

Sowood Pre-School and Community Association

Charity number 1166047

Annual Report and Financial Statements for the year ended 31 August 2020



Sowood Pre-School and Community Association

Annual Report and Financial Statements for the year ended 31 August 2020

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Prepared by West Yorkshire Community Accounting Service

Sowood Pre-School and Community Association

Trustees' report for the year ended 31 August 2020

Reference and administrative details of the charity, its trustees and advisors

The trustees during the financial year and up to and including the date the report was approved were:

Name	Position	Dates
Malcolm Graham James	Chair	
Elizabeth Whyte	Secretary	
Caroline Remmers	Treasurer	
Joy Crowther		Resigned October 2019

Charity number

The charity was registered with the Charity Commission for England and Wales, number 1166047

Principal address

Sowood Community Centre
Stainland Road
Sowood
Halifax
HX4 9HY

Bankers

National Westminster Bank Plc
1 Waterhouse Street
Halifax
HX1 1JA

Independent examiner

Helen Galvin FCCA

West Yorkshire Community Accounting Service

Stringer House
34 Lupton Street
Leeds
LS10 2QW

Structure, governance and management

The charity is a Charitable Incorporated Organisation (CIO) formed on 14 March 2016 and is governed by a constitution as amended on the 7 February 2020.

Method of recruitment and appointment of trustees

The trustees of the charity are appointed by the members at the AGM.

Sowood Pre-School and Community Association

Trustees' report (continued) for the year ended 31 August 2020

Objectives and activities

The charity's objects

The charity is established for the public benefit to further or benefit the residents of Calderdale, without distinction of sex, sexual orientation race or of political, religious or other opinions by associating together the said residents and the local authorities, voluntary and other organisations in a common effort to advance education and to provide facilities in the interests of social welfare for recreation and leisure time occupation with the objective of improving the conditions of life for the residents. The objects of the charity include the development and education of children and young people in particular by:

- 1) promoting their care and safety;
- 2) promoting their education and promoting parental involvement;
- 3) promoting their health and wellbeing;
- 4) providing services to support them and their families and carers;
- 5) providing services to individuals holding membership of the CIO; and
- 6) furthering the aims of the pre-school learning alliance.

The charity's main activities

We provide affordable and good quality childcare and early years education.

We look after the running and up-keep of Sowood Community Centre and promote it's use by other local groups in the community.

Public benefit statement

In setting our objectives and planning our activities our Trustees have given serious consideration to the Charity Commission's general guidance on public benefit and in particular the advancement of education.

Achievements and performance

We provide early years education for children in the community.

We promote the use of the community centre by local groups.

Our purchase of the building / lease is still ongoing. The legal fee related to the solicitors looking into clauses and terms.

Financial review

The net payments for the year were £17,579, including net payments of £3,885 on unrestricted funds and net payments of £13,694 on restricted funds.

Reserves policy

The charity's free reserves at the year end were £52,848.

The Charity Commission guidance states that "a reserves policy is necessary to ensure that the charity manages its cash, liquid assets and debt" i.e. treasury management. The charity could be holding reserves that are too high or too low for its needs".

Expected level of reserves:

Our expected level of reserves at September 2020 is £40,000 - £50,000

This is made up of four elements:

- 6 months of the annual wages costs
- 6 months of the annual rent costs
- General contingency to cover any emergency situations that arise
- Build up reserves to cover a new project.

Sowood Pre-School and Community Association

Trustees' report (continued) for the year ended 31 August 2020

Reserves policy (continued)

The level of reserves as a minimum must be reviewed annually to ensure that it is at a level that is appropriate to current needs.

As the Pre-school capacity is busy at most sessions, we are currently operating at our planned level at which case; we should maintain the above reserves.

Should the settings income stream (funded and fees) or expenditure (wages, rent, running costs, resources) exceed or fall well below the budgeted levels, then the reserves required will need to be re-established based on the cash flow requirements.

