

REGISTERED COMPANY NUMBER: 09140875 (England and Wales)
REGISTERED CHARITY NUMBER: 1158321

Report of the Trustees and
Financial Statements for the Period 1 August 2019 to 31 August 2020
for
Sherwood Preschool Limited

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for the Period 1 August 2019 to 31 August 2020

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Sherwood Preschool Limited

Report of the Trustees
for the Period 1 August 2019 to 31 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 period 1 August 2019 to 31 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

BACKGROUND AND HISTORY OF MULBERRY PRE-SCHOOL AT HOWARD

Mulberry Pre-School at Howard was established on 21st July 2014 as a company for the purpose of running an independent pre-school. This followed the decision by an existing pre-school, The Mulberry Bush, to cease trading at Howard Primary School.

Following detailed discussion and negotiation, supported by legal and professional advisers, the trustees, with some start-up funding from The Hive, Croydon, formally took over the premises and resources at the site, previously occupied by The Mulberry Bush on 27th March 2015. They managed the successful transfer of all the staff, through TUPE, to ensure as smooth a change-over as possible, with the minimum of disruption to the children and their families using the facility.

Since then, Mulberry Pre-School at Howard has continued to provide an excellent, early-years learning environment for children aged 2 to 4, for local families.

The primary activity of the trustees, in the period covered by this report, was to ensure that the routine operation of the pre-school was maintained to a high standard with financial stability and sustainability guaranteed. This was complicated by the emergence of the Covid-19 pandemic and the restrictions imposed by Government on opening and social interaction.

FINANCES

Trustees monitored the financial profile of the pre-school during this period to ensure that running costs were predictable and providing value for money. The trustees worked on the principle that it was prudent to ensure a cushion, equating to six months' expenditure, was maintained.

When it became clear, in spring 2020, that opening on a normal basis was not going to be possible as the nation went into lockdown and other restrictions were imposed, the trustees recognised that previous patterns of income and expenditure would no longer apply. The trustees did not apply to the Government's furlough scheme, to support employees' wages, as Government funding for pre-school places was continued. A source of income was therefore available. Nevertheless, it has remained impossible to operate with a profit during the pandemic. Costs have been cut as far as possible but an average monthly loss has meant drawing on reserves.

During this period, a systematic arrangement with Howard Primary School regarding the metering and regular payment of utilities' bills was finally established, enabling the pre-school to plan for these costs.

Once the lockdown had been imposed, Howard School offered to cut the rent paid to them by 50%. This offer was accepted for the summer term only. The pre-school continued to keep its Breakfast and After School Club open for children of key workers who attended Howard School. No fees were charged for this provision.

POLICIES

During this period, trustees continued to oversee policies, when prompted by the manager, to ensure that they remained up-to-date and reflected current good practice.

An addendum was added to the Health and Safety Policy, covering Covid-19 precautions. The Staff Sickness Policy was up-dated to cover quarantining. A risk assessment was also undertaken, in line with official Early Years recommendations. All measures, required to combat the spread of the Covid-19 virus, were drawn up, scrutinised by trustees and implemented. Practices changed on occasion, in response to ever-changing Government guidelines.

Report of the Trustees
for the Period 1 August 2019 to 31 August 2020

The pre-school continued to operate, on a day to day basis, in accordance with its policies and Covid-19 measures. In this way, the trustees were able to provide a high quality service to local children and their families and fulfil their responsibilities in terms of the well-being of their staff.

STAFFING

Throughout this period, the trustees ensured that the pre-school remained fully staffed with appropriately qualified practitioners appointed. Provision was made to support staff who needed to shield because of their own or dependents' vulnerabilities.

Despite the fact, once the pandemic hit, that the situation for individual staff was precarious with isolation required, in accordance with Government directives, as a body, the staff worked well and ensured that the pre-school's responsibilities were met throughout this period.

There was no part-time administrative assistant employed during this period.

A handy-person continued to be employed during this period on an ad hoc basis, by the hour. Trustees wanted to ensure that his practical skills in carpentry and site-management, enabling the pre-school to improve its outdoor facilities and environment cost-effectively, could be drawn upon when required. However, there was little call for his skills during the lock-down period.

The annual appraisal scheme for pre-school practitioners, now well established, was adapted appropriately with targets for staff modified to reflect the lockdown. Targets focussing on development work and planning that could be done from home, replaced the targets, in line with the current development plan, which had been set. All staff who met or exceeded their targets for the period 2018-19 were appropriately rewarded. A Christmas bonus was awarded to staff as a gesture of appreciation.

The compulsory pension scheme continued to run efficiently with the employer's contribution at 5% to match the statutory increase imposed on employees.

