living wage from April 2021.
- The trustees voted to re-introduce military and sibling discounts and this will take effect from 1st June 2021. 10% military discount and 10% sibling discount.

**Trustees' Report  
for the Year Ended 31 August 2021**

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**OBJECTIVES AND ACTIVITIES**

In January 2021 we had to close Clocktower Pre-school due to a child testing positive with COVID. Since then, the Executive Manager has put all the settings in tight strict room bubbles as a precaution. The staff stay with those children only. Hopefully, we will not have any more cases in the future, but if we do, we will only have to close that one room rather than the whole setting.

The Executive Manager booked all staff onto a free continuous professional development course to discuss how to stay focused on your career and strive to improve. 33 out of 46 staff attended the evening session, they all found it extremely useful and hopefully it has ignited a little fire inside them to encourage further training. The Trustees have agreed for each staff member to have a small amount of money to attend training that will help them in their role. The Executive Manager is looking at online training providers to support this.

Neil Pound our Chair of Trustees resigned in January 2021.

Bob Megarry resigned in March 2021.

All staff who have been shielding and on furlough returned to work in April 2021.

Michael Dennett our accountant resigned and left in June 2021 and was replaced by Deborah Cox.

Debbie Newbury the manager at Queen Mary's Nursery resigned in July 2021.

The Clocktower refurbishment has been one of the focus points for the Executive Manager since starting in post. It should have been completed years before, but no-one took the lead and consequently it didn't happen. The Executive Manager arranged meetings with the relevant Contractors and the Aspire project manager many times to discuss the refurbishment that began in July 2021. The costs will be:

Clocktower refurbishment: £344,000

Electrical: £112,000

Building works: £180,000

Doors, fire doors and frame replacement: £37,000

Fire Alarm: £15,000

It has yet to be agreed if Aspire will fund the whole project. If required, the Executive Manager will look at funding streams to support this. The trustees have fully supported this project and have verbally agreed to fund £36,000 if required, as they feel it will be beneficial in the long term.

**Delivering public benefit**

The charity provides public benefit through the provision and support of day care and early years education, in accordance with Ofsted regulations and standards, for children under 5 years of age, of serving uniformed members of HM forces and qualifying civilian staff employed in support of Aldershot Garrison. This is done in order to support and give confidence to parents by delivering high quality and totally reliable day care and early years education service. Military personnel are required to serve in operational circumstances at short notice and for prolonged periods and the services undertaken by the charity allows personnel to execute their duties. As a result, the charity provides support to their dependants and develops and maintains morale and community cohesion.

The trustees have paid due regard to the Charity Commission of England and Wales guidance on public benefit when deciding what activities the charity should undertake.

**Trustees' Report  
for the Year Ended 31 August 2021**

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**FINANCIAL REVIEW**

**Financial position**

Gross incoming resources for the year amounted to £815,311 (2020: £878,732), including £786,900 (2020: £772,979) received in fees and Early Years Funding across the four settings.

Expenditure in the year amounted to £922,072 (2020: £886,339) of which £789,912 (2020: £762,145) related to staff salaries, pension and employers NIC.

The main outgoings are staff costs that relate directly to the provision of childcare and early years education. Staff costs represent 86% (2020: 86%) of total costs. The charity occurs minimal administration costs and again in this period, did not incur any premises costs. Rent, rates and utilities charges may be levied at some point in the future and remain under review. The trustees have continued to ensure that all settings are fitted with modern furnishings and play aids that challenge and stimulate childrens' learning and development.

The net retained funds at the year-end were £554,160 (2020: £610,954), with a total of £430,068 (2020: £348,000) held in the designated fund representing the Rathbones portfolio in line with the reserve policy plus £36,000 relating to the possible Clocktower refurbishment cost contribution.

The trustees recognise that results for the year were poor with significant net expenditure of £106,761, the impact of which was offset by a large revaluation gain on Listed Investments of £49,967 resulting in net movement of funds of (£56,794).

They are confident that following the introduction of the Executive Manager and the subsequent costs savings made and the increase in the level of children at the settings that the results for the next period will improve and achieve its aims of making a small profit/breaking even.

**Principal sources of income**

Local authority Early Years Education Grants account for 69% of all pre-school income. Only parents of the children that do not qualify for grants for those attending in excess of the funded hours are charged fees.

