

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 2023
for
Sherwood Preschool Limited
(A Company Limited by Guarantee)

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for the Year Ended 31 August 2023

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Sherwood Preschool Limited

Report of the Trustees
for the Year Ended 31 August 2023

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 2023. 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.

Income during this period only gradually returned to pre-pandemic levels. Uncertainty regarding rent and staffing costs meant that planned investment in the pre-school's facilities had to be adjusted to ensure financial stability. Outstanding debts, dating from the non-payment of fees around the pandemic period, were chased and managed sympathetically, recognising the families' hardship. By the end of the reporting period, trustees were confident that, with prudent management, the pre-school remained secure financially.

The systematic arrangement with Howard Primary School regarding the metering and regular payment of utilities' bills has continued. However, a proposed substantial rent increase over a five-year lease period was raised during this period with on-going discussions.

During this reporting period, the senior member of staff who had been dismissed from 1st September sought damages over an alleged breach of data. After taking advice from HR and legal professionals, trustees were advised to negotiate a final settlement to frustrate any subsequent claims; this was agreed and paid.

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 routinely reviewed following and up-dated with different trustees taking responsibility for re-drafting linked policies.

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 under a fresh management team. Trustees followed policies scrupulously to inform their actions when dealing with the disciplinary matter and fulfilling their responsibilities in terms of the well-being of their staff.

Measures were taken to improve security with all staff and all visitors being issued with a colour-coded lanyard for easy identification.

Sherwood Preschool Limited

Report of the Trustees for the Year Ended 31 August 2023

Two trustees were appointed with joint responsibility for overseeing safeguarding and monitoring the pre-school's response to the annual up-dating of Keeping Children Safe in Education (KCSIE).

STAFFING

Throughout this period, the trustees ensured that the pre-school remained fully staffed with appropriately qualified practitioners appointed.

During this reporting period, the pre-school was managed by an Acting Manager and deputy. An Acting Assistant Manager was appointed to ensure that there were three members on the leadership team. By the end of this reporting period, all three posts had been made permanent after appropriate advertising and interviewing.

Trustees reviewed the workload of the SENCo and appointed a Deputy SENCo who also had responsibility for co-ordinating the children's well-being. This new arrangement worked effectively.

As a result of staff not receiving their customary Christmas gift in December 2021, trustees donated the equivalent sum to a staff Christmas meal in 2022.

Despite advertising, no suitable applicants applied for the post of administrative assistant. Once the new management team was established, it was found that administrative duties could be effectively shared across the management team.

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.

With a number of trustees now living away from the area, the majority of trustee meetings were conducted via Zoom.

PREMISES

There was no significant work on the premises during this period. However, the spaces within the pre-school building were reorganised for greater efficiency. A foxes' den was removed from under the manager's office. The trustees reviewed the operating of the pre-school's kitchen and ensured that staff were up-to-date on all training. The pre-school kitchen passed an informal inspection by Bromley Council.

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.

The new management team 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 terms of a new lease 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.

Report of the Trustees
for the Year Ended 31 August 2023

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 the pre-school's continued success was due to the strong links it had in the local community and the positive relationships staff developed with families attending. The time spent by the newly appointed manager and her team, at the end of this reporting period, Carrying out home visits for all children due to start in September 2023 was an indication of how seriously the staff took forging these positive, supportive relationships.

DEVELOPMENT

As a result of the disruption, during the previous reporting period, caused by the aftermath of the pandemic and a disciplinary issue with a senior member of staff, the review of management structures and the consolidation of good practice was trustees' focus. Under the Acting Manager and her team, staff confidence was rapidly re-established and the day-to-day business of the pre-school was palpably buoyant. Trustees appointed a new Chair on 1st September 2022 and explored a system whereby they shared oversight of the pre-school through four committees: Education and Welfare; Estates and Governance; Staffing and Personnel; and Finance.

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.

Ratified by trustees on-line, on 28th May 2024, and signed on their behalf by the Acting Chair of Trustees, appointed 24th July 2023.

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
Croydon
Surrey
CR2 6LN

Sherwood Preschool Limited

Report of the Trustees
for the Year Ended 31 August 2023

Trustees

S Amichund Teacher (appointed 18.10.22)
K S Baker Chef De Partie, Caterham School
C George Civil Servant (resigned 24.7.23)
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 (resigned 24.7.23)

Company Secretary

Independent Examiner

Simon Maddox FCCA
Maddox & Maddox Limited
9 Commercial Yard
Barnard Castle
Co. Durham
DL12 8FE

Approved by order of the board of trustees on 28 May 2024 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 year ended 31 August 2023.

