

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

Report of the Trustees and
Unaudited Financial Statements for the Year Ended 31 August 2022
for
Sherwood Preschool Limited
(A Company Limited by Guarantee)

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for the Year Ended 31 August 2022

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Sherwood Preschool Limited

Report of the Trustees
for the Year Ended 31 August 2022

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 2022. 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 in the wake of the pandemic. During this period, the trustees were pleased to see the pre-school returning to normal, high standard of provision.

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.

Contrary to expectations at the end of the previous reporting period, income during this period failed to return to pre-pandemic levels as families adjusted to changed circumstances, including the facility to 'work from home' as well as lingering concerns about Covid and the risk of infection. As a result, planned investment in the pre-school's facilities remained postponed until such a time when income was more predictable. By the end of the reporting period, despite financial pressures, the pre-school's net assets remained at a comfortable level, leaving trustees confident that in the next reporting period that investment could occur.

Additional expenditure occurred in the second half of this reporting period as a result of having to engage an HR professional to advise trustees on a serious disciplinary matter. Additional staffing also had to be paid for to cover the member of staff who was suspended without prejudice, pending the outcome of a formal investigation.

The systematic arrangement with Howard Primary School regarding the metering and regular payment of utilities' bills has continued.

The accountant continues to be invited to attend all trustees' meetings as a matter of routine so that the financial situation is closely monitored on a half-termly basis.

POLICIES

During this period, policies were not routinely reviewed as, in the first half of the reporting period, the manager continued to be focussed entirely on maintaining a stable environment for the children, following the disruption of the pandemic. During the second half of the reporting period, senior staff and trustees were fully occupied responding to a disciplinary matter.

The pre-school continued to operate, on a day to day basis, in accordance with its policies. These served the staff well, enabling them to continue to provide a high-quality service to local children and their families despite losing a senior member of staff. Trustees followed policies

Report of the Trustees
for the Year Ended 31 August 2022

scrupulously to inform their actions when dealing with the disciplinary matter and fulfilling their responsibilities in terms of the wellbeing of their staff.

STAFFING

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

It became aware, as the reporting period continued, that many staff were under considerable emotional pressure not only because of having to cover for absentee colleagues but also because of the drain on their own emotional energy caused by the effects of Covid as well as some perceived inappropriate practice by a senior member of staff. The Chair of Trustees devoted a considerable amount of time communicating, one-to-one with as many staff as wished to, to hear first-hand their concerns. By the end of the reporting period, trustees were reassured to hear from staff that things were much improved with a general level of buoyancy and optimism about the future.

A management failure meant that staff were not given their customary Christmas gift in December 2021. Trustees took steps to assure staff that this was no reflection on the regard in which they were held.

There was no part-time administrative assistant employed during this period. One childcare practitioner worked additional hours, often from home, to provide administrative support.

The handy-person, previously employed on an ad hoc basis, by the hour ceased to be engaged.

The annual appraisal scheme for pre-school practitioners, now well established, continued under the auspices of the Acting Manager. Targets focussing on development work in line with the current development plan.

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

Regrettably, regular visits to the pre-school by the Chair of Trustees (no longer living in the area) ceased during this period. Trustees meetings were all conducted via Zoom as two other trustees, had moved away from the local area.

PREMISES

During this period £16500 was spent redecorating and upgrading the premises, including improving the conservatory and significantly upgrading the out-door play area.

INCOME GENERATION

The generation of income, other than through the receipt of fees and Council funding, was not addressed during this period.

Trustees were aware that income generation would be an area where time and resources needed to be channelled in the future.

MEMBERSHIP AND PARTNERSHIPS

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

Senior staff 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.

Report of the Trustees
for the Year Ended 31 August 2022

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 preschool continued to run a bank for donations of food and essential toiletries. Donations went to families in need, most affected by the pandemic.

Communication with parents for whom English was not their first language continued to be monitored. Support was always given to the parents for whom English was their second language, in applying for either their 2 years old funding, 30 hrs or child-care vouchers. A 'Translator App' for the staff to be able to communicate with parents who did not speak English was used.

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.

DEVELOPMENT

It became clear in the march of this reporting period that some serious problems with the management of the pre-school had developed during the pandemic. Disquiet amongst the staff alerted the trustees to a number of factors that had been concealed from them. Swift action was taken but the investigation which followed occupied the whole of the second half of the reporting period. Trustees responded by conducting a fundamental review of the pre-school's governance to ensure that sharper systems were in place to make it all but impossible for failures or inappropriate behaviours to be concealed in the future. These actions were supported throughout by an HR professional.

However, by August 2022, it was abundantly clear that the pre-school's staff had behaved professionally and with responsibility throughout the reporting period. The provision of care experienced by the children had not been compromised and the bond between staff members was, if anything, stronger.

