

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 2022**

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Contents

Report of the Directors	3
Report of the Independent Examiner	8
Statement of financial activities	9
Balance sheet	10
Cash flows statement	11
Notes to the financial statements	12

**Hopscotch Under Fives
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**Report of the Trustees and the Directors
for the year ending 31 March 2022**

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 2022. 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
Julia Richardson
Christelle Pearson

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

**Report of the Trustees and the Directors
for the year ending 31 March 2022**

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 2022 were:

Directors

David Hodge
Vivien Moxam
Katherine Lawson

Trustees

David Hodge
Katherine Lawson
Julia Richardson
Christelle Pearson

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
(Company Limited by Guarantee)**

**Report of the Trustees and the Directors
for the year ending 31 March 2022**

STRATEGIC REPORT

Achievements and performance

During the year to 31 March 2022, an average of 46 children attended the nursery per day and an average of 22 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 £555,209 (2021 £393,119). Restricted income for the year from the Nursery Education Grant was £32,201 (2021 £45,205). Other trading income for the year from renting out the venue was £2,320 (2021 £NIL). Grants received were £NIL (2021 £79,586).

Expenditure of unrestricted funds was £528,281 (2021 £436,326). Restricted expenditure was £32,201 (2021 £45,205).

This left a surplus of income over expenditure for the year of £29,248 (2021 a surplus of income over expenditure of £36,379) all of which was unrestricted in both years.

Going concern

The lease has been renewed until 2023 and the Trustees and Directors consider the Charity to be a going concern for at least this period of time. 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.

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.

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

**Report of the Trustees and the Directors
for the year ending 31 March 2022**

The potential redundancy cost at 31 March 2022, based on statutory pay plus six weeks severance pay, was £67,020 (2021 £82,400). The designated funds at the balance sheet date were £67,020 (2021 £82,400).

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
(Company Limited by Guarantee)**

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

12 December 2022

**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 2022, 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

12 December 2022

Hopscotch Under Fives
(Company Limited by Guarantee)

Statement of financial activities
(Incorporating the income & expenditure account)
for the year ended 31 March 2022

	Notes	Unrestricted Funds £	Restricted Income Funds £	Total Funds 2022 £	Total Funds 2021 £
Income					
Income from charitable activities	2	555,209	32,201	587,410	438,324
Other trading activities - Venue hire		2,320	-	2,320	-
Grants received			-	-	79,586
Total income		557,529	32,201	589,730	517,910
Expenditure					
Expenditure on charitable activities	3	528,281	32,201	560,482	481,531
Total resources expended		528,281	32,201	560,482	481,531
Net income/expenditure for the year		29,248	-	29,248	36,379
Reconciliation of Funds:					
Total funds brought forward from 1 April 2021		227,105	-	227,105	190,726
Total funds carried forward at 31 March 2022		256,353	-	256,353	227,105

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 2022**

	Notes	2022 £	2021 £
Fixed Assets			
Tangible assets	6	11,919	13,131
Tangible assets	7	<u>1,700</u>	13,131
		13,619	
Current assets			
Debtors	8	140	537
Cash at bank and in hand		<u>289,490</u>	<u>239,623</u>
		289,630	240,160
Current liabilities			
Creditors falling due within one year	9	<u>(46,896)</u>	<u>(26,186)</u>
Net current assets/(liabilities)		242,734	213,974
Total assets less current liabilities		<u>256,353</u>	<u>227,105</u>
Funds of the charity			
Restricted income funds	11	-	-
Unrestricted funds		<u>256,353</u>	<u>227,105</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 12 December 2022 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
(Company Limited by Guarantee)**

**Statement of cash flows
For the year ended 31 March 2022**

	Notes	2022 £	2021 £
Cash flows from operating activities			
Net cash provided by (used in) operating activities	12	54,466	47,906
Cash flows from investing activities	13	(4,599)	0
Change in cash and cash equivalents in the reporting period		49,867	47,906
Cash and cash equivalents at 1 April 2021		<u>239,623</u>	<u>191,717</u>
Cash and cash equivalents at 31 March 2022	14	<u>289,490</u>	<u>239,623</u>

The notes on pages 12 to 19 form part of these financial statements

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

**Notes to the financial statements
For the year ended 31 March 2022**

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

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

**Notes to the financial statements (contd)
For the year ended 31 March 2022**

Intangible fixed assets

All fixed assets are recorded at cost.

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

Website - 33.33% on cost

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.

Hire purchase and leasing commitments

Rentals paid under operating leases are charged to profit or loss on a straight line basis over the period of the lease.

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.