It is very difficult to plan for contingencies but our policy is to try and cover what risks we could face:

- Premises unavailable
- Severe staff illness
- Poor income streams due to economic condition of local area
- Severe weather and disruption to attendance
- Working capital demand due to parent's paying slowly and covering costs.
- Government closure

A build up reserves process will occur as our expected income v expenditure delivers a surplus to which we can add these funds to. The committee will then decide long term under business planning the best use of these reserves to benefit the setting.

Coronavirus impact statement

We have suffered a substantial loss of income due to the Covid-19 pandemic and it is expected that this position is unlikely to change significantly before September 2021.

Projections of the receipts and payments indicate that the organisation can recover from this position, but there remain substantial uncertainties ahead. There is no clear understanding of the impact on the economy related to unemployment resulting from the pandemic, or the general economic position that will evolve following our leaving the European Union. The ongoing Pre-School children numbers could be substantially affected by either or both of these factors.

The other income streams are expected to be very likely to return to the former position once social activities are back to normal.

In terms of going concern, the trustees have reassessed the charity's ability to continue for at least 12 months from the date that the accounts are approved and conclude that no material uncertainties exist that cast significant doubt on the charity's ability to meet its liabilities as they fall due.

Signed on behalf of the board of trustees:

Signed: M.G James

Date: 25 January 2021

Name: Malcolm G James (Trustee)

Sowood Pre-School and Community Association

Independent examiner's report to the trustees of Sowood Pre-School and Community Association Charitable Incorporated Organisation ('the CIO')

I report to the charity trustees on my examination of the accounts of the CIO for the year ended 31 August 2020, which are set out on pages 6 to 9.

Responsibilities and basis of report

As the charity trustees of the CIO you are responsible for the preparation of the accounts in accordance with the requirements of the Charities Act 2011 ('the Act').

I report in respect of my examination of the CIO's accounts as carried out under section 145 of the 2011 Act. In carrying out my examination I have followed all the applicable Directions given by the Charity Commission under section 145(5)(b) of the Act.

Independent examiner's statement

I have completed my examination. I confirm that no material matters have come to my attention in connection with the examination giving me cause to believe that in any material respect:

- 1 accounting records were not kept in respect of the CIO as required by section 130 of the Act; or
- 2 the accounts do not accord with those records.

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.

Signed: H. R. Galvin Name: Helen R Galvin

Relevant professional qualification or body: FCCA

Date: 9 February 2021

West Yorkshire Community Accounting Service

Stringer House
34 Lupton Street
Leeds
LS10 2QW

Sowood Pre-School and Community Association

Receipts and payments account for the year ended 31 August 2020

	Notes	2020 Unrestricted funds £	2020 Restricted funds £	2020 Total funds £	2019 Total funds £
Receipts					
Grants and donations	(2)	10,067	49,113	59,180	49,940
Pre-school fees		5,957	-	5,957	15,297
Fundraising		499	-	499	1,519
Milk funding		250	-	250	397
Uniform income		19	-	19	72
Hall hire		7,340	-	7,340	11,293
Other income		7	-	7	-
Funds transferred from Pre-School		2,228	-	2,228	84,000
Funds transferred from Sowood Community Centre		60	-	60	-
Total receipts		26,427	49,113	75,540	162,518
Payments					
Salaries	(3)	20,643	44,394	65,037	69,396
Payroll fees		134	219	353	349
Resources and supplies		585	1,137	1,722	2,962
Printing, stationery and advertising		472	771	1,243	1,271
Professional fees		1,464	3,132	4,596	1,977
Utilities		3,724	7,607	11,331	7,360
Repairs and maintenance		313	1,011	1,324	3,861
Telephone		180	294	474	432
Caretaking		608	992	1,600	1,400
Insurance		418	682	1,100	-
Food and beverages		632	1,481	2,113	2,553
Community centre consumables		100	164	264	129
Milk		101	166	267	355
Staff training		131	212	343	358
Fundraising costs		82	-	82	434
Other expenditure		76	124	200	278
Uniform		-	-	-	114
Independent examination		456	-	456	300
Computer costs		193	421	614	-
Total payments		30,312	62,807	93,119	93,529
Net (payments) / receipts		(3,885)	(13,694)	(17,579)	68,989
Fund balances brought forward		56,733	21,101	77,834	8,845
Fund balances carried forward	(4)	52,848	7,407	60,255	77,834

