

ALEXANDRA HOUSE

(Royal United Services Short Stay Residence for Service Children)

TRUSTEES ANNUAL REPORT

Charity Registration number	202922
Covering the Accounting Year	1 April 2022 to 31 March 2023
Address	20 Crownhill Fort Road Crownhill Plymouth PL6 5BX
Governing Document	Administered by a Charitable Trust (the “green book” – revised 2001).
Object	To relieve and assist children of Service personnel who are temporarily unable to care for them due, for example, to sudden illness, matrimonial problems or other domestic emergency, and to reduce the likelihood of such emergencies in the future for families who may be vulnerable due, for example to illness, social isolation or disability. In recent times this object has been broadened to include full time and sessional day care provision for children aged up to five years of age.
Trustees	Commodore P Waterhouse ADC Royal Navy Mr R Davey Mr J D Richmond Miss H Bruty (from 23 November 2022) Miss H Burns (from 1 March 2023)
Appointment of Trustees	The Objects, Rules, Government and General Information of the Charity (last reprinted 2012) state that there shall not be more than six trustees. The trustees shall initially be invited, by the President, to serve for a period of five years. They may be invited to serve for a further period of five years. The appointment shall be ratified at the next Annual General Meeting.
Trustee Induction and Training	New trustees undergo an orientation day to brief them on their legal obligations under charity law, the trustee decision-making processes, the business plan and recent financial performance of the charity. During induction day they meet key employees and other trustees. Trustees are encouraged to attend appropriate external training events where these will facilitate the undertaking of their role.

Bankers

CAF Bank
25 Kings Hill Avenue
West Malling
Kent ME19 4TA

Independent Examiner

Peter Nicholls MBE MAAT
5 Nursery Road
Havant
Hants PO9 3BG

The Activities of the Charity

The charity provided flexible childcare for approximately 160 children up to the age of 5 during 22/23. There were 113 on the roll at Apr 23. The charity continued to offer Ofsted registered childcare to Service and civilian families and offered ongoing support for parents and carers. The charity continued to work alongside other agencies ensuring that a child's needs are primary and individual to each child.

Alexandra House continued to raise the awareness of its support available to families within the local community and to a wider audience across the city.

The charity continued to liaise with the Royal Navy and Royal Marines Welfare to maintain the Service Level Agreement and worked in close partnership with the LEA and Ofsted.

Staff members were encouraged to maintain high levels of training to continue to improve practice.

The Ofsted report of Apr 23 awarded Alexandra House good assessments in all areas.

Financial Review

The value of the fund fell by £21.3K to £464K. The movements in the fund can be summarised as follows:

- Operating loss - £12K (the bulk of which arose because of exceptional professional fees which cost £9.1K).
- Unrealised loss in the value of the investment - £2K.
- Write down of the value of the property - £7.3K.

The bulk of this was represented by the £364.7K value of the building. The unrestricted general funds were worth £99.3K having fallen by £14K. The fund currently has £110.4K in bank and investment assets, although summer term funding prepayments and various creditors headed by HMRC reduce the available balance by £13.1K to £97.3K.

Investment Selection Policy

Reserves are held in an M&G charity fund primarily for generation of income rather than for growth. The trustees are aware of the vagaries of the stock market, which led to a fall in value this year, but seek to get the benefits of dividend rates which, until recently, far exceeded the amount paid by deposit accounts.

Reserves Policy

The Trustees have considered the level of reserves they aspire to hold for the charity's needs. This is held in the investment which was valued at £30.4K. The trustees aim to ensure that the charity will be able to continue to fulfil its charitable objectives even when there is a temporary shortfall in income e.g., adverse demographics in the area, or unexpected expenditure. Reserves are generated by parental paid fees, as opposed to Government funding, which may only be utilised in accordance with Ofsted regulations.

Risk Assessment

The Trustees actively review the major risks that the charity faces on a regular basis. In particular those relating to safety and security of staff and children and the financial status of the fund and are satisfied that systems are in place to mitigate any exposure to the major risks. Other risks centre on the change in numbers of children in the area and competition from other preschool facilities, some government funded, in the area. Low level welfare statistics are recorded and procedures are in place to record health and safety, safeguarding and risk factors.

Public Benefit Statement

This fund provides public benefit by advancement of the education of pre-school children. The Trustees confirm that they have paid due regard to the Charity Commission of England and Wales's guidance on public benefit in exercising their powers or duties.

Declaration

I declare in my capacity of charity trustee, that

- The trustees have approved the report above; and
- Have authorised me to sign it on their behalf.

