

Company Registration No: 1877236

Charity Registration No: 297542

**Hopscotch Under Fives
(Company Limited by Guarantee)**

**Annual Report and Accounts
for the year ended 31 March 2021**

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**Hopscotch Under Fives
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**Report of the Trustees and the Directors
for the year ending 31 March 2021**

The Trustees of the charity and the Directors of the company present their report and the financial statements of the charity for the year ended 31 March 2021. The annual report serves the purposes of both a trustees' report and a directors' report under company law.

The financial statements have been prepared in accordance with the accounting policies set out in note 1 to the financial statements and comply with the charity's constitution and the SORP - 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 (FRS102) issued on 16 July 2014 and the Charities Act 2011.

Reference and administrative information

Charity Number: 297542

Company Number: 1877236

**Principal and
Registered Office:** 215a Chevening Road
London, NW6 6DT

Bankers: CAF Bank
25 Kingshill Avenue
Kings Hill
West Malling
Kent
ME19 4JQ

Independent Examiner: Margaret Anne Payne BA, FCA
Payne & Co
Chartered Accountants
16 Ingham Road
London
NW6 1DE

Trustees and Directors:

Directors: David Hodge
Vivien Moxam - Centre Manager
Katherine Lawson

Trustees: David Hodge
Katherine Lawson

**Hopscotch Under Fives
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**Report of the Trustees and the Directors
for the year ending 31 March 2021**

Structure, governance and management

The charity is constituted as a company limited by guarantee. The company is governed by the provisions of its Memorandum and Articles of Association, dated 14 January 1985, as amended.

The Management Committee, who are directors and trustees under the Charities Act, consist of a Chairperson, Secretary and between five to ten other people.

The Management Committee meets once a term to exercise their governance.

The trustees set the level of remuneration for the Charity's key management personnel based on market rate.

The members of the Management Committee who served during the year to 31 March 2021 were:

Directors

David Hodge
Vivien Moxam
Katherine Lawson

Trustees

David Hodge
Katherine Lawson

Recruitment and appointment of Trustees

The Management Committee are all elected at the Annual General meeting and hold office until the next Annual General Meeting. Between Annual General Meetings, the Management Committee may co-opt up to five additional members who will hold office until the next Annual General Meeting.

A general meeting of the members of the company may remove any member of the committee and the committee itself may remove committee members failing to attend regular meetings.

New trustees are inducted and trained by the existing trustees.

Objectives and activities for the public benefit

The charity's object and its principle activity is to utilise its resources to benefit the public in such a way as to advance the education of children from twelve months to five years old, by the provision of full-time and part-time nursery places and drop-in facilities. The children are mainly, but not exclusively, resident in the Queens Park area of Brent in North West London.

The trustees confirm that they have referred to the guidance contained in the Charity Commission's general guidance on public benefit when reviewing the company's aims and objectives.

**Hopscotch Under Fives
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**Report of the Trustees and the Directors
for the year ending 31 March 2021**

STRATEGIC REPORT

Achievements and performance

As a result of Covid it became necessary during the year to close the nursery and furlough staff. Parents were kept updated weekly via email and a WhatsApp group was set up for rapid communication. Routine Covid testing of staff was carried out and the nursery was fully operational by the year end.

During the year to 31 March 2021, an average of 48 children attended the nursery per day and an average of 20 children attended the drop-in stay and play sessions. The nursery room for children from twelve months to two years old, which opened in September 2014, has continued to prove very successful, particularly for working parents in the area.

Financial review

The charity receives income mainly from the Nursery Education Grant and from school fees.

Unrestricted income for the year from school fees was £393,119 (2020 £617,918). Restricted income for the year from the Nursery Education Grant was £45,205 (2020 £35,284). Other trading income for the year from renting out the venue was £NIL (2020 £1,600). Grants received was £79,586 (2020 £NIL).

Expenditure of unrestricted funds was £436,326 (2020 £568,253). Restricted expenditure was £45,205 (2020 £35,284).

This left a surplus of income over expenditure for the year of £36,379 (2020 a surplus of income over expenditure of £51,265) all of which was unrestricted in both years.