Trustees were aware that the pre-school's most significant asset was the quality of its staff. Regular visits to the pre-school by the Chair of Trustees and other trustees ensured that all staff had access to the trustees. These however were suspended once lockdown was imposed. Staff knew that they could approach the Chair of Trustees personally on matters regarding their employment.

PREMISES

The work of the handy-person meant that the general maintenance of the site was improved.

The garden continued to be attended by a member of staff.

INCOME GENERATION

The generation of income, other than through the receipt of fees and Council funding, was not addressed during this period. Focus was given, once the pandemic had struck, of monitoring the financial situation made precarious by the drop in income.

Trustees were aware that income generation would be an area where time and resources needed to be channelled in the future, in the light of the national and local situation if the pandemic persisted or once it had passed.

The After-School Club to which children attending Howard primary school are also eligible, continued to be the most profitable aspect of the pre-school's business in the months preceding the pandemic. Once lockdown had been imposed, this continued as a free service for those children still allowed to attend Howard School.

MEMBERSHIP AND PARTNERSHIPS

Trustees continued to subscribe to local professional networks to ensure that the staff are aware of current developments.

Report of the Trustees
for the Period 1 August 2019 to 31 August 2020

The manager continued to work closely with Croydon Local Authority, particularly as far as children with special educational needs or disabilities were concerned, and to keep informed about appropriate work-practices during the pandemic.

The relationship with Howard Primary School was sound. Issues relating to the management of the site by the school and the costs of refurbishment were addressed professionally.

The manager and other senior staff continued to invest time, when a need arose, in supporting parents and carers both in their parenting skills and in other matters including applying to primary schools and acquiring passports. Support was also given relating to the experience of bereavement which affected a number of families as a result of Covid deaths. It was clear that many local families regarded the pre-school staff as a reliable source of advice and guidance. Particular attention was given, during this period, in raising parental awareness about the dangers of unsupervised access to the internet. During the pandemic, the manager and deputy manager maintained an on-line service to all families, encouraging exercise and other stimulating activities which parents could do with their children.

Communication with parents for whom English was not their first language continued to be monitored.

The trustees recognised that a successful pre-school was likely to be rooted in the local community. They were therefore pleased that the partnerships forged to date proved to be positive, helping to develop a sense of a wider community. It was this sense of being within an active community that many families found supportive especially during an extremely challenging second half to the reporting period.

DEVELOPMENT

September 2019 saw the admission of an unusually young cohort and a higher than normal percentage of children with special or additional needs. The focus of the autumn term was adapted to give greater emphasis to the attention skills and behaviour management. 'Table Time' was introduced for older children as a strategy for improving their listening skills and ability to remain attentive. There was no Christmas nativity event as the children lacked the self-control to cope with an extraordinary situation. Staff training focussed on the use of open questions and the development of children's expressive language.

Once lockdown was imposed in spring 2020, focus was given entirely to how families could be supported on-line. This took the form of sign-posting families to other on-line resources, including Class Dojo, through the pre-school's own on-line postings or by making telephone contact routinely with all families to check on their well-being.

The Breakfast and After-School Clubs continued to run during the Easter holidays during this reporting period, staffed by the pre-school on a voluntary basis in order to support Key Workers' children who attended Howard School. No fees were charged. The Pre-school re-opened on 1st July for the remainder of the summer term. However fewer than twenty children made use of the facility.

The After-School Club continued to be run by a dedicated leader, employed for that purpose from the end of the afternoon pre-school session. Her appointment was made permanent during the first half of this reporting period. However, once the lockdown and shielding restrictions were imposed, the Club leader felt unable to fulfil this role and the Club was run by a cohort of staff who volunteered for this work.

SUMMARY

At the end of this reporting period, when it once again became possible to re-open, it became clear that a number of families remained worried about the risk of infection and transmission and did not return their children to the pre-school. Places were not necessarily resigned but it was clear that 'working from home' and the flexibility this could bring was now far more widespread and that many parents were likely to review their need for a pre-school place. The reporting period closed with a considerable amount of uncertainty as to how the pre-school would need to adapt in the face of a still uncertain future.

The trustees continued to be extremely pleased with the pre-school's success and the innovation and flexibility shown by the staff. They were confident that the pre-school was operating on a sound financial footing albeit during extremely challenging times. They recognised that a reliance on the cushion of reserves could not continue indefinitely but also appreciated that sound financial management in the past provided resilience. Staff remained enthusiastic, loyal and dedicated even when faced with bereavements in their own immediate families. Trustees were in no doubt that the pre-school provided an excellent service for local families.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Governing document

The charity is controlled by its governing document, a deed of trust, and constitutes a limited company, limited by guarantee, as defined by the Companies Act 2006.