Signed on Original

Commodore Phillip Waterhouse ADC Royal Navy
Chair of Trustees

27 June 2023

Independent Examiner's Report to the Trustees of Alexandra House (Royal United Service Short Stay Residence for Service Children) (Registered Charity No 202922)

I report on the accounts of the Charity for the year ended 31 March 2023.

Respective responsibilities of trustees and examiner

As the charity's trustees, 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 Trust's accounts carried out under section 145 of the 2011 Act and 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 which gives me cause to believe that in any material respect:

- The accounting records were not kept in accordance with section 130 of the Charities Act; or
- The accounts did not accord with the accounting records; or
- The accounts did not comply with the applicable requirements concerning the form and content of the accounts set out in the Charities (Accounts and Reports) Regulations 2008 other than in any requirement that the accounts give a "true and fair" view which is not a matter considered as part of an independent examination.

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 on Original

P A Nicholls MBE MAAT
5 Nursery Road
Havant
Hants PO9 3BG

27 June 2023

ALEXANDRA HOUSE

Royal United Service Short Stay Residence for Service Children

Registered Charity No: 202922

BALANCE SHEET

31-Mar-23

				<u>31-Mar-22</u>
	Notes			
<i>Fixed Assets</i>				
Leasehold Interest	5 & 1	£ 364,677		£ 371,971
Investment	5A	£ 30,413		£ 32,393
			£ 395,090	£ 404,364
<i>Current Assets</i>				
Debtors	8	£ 2,418		£ 5,869
Bank Account		£ 80,001		£ 82,519
Total Current Assets		£ 82,419		£ 88,388
<i>Less Liabilities</i>				
Creditors (within one year)	9	£ (13,512)		£ (7,496)
Net Current Assets			£ 68,908	£ 80,892
Total Assets			£ 463,998	£ 485,256
The funds of the charity				
Endowment Funds	5	£ 364,677		£ 371,971
Unrestricted Funds		£ 99,321		£ 113,285
		£ 463,998		£ 485,256

Approved
on behalf of all of the Trustees

Signed on Original

Commodore P Waterhouse ADC Royal Navy
Trustee
27 June 2023

ALEXANDRA HOUSE

STATEMENT OF FINANCIAL ACTIVITIES

For 12 months ended 31 March 2023

					11 months to 31-Mar-22
Income	Notes	Unrestricted Funds	Endowment Fund	Totals	Totals
Donations		£ 188	£ -	£ 188	£ 4,376
Charitable Activities		£ 370,708	£ -	£ 370,708	£ 313,683
Other Activities		£ 1,124	£ -	£ 1,124	£ 7,792
Investment Income		£ 2,060	£ -	£ 2,060	£ 1,719
Total Income	2	£ 374,079	£ -	£ 374,079	£ 327,570
Expenditure					
Charitable Activities		£ 386,064	£ -	£ 386,064	£ 317,877
Other Costs	5A	£ -	£ 7,294	£ 7,294	£ 7,294
Total Expenditure		£ 386,064	£ 7,294	£ 393,358	£ 325,171
Net income (expenditure)	3	-£ 11,985	-£ 7,294	-£ 19,279	£ 2,399
Gains or (Loss) on Investments		-£ 1,980	£ -	-£ 1,980	£ 1,015
Total Funds brought forward		£ 113,285	£ 371,971	£ 485,256	£ 481,842
Total Funds carried forward		£ 99,321	£ 364,677	£ 463,998	£ 485,256

Notes to the Accounts

Note 1 - Accounting policies

The financial statements are prepared under the historic cost convention (as modified by the revaluation of fixed asset investments) and in accordance with applicable accounting standards: Charities Statement of Recommended Practice 2019 and the provisions of the Charities Acts. Significant policies adopted are:

Incoming resources:

- Donations are included in the Statement of Financial Activities (SOFA) when the fund becomes entitled to the donation or grant and it is reasonably certain that it will be received.
- Incoming resources from fund raising are reported gross in the SOFA
- Intangible income is not included in the accounts.
- The fund receives no unpaid volunteer help, other than work experience students. Staff members may occasionally work without pay when trialling new schemes.

Expenditure and Liabilities are recognised as soon as there is a legal or constructive obligation committing the fund to the expenditure.

Assets - Tangible assets are capitalised if they can be used for more than one year and cost at least £500. They are valued at cost or a reasonable value on receipt. The fund does not have a policy of revaluation. Depreciation is annual at 50% in the first year then 25% over the next two years. The building will be depreciated over the remainder of the lease.