Going concern

Renewal of the lease until August 2023 is currently under negotiation and the Trustees and Directors consider the Charity to be a going concern for the upcoming year. For this reason it continues to adopt the going concern basis in preparing the financial statements.

Plans for future period

The trustees are satisfied that the current activities will ensure that the charity continues to operate successfully for the foreseeable future. As the lease extension is under negotiation, the trustees do not feel further expansion would be in the interests of the nursery.

**Hopscotch Under Fives
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**Report of the Trustees and the Directors
for the year ending 31 March 2021**

Reserves policy

The building is owned by Brent council and for some years the nursery has been under threat of closure. The company maintains reserves at a level to ensure that sufficient funds are available to cover any potential redundancies which may be incurred as a result of the loss of the lease on the premises from which it operates. A designated fund has been built up to enable the company to continue to retain staff whilst under notification of possible redundancies right up to the time that the nursery has to be closed.

The potential redundancy cost at 31 March 2021, based on statutory pay plus six weeks severance pay, was £82,400 (2020 £84,025). The designated funds at the balance sheet date were £82,400 (2020 £84,025).

Risk Management

The major risks to which the charity is exposed have been identified by the trustees and are actively reviewed on a regular basis, covering operational and financial aspects.

The trustees consider the main risk to the charity's objective is the potential loss of its lease on the premises from which it operates and this has been taken into consideration in setting the reserves policy.

**Hopscotch Under Fives
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Statement of Trustees and Directors' responsibilities

The directors of the company are responsible for preparing the Directors' Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

The Trustees confirm that they have complied with the duty in section 17(5) of the Charities Act 2011 to have due regard to the Charity Commission's general guidance on public benefit.

Company law requires the Directors to prepare financial statements for each financial period which give a true and fair view of the state of the affairs of the charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable group for that period. In preparing these financial statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities Statement of Recommended Practice;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures being disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

The Directors are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Insofar as the Directors are aware:

- there is no relevant accounting information of which the charitable company's Independent Examiner is unaware;
- the Directors have taken all steps that they ought to have taken to make themselves aware of any relevant Independent Examination information and to establish that the Independent Examiner is aware of that information.

Signed on behalf of the Board:

David Hodge, Director

21 December 2021

**Hopscotch Under Fives
(Company Limited by Guarantee)**

Report of the Independent Examiner

I report on the accounts of the company for the year ended 31 March 2021, which are set out on pages 9 to 17.

Respective responsibilities of Trustees and examiner

The Trustees of the charity and the Directors of the company are responsible for the preparation of the accounts. The charity's Trustees consider that an audit is not required for this year under section 144(2) of the Charities Act 2011 (the 2011 Act) and that an Independent Examination is needed. The charity's gross income exceeded £250,000 and I am qualified to undertake the examination by being a qualified member of ICAEW.

Having satisfied myself that the charity is not subject to audit under Part 16 of the Companies Act 2006 and is eligible for Independent Examination, it is my responsibility to:

- examine the accounts under section 145 of the 2011 Act;
- to follow the procedures laid down in the General Directions given by the Charity Commission under section 145(5)(b) of the 2011 Act; and
- to state whether particular matters have come to my attention.

Basis of Independent Examiner's report

My examination was carried out in accordance with the General Directions given by the Charity Commission. An examination includes a review of the accounting records kept by the charity and a comparison of the accounts presented with those records. It also includes consideration of any unusual items or disclosures in the accounts, and the seeking of explanations from you as Trustees concerning any such matters. The procedures undertaken do not provide all the evidence that would be required in an audit and consequently, no opinion is given as to whether the accounts present a "true and fair view" and the report is limited to those matters set out in the statement below.

Independent Examiner's statement

In connection with my examination, no matter has come to my attention:

- which gives me reasonable cause to believe that in any material respect the requirements:
 - (a) to keep accounting records in accordance with section 386 of the Companies Act 2006; and
 - (b) to prepare accounts which accord with the accounting records and to comply with the accounting requirements of section 396 of the Companies Act 2006 and with the methods and principles of the Statement of Recommended Practice:
have not been met; or
- to which, in my opinion, attention should be drawn in order to enable a proper understanding of the accounts to be reached.