At Queen Marys Nursery, which cares for children aged between 3 months and pre-school age on a full time day care basis, the Early Years Education Grant accounts for 55% of income. Research shows that fees charged to parents are significantly lower than those charged by private nurseries in the local area and lower than nurseries in other garrison areas and therefore continue to offer value for money to parents.

At the discretion of the trustees, fees can be waived on the grounds of welfare needs.

**Investment policy and performance**

Investment activities are managed in line with the requirements of the Trustee Act 2000. The trustees have appointed Rathbones Plc as Investment Manager. The charity's investment policy is a low to medium-risk approach for the growth of the portfolio of investments. The Investment Manager has total discretion concerning which investments are bought or sold within the risk profile set by the trustees.

The investment portfolio is seen as a long-term investment. As at 31 August 2021 there was a total realised and unrealised gain of £49,967 (2020: £1,841) on the portfolio. The charity also received £5,114 (2020: £7,006) of investment income from the fund during the year.

**Reserves policy**

The Trustees maintain a level of reserves equal to the value of the Rathbones Investment Fund. The level of reserves equates to 4 months average monthly operating costs and is considered satisfactory by the Trustees.

**Trustees' Report  
for the Year Ended 31 August 2021**

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**PLANS FOR FUTURE PERIODS**

Quetta Park will be receiving resurfacing work and screening around the outside areas; this will be funded by Aspire. Queen Mary's and Toye Box are also planned to be refurbished in Summer 2022 for which again there will be no cost to the charity.

There was an Ofsted inspection on 15 February 2022 at Toye Box which achieved a 'good' rating.

The plan going forward is to improve results by continuing efficiency gains and to maintain, and increase where possible, the level of children at settings, in order to achieve a small profit. Also to reduce our level of debtors. We have set up a new app for parents to use so they can see their bill on their phone and improving credit control procedures.

The aim is to turn the charity into a successful business and to use monies made to invest in the staff with fair wages, suitable training, and adequate support etc and to ensure our buildings are above standard with exciting, stimulating resources to enhance all the children who attend and to ensure we can adequately meet their need in accordance with the charity's objectives as set out in its articles of association.

**STRUCTURE, GOVERNANCE AND MANAGEMENT**

**Governing document**

The organisation is a limited company, limited by guarantee and holding charitable status.

The company was established under a Memorandum of Association which established the objects and powers of the charitable company and is governed under its Articles of Association.

**Recruitment and appointment trustees**

The directors of the company as defined by company law are also the charity's trustees for the purposes of charity law and under the company's Articles are known as the trustees and are referred to as trustees only throughout these accounts.

The trustees of the company are found from the officers filing relevant posts on the staff of HQ Aldershot Garrison, along with trustee representation from parents and staff.

Under the requirements of the Articles of Association the trustees must comprise the following:

- a) at least one member of the Garrison;
- b) at least one parent trustee; and
- c) such other individuals as are co-opted by the trustees.

We are introducing the following to ensure suitable candidates are given responsibilities for the running of the nursery settings:

- Personal Bio
- Interview by Chair/s
- Taken to trustee committee for approval
- DBS checks
- EY2 forms
- References
- Trustee Guides (Charity Commission guidance TOR)

In the event of the company being wound up, trustees are required to contribute an amount not greater than £10. The trustees who served during the year and up to the date of this report, are set out on page 9.

All trustees give their time voluntarily and received no benefits from the charity during the year for performance of their duties as trustees.



## **STRUCTURE, GOVERNANCE AND MANAGEMENT**

### **Decision making**

Ms Willett, the Operations Manager was a salaried employee of the charity and an appointed trustee. Charity Commission consent had been sought and obtained. The charity's Memorandum and Articles of Association were amended and agreed by the Charity Commission. Ms Willett left the charity as an employee and resigned as a trustee on 31 March 2020.

In October 2020 a new role of Executive Manager was created to replace the Operations Manager position. The Executive Manager has overall financial authority and meets with the trustees once a month. The running of the nurseries has been delegated to the managers, with support and guidance from the Executive Manager.

The current Executive Manager, appointed in October 2020, is Julie Mounfield.

Trustees are responsible for setting the pay of Key Management Personnel.