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

**Notes to the financial statements (contd)
For the year ended 31 March 2022**

2 INCOME FROM CHARITABLE ACTIVITIES

			2022	2021
	Unrestricted funds	Restricted funds		
	£	£	Total	Total
			£	£
Nursery Education Grant	-	32,201	32,201	45,205
School fees	555,209	-	555,209	393,119
	<u>555,209</u>	<u>32,201</u>	<u>587,410</u>	<u>438,324</u>

3 EXPENDITURE ON CHARITABLE ACTIVITIES

			2022	2021
	Unrestricted funds	Restricted funds		
	£	£	Total	Total
			£	£
Direct costs				
Staff costs	389,386	32,201	421,587	372,729
Visiting staff and training	5,794	-	5,794	1,070
Equipment renewals and toys	10,736	-	10,736	8,144
School visit expenses and travel	2,892	-	2,892	377
Advertising	24	-	24	72
	<u>408,832</u>	<u>32,201</u>	<u>441,033</u>	<u>382,392</u>

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

**Notes to the financial statements (contd)
For the year ended 31 March 2022**

	Unrestricted funds £	Restricted funds £	Total £	Total £
Support costs				
Premises costs:				
-Rent and rates	32,094	-	32,094	25,500
-Utilities	5,318	-	5,318	6,146
-Waste collection and cleaning	27,253	-	27,253	23,647
-Maintenance and redecoration	16,305	-	16,305	9,956
-Gardening	5,622	-	5,622	3,730
-Housekeeping and refreshments	6,719	-	6,719	4,042
Depreciation of equipment	4,011	-	4,011	4,934
Amortisation of website	100	-	100	4,934
Governance costs:			-	-
-Independent examination	3,240	-	3,240	3,240
-Professional fees	3,535	-	3,535	4,758
-Computer and internet	2,175	-	2,175	920
-Telephone	506	-	506	488
-Printing, postage and stationery	9,309	-	9,309	6,987
-Ofsted annual fee	50	-	50	98
General expenses	48	-	48	-
Bank charges	836	-	836	715
Other support costs:			-	-
-Insurance	2,328	-	2,328	3,978
-Donations	-	-	-	-
	<u>119,449</u>	<u>-</u>	<u>119,449</u>	<u>104,073</u>
Total Charitable Activities	<u>528,281</u>	<u>32,201</u>	<u>560,482</u>	<u>486,465</u>

4 STAFF COSTS

Staff costs during the year were:	2022	2021
	£	£
Wages and Salaries	383,989	340,479
Social security costs	31,864	27,260
Pension costs	5,734	4,990
Total	<u>421,587</u>	<u>372,729</u>

The average number of employees during the year was 17 and no employee received employee benefits of more than £60,000 during the period.

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

**Notes to the financial statements (contd)
For the year ended 31 March 2022**

5 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 £48,000 (2021: £45,653).

6 TANGIBLE FIXED ASSETS

	Computers & Equipment	Fixtures & Fittings	Total
COST	£	£	£
At 1 April 2021	42,250	2,172	44,422
Additions	2,799	-	2,799
At 31 March 2022	45,049	2,172	47,221
DEPRECIATION			
At 1 April 2021	29,119	2,172	31,291
Charge for the year	4,011		4,011
At 31 March 2022	33,130	2,172	35,302
NET BOOK VALUE			
31 March 2022	11,919	-	11,919
31 March 2021	13,131		13,131

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

**Notes to the financial statements (contd)
For the year ended 31 March 2022**

7 INTANGIBLE FIXED ASSETS

	Website £	Total £
COST		
At 1 April 2021	-	-
Additions	1,800	1,800
At 31 March 2022	1,800	1,800
AMORTISATION		
At 1 April 2021	-	-
Charge for the year	100	100
At 31 March 2022	100	100
NET BOOK VALUE		
31 March 2022	1,700	1,700
31 March 2021	-	-

8 DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2022 £	2021 £
Trade debtors		
Other debtors	140	4
	140	4

9 CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2022 £	2021 £
Other taxation and social security	8,661	7,519
Accruals	12,922	17,826
Trade creditors	24,696	
Other creditors	617	841
	46,896	26,186

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

**Notes to the financial statements (contd)
For the year ended 31 March 2022**

10 LEASING AGREEMENTS

Minimum lease payments under non-cancellable operation leases fall due as follows:

	2022	2021
	£	£
Within one year	30,000	
Between one and two years	12,500	
	<u>42,500</u>	<u>-</u>

11 RESTRICTED FUNDS

During the year £32,201 was received from the Nursery Education Grant for the provision of assisted places. £32,201 was expended during the year in the relevant areas and £nil remains as restricted funds at the balance sheet date.

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

	2022	2021
	£	£
Net income/(expenditure) for the reporting period (as per the statement of financial activities)	29,248	36,379
Adjusted for:		
Depreciation (note 6)	4,011	4,934
Amortisation (note 7)	100	
(Increase)/decrease in debtors	397	(386)
Increase/(decrease) in creditors	20,710	6,979
Net cash provided by /(used in) Operating activities	<u>54,466</u>	<u>47,906</u>

13 CASH FLOWS FROM INVESTING ACTIVITIES

	2022	2021
	£	£
Purchase of tangible fixed assets	<u>(4,599)</u>	<u>0</u>
Net cash provided by /(used in) investing activities	<u>(4,599)</u>	<u>0</u>

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

**Notes to the financial statements (contd)
For the year ended 31 March 2022**

14 ANALYSIS OF CASH AND CASH EQUIVALENTS

	2022	2021
	£	£
Cash in hand and at bank	<u>289,490</u>	<u>239,623</u>
Total cash and cash equivalents	<u>289,490</u>	<u>239,623</u>

15 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 2022, based on statutory pay plus six weeks severance pay, was £67,020 (2021 £82,400). The designated funds at the balance sheet date were £67,020 (2021 £82,400).

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

16 BACKDATED RENT INCREASE.

A backdated rent increase, from December 2020 resulted in an additional charge for the year ended 31 March 2021 of £2,094 which is included in the current year's accounts.

17 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.