Margaret Anne Payne BA, FCA
Payne & Co
Chartered Accountants
16 Ingham Road
London
NW6 1DE

21 December 2021

Hopscotch Under Fives
(Company Limited by Guarantee)

Statement of financial activities
(Incorporating the income & expenditure account)
for the year ended 31 March 2021

	Notes	Unrestricted Funds £	Restricted Income Funds £	Total Funds 2021 £	Total Funds 2020 £
Income					
Income from charitable activities	2	393,119	45,205	438,324	653,202
Other trading activities		-	-	-	1,600
Grants received	3	79,586	-	79,586	
Total income		472,705	45,205	517,910	654,802
Expenditure					
Expenditure on charitable activities	4	436,326	45,205	481,531	603,537
Total resources expended		436,326	45,205	481,531	603,537
Net income/expenditure for the year		36,379	-	36,379	51,265
Reconciliation of Funds:					
Total funds brought forward from 1 April 2020		190,726	-	190,726	139,461
Total funds carried forward at 31 March 2021		227,105	-	227,105	190,726

The notes on pages 12 to 17 form part of these financial statements

**Hopscotch Under Fives
(Company Limited by Guarantee)**

**Balance sheet
As at 31 March 2021**

	Notes	2021 £	2020 £
Fixed Assets			
Tangible assets	7	13,131	18,065
Current assets			
Debtors	8	537	151
Cash at bank and in hand		<u>239,623</u>	<u>191,717</u>
		240,160	191,868
Current liabilities			
Creditors falling due within one year	9	<u>(26,186)</u>	<u>(19,207)</u>
Net current assets/(liabilities)		213,974	172,661
Total assets less current liabilities		<u>227,105</u>	<u>190,726</u>
Funds of the charity			
Restricted income funds	10	-	-
Unrestricted funds		227,105	190,726
Total charity funds		<u>227,105</u>	<u>190,726</u>

The charitable company is entitled to exemption from audit under Section 477 of the Companies Act 2006 relating to small companies.

The members have not required the charitable company to obtain an audit in accordance with Section 476 of the Companies Act 2006.

The Directors acknowledge their responsibilities for complying with the requirements of the Companies Act with respect to accounting records and the preparation of accounts.

These accounts have been prepared in accordance with the provisions applicable to small companies subject to the small companies regime and in accordance with FRS102 SORP.

The financial statements were approved by the Board of Directors on 21 December 2021 and were signed on their behalf by:

David Hodge – Director

The notes on pages 12 to 17 form part of these financial statements

**Hopscotch Under Fives
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**Statement of cash flows
For the year ended 31 March 2021**

		£	£
Cash flows from operating activities			
Net cash provided by (used in) operating activities	11	47,906	58,659
Cash flows from investing activities	12	<u>0</u>	<u>(749)</u>
Change in cash and cash equivalents in the reporting period		47,906	57,910
Cash and cash equivalents at 1 April 2020		<u>191,717</u>	<u>133,807</u>
Cash and cash equivalents at 31 March 2021	13	<u>239,623</u>	<u>191,717</u>

The notes on pages 12 to 17 form part of these financial statements

**Hopscotch Under Fives
(Company Limited by Guarantee)**

**Notes to the financial statements
For the year ended 31 March 2021**

1 ACCOUNTING POLICIES

Statutory information

Hopscotch Under Fives (Company Limited by Guarantee) is a private company, limited by guarantee, registered in England and Wales. The company's registered number and registered office address can be found on the Company Information page.

The presentation currency of the financial statements is the pound Sterling (£).

Basis of Accounting

The financial statements have been prepared under the historical cost convention and in accordance with the SORP - 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 (FRS102) issued on 16 July 2014, the Companies Act 2006 and where applicable the Charities Act 2011.

Incoming resources

Incoming resources are recognised when receipt of income is probable and the amount can be quantified with reasonable accuracy.