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

Maddox & Maddox Limited
9 Commercial Yard
Barnard Castle
Co. Durham
DL12 8FE

28 May 2024

Sherwood Preschool Limited

Statement of Financial Activities
for the Year Ended 31 August 2023

		31.8.23 Unrestricted fund £	31.8.22 Total funds £
INCOME AND ENDOWMENTS FROM	Notes		
Donations and legacies		196,156	199,438
Other trading activities	2	83,608	69,677
Total		<u>279,764</u>	<u>269,115</u>
 EXPENDITURE ON			
Raising funds		348,066	307,038
 NET INCOME/(EXPENDITURE)		 (68,302)	 (37,923)
 RECONCILIATION OF FUNDS			
Total funds brought forward		169,138	207,061
 TOTAL FUNDS CARRIED FORWARD		 <u><u>100,836</u></u>	 <u><u>169,138</u></u>

The notes form part of these financial statements

Sherwood Preschool Limited

Balance Sheet
31 August 2023

	Notes	31.8.23 Unrestricted fund £	31.8.22 Total funds £
FIXED ASSETS			
Tangible assets	7	3,064	3,518
CURRENT ASSETS			
Debtors	8	2,016	3,116
Cash at bank		100,316	167,776
		<hr/>	<hr/>
		102,332	170,892
CREDITORS			
Amounts falling due within one year	9	(4,560)	(5,272)
		<hr/>	<hr/>
NET CURRENT ASSETS		97,772	165,620
		<hr/>	<hr/>
TOTAL ASSETS LESS CURRENT LIABILITIES		100,836	169,138
		<hr/>	<hr/>
NET ASSETS		100,836	169,138
		<hr/>	<hr/>
FUNDS	10		
Unrestricted funds		100,836	169,138
		<hr/>	<hr/>
TOTAL FUNDS		100,836	169,138
		<hr/>	<hr/>

The charitable company is entitled to exemption from audit under Section 477 of the Companies Act 2006 for the year ended 31 August 2023.

The members have not required the company to obtain an audit of its financial statements for the year ended 31 August 2023 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 notes form part of these financial statements

Sherwood Preschool Limited

Balance Sheet - continued
31 August 2023

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 28 May 2024 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 Year Ended 31 August 2023

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

	31.8.23	31.8.22
	£	£
After school fees	55,654	49,024
Top up fees	27,438	20,653
Events	516	-
	<u>83,608</u>	<u>69,677</u>

3. NET INCOME/(EXPENDITURE)

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

	31.8.23	31.8.22
	£	£
Depreciation - owned assets	1,686	1,406
Other operating leases	<u>19,583</u>	<u>15,152</u>

4. TRUSTEES' REMUNERATION AND BENEFITS

There were no trustees' remuneration or other benefits for the year ended 31 August 2023 nor for the year ended 31 August 2022.

Trustees' expenses

David Matthews was paid £60.90 travel expenses on 28 March 2022. There were no trustee expenses for the year ended 31 August 2021.

5. STAFF COSTS

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

	31.8.23	31.8.22
Staff	<u>18</u>	<u>20</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	199,438
Other trading activities	69,677
Total	<u>269,115</u>
EXPENDITURE ON	
Raising funds	307,038
NET INCOME/(EXPENDITURE)	<u>(37,923)</u>
RECONCILIATION OF FUNDS	
Total funds brought forward	207,061
TOTAL FUNDS CARRIED FORWARD	<u><u>169,138</u></u>

7. TANGIBLE FIXED ASSETS

	Plant and machinery £	Computer equipment £	Totals £
COST			
At 1 September 2022	7,891	1,545	9,436
Additions	653	579	1,232
At 31 August 2023	<u>8,544</u>	<u>2,124</u>	<u>10,668</u>
DEPRECIATION			
At 1 September 2022	5,281	637	5,918
Charge for year	1,154	532	1,686
At 31 August 2023	<u>6,435</u>	<u>1,169</u>	<u>7,604</u>
NET BOOK VALUE			
At 31 August 2023	<u>2,109</u>	<u>955</u>	<u>3,064</u>
At 31 August 2022	<u>2,610</u>	<u>908</u>	<u>3,518</u>