REFERENCE AND ADMINISTRATIVE DETAILS

Registered Company number

09140875 (England and Wales)

Registered Charity number

1158321

Registered office

7 Nottingham Road
South Croydon
Surrey
CR2 6LN

Trustees

Ms M M C Jackson Teaching Assistant
D N Matthews Headteacher
Mrs R Ramakrishnan Teacher
Mrs M G Roberts Clerk (appointed 1.2.20)
D B C Tooze Charity Administrator
Mrs A L Dobson House Wife (resigned 1.12.19)

Company Secretary

Independent Examiner

Maddox & Maddox Limited
4 Spire Place
Warlingham
Surrey
CR6 9LW

Sherwood Preschool Limited

Report of the Trustees

for the Period 1 August 2019 to 31 August 2020

CHANGE OF NAME

The charitable company passed a special resolution on 1 February 2021 changing its name from Mulberry Pre-School at Howard to Sherwood Preschool Limited.

Approved by order of the board of trustees on 26 May 2021 and signed on its behalf by:

D N Matthews - Trustee

Independent examiner's report to the trustees of Sherwood Preschool Limited ('the Company')

I report to the charity trustees on my examination of the accounts of the Company for the period 1 August 2019 to 31 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 FCCA 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.

Simon Maddox
FCCA
Maddox & Maddox Limited
4 Spire Place
Warlingham
Surrey
CR6 9LW

26 May 2021

Sherwood Preschool Limited

Statement of Financial Activities
for the Period 1 August 2019 to 31 August 2020

		Period 1.8.19 to 31.8.20 Unrestricted fund £	Year Ended 31.7.19 Total funds £
INCOME AND ENDOWMENTS FROM	Notes		
Donations and legacies		207,579	178,648
Other trading activities	2	54,082	86,713
Total		261,661	265,361
 EXPENDITURE ON			
Raising funds		268,344	245,065
 NET INCOME/(EXPENDITURE)		(6,683)	20,296
 RECONCILIATION OF FUNDS			
 Total funds brought forward		209,501	189,205
 TOTAL FUNDS CARRIED FORWARD		202,818	209,501

The notes form part of these financial statements

Sherwood Preschool Limited

Balance Sheet
31 August 2020

	Notes	31.8.20 Unrestricted fund £	31.7.19 Total funds £
FIXED ASSETS			
Tangible assets	7	1,925	3,932
CURRENT ASSETS			
Debtors	8	1,070	-
Cash at bank		203,786	206,896
		<hr/> 204,856	<hr/> 206,896
CREDITORS			
Amounts falling due within one year	9	(3,963)	(1,327)
NET CURRENT ASSETS		<hr/> 200,893	<hr/> 205,569
TOTAL ASSETS LESS CURRENT LIABILITIES		<hr/> 202,818	<hr/> 209,501
NET ASSETS		<hr/> <hr/> 202,818	<hr/> <hr/> 209,501
FUNDS	10		
Unrestricted funds		202,818	209,501
TOTAL FUNDS		<hr/> <hr/> 202,818	<hr/> <hr/> 209,501

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

The members have not required the company to obtain an audit of its financial statements for the period ended 31 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.

Sherwood Preschool Limited

Balance Sheet - continued

31 August 2020

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 26 May 2021 and were signed on its behalf by:

D N Matthews - Trustee

1. ACCOUNTING POLICIES

Basis of preparing the financial statements

The financial statements of the charitable company, which is a public benefit entity under FRS 102, have been prepared in accordance with the Charities SORP (FRS 102) 'Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019)', Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and the Companies Act 2006. The financial statements have been prepared under the historical cost convention.

Income

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

Expenditure

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

Tangible fixed assets

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

Plant and machinery - 25% on cost
Computer equipment - 25% on cost

Taxation

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

Fund accounting

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

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

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

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.

Notes to the Financial Statements - continued
for the Period 1 August 2019 to 31 August 2020

1. ACCOUNTING POLICIES - continued

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. OTHER TRADING ACTIVITIES

	Period 1.8.19 to 31.8.20 £	Year Ended 31.7.19 £
After school fees	33,652	69,781
Top up fees	20,430	16,932
	<u>54,082</u>	<u>86,713</u>

3. NET INCOME/(EXPENDITURE)

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

	Period 1.8.19 to 31.8.20 £	Year Ended 31.7.19 £
Depreciation - owned assets	3,225	-
Other operating leases	13,750	13,000
	<u>16,975</u>	<u>13,000</u>