**Trustees' Report  
for the Year Ended 31 August 2021**

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**STRUCTURE, GOVERNANCE AND MANAGEMENT**

**Risk management**

The trustees have conducted a review of the major risks to which the charity is exposed and where appropriate, systems or procedures have been established to mitigate the risks the charity faces. All staff members are required to comply with written policies that are common to all settings. Copies of policies are available to all parents. Policies are regularly reviewed to ensure that they reflect the latest legislation/guidance and current child care practises. Decisions on matters falling outside these policies are referred by supervisors to the Executive Manager and if necessary to the trustees. The Executive Manager meets regularly with the Nursery and Pre-Schools Managers where policies, problems, training and plans are discussed. These meetings also give the opportunity to identify and permeate best practice.

Written policies include:

Absence Policy  
Admissions Policy  
Babysitting/Childminding Policy  
Behaviour Management  
Biting Policy  
Complaints Procedure  
Confidentiality Policy  
Debt Policy  
Electronic and Telephonic Communications Policy  
Emergency Threat procedure  
Equality, Diversity and Inclusion Policy  
Equipment and Resources Policy  
Food and Drink Policy  
General Data Protection Policy  
Health and Safety Policy  
Illness and Exclusion Policy  
Lost Child Policy  
Medication Policy  
Nappy Changing Policy  
Non-Collection of Children Policy  
One to One Policy  
Parental Involvement Policy  
Physical Handling Policy  
Rest and Sleep Policy  
Safeguarding Children Policy  
Settling In Policy  
Smoking Policy  
Snow Closure  
Staff Conduct and Code of Practice Policy  
Social Networking Policy  
Special Educational Needs/Disability Policy  
Staffing and Employment Policy  
Staff Absence  
Staff Code of Conduct  
Student Placement Policy  
Sun Safety Policy  
Whistle Blowing Policy

**Ofsted regulation**

All settings are subject to inspection by Ofsted. The latest reports can be viewed at [www.ofsted.gov.uk/reports](http://www.ofsted.gov.uk/reports). The Executive Manager and Settings Managers have established good working relationships with Ofsted, and the departments at Hampshire County Council and Hart and Rushmoor Borough Council responsible for Early Years Education, child care provision, Early Years support staff, local children's centres and children's social care.

**REFERENCE AND ADMINISTRATIVE DETAILS**

**Registered Company number**  
07916241 (England and Wales)

**Trustees' Report  
for the Year Ended 31 August 2021**

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**Registered Charity number**

1146542

**Registered office**

27 Middle Hill  
Aldershot  
Hampshire  
GU11 1PL

**Trustees**

Ms K Bayliss  
D A Betts (appointed 27.11.20)  
Mrs L V Brown (appointed 5.10.20)  
Dr C M Cuccio (appointed 19.1.21)  
F Gono (appointed 1.3.22)  
Ms S Magee  
Ms N D Mcconnell (resigned 1.3.22)  
R Megarry (resigned 21.4.21)  
D Nicholl (appointed 1.3.22)  
N F Pound (resigned 13.1.21)  
B P White (appointed 22.1.21)

**Auditors**

Butt Miller  
Chartered Accountants and Statutory Auditor  
92 Park Street  
Camberley  
Surrey  
GU15 3NY

**Bankers**

Holt's Military Banking  
200 Fowler Avenue  
Fowler Business Park  
Farnborough  
Hampshire  
GU14 7JP

**Advisers**

Investment Managers  
Rathbones Investment Management  
Port of Liverpool Building  
Pier Head  
Liverpool  
L3 1NW

HR, employment law, and health & safety consultants

Peninsula Business Services  
The Peninsula  
Victoria Place  
Manchester  
M4 4FB

The charity also uses the following working names:

Toye Box Early Years Centre  
Quetta Park Pre-School  
Queen Mary Nursery  
Clocktower House Pre-School

**Trustees' Report  
for the Year Ended 31 August 2021**

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**STATEMENT OF TRUSTEES' RESPONSIBILITIES**

The trustees (who are also the directors of The Aldershot Garrison Pre-School Settings for the purposes of company law) are responsible for preparing the Trustees' Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that period. In preparing those financial statements, the trustees are required to

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charity SORP;
- make judgements and estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

The trustees are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the charitable company and to enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

In so far as the trustees are aware:

- there is no relevant audit information of which the charitable company's auditors are unaware; and
- the trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information.

This report has been prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small companies.

