

REGISTERED COMPANY NUMBER: 07984150 (England and Wales)
REGISTERED CHARITY NUMBER: 1148068

THE BUTTERFLY ROOMS (INCORPORATING
WOODLANDS) LTD
(A COMPANY LIMITED BY GUARANTEE)

REPORT OF THE TRUSTEES AND

UNAUDITED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST AUGUST 2020

**THE BUTTERFLY ROOMS (INCORPORATING
WOODLANDS) LTD**

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for the Year Ended 31st August 2020**

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THE BUTTERFLY ROOMS (INCORPORATING WOODLANDS) LTD

REPORT OF THE TRUSTEES **for the Year Ended 31st August 2020**

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 31st August 2020. 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 main activities of the charity are to enhance the development and education of children primarily under statutory school age by encouraging parents to understand and provide for the needs of their children through a community group.

Significant activities

The setting has undergone significant managerial changes which has massively improved the settings performance, gaining its "Good" Ofsted back in July 2021. The setting are due to obtain their Portage stamp of approval again in the next couple of months which will ensure referrals in for SEN children and their accompanying funding. The setting was the only provision that remained open in the local area throughout the pandemic and was able to provide its services to the local community throughout. Extensive works on the outside areas have been completed at our cost in order to maximise the use of space which is detailed in the below report which is reflected in the deficit in the report and is abnormal compared to every other year of trading business.

Public benefit

Because the Pre-School is located in an area of under privilege, staff have been trained to enable the Pre-School to offer places to children with special needs and those coming from families with special needs.

The Pre-School also operates flexible time tabling to enable families to maximise their earning potential whilst controlling their Pre-School costs.

STRATEGIC REPORT

Financial position

The attached financial statements show the current state of the finances which the trustees consider to be reasonable.

The charity's bankers are Santander UK Plc, BRAM Bridle Road, Bootle, Merseyside, L30 4GB. The independent examiner is Frederick Budd & Co Ltd, Chartered Certified Accountants, Hornchurch Essex, RM11 3BU

Reserves policy

The trustees endeavour to maintain sufficient reserves to enable the charity to meet any unforeseen expenditure.

Going concern

The financial statements have been prepared on a going concern basis as the trustees believe that no material uncertainties exist. The trustees have considered the level of funds held and the expected level of income and expenditure for 12 months from authorising these financial statements. The budgeted income and expenditure is sufficient with the level of reserves for the charity to be able to continue as a going concern.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Governing document

The charity was originally established by Constitution dated 30th March 1999 and now is registered with the Charity Commission under number 1148068. The registered office and charity's address is Tank Hill Road, Purfleet, Essex RM19 1TA.

Recruitment and appointment of new trustees

The Charity has produced a job description for consideration by prospective Trustees. All potential Trustees are subject to a DBS (Disclosure Barring Service) check and OFSTED monitoring. Trustees are directed by the Charity Commission web site and publications to gain an understanding of their general responsibilities.

REFERENCE AND ADMINISTRATIVE DETAILS

Registered Company number

07984150 (England and Wales)

Registered Charity number
1148068

**THE BUTTERFLY ROOMS (INCORPORATING
WOODLANDS) LTD**

REPORT OF THE TRUSTEES

for the Year Ended 31st August 2020

Registered office

Woodlands Pre-School & Nursery
Tank Hill Road
Purfleet on Thames
Essex
RM19 1TA

Trustees

Ms A R Bean Counsellor/ Psychotherapist (appointed 9.3.20)
Ms S J Crowley Financial Consultant
S P Hamman Retired (appointed 9.3.20)
S A Mitchell Police Officer (appointed 9.1.20)
J J Buckley Office Administrator (resigned 8.1.20)
Ms C E Wisdom Operational Director (resigned 8.1.20)

Independent Examiner

Frederick Budd & Co. Ltd
Certified Accountant
325 Wingleye Lane
Hornchurch
Essex
RM11 3BU

REVIEW OF PROGRESS AND ACHIEVEMENTS

An operating deficit of £112,135 was incurred during the year (£2019: 79,199 surplus). The Trustees are satisfied that the charity continues to meet its objectives and this is borne out by the fact that the school provided assistance in excess of 80 children during the period under review which included the first 9 months of Covid measures. The loss detailed in this report is in line with our strategic plan for the next 5 years as the investment will ensure a profit for the years to come.