Notes to the Financial Statements - continued
for the Year Ended 31 August 2023

8. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	31.8.23	31.8.22
	£	£
Other debtors	2,016	3,116
	<u>2,016</u>	<u>3,116</u>

9. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	31.8.23	31.8.22
	£	£
Trade creditors	-	300
Social security and other taxes	3,240	2,740
Other creditors	1,320	982
Accrued expenses	-	1,250
	<u>4,560</u>	<u>5,272</u>

10. MOVEMENT IN FUNDS

	At 1.9.22	Net movement in funds	At 31.8.23
	£	£	£
Unrestricted funds			
General fund	169,138	(68,302)	100,836
	<u>169,138</u>	<u>(68,302)</u>	<u>100,836</u>
TOTAL FUNDS	<u>169,138</u>	<u>(68,302)</u>	<u>100,836</u>

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

	Incoming resources	Resources expended	Movement in funds
	£	£	£
Unrestricted funds			
General fund	279,764	(348,066)	(68,302)
	<u>279,764</u>	<u>(348,066)</u>	<u>(68,302)</u>
TOTAL FUNDS	<u>279,764</u>	<u>(348,066)</u>	<u>(68,302)</u>

Notes to the Financial Statements - continued
for the Year Ended 31 August 2023

10. MOVEMENT IN FUNDS - continued

Comparatives for 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
	<hr/>	<hr/>	<hr/>
TOTAL FUNDS	<u>207,061</u>	<u>(37,923)</u>	<u>169,138</u>

Comparative 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)
	<hr/>	<hr/>	<hr/>
TOTAL FUNDS	<u>269,115</u>	<u>(307,038)</u>	<u>(37,923)</u>

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

	At 1.9.21 £	Net movement in funds £	At 31.8.23 £
Unrestricted funds			
General fund	207,061	(106,225)	100,836
	<hr/>	<hr/>	<hr/>
TOTAL FUNDS	<u>207,061</u>	<u>(106,225)</u>	<u>100,836</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	548,879	(655,104)	(106,225)
	<hr/>	<hr/>	<hr/>
TOTAL FUNDS	<u>548,879</u>	<u>(655,104)</u>	<u>(106,225)</u>

11. RELATED PARTY DISCLOSURES

There were no related party transactions for the year ended 31 August 2023.

Detailed Statement of Financial Activities
for the Year Ended 31 August 2023

	31.8.23 £	31.8.22 £
INCOME AND ENDOWMENTS		
Donations and legacies		
Subscriptions	196,156	199,438
Other trading activities		
After school fees	55,654	49,024
Top up fees	27,438	20,653
Events	516	-
	<hr/>	<hr/>
	83,608	69,677
Total incoming resources	<hr/>	<hr/>
	279,764	269,115
EXPENDITURE		
Other trading activities		
Resources	11,631	13,445
Food	7,226	5,482
	<hr/>	<hr/>
	18,857	18,927
Support costs		
Management		
Wages	255,494	219,466
Social security	9,945	4,534
Pensions	7,555	5,290
Advertising	-	72
	<hr/>	<hr/>
	272,994	229,362
Other		
Other operating leases	19,583	15,152
Insurance	1,351	1,303
Light and heat	2,706	1,678
Telephone	1,352	1,010
Postage and stationery	972	1,132
Repairs and renewals	7,831	16,530
Cleaning	5,883	5,154
Professional fees	1,371	4,978
Staff training	2,201	1,309
Sundries	1,435	82
Carried forward	44,685	48,328

Sherwood Preschool Limited

Detailed Statement of Financial Activities
for the Year Ended 31 August 2023

	31.8.23	31.8.22
	£	£
Other		
Brought forward	44,685	48,328
Accountancy	3,264	3,180
Computer and IT costs	3,879	2,057
Uniforms	1,283	2,299
Travel and motor	484	310
Staff counselling	390	1,170
Staff welfare	359	-
Legal fees	183	-
Plant and machinery	1,154	1,018
Computer equipment	532	387
	<hr/>	<hr/>
	56,213	58,749
 Governance costs		
Bank interest	2	-
	<hr/>	<hr/>
Total resources expended	348,066	307,038
	<hr/>	<hr/>
Net expenditure	(68,302)	(37,923)
	<hr/> <hr/>	<hr/> <hr/>