Permanent Endowment Fund

The permanent endowment fund represents the receipt of monies from the Nuffield Trust (£442,674) and specific donations from other sources.. This fund was established in 1999 and was for the singular purpose of relocating Alexandra House to purpose built premises. Depreciation has been charged on the property and it is to be written off over its remaining 50 years of its lease.

Note 2 - Income

	<u>12 mths to 31 Mar 23</u>	<u>11 mths to 31 Mar 22</u>
<i>Donations and Grants</i>		
Donations	£ 188	£ 1,000
Covid/Isolating Grants	£ -	£ 1,650
Party Contributions	£ -	£ 226
Apprentice Grant	£ -	£ 1,500
	<u>£ 188</u>	<u>£ 4,376</u>
<i>Charitable Activities</i>		
Local Authority Funding	£ 258,041	£ 211,574
Additional Local Authority Funding	£ 2,400	£ 22,144
Parental Contributions	£ 110,267	£ 79,966
	<u>£ 370,708</u>	<u>£ 313,683</u>
<i>Other Trading Activities</i>		
Fundraising	£ 292	£ 256
Training Provided	£ 832	£ 7,536
	<u>£ 1,124</u>	<u>£ 7,792</u>
Dividends	£ 1,312	£ 1,702
Bank Interest	£ 748	£ 17
	<u>£ 2,060</u>	<u>£ 1,719</u>
Total Income	<u>£ 374,079</u>	<u>£ 327,570</u>

Note 3 - Expenditure

	<u>12 mths to 31 Mar 23</u>	<u>11 mths to 31 Mar 22</u>
<i>Charitable Activities</i>		
Operating Costs		
Wages & National Insurance	£ 262,602	£ 214,677
Pension Contributions	£ 11,137	£ 8,684
Agency Cover	£ 2,552	£ 4,610
Cleaning	£ 2,727	£ 2,309
Maintenance	£ 11,767	£ 12,144
Gas & Electricity	£ 3,684	£ 3,620
Rent - Ground	£ 350	£ 350
Rates	£ 5,120	£ 1,307
Water	£ 1,329	£ 1,400
Refuse	£ 1,804	£ 1,340
Food	£ 3,609	£ 3,023
Nursery resources	£ 3,060	£ 1,835
Uniform	£ 702	£ 366
First Aid Supplies	£ 100	£ 57
Miscellaneous Expenses	£ 150	£ 182
Insurance (incl Trustees)	£ 3,786	£ 3,940
Governance Costs		
Independent Examination	£ 650	£ 635
Professional Fees	£ 9,072	£ 2,271
Support Costs		
Salaries & Wages	£ 46,283	£ 42,324
Support Staff Pensions	£ 1,001	£ 1,038
Staff Training	£ 386	£ 437
Staff Events & Team days	£ 699	£ 1,346
Computing	£ 2,113	£ 1,507
Telephone	£ 2,637	£ 2,133
Office Consumables	£ 2,738	£ 2,886
Advertising	£ 30	£ 40
Recruitment	£ 419	£ 105
Licences & Subscriptions	£ 277	£ 267
Registration Fees	£ 2,489	£ 2,112
Equipment/Furniture	£ 2,365	£ 843
Meetings	£ 82	£ -
Travel Expenses	£ 76	£ -
Gifts	£ 195	£ -
Bank & Card Charges	£ 72	£ 88
	<u>£ 386,064</u>	<u>£ 317,877</u>
<i>Other Costs</i>		
Leasehold property	£ 7,294	£ 7,294
Total Expenditure	<u>£ 393,358</u>	<u>£ 325,171</u>

Note 5 - Tangible Fixed Assets - Leasehold Interests - Endowment Fund

Alexandra House - Crownhill	£ 371,971
Depreciation	£ (7,294)
	<u>£ 364,677</u>

Note 5A - Investments

M & G Securities Charifund Income	£ 32,393	at 30 Apr 22
Loss in market value	£ (1,980)	
	<u>£ 30,413</u>	at 31 Mar 23

Note 6 - Paid Employees

- a. The Charity has paid employees, average numbers were 21. All are employed directly on the charity's objectives. None was paid in excess of £60,000 in this year or last.
- b. Staff wage costs were £308,884 (Previous 11 month year £257,000)
- c. Employer's National Insurance Costs were £13,270 (Previous 11 month year - £9,675)