Report of the trustees, incorporating a strategic report, approved by order of the board of trustees, as the company directors, on 31st July 2021 and signed on the board's behalf by: Stuart Mitchell



S A Mitchell - Trustee

**INDEPENDENT EXAMINER'S REPORT TO THE TRUSTEES OF
THE BUTTERFLY ROOMS (INCORPORATING
WOODLANDS) LTD**

Independent examiner's report to the trustees of The Butterfly Rooms (Incorporating Woodlands) Ltd ('the Company')

I report to the charity trustees on my examination of the accounts of the Company for the year ended 31st August 2020.

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 145(5) (b) of the 2011 Act.

Independent examiner's statement

Since your charity's gross income exceeded £250,000 your examiner must be a member of a listed body. I can confirm that I am qualified to undertake the examination because I am a registered member of Chartered Certified Accountant which is one of the listed bodies.

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.

Gemma Butler
Chartered Certified Accountant
Frederick Budd & Co. Ltd
Certified Accountant
325 Wingley Lane
Hornchurch
Essex
RM11 3BU

31st July 2021

**THE BUTTERFLY ROOMS (INCORPORATING
WOODLANDS) LTD**

**STATEMENT OF FINANCIAL ACTIVITIES
for the Year Ended 31st August 2020**

		2020 Unrestricted fund £	2019 Total funds £
INCOME AND ENDOWMENTS FROM	Notes		
Donations and legacies	2	1	2,174
Charitable activities	4		
Early Years Funding		323,784	352,644
TBC - Support		-	37,500
Fees		94,104	214,882
Milk Reclaim		-	451
Furlough grant		32,533	-
Other trading activities	3	-	914
Other income		-	373
Total		450,422	608,938
EXPENDITURE ON			
Charitable activities	5	562,557	529,739
Grants and Fees		-	-
NET INCOME/(EXPENDITURE)		(112,135)	79,199
RECONCILIATION OF FUNDS			
Total funds brought forward		213,518	134,319
TOTAL FUNDS CARRIED FORWARD		<u>101,383</u>	<u>213,518</u>

The notes form part of these financial statements

**THE BUTTERFLY ROOMS (INCORPORATING
WOODLANDS) LTD**

BALANCE SHEET

31st August 2020

	2020 Unrestricted fund £	2019 Total funds £
FIXED ASSETS		
Tangible assets	47,728	41,506
CURRENT ASSETS		
Cash at bank	66,926	183,722
CREDITORS		
Amounts falling due within one year	(13,271)	(11,710)
NET CURRENT ASSETS	<u>53,655</u>	<u>172,012</u>
TOTAL ASSETS LESS CURRENT LIABILITIES	<u>101,383</u>	<u>213,518</u>
NET ASSETS	<u>101,383</u>	<u>213,518</u>
FUNDS		
Unrestricted funds	14	<u>101,383</u>
TOTAL FUNDS	<u>101,383</u>	<u>213,518</u>

The charitable company is entitled to exemption from audit under Section 477 of the Companies Act 2006 for the year ended 31st August 2020.

The members have not required the company to obtain an audit of its financial statements for the year ended 31st August 2020 in accordance with Section 476 of the Companies Act 2006.

The trustees acknowledge their responsibilities for

- (a) ensuring that the charitable company keeps accounting records that comply with Sections 386 and 387 of the Companies Act 2006 and
- (b) 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.