SUMMARY

This reporting period fell in two halves: continued consolidation after the pandemic, and then, from March, disturbance caused by the disciplinary process that followed expressions of concern voiced by a majority of the staff. It was a measure of the solidarity presented by the staff, despite the turbulence caused by the pandemic, that during the second half of the reporting period the provision offered to the children and their families remained unaffected.

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

Sherwood Preschool Limited

Report of the Trustees
for the Year Ended 31 August 2022

Registered office

7 Nottingham Road
Croydon
Surrey
CR2 6LN

Trustees

S Amichund (appointed 18.10.22)
K S Baker Chef De Partie, Caterham School (appointed 18.2.22)
C George Civil Servant (appointed 28.10.21)
M M C Jackson Teacher
D N Matthews Retired
R Ramakrishnan Teacher
M G Roberts Civil Servant (resigned 22.1.23)
D B C Tooze Charity Administrator

Company Secretary

Approved by order of the board of trustees on 17 May 2023 and signed on its behalf by:

C George - 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 year ended 31 August 2022.

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 member of the Association of Chartered Certified Accountants, 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
The Association of Chartered Certified Accountants

17 May 2023

Sherwood Preschool Limited

Statement of Financial Activities
for the Year Ended 31 August 2022

	Notes	31.8.22 Unrestricted fund £	31.8.21 Total funds £
INCOME AND ENDOWMENTS FROM			
Donations and legacies		199,438	203,810
Other trading activities	2	69,677	45,486
Total		<u>269,115</u>	<u>249,296</u>
 EXPENDITURE ON			
Raising funds		307,038	245,053
 NET INCOME/(EXPENDITURE)		 (37,923)	 4,243
 RECONCILIATION OF FUNDS			
Total funds brought forward		207,061	202,818
 TOTAL FUNDS CARRIED FORWARD		 <u>169,138</u>	 <u>207,061</u>

The notes form part of these financial statements

Sherwood Preschool Limited

Balance Sheet
31 August 2022

	Notes	31.8.22 Unrestricted fund £	31.8.21 Total funds £
FIXED ASSETS			
Tangible assets	7	3,518	638
CURRENT ASSETS			
Debtors	8	3,116	1,837
Cash at bank		167,776	225,348
		<hr/> 170,892	<hr/> 227,185
CREDITORS			
Amounts falling due within one year	9	(5,272)	(20,762)
		<hr/>	<hr/>
NET CURRENT ASSETS		<hr/> 165,620	<hr/> 206,423
TOTAL ASSETS LESS CURRENT LIABILITIES		<hr/>	<hr/>
		169,138	207,061
NET ASSETS		<hr/>	<hr/>
		169,138	207,061
FUNDS	10	<hr/>	<hr/>
Unrestricted funds		169,138	207,061
TOTAL FUNDS		<hr/>	<hr/>
		169,138	207,061

The charitable company is entitled to exemption from audit under Section 477 of the Companies Act 2006 for the year ended 31 August 2022.

The members have not required the company to obtain an audit of its financial statements for the year ended 31 August 2022 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 2022

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 17 May 2023 and were signed on its behalf by:

C George - 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 Year Ended 31 August 2022

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

	31.8.22	31.8.21
	£	£
After school fees	49,024	34,214
Top up fees	20,653	11,272
	<u>69,677</u>	<u>45,486</u>

3. NET INCOME/(EXPENDITURE)

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

	31.8.22	31.8.21
	£	£
Depreciation - owned assets	1,406	1,287
Other operating leases	15,152	15,000
	<u>16,558</u>	<u>16,287</u>

4. TRUSTEES' REMUNERATION AND BENEFITS

There were no trustees' remuneration or other benefits for the year ended 31 August 2022 nor for the year ended 31 August 2021.

Trustees' expenses

There were no trustees' expenses paid for the year ended 31 August 2022 nor for the year ended 31 August 2021.

5. STAFF COSTS

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

	31.8.22	31.8.21
Staff	20	15
	<u>20</u>	<u>15</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	203,810
Other trading activities	45,486
Total	<u>249,296</u>
EXPENDITURE ON	
Raising funds	245,053
NET INCOME	<u>4,243</u>
RECONCILIATION OF FUNDS	
Total funds brought forward	202,818
TOTAL FUNDS CARRIED FORWARD	<u><u>207,061</u></u>

7. TANGIBLE FIXED ASSETS

	Plant and machinery £	Computer equipment £	Totals £
COST			
At 1 September 2021	4,650	500	5,150
Additions	<u>3,241</u>	<u>1,045</u>	<u>4,286</u>
At 31 August 2022	<u>7,891</u>	<u>1,545</u>	<u>9,436</u>
DEPRECIATION			
At 1 September 2021	4,262	250	4,512
Charge for year	<u>1,019</u>	<u>387</u>	<u>1,406</u>
At 31 August 2022	<u>5,281</u>	<u>637</u>	<u>5,918</u>
NET BOOK VALUE			
At 31 August 2022	<u><u>2,610</u></u>	<u><u>908</u></u>	<u><u>3,518</u></u>
At 31 August 2021	<u><u>388</u></u>	<u><u>250</u></u>	<u><u>638</u></u>