Voluntary help is invaluable to the charity but is not included in the financial statements, since the monetary value is impossible to quantify. The value of assets and facilities donated, where impossible to quantify, is not included in the financial statements.

Liabilities

Liabilities are recognised at the amount that the company anticipates it will pay to settle the debt or the amount it has received as advanced payments for the goods or services it must provide.

Tangible fixed assets

All fixed assets are recorded at cost.

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

Equipment	- 25% and 33.33% on written down value
Computer equipment	- 25% and 33.33% on written down value
Fixtures & Fittings	- 50% on cost

Grants received

Revenue grants are recognised in the income statement in the year in which they are received.

**Hopscotch Under Fives
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**Notes to the financial statements (contd)
For the year ended 31 March 2021**

Resources expended

Liabilities are recognised as resources expended as soon as there is a legal or constructive obligation committing the charity to the expenditure. All expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all costs related to the activity.

Taxation

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

Pension costs and other post-retirement benefits

The charity operates a defined contribution pension scheme. Contributions payable to the charity's pension scheme are charged to profit or loss in the period to which they relate.

Funds structure

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by the donor.

Unrestricted funds comprise those funds which the trustees are free to use for any purpose in furtherance of the charitable objects. Unrestricted funds include designated funds where the directors, at their discretion, have created a fund for a specific purpose.

Support costs

All support costs relate to expenditure for charitable activities.

2 INCOME FROM CHARITABLE ACTIVITIES

			2021	2020
	Unrestricted funds	Restricted funds		
	£	£	Total £	Total £
Nursery Education Grant	-	45,205	45,205	35,284
School fees	393,119	-	393,119	617,918
	<u>393,119</u>	<u>45,205</u>	<u>438,324</u>	<u>653,202</u>

3 GRANTS RECEIVED

Grants of £79,586 were received during the year in respect of staff furlough payments.

**Hopscotch Under Fives
(Company Limited by Guarantee)**

**Notes to the financial statements (contd)
For the year ended 31 March 2021**

4 EXPENDITURE ON CHARITABLE ACTIVITIES

		Unrestricted	Restricted	2021	2020
		funds	funds	Total	Total
		£	£	£	£
Direct costs	Staff costs	327,524	45,205	372,729	463,438
	Visiting staff and training	1,070	-	1,070	5,922
	Equipment renewals and toys	8,144	-	8,144	12,346
	School visit expenses and travel	377	-	377	4,639
	Advertising	72	-	72	640
		<u>337,187</u>	<u>45,205</u>	<u>382,392</u>	<u>486,985</u>
		Unrestricted	Restricted	Total	Total
		funds	funds	£	£
		£	£	£	£
Support costs	Premises costs:				
	-Rent and rates	25,500	-	25,500	25,500
	-Utilities	6,146	-	6,146	11,456
	-Waste collection and cleaning	23,647	-	23,647	27,135
	-Maintenance and redecoration	9,956	-	9,956	12,578
	-Gardening	3,730	-	3,730	2,231
	-Housekeeping and refreshments	4,042	-	4,042	6,464
	Depreciation of equipment	4,934	-	4,934	6,832
	Governance costs:			-	-
	-Independent examination	3,240	-	3,240	3,240
	-Professional fees	4,758	-	4,758	3,578
	-Computer and internet	920	-	920	2,774
	-Telephone	488	-	488	502
	-Printing, postage and stationery	6,987	-	6,987	9,292
	-Ofsted annual fee	98	-	98	98
	General expenses	-	-	-	-
	Bank charges	715	-	715	847
	Other support costs:			-	-
	-Insurance	3,978	-	3,978	3,972
	-Donations	-	-	-	53
		<u>99,139</u>	<u>-</u>	<u>99,139</u>	<u>116,552</u>
Total Charitable Activities		<u>436,326</u>	<u>45,205</u>	<u>481,531</u>	<u>603,537</u>

**Hopscotch Under Fives
(Company Limited by Guarantee)**

**Notes to the financial statements (contd)
For the year ended 31 March 2021**

5 STAFF COSTS

Staff costs during the year were:	2021	2020
	£	£
Wages and Salaries	340,479	425,303
Social security costs	27,260	32,314
Pension costs	4,990	5,821
Total	372,729	463,438

The average number of employees during the year was 11 and no employee received employee benefits of more than £60,000 during the period.