The financial statements were approved by the Board of Trustees and authorised for issue on 31st July 2021 and were signed on its behalf by:

S A Mitchell - Trustee

The notes form part of these financial statements

**THE BUTTERFLY ROOMS (INCORPORATING
WOODLANDS) LTD**

CASH FLOW STATEMENT

for the Year Ended 31st August 2020

	2020 £	2019 £
Notes		
Cash flows from operating activities		
Cash generated from operations	1	
	<u>(98,642)</u>	<u>186,367</u>
Net cash (used in)/provided by operating activities	<u>(98,642)</u>	<u>186,367</u>
Cash flows from investing activities		
Purchase of tangible fixed assets	<u>(18,154)</u>	<u>(2,645)</u>
Net cash used in investing activities	<u>(18,154)</u>	<u>(2,645)</u>
	<u> </u>	<u> </u>
Change in cash and cash equivalents in the reporting period	(116,796)	183,722
Cash and cash equivalents at the beginning of the reporting period	<u>183,722</u>	<u>-</u>
Cash and cash equivalents at the end of the reporting period	<u><u>66,926</u></u>	<u><u>183,722</u></u>

The notes form part of these financial statements

**THE BUTTERFLY ROOMS (INCORPORATING
WOODLANDS) LTD**

**NOTES TO THE CASH FLOW STATEMENT
for the Year Ended 31st August 2020**

**1. RECONCILIATION OF NET (EXPENDITURE)/INCOME TO NET CASH FLOW FROM
OPERATING ACTIVITIES**

	2020 £	2019 £
Net (expenditure)/income for the reporting period (as per the Statement of Financial Activities)	(112,135)	79,199
Adjustments for:		
Depreciation charges	11,932	10,376
Opening 2019 cash flow balance	-	97,909
Opening 2019 credit/movement	1,561	(2,551)
Increase in creditors	1,561	1,434
Net cash (used in)/provided by operations	<u>(98,642)</u>	<u>186,367</u>

2. ANALYSIS OF CHANGES IN NET FUNDS

	At 1.9.19 £	Cash flow £	At 31.8.20 £
Net cash	<u>183,722</u>	<u>(116,796)</u>	<u>66,926</u>
Cash at bank	<u>183,722</u>	<u>(116,796)</u>	<u>66,926</u>
Debt			
Debts falling due within 1 year	<u>(10,276)</u>	-	<u>(10,276)</u>
	<u>(10,276)</u>	-	<u>(10,276)</u>
Total	<u>173,446</u>	<u>(116,796)</u>	<u>56,650</u>

The notes form part of these financial statements

**THE BUTTERFLY ROOMS (INCORPORATING
WOODLANDS) LTD**

**NOTES TO THE FINANCIAL STATEMENTS
for the Year Ended 31st August 2020**

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.

Short leasehold	- 20% on reducing balance
Fixtures and fittings	- 20% on reducing balance

Taxation

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

Hire purchase and leasing commitments

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

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. DONATIONS AND LEGACIES

	2020	2019
Gifts	£ 1	£ (2)
Donations & Legacies	<u>1</u>	<u>2,176</u>
	<u><u>1</u></u>	<u><u>2,174</u></u>

**THE BUTTERFLY ROOMS (INCORPORATING
WOODLANDS) LTD**

**NOTES TO THE FINANCIAL STATEMENTS - continued
for the Year Ended 31st August 2020**

3. OTHER TRADING ACTIVITIES

	2020	2019
Fundraising	£ -	£ 914
	<u>-</u>	<u>914</u>

4. INCOME FROM CHARITABLE ACTIVITIES

	2020	2019
Activity	£	£
Early years funding	323,784	352,644
Early years funding	-	37,500
Fees	94,104	214,882
Milk reclaim	-	451
Furlough grant	32,533	-
	<u>450,421</u>	<u>605,477</u>

5. CHARITABLE ACTIVITIES COSTS

	Direct Costs	Support costs (see note 6)	Totals
Grants and Fees	£ 492,929	£ 69,628	£ 562,557
	<u>492,929</u>	<u>69,628</u>	<u>562,557</u>

6. SUPPORT COSTS

	Management	Governance	Totals
Grants and Fees	£ 52,728	£ 16,900	£ 69,628
	<u>52,728</u>	<u>16,900</u>	<u>69,628</u>

7. NET INCOME/(EXPENDITURE)

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

	2020	2019
Depreciation - owned assets	£ 11,932	£ 10,376
Hire of plant and machinery	13,786	14,488
	<u>13,786</u>	<u>14,488</u>

8. TRUSTEES' REMUNERATION AND BENEFITS

There were no trustees' remuneration or other benefits for the year ended 31st August 2020 nor for the year ended 31st August 2019.