Approved by order of the board of trustees on 27 May 2022 and signed on its behalf by:

D Nicholl - Trustee

### **Opinion**

We have audited the financial statements of The Aldershot Garrison Pre-School Settings (the 'charitable company') for the year ended 31 August 2021 which comprise the Statement of Financial Activities, the Statement of Financial Position, the Statement of Cash Flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

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

### **Basis for opinion**

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and the provisions available for small entities, in the circumstances set out in note 22 to the financial statements, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### **Conclusions relating to going concern**

In auditing the financial statements, we have concluded that the trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the charitable company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the trustees with respect to going concern are described in the relevant sections of this report.

### **Other information**

The trustees are responsible for the other information. The other information comprises the information included in the Annual Report, other than the financial statements and our Report of the Independent Auditors thereon.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

### **Opinions on other matters prescribed by the Companies Act 2006**

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

- the information given in the Trustees' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Trustees' Report has been prepared in accordance with applicable legal requirements.

**Report of the Independent Auditors to the Members of  
The Aldershot Garrison Pre-School  
Settings**

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**Matters on which we are required to report by exception**

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

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

- adequate accounting records have not been kept or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the trustees were not entitled to take advantage of the small companies exemption from the requirement to prepare a Strategic Report or in preparing the trustees' Report.

**Responsibilities of trustees**

As explained more fully in the Statement of Trustees' Responsibilities, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

**Our responsibilities for the audit of the financial statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue a Report of the Independent Auditors that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

In identifying and assessing risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, we considered the following:

- The nature of the industry and sector the charity is in, its control environment and business performance including the design of the charities policies and staff remuneration;
- Results of our enquiries of management about their own identification and assessment of the risks of irregularities;
- Any matters we identified having obtained and reviewed the charity's documentation of their policies and procedures relating to:
  - identifying, evaluating and complying with laws and regulations and whether they were aware of any instances of noncompliance;
  - detecting and responding to the risks of fraud and whether they have knowledge of any actual, suspected or alleged fraud;
  - the internal controls established to mitigate risks of fraud or non-compliance with laws and regulations; and
- The matters discussed among the audit engagement team regarding how and where fraud might occur in the financial statements and any potential indicators of fraud.

As a result of these procedures, we considered the opportunities and incentives that may exist within the organisation for fraud. In common with all audits under ISAs (UK), we are also required to perform specific procedures to respond to the risk of management override.

Our procedures to respond to risks identified included the following:

- Enquiries of management and staff including concerning actual and potential litigation and claims and any instances of non-compliance with laws;
- Performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud;
- Obtained an understanding of provisions and held discussions with management to understand the basis of recognition or non-recognition of provisions; and
- In addressing the risk of fraud through management override of controls, testing the appropriateness of journal entries and other adjustments; checking internal controls are being followed as per its policies and assessing suitability; assessing the judgements made in making accounting estimates; and evaluating the business rationale of any significant transactions that are unusual or outside the normal course of business.

There are inherent limitations in the audit procedures described above. We are less likely to become aware of instances of non-compliance with laws and regulations that are not closely related to events and transactions reflected in the financial statements. Also, the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our Report of the Independent Auditors.

**Report of the Independent Auditors to the Members of  
The Aldershot Garrison Pre-School  
Settings**

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**Use of our report**

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

Alison Elliott BFP ACA FCCA MAAT (Senior Statutory Auditor)  
for and on behalf of Butt Miller  
Chartered Accountants and Statutory Auditor  
92 Park Street  
Camberley  
Surrey  
GU15 3NY

27 May 2022



**The Aldershot Garrison Pre-School  
Settings**

**Statement of Financial Activities  
for the Year Ended 31 August 2021**

		2021 Unrestricted funds £	2020 Total funds as restated £
<b>INCOME AND ENDOWMENTS FROM</b>	Notes		
Donations and legacies	3	7,772	-
<b>Charitable activities</b>	6		
Charitable activities		800,238	868,176
Other trading activities	4	2,111	2,464
Investment income	5	5,190	8,092
<b>Total</b>		<u>815,311</u>	<u>878,732</u>
 <b>EXPENDITURE ON</b>			
Raising funds	7	2,489	2,748
<b>Charitable activities</b>	8		
Charitable activities		919,583	883,591
<b>Total</b>		<u>922,072</u>	<u>886,339</u>
<b>NET INCOME/(EXPENDITURE)</b>		<u>(106,761)</u>	<u>(7,607)</u>
 <b>Other recognised gains/(losses)</b>			
Gains on revaluation of fixed assets		49,967	1,841
<b>Net movement in funds</b>		<u>(56,794)</u>	<u>(5,766)</u>
 <b>RECONCILIATION OF FUNDS</b>			
<b>Total funds brought forward</b>		610,954	616,720
<b>TOTAL FUNDS CARRIED FORWARD</b>		<u>554,160</u>	<u>610,954</u>