Sowood Pre-School and Community Association

Statement of assets and liabilities

as at 31 August 2020

	2020	2020	2020	2019
	Unrestricted	Restricted	Total	Total
	£	£	£	£
Cash funds				
Cash at bank	52,792	7,407	60,199	77,727
Cash in hand	56	-	56	107
Total cash funds	<u>52,848</u>	<u>7,407</u>	<u>60,255</u>	<u>77,834</u>
Other monetary assets			£	
Pre-School fees outstanding			145	
Prepaid Insurance			458	
			<u>603</u>	
Assets retained for the charity's own use				
Two printers				
Laptop				
Various play equipment and furniture				
Liabilities			£	
Npower			3,063	
Various supplier invoices outstanding			1,216	
Independent examination			456	
Pension			152	
EEF Autumn term funding received in advance			6,667	
			<u>11,554</u>	

Approval of the accounts

The financial statements were approved by the board of trustees on

Date: 25 January 2021

Signed: M.G James

Name: Malcolm G James (Trustee)

Sowood Pre-School and Community Association

Notes to the accounts

for the year ended 31 August 2020

1 Accounting policies

Basis of accounting

The trustees have taken advantage of section 133 of the Charities Act 2011 and have prepared the accounts on a receipts and payments basis.

There has been no change to the accounting policies since last year.

No changes have been made to the accounts for previous years.

Taxation

As a charity the organisation benefits from rates relief and is generally exempt from income tax and capital gains tax but not from VAT. Irrecoverable VAT is included in the cost of those items to which it relates.

Fund accounting

Unrestricted funds are available for use at the discretion of the trustees in furtherance of the general objectives of the charity.

Restricted funds are subjected to restrictions on their expenditure imposed by the donor or through the terms of an appeal.

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

Sowood Pre-School and Community Association

Notes to the accounts continued

for the year ended 31 August 2020

2 Grants and donations	2020 Unrestricted funds £	2020 Restricted funds £	2020 Total funds £	2019 Total funds £
CMBC - Children & Young People Services	-	44,940	44,940	49,819
CMBC - Discretionary grant	10,000	-	10,000	-
HMRC - Coronavirus Job Retention Scheme	-	4,173	4,173	-
Donations	67	-	67	121
	<u>10,067</u>	<u>49,113</u>	<u>59,180</u>	<u>49,940</u>

3 Staff costs and numbers	2020 £	2019 £
Gross salaries	64,286	68,682
Social security costs	1,974	2,649
Employment allowance	(1,974)	(2,649)
Pensions	751	714
	<u>65,037</u>	<u>69,396</u>

The average number employees during the year was 6, being an average of 4.4 full time equivalent (2019: 6, 4.4 FTE) There were no employees with emoluments above £60,000.

Defined contribution pension scheme	2020 £	2019 £
Costs of the scheme to the charity for the year	751	714
Amount of any contributions outstanding at the year end	152	143

4 Restricted funds	Balance b/f £	Incoming £	Outgoing £	Balance c/f £
Lloyds Bank plc	922	-	182	740
CMBC - Early Education Funding	20,179	44,400	57,912	6,667
HMRC - Coronavirus Job Retention Scheme	-	4,173	4,173	-
CMBC - Dcatch	-	540	540	-
	<u>21,101</u>	<u>49,113</u>	<u>62,807</u>	<u>7,407</u>

Fund name	Purpose of restriction
Lloyds Bank plc	To create a sensory garden
CMBC - Early Education Funding	For the supply of free early years provision for 2 to 4 year olds
HMRC - Coronavirus Job Retention Scheme	For staff who have been furloughed due to Covid-19
CMBC - Dcatch	To pay for a one to one worker for a child with disabilities or additional needs

5 Trustee expenses

No trustee received any expenses during this year or the previous year.

6 Trustee remuneration and benefits

No trustee received any remuneration or benefit during this or the previous year.