Trustees' expenses

There were no trustees' expenses paid for the year ended 31st August 2020 nor for the year ended 31st August 2019.

**THE BUTTERFLY ROOMS (INCORPORATING
WOODLANDS) LTD**

**NOTES TO THE FINANCIAL STATEMENTS - continued
for the Year Ended 31st August 2020**

9. STAFF COSTS

	2020 £	2019 £
Wages and salaries	393,876	410,520
Social security costs	22,525	23,124
Other pension costs	<u>54,207</u>	<u>5,426</u>
	<u><u>470,608</u></u>	<u><u>439,070</u></u>

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

	2020	2019
Childcare	19	30
Support	4	2
Administration & Finance	1	1
Management	<u>3</u>	<u>2</u>

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

10. COMPARATIVES FOR THE STATEMENT OF FINANCIAL ACTIVITIES

	Unrestricted fund £
INCOME AND ENDOWMENTS FROM	
Donations and legacies	2,174
Charitable activities	
Early Years Funding	352,644
TBC - Support	37,500
Fees	214,882
Milk Reclaim	451
Other trading activities	914
Other income	<u>373</u>
Total	608,938
EXPENDITURE ON	
Charitable activities	529,739
Grants and Fees	<u>79,199</u>
NET INCOME	
RECONCILIATION OF FUNDS	
Total funds brought forward	134,319
TOTAL FUNDS CARRIED FORWARD	<u><u>213,518</u></u>

**THE BUTTERFLY ROOMS (INCORPORATING
WOODLANDS) LTD**

**NOTES TO THE FINANCIAL STATEMENTS - continued
for the Year Ended 31st August 2020**

11. TANGIBLE FIXED ASSETS

	Short and leasehold £	Fixtures and fittings £	Totals £
COST			
At 1st September 2019	90,368	13,391	103,759
Additions	<u>18,154</u>	<u>-</u>	<u>18,154</u>
At 31st August 2020	<u>108,522</u>	<u>13,391</u>	<u>121,913</u>
DEPRECIATION			
At 1st September 2019	53,332	8,921	62,253
Charge for year	<u>11,038</u>	<u>894</u>	<u>11,932</u>
At 31st August 2020	<u>64,370</u>	<u>9,815</u>	<u>74,185</u>
NET BOOK VALUE			
At 31st August 2020	<u>44,152</u>	<u>3,576</u>	<u>47,728</u>
At 31st August 2019	<u>37,036</u>	<u>4,470</u>	<u>41,506</u>

12. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2020 £	2019 £
Other loans (see note 13)	10,276	10,276
Trade creditors	<u>1</u>	<u>-</u>
Accrued expenses	<u>2,994</u>	<u>1,434</u>
	<u>13,271</u>	<u>11,710</u>

13. LOANS

An analysis of the maturity of loans is given below:

	2020 £	2019 £
Amounts falling due within one year on demand:		
Other loans	<u>10,276</u>	<u>10,276</u>

14. MOVEMENT IN FUNDS

	At 1.9.19 £	Net movement in funds £	At 31.8.20 £
Unrestricted funds			
General fund	213,518	(112,135)	101,383
TOTAL FUNDS	<u>213,518</u>	<u>(112,135)</u>	<u>101,383</u>