The notes form part of these financial statements

**The Aldershot Garrison Pre-School  
Settings (Registered number: 07916241)**

**Statement of Financial Position  
31 August 2021**

		2021 Unrestricted funds £	2020 Total funds as restated £
<b>FIXED ASSETS</b>	Notes		
Tangible assets	14	41,589	49,278
Investments	15	<u>394,068</u>	<u>347,048</u>
		435,657	396,326
<b>CURRENT ASSETS</b>			
Debtors	16	24,881	22,336
Cash at bank and in hand		<u>121,042</u>	<u>262,876</u>
		145,923	285,212
<b>CREDITORS</b>			
Amounts falling due within one year	17	(27,420)	(70,584)
<b>NET CURRENT ASSETS</b>		<u>118,503</u>	<u>214,628</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		554,160	610,954
<b>NET ASSETS</b>		<u>554,160</u>	<u>610,954</u>
<b>FUNDS</b>	19		
Unrestricted funds		<u>554,160</u>	<u>610,954</u>
<b>TOTAL FUNDS</b>		<u>554,160</u>	<u>610,954</u>

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 27 May 2022 and were signed on its behalf by:

F Gono - Trustee

D Nicholl - Trustee

**The Aldershot Garrison Pre-School  
Settings**

**Statement of Cash Flows  
for the Year Ended 31 August 2021**

		2021	2020
	Notes	£	as restated £
<b>Cash flows from operating activities</b>			
Cash generated from operations	1	<u>(148,257)</u>	<u>23,743</u>
Net cash (used in)/provided by operating activities		<u>(148,257)</u>	<u>23,743</u>
<b>Cash flows from investing activities</b>			
Purchase of tangible fixed assets		(1,714)	(1,196)
Purchase of fixed asset investments		(66,035)	-
Sale of fixed asset investments		68,982	2,749
Interest received		76	1,086
Share portfolio income		<u>5,114</u>	<u>7,006</u>
Net cash provided by investing activities		<u>6,423</u>	<u>9,645</u>
<b>Change in cash and cash equivalents in the reporting period</b>		<u>(141,834)</u>	<u>33,388</u>
<b>Cash and cash equivalents at the beginning of the reporting period</b>		<u>262,876</u>	<u>229,488</u>
<b>Cash and cash equivalents at the end of the reporting period</b>		<u>121,042</u>	<u>262,876</u>

The notes form part of these financial statements

Notes to the Statement of Cash Flows  
for the Year Ended 31 August 2021

1. RECONCILIATION OF NET EXPENDITURE TO NET CASH FLOW FROM OPERATING ACTIVITIES

	2021 £	2020 as restated £
<b>Net expenditure for the reporting period (as per the Statement of Financial Activities)</b>	(106,761)	(7,607)
<b>Adjustments for:</b>		
Depreciation charges	9,403	11,506
Interest received	(76)	(1,086)
Share portfolio income	(5,114)	(7,006)
Increase in debtors	(2,545)	(5,157)
(Decrease)/increase in creditors	(43,164)	33,093
<b>Net cash (used in)/provided by operations</b>	<u>(148,257)</u>	<u>23,743</u>

2. ANALYSIS OF CHANGES IN NET FUNDS

	At 1.9.20 £	Cash flow £	At 31.8.21 £
<b>Net cash</b>			
Cash at bank and in hand	<u>262,876</u>	<u>(141,834)</u>	<u>121,042</u>
	<u>262,876</u>	<u>(141,834)</u>	<u>121,042</u>
<b>Total</b>	<u>262,876</u>	<u>(141,834)</u>	<u>121,042</u>

## **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, with the exception of investments which are included at market value, as modified by the revaluation of certain assets.

The Aldershot Garrison Pre-school Settings is a private limited company, limited by guarantee, and registered in England and Wales. The address of the registered office is set out in the Trustees report.

The presentation currency of the financial statements is the Pound Sterling (£).

### **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. Amounts received in advance relating to the following year are deferred until the criteria for income recognition are met.

Donations and legacies are accounted for when the charity has unconditional entitlement to the resources and are credited to unrestricted funds unless directed by the donor to do otherwise.