Notes to the Financial Statements - continued
for the Year Ended 31 August 2022

8. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	31.8.22	31.8.21
	£	£
Other debtors	3,116	1,837
	<u> </u>	<u> </u>

9. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	31.8.22	31.8.21
	£	£
Trade creditors	300	-
Social security and other taxes	2,740	13,871
Other creditors	982	641
Accrued expenses	1,250	6,250
	<u> </u>	<u> </u>
	<u>5,272</u>	<u>20,762</u>

10. MOVEMENT IN FUNDS

	At 1.9.21	Net movement in funds	At 31.8.22
	£	£	£
Unrestricted funds			
General fund	207,061	(37,923)	169,138
	<u> </u>	<u> </u>	<u> </u>
TOTAL FUNDS	<u>207,061</u>	<u>(37,923)</u>	<u>169,138</u>

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

	Incoming resources	Resources expended	Movement in funds
	£	£	£
Unrestricted funds			
General fund	269,115	(307,038)	(37,923)
	<u> </u>	<u> </u>	<u> </u>
TOTAL FUNDS	<u>269,115</u>	<u>(307,038)</u>	<u>(37,923)</u>

Notes to the Financial Statements - continued
for the Year Ended 31 August 2022

10. MOVEMENT IN FUNDS - continued

Comparatives for movement in funds

	At 1.9.20 £	Net movement in funds £	At 31.8.21 £
Unrestricted funds			
General fund	202,818	4,243	207,061
	<hr/>	<hr/>	<hr/>
TOTAL FUNDS	<u>202,818</u>	<u>4,243</u>	<u>207,061</u>

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

	Incoming resources £	Resources expended £	Movement in funds £
Unrestricted funds			
General fund	249,296	(245,053)	4,243
	<hr/>	<hr/>	<hr/>
TOTAL FUNDS	<u>249,296</u>	<u>(245,053)</u>	<u>4,243</u>

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

	At 1.9.20 £	Net movement in funds £	At 31.8.22 £
Unrestricted funds			
General fund	202,818	(33,680)	169,138
	<hr/>	<hr/>	<hr/>
TOTAL FUNDS	<u>202,818</u>	<u>(33,680)</u>	<u>169,138</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 £	Movement in funds £
Unrestricted funds			
General fund	518,411	(552,091)	(33,680)
	<hr/>	<hr/>	<hr/>
TOTAL FUNDS	<u>518,411</u>	<u>(552,091)</u>	<u>(33,680)</u>

11. RELATED PARTY DISCLOSURES

There were no related party transactions for the year ended 31 August 2022.

Detailed Statement of Financial Activities
for the Year Ended 31 August 2022

	31.8.22 £	31.8.21 £
INCOME AND ENDOWMENTS		
Donations and legacies		
Subscriptions	199,438	203,810
Other trading activities		
After school fees	49,024	34,214
Top up fees	20,653	11,272
	<hr/>	<hr/>
	69,677	45,486
	<hr/>	<hr/>
Total incoming resources	269,115	249,296
EXPENDITURE		
Other trading activities		
Resources	13,445	5,420
Food	5,482	3,413
	<hr/>	<hr/>
	18,927	8,833
Support costs		
Management		
Wages	219,466	189,563
Social security	4,534	4,053
Pensions	5,290	5,026
Advertising	72	149
	<hr/>	<hr/>
	229,362	198,791
Other		
Other operating leases	15,152	15,000
Insurance	1,303	1,278
Light and heat	1,678	2,367
Telephone	1,010	810
Postage and stationery	1,132	777
Repairs and renewals	16,530	3,548
Cleaning	5,154	5,521
Professional fees	4,978	983
Staff training	1,309	377
Sundries	82	400
Accountancy	3,180	2,880
Carried forward	51,508	33,941

Sherwood Preschool Limited

Detailed Statement of Financial Activities
for the Year Ended 31 August 2022

	31.8.22	31.8.21
	£	£
Other		
Brought forward	51,508	33,941
Computer and IT costs	2,057	786
Uniforms	2,299	1,149
Donations	-	40
Travel and motor	310	34
Staff Counselling	1,170	-
Plant and machinery	1,018	1,162
Computer equipment	387	125
Interest on late payment	-	192
	<hr/>	<hr/>
	58,749	37,429
	<hr/>	<hr/>
Total resources expended	307,038	245,053
	<hr/>	<hr/>
Net (expenditure)/income	<u>(37,923)</u>	<u>4,243</u>