**THE BUTTERFLY ROOMS (INCORPORATING
WOODLANDS) LTD**

**NOTES TO THE FINANCIAL STATEMENTS - continued
for the Year Ended 31st August 2020**

14. MOVEMENT IN FUNDS - continued

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

	Incoming resources £	Resources expended £	Movement in funds £
Unrestricted funds			
General fund	450,422	(562,557)	(112,135)
TOTAL FUNDS	<u>450,422</u>	<u>(562,557)</u>	<u>(112,135)</u>

Comparatives for movement in funds

	Net movement in funds £	At 31.8.19 £
Unrestricted funds		
General fund	134,319	213,518
TOTAL FUNDS	<u>134,319</u>	<u>213,518</u>

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

	Incoming resources £	Resources expended £	Movement in funds £
Unrestricted funds			
General fund	608,938	(529,739)	79,199
TOTAL FUNDS	<u>608,938</u>	<u>(529,739)</u>	<u>79,199</u>

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

	Net movement in funds £	At 31.8.20 £
Unrestricted funds		
General fund	134,319	101,383
TOTAL FUNDS	<u>134,319</u>	<u>101,383</u>

**THE BUTTERFLY ROOMS (INCORPORATING
WOODLANDS) LTD**

**NOTES TO THE FINANCIAL STATEMENTS - continued
for the Year Ended 31st August 2020**

14. 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	1,059,360	(1,092,296)	(32,936)
TOTAL FUNDS	<u>1,059,360</u>	<u>(1,092,296)</u>	<u>(32,936)</u>

15. RELATED PARTY DISCLOSURES

There were no related party transactions for the year ended 31st August 2020.

**THE BUTTERFLY ROOMS (INCORPORATING
WOODLANDS) LTD**

**DETAILED STATEMENT OF FINANCIAL ACTIVITIES
for the Year Ended 31st August 2020**

	2020 £	2019 £
INCOME AND ENDOWMENTS		
Donations and legacies		
Gifts	1	(2)
Donations & Legacies	<u>-</u>	<u>2,176</u>
	1	2,174
Other trading activities		
Fundraising	-	914
Charitable activities		
Fees	94,104	214,882
Early years funding	323,784	390,144
Furlough Grant	32,533	-
Milk reclaim	<u>-</u>	<u>451</u>
	450,421	605,477
Other income		
Uniform sales	-	218
Other income	<u>-</u>	<u>155</u>
	-	373
Total incoming resources	450,422	608,938
EXPENDITURE		
Charitable activities		
Wages	393,876	410,520
Social security	22,525	23,124
Pensions	54,207	5,426
Training	2,553	4,341
Uniform purchases	-	417
Refreshments and food	7,698	4,147
Activity equipment	6,947	10,650
Travel	<u>5,123</u>	<u>-</u>
	492,929	458,625
Support costs		
Management		
Hire of plant and machinery	13,786	14,488
Rates and water	7,077	5,863
Insurance	3,199	2,379
Light and heat	3,110	3,758
Telephone	754	760
Carried forward	27,926	27,248

This page does not form part of the statutory financial statements

**THE BUTTERFLY ROOMS (INCORPORATING
WOODLANDS) LTD**

**DETAILED STATEMENT OF FINANCIAL ACTIVITIES
for the Year Ended 31st August 2020**

	2020 £	2019 £
Management		
Brought forward	27,926	27,248
Postage and stationery	2,340	2,309
Sundries	267	552
Cleaning	6,320	2,639
Repairs and renewals	3,678	13,036
Membership/subscriptions	265	-
Short leasehold	11,038	9,258
Fixtures and fittings	894	1,118
	<u>52,728</u>	<u>56,160</u>
Governance costs		
Accountancy fees	1,560	1,476
Membership & subscriptions	-	422
Legal & Professional fees	<u>15,340</u>	<u>13,056</u>
	<u>16,900</u>	<u>14,954</u>
Total resources expended	<u>562,557</u>	<u>529,739</u>
Net (expenditure)/income	<u>(112,135)</u>	<u>79,199</u>

This page does not form part of the statutory financial statements