Investment income is included in the accounts when receivable. Investment gains and losses includes any gain or loss on the sale of investments and any gain or loss resulting from revaluing investments to market value at the end of the year using the valuation provided by the Investment Manager (Rathbones Plc).

Income from the government and other grants, whether 'capital' grants or 'revenue' grants is recognised when any performance conditions attached to the grants have been met.

The value of any services provided by volunteers are not incorporated into these financial statements. Further details of any contributions can be found in the trustees report.

Donated services and facilities are only included in incoming resources (with an equivalent amount in resources expended) where the benefit to the charity is reasonably quantifiable, measurable and material. The value placed on these resources is the estimated value to the charity of the service or facility received.

### **Expenditure**

Liabilities are recognised as resources expended as soon as there is a legal or constructive obligation committing the charity to the 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. All expenditure is accounted for on an accruals basis and is inclusive of VAT. All expenses including support costs and governance costs are allocated or apportioned to the applicable expenditure headings.

### **Tangible fixed assets**

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

Property improvements	- 10 years straight line
Fixtures and fittings	- 3 years straight line

### **Fixed asset investments**

Listed investments are included at closing market value at the statement of financial position date. Any gain or loss during the year is taken to the Statement of Financial Activities.

### **Fund accounting**

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

**1. ACCOUNTING POLICIES - continued**

**Fund accounting**

The designated fund represents unrestricted funds held equal to the value of the Rathbones portfolio in Listed Investments totalling £394,068, in line with the reserve policy, plus an additional £36,000 designated in relation to the possible cost contribution towards Clocktower's refurbishment. See note 20 for further details.

Transfers between funds are to ensure the designated fund is in line with the charity's policy at the year end plus the £36,000 referred to above.

**Pension**

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.

**Operating leases**

Rentals paid under operating leases are charged to the Statement of Financial Activities on a straight line basis over the period of the lease.

**Provisions**

Provisions (i.e. liabilities of uncertain timing or amount) are recognised when there is an obligation at the reporting date as a result of a past event, it is probable that economic benefit will be transferred to settle the obligation and the amount of the obligation can be estimated reliably.

**Going concern**

The charitable activities are entirely dependent on continuing pre-school fees and government funding. As a consequence, the going concern basis is dependent on the future flow of these funding streams. The trustees are satisfied that, at the time of approving the financial statements, it is appropriate to adopt the going concern basis in preparing the financial statements. The trustees are not aware of any material uncertainties about the charity's ability to continue as a going concern.

**2. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY**

**Judgements in applying accounting policies**

In the application of the charitable company's accounting policies, the trustees are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

In preparing these financial statements, the trustees have made the following critical judgements:

To determine whether donated services and facilities can be reasonably measured and estimated so as to be recognised in the financial statements as described further in note 18.

As described in note 20, the trustees have judged that it is possible that the charity will be required to contribute towards the cost of Clocktower's refurbishment estimated currently at £36,000 and have decided to recognise a contingent liability.

**Key sources of estimation uncertainties**

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

Key estimation uncertainty are as follows:

To determine the level of provision for doubtful debts required. The trustees look at the likelihood of these provisions crystallising by assessing all the information available at the time in determining the decision.

**Notes to the Financial Statements - continued  
for the Year Ended 31 August 2021**

**2. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY - continued**

Clocktower's refurbishment works has not been fully signed off yet. The cost contribution is based on the trustees best estimate as described further in note 20.

**3. DONATIONS AND LEGACIES**

	2021	2020 as restated
	£	£
Donations	<u>7,772</u>	<u>-</u>

**4. OTHER TRADING ACTIVITIES**

	2021	2020 as restated
	£	£
Photo/video/book commission	667	2,464
Income from fund raising	1,289	-
Sundry income	<u>155</u>	<u>-</u>
	<u>2,111</u>	<u>2,464</u>

**5. INVESTMENT INCOME**

	2021	2020 as restated
	£	£
Investment income	5,114	7,006
Bank interest receivable	<u>76</u>	<u>1,086</u>
	<u>5,190</u>	<u>8,092</u>

**6. INCOME FROM CHARITABLE ACTIVITIES**

	2021	2020 as restated
	£	£
EYE funding and fees	786,900	772,979
Grants	<u>13,338</u>	<u>95,197</u>
	<u>800,238</u>	<u>868,176</u>

Income from government grants included within EYE funding and fees comprise of performance related grants made by local authorities to fund early years education. The amount received in the year totalled £543,319 (2020: £554,681). Other grants comprise amounts received under the Government's Job Retention Scheme and local authority Covid-19 grants.