4. TRUSTEES' REMUNERATION AND BENEFITS

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

Trustees' expenses

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

5. STAFF COSTS

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

	Period 1.8.19 to 31.8.20	Year Ended 31.7.19
Staff	14	16
	<u>14</u>	<u>16</u>

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

6. COMPARATIVES FOR THE STATEMENT OF FINANCIAL ACTIVITIES

	Unrestricted fund £
INCOME AND ENDOWMENTS FROM	
Donations and legacies	178,648
Other trading activities	86,713
Total	<u>265,361</u>
EXPENDITURE ON	
Raising funds	245,065
NET INCOME	<u>20,296</u>
RECONCILIATION OF FUNDS	
Total funds brought forward	189,205
TOTAL FUNDS CARRIED FORWARD	<u>209,501</u>

Notes to the Financial Statements - continued
for the Period 1 August 2019 to 31 August 2020

7. TANGIBLE FIXED ASSETS

	Plant and machinery £	Computer equipment £	Totals £
COST			
At 1 August 2019	3,932	-	3,932
Additions	718	500	1,218
	<hr/>	<hr/>	<hr/>
At 31 August 2020	4,650	500	5,150
	<hr/>	<hr/>	<hr/>
DEPRECIATION			
Charge for year	3,100	125	3,225
	<hr/>	<hr/>	<hr/>
NET BOOK VALUE			
At 31 August 2020	1,550	375	1,925
	<hr/>	<hr/>	<hr/>
At 31 July 2019	3,932	-	3,932
	<hr/>	<hr/>	<hr/>

8. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	31.8.20 £	31.7.19 £
Other debtors	1,070	-
	<hr/>	<hr/>

9. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	31.8.20 £	31.7.19 £
Social security and other taxes	2,171	731
Other creditors	542	596
Accrued expenses	1,250	-
	<hr/>	<hr/>
	3,963	1,327
	<hr/>	<hr/>

10. MOVEMENT IN FUNDS

	At 1.8.19 £	Net movement in funds £	At 31.8.20 £
Unrestricted funds			
General fund	209,501	(6,683)	202,818
	<hr/>	<hr/>	<hr/>
TOTAL FUNDS	209,501	(6,683)	202,818
	<hr/>	<hr/>	<hr/>

10. 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	261,661	(268,344)	(6,683)
	<hr/>	<hr/>	<hr/>
TOTAL FUNDS	<u>261,661</u>	<u>(268,344)</u>	<u>(6,683)</u>

Comparatives for movement in funds

	At 1.8.18 £	Net movement in funds £	At 31.7.19 £
Unrestricted funds			
General fund	189,205	20,296	209,501
	<hr/>	<hr/>	<hr/>
TOTAL FUNDS	<u>189,205</u>	<u>20,296</u>	<u>209,501</u>

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

	Incoming resources £	Resources expended £	Movement in funds £
Unrestricted funds			
General fund	265,361	(245,065)	20,296
	<hr/>	<hr/>	<hr/>
TOTAL FUNDS	<u>265,361</u>	<u>(245,065)</u>	<u>20,296</u>

11. RELATED PARTY DISCLOSURES

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

Sherwood Preschool Limited

Detailed Statement of Financial Activities
for the Period 1 August 2019 to 31 August 2020

	Period 1.8.19 to 31.8.20 £	Year En ded 31.7.19 £
INCOME AND ENDOWMENTS		
Donations and legacies		
Local authority funding	207,579	178,648
Other trading activities		
After school fees	33,652	69,781
Top up fees	20,430	16,932
	<hr/> 54,082	<hr/> 86,713
Total incoming resources	<hr/> 261,661	<hr/> 265,361
EXPENDITURE		
Other trading activities		
Resources	4,196	8,446
Food	4,045	6,020
	<hr/> 8,241	<hr/> 14,466
Support costs		
Management		
Wages	207,140	182,563
Social security	2,602	6,323
Pensions	5,040	4,734
Advertising	-	92
	<hr/> 214,782	<hr/> 193,712
Other		
Rent	13,750	13,000
Insurance	1,386	1,243
Light and heat	4,080	2,602
Telephone	653	805
Postage and stationery	608	520
Repairs and renewals	9,160	6,887
Cleaning	3,739	4,706
Professional fees	327	740
Staff Training	320	667
Carried forward	34,023	31,170

This page does not form part of the statutory financial statements

Sherwood Preschool Limited

Detailed Statement of Financial Activities
for the Period 1 August 2019 to 31 August 2020

	Period 1.8.19 to 31.8.20 £	Year En ded 31.7.19 £
Other		
Brought forward	34,023	31,170
Sundries	880	665
Accountancy	3,180	2,600
Computer and IT costs	2,050	2,241
Uniforms	1,961	209
Travel	2	2
Plant and machinery	3,100	-
Computer equipment	125	-
	<hr/> 45,321	<hr/> 36,887
Total resources expended	<hr/> 268,344	<hr/> 245,065
Net (expenditure)/income	<hr/> <hr/> (6,683)	<hr/> <hr/> 20,296

This page does not form part of the statutory financial statements