Note 7 - Trustee and Other Related Parties

- a. No expenses or emoluments have been paid to the Trustees.
- b. An established employee was invited to join the Board as a Trustee as this strengthened the Board. This Trustee takes no part in decision making where there are conflicts of interest, actual or perceived.
- c. There were no amounts due to or from the Trustees

Note 8 - Debtors and Prepayments

Training Provided	£ 207
Insurance Prepaid	£ 1,484
Nursery Management System	£ 594
Outstanding Parental Fees	£ 133
	<u>£ 2,418</u>

Note 9 - Creditors and Accruals

PCC - Summer Term Funding Pre-Paid	£ 5,593
HMRC - PAYE& NICs	£ 4,157
Pensions	£ 1,039
Peake GB (Nappies)	£ 79
Clarity Copiers	£ 49
Electricity	£ 202
Gas	£ 326
Water	£ 285
Focus Phones	£ 93
Staff Event	£ 395
Travel	£ 23
Local Purchases	£ 520
PNIE	£ 650
Best Accountants	£ 99
	<u>£ 13,512</u>

Note 10 - Declarations

- a. The Trustees have not changed the year end date nor the length of the fund's financial year.
- b. All the fund's operations are continuing operations and no operations were discontinued.
- c. The fund has no marketable intangible assets.
- d. There were no interfund loans outstanding at the balance sheet date.
- e. None of the fund's functional assets has been revalued during the year and the fund does not have a policy of revaluation of these assets.
- f. The fund has no material fixed assets which have not been capitalised and included in the Balance Sheet.

PN INDEPENDENT Examinations

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Havant
Hants
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The Trustees
Alexandra House Pre-School

7 Jun 23

ALEXANDRA HOUSE - ACCOUNTS & INDEPENDENT EXAMINATION **- 31 MAR 23**

1. The examination of the fund for the year ended 31 Mar 23 has been completed satisfactorily and accounts prepared. A draft Trustees Annual Report (TAR) is also enclosed.
2. Once agreed by the trustees, PDF versions of the accounts and TAR can be provided by PNIE which can then be uploaded to the Charity Commission website at the same time as the annual return is completed.
3. A copy of the Alexandra House CIO accounts is also enclosed. Whilst the CIO has been registered, there has been no transfer of funds from the unincorporated charity into the CIO and therefore there are nil transactions in the accounts. The trustees had engaged a specialist in such transfers and aimed to move to CIO status in Apr 23. However, this has not been achieved and as the transfer is likely to be abandoned, the CIO should be formally closed.
4. The previous accounting year was only 11 months long. Comparisons with the previous year should be treated with care.
5. The investment lost nearly £2K in market value and was worth £30.4K at year end. Dividend income was £1.3K (4%). The investment may need to be sold to raise money to improve cash flow. This process should be started early as there may be bureaucratic hurdles to overcome. A partial withdrawal is suggested to test the procedure.
6. Local authority funding had increased by 2% (after adjusting for last year's 11 month year) to a total of £260K. After similar adjustments parents' contributions had increased by 26% to £110.3K.
7. Wage costs were £309K having increased by 10% after allowing for the short previous year. As the minimum wage increased by nearly 10% in Apr 23, a £30K rise in wage costs can be expected in the coming year. Agency costs had nearly halved to £2.6K.
8. Professional fees totalled £9K of which almost £4K was spent on professional fundraisers but they raised – nothing. The aspiration to change the status of the charity to a CIO incurred further solicitors charges.

9. The Business Manager was astute enough to enter a 4 year fixed price gas and electricity deal in 2020. Hence these charges remained at around £3.6K and had not doubled as seen elsewhere. However, this deal comes to end in Feb 24, and the fund has been warned to expect huge increases.

10. In 21/22 there was a gain of nearly £10K from operating activities but this was achieved in the main by the efforts of a member of staff who provided training elsewhere and earned the fund £7.5K. In contrast, this year the income was only £0.8K.

11. It has proved very difficult for the Business Manager to produce a Business Plan as the Government/PCC has yet to provide the figures for Early Years funding. Sadly, parental top up fees are not permitted, although voluntary donations can be requested.

Summary

12. The value of the fund fell by £21.3K to £464K. The movements in the fund can be summarised as follows:

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- Unrealised loss in the value of the investment - £2K.
- Write down of the value of the property - £7.3K.

13. The bulk of this was represented by the £364.7K value of the building. The unrestricted general funds were worth £99.3K having fallen by £14K.

14. The fund currently has £110.4K in bank and investment assets, although summer term funding prepayments and various creditors headed by HMRC reduce the available balance by £13.1K to £97.3K.