**7. RAISING FUNDS**

**Investment management costs**

	2021	2020 as restated
	£	£
Management charges	<u>2,489</u>	<u>2,748</u>

**8. CHARITABLE ACTIVITIES COSTS**

	Direct Costs £	Support costs (see note 9) £	Totals £
Charitable activities	<u>832,198</u>	<u>87,385</u>	<u>919,583</u>

**9. SUPPORT COSTS**

	Management £	Finance £	Information technology £
Charitable activities	<u>38,884</u>	<u>1,142</u>	<u>20,820</u>
	Other £	Governance costs £	Totals £
Charitable activities	<u>19,999</u>	<u>6,540</u>	<u>87,385</u>

**10. NET INCOME/(EXPENDITURE)**

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

	2021	2020 as restated
	£	£
Auditors' remuneration	6,540	5,880
Depreciation - owned assets	9,403	11,506
Other operating leases	<u>3,686</u>	<u>2,570</u>

**11. TRUSTEES' REMUNERATION AND BENEFITS**

The trustees have not been paid any remuneration or received any other benefits in relation to their work for the charity during the period.

Any trustee with children attending a setting are charged on the same basis as other parents.

During the period a policy was set by the trustees, that for trustees that have served for longer than 1 year, they would receive a £50 gift on leaving, subject to trustees' agreement.



**11. TRUSTEES' REMUNERATION AND BENEFITS - continued**

**Trustees' expenses**

During the year, 2 trustees were reimbursed travel expenses totalling £132.

**12. STAFF COSTS**

	2021	2020 as restated
	£	£
Wages and salaries	736,370	710,662
Social security costs	41,688	41,899
Other pension costs	11,854	9,584
	<u>789,912</u>	<u>762,145</u>

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

	2021	2020 as restated
Employees	<u>49</u>	<u>46</u>

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

**13. PRIOR YEAR ADJUSTMENT**

A prior period error was identified in the classification of listed investments. Comparatives have been restated by reclassifying listed investments of £347,048 from current assets to fixed assets. There is no impact to the value of the investments.

**14. TANGIBLE FIXED ASSETS**

	Property improvements £	Fixtures and fittings £	Totals £
<b>COST</b>			
At 1 September 2020	85,675	165,968	251,643
Additions	-	1,714	1,714
At 31 August 2021	<u>85,675</u>	<u>167,682</u>	<u>253,357</u>
<b>DEPRECIATION</b>			
At 1 September 2020	37,494	164,871	202,365
Charge for year	8,567	836	9,403
At 31 August 2021	<u>46,061</u>	<u>165,707</u>	<u>211,768</u>
<b>NET BOOK VALUE</b>			
At 31 August 2021	<u>39,614</u>	<u>1,975</u>	<u>41,589</u>
At 31 August 2020	<u>48,181</u>	<u>1,097</u>	<u>49,278</u>

**15. FIXED ASSET INVESTMENTS**

	Listed investments £
<b>MARKET VALUE</b>	
At 1 September 2020	347,048
Additions	66,035
Disposals	(75,940)
Revaluations	56,925
At 31 August 2021	<u>394,068</u>
<b>NET BOOK VALUE</b>	
At 31 August 2021	<u>394,068</u>
At 31 August 2020	<u>347,048</u>

The investments represent holdings in the investment portfolio managed by Rathbone Investment Management.

The historical cost of the above investments was £334,764 (2020: £315,862).

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

	2021 £	2020 as restated £
Trade debtors	24,881	9,054
Other debtors	-	7,536
Prepayments and accrued income	-	5,746
	<u>24,881</u>	<u>22,336</u>

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

	2021 £	2020 as restated £
Trade creditors	4,394	1,730
Social security and other taxes	9,056	8,545
Other creditors	6,950	17,215
Accruals and deferred income	7,020	43,094
	<u>27,420</u>	<u>70,584</u>

**18. LEASING AGREEMENTS**

Minimum lease payments under non-cancellable operating leases fall due as follows:

	2021 £	2020 as restated £
Within one year	1,571	3,179
Between one and five years	-	1,571
	<u>1,571</u>	<u>4,750</u>

There is a verbal agreement with the Garrison to use the buildings, the settings operate from, rent and maintenance free.