6 RELATED PARTY TRANSACTIONS AND TRUSTEES' REMUNERATION

No trustee nor any person connected with them, has received, or is due to receive, any remuneration for the period, nor obtained any financial benefit, directly or indirectly, from the charity's funds. There were no trustees' expenses paid for the period.

No director nor any person connected with them, has received, or is due to receive, any remuneration for the period, nor obtained any financial benefit, directly or indirectly, from the charity's funds for their services as directors. There were no directors' expenses paid for the period.

The total amount paid during the year to key management, including directors, for services other than in their capacity as director was £45,653 (2020: £44,633).

7 TANGIBLE FIXED ASSETS

	Computers & Equipment	Fixtures & Fittings	Total
COST	£	£	£
At 1 April 2020	42,250	2,172	44,422
Additions		-	-
At 31 March 2021	<u>42,250</u>	<u>2,172</u>	<u>44,422</u>
DEPRECIATION			
At 1 April 2020	24,185	2,172	26,357
Charge for the year	4,934		4,934
At 31 March 2021	<u>29,119</u>	<u>2,172</u>	<u>31,291</u>
NET BOOK VALUE			
31 March 2021	13,131	-	13,131
31 March 2020	<u>18,065</u>	<u></u>	<u>18,065</u>

**Hopscotch Under Fives
(Company Limited by Guarantee)**

**Notes to the financial statements (contd)
For the year ended 31 March 2021**

8 DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2021	2020
	£	£
Trade debtors	100	
Other debtors	437	151
	<u>537</u>	<u>151</u>

9 CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2021	2020
	£	£
Other taxation and social security	7,519	13,982
Accruals	17,826	4,301
Other creditors	841	924
	<u>26,186</u>	<u>19,207</u>

10 RESTRICTED FUNDS

During the year £45,205 was received from the Nursery Education Grant for the provision of assisted places. £45,205 was expended during the year in the relevant areas and £nil remains as restricted funds at the balance sheet date.

11 RECONCILIATION OF NET INCOME/(EXPENDITURE) TO NET FLOW FROM OPERATING ACTIVITIES

	2021	2020
	£	£
Net income/(expenditure) for the reporting period (as per the statement of financial activities)	36,379	51,265
Adjusted for:		
Depreciation (note 3)	4,934	6,832
(Increase)/decrease in debtors	(386)	(4)
Increase/(decrease) in creditors	6,979	566
Net cash provided by /(used in) Operating activities	<u>47,906</u>	<u>58,659</u>

**Hopscotch Under Fives
(Company Limited by Guarantee)**

**Notes to the financial statements (contd)
For the year ended 31 March 2021**

12 CASH FLOWS FROM INVESTING ACTIVITIES

	2021	2020
	£	£
Purchase of tangible fixed assets	<u>0</u>	<u>(749)</u>
Net cash provided by /(used in) investing activities	<u>0</u>	<u>(749)</u>

13 ANALYSIS OF CASH AND CASH EQUIVALENTS

	2021	2020
	£	£
Cash in hand and at bank	<u>239,623</u>	<u>191,717</u>
Total cash and cash equivalents	<u>239,623</u>	<u>191,717</u>

14 CONTINGENT LIABILITY

The building from which the charity operates is owned by Brent council and for some years the nursery has been under threat of closure as a result of uncertainty over the renewal of the lease.

The potential redundancy cost at 31 March 2021, based on statutory pay plus six weeks severance pay, was £82,400 (2020 £84,025). The designated funds at the balance sheet date were £82,400 (2020 £84,025).

The lease has been agreed and the charity is a going concern for the foreseeable term of the new lease.

15 COMPANY LIMITED BY GUARANTEE

Every member of the company has undertaken to pay such an amount as may be required, not exceeding £1, towards the charitable company's assets on a winding up. This undertaking is given whilst they remain members and for a period of one year thereafter.