Notes to the Financial Statements - continued  
for the Year Ended 31 August 2021

**18. LEASING AGREEMENTS - continued**

A minimum of 12 months notice is required before any rent can start to be charged.

This facility will continue to be rent free for at least the next 12 months.

On the basis that the value of the use of these facilities cannot be reliably determined, no income and equivalent expense have been recognised in the Statement of Financial Activities.

**19. MOVEMENT IN FUNDS**

	At 1.9.20 £	Net movement in funds £	Transfers between funds £	At 31.8.21 £
<b>Unrestricted funds</b>				
General fund	262,954	(104,272)	(34,590)	124,092
Designated fund	348,000	47,478	34,590	430,068
	<u>610,954</u>	<u>(56,794)</u>	<u>-</u>	<u>554,160</u>
<b>TOTAL FUNDS</b>	<u>610,954</u>	<u>(56,794)</u>	<u>-</u>	<u>554,160</u>

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

	Incoming resources £	Resources expended £	Gains and losses £	Movement in funds £
<b>Unrestricted funds</b>				
General fund	815,311	(919,583)	-	(104,272)
Designated fund	-	(2,489)	49,967	47,478
	<u>815,311</u>	<u>(922,072)</u>	<u>49,967</u>	<u>(56,794)</u>
<b>TOTAL FUNDS</b>	<u>815,311</u>	<u>(922,072)</u>	<u>49,967</u>	<u>(56,794)</u>

**Comparatives for movement in funds**

	At 1.9.19 £	Net movement in funds £	At 31.8.20 £
<b>Unrestricted funds</b>			
General fund	268,720	(5,766)	262,954
Designated fund	348,000	-	348,000
	<u>616,720</u>	<u>(5,766)</u>	<u>610,954</u>
<b>TOTAL FUNDS</b>	<u>616,720</u>	<u>(5,766)</u>	<u>610,954</u>

**19. MOVEMENT IN FUNDS - continued**

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

	Incoming resources £	Resources expended £	Gains and losses £	Movement in funds £
<b>Unrestricted funds</b>				
General fund	878,732	(886,339)	1,841	(5,766)
<b>TOTAL FUNDS</b>	<u>878,732</u>	<u>(886,339)</u>	<u>1,841</u>	<u>(5,766)</u>

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

	At 1.9.19 £	Net movement in funds £	Transfers between funds £	At 31.8.21 £
<b>Unrestricted funds</b>				
General fund	268,720	(110,038)	(34,590)	124,092
Designated fund	<u>348,000</u>	<u>47,478</u>	<u>34,590</u>	<u>430,068</u>
	<u>616,720</u>	<u>(62,560)</u>	-	<u>554,160</u>
<b>TOTAL FUNDS</b>	<u>616,720</u>	<u>(62,560)</u>	-	<u>554,160</u>

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 £	Gains and losses £	Movement in funds £
<b>Unrestricted funds</b>				
General fund	1,694,043	(1,805,922)	1,841	(110,038)
Designated fund	-	(2,489)	49,967	47,478
	<u>1,694,043</u>	<u>(1,808,411)</u>	<u>51,808</u>	<u>(62,560)</u>
<b>TOTAL FUNDS</b>	<u>1,694,043</u>	<u>(1,808,411)</u>	<u>51,808</u>	<u>(62,560)</u>

**20. CONTINGENT LIABILITIES**

In Summer 2021, the building that a pre-school setting has sole use of was refurbished by the Garrison. It was verbally agreed that the charity contribute 20% of the total refurbishment costs, currently estimated to be £36,000, but this has not been finalised as the building works have not officially been signed off yet and it is uncertain whether any costs will actually be required to be paid.

**21. RELATED PARTY DISCLOSURES**

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

**22. FRC ETHICAL STANDARD - PROVISIONS AVAILABLE FOR SMALL ENTITIES**

In common with many other businesses of our size and nature we use our auditors to prepare and submit returns to the tax authorities and assist with the preparation of the financial statements.

**23. ULTIMATE CONTROLLING PARTY**

The company is limited by guarantee and has no controlling party. The liability of each member is limited to £10 in the event of it being wound up.

This document was delivered using electronic communications and authenticated in accordance with the registrar's rules relating to electronic form, authentication and manner of delivery under section 1072 of the Companies Act 2006.