

**Triangle Preschool**

**CHARITY NO.: 801927**

**REPORT AND UNAUDITED ACCOUNTS**

**for the year ended  
31 March 2020**

## **Triangle Preschool**

<b>Status:</b>	Charity registration no.: 801927 The Charity's governing document is its Constitution adopted on 7th October 1987 as amended 1997. Registered with the Charity Commission on 24 August 1989.
<b>Registered Office:</b>	Vaine House Cassland Road London E9 5BU
<b>Trustees:</b>	Michelle Herbert (Chair) Nicola Dillon (Vice Chair) Hollie Chapman (Secretary) Judith Phillips (Treasurer)
<b>Accountant</b>	Shruti Soni ACCA Shruti Soni Ltd Chartered Certified Accountants 117A St Johns Hill Sevenoaks TN13 3PE
<b>Bankers:</b>	Natwest Bank PLC (Hackney, Amhurst Road Branch) 20 Amhurst Road London E8 1QZ

## **Triangle Preschool**

### **Trustees' Report for the year ended 31 March 2020**

The trustees present their report and the financial statements for the year ended 31 March 2020. This Trustees Report and the associated Financial Statements have been prepared in accordance with guidance for preparing Charity Accounts and Reports presented in "Accounting and Reporting by Charities: Statement of Recommended Practice" and are therefore in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (effective 1 January 2015) - (Charities SORP FRS 102) together with the Charity's constitution.

#### **ORIGIN AND GROWTH**

Charitable objects are to promote within the area of Hackney the aims of the pre-school playgroups association.

Triangle Pre-school is a registered association. It was formed over 35 years ago to cater for the education needs of children under statutory school age living within the local area of South Hackney, it was established as a democratically managed voluntary community group comprised of the families of the children it served, and governed by a written constitution. The London Borough of Hackney has continued to support the Pre-school over the years and a constructive relationship has developed between the two bodies who work in partnership towards the furtherance of common aims.

A Management Committee, drawn from and elected by Triangle's members, has responsibility for the day-to-day management of the Pre-school.

The Pre-school is a Charity and is registered with the Charity Commission, number 801927. It is also a member of the Pre-school Learning Alliance.

Triangle is a Registered Day Care Provider under the Children Act 1989 and is inspected by OFSTED.

The Pre-school welcomes families and carers from the local community who have children aged between 2 and 5 years subject to availability of places as prescribed under its registration with the Inspection Unit.

#### **AIMS OF THE PRE-SCHOOL**

The aim of Triangle is to enhance the development and education of children under statutory school age within a:

- Parent involving community group
- Safe, secure and stimulating environment
- Framework which ensures equality of opportunity for all children, their families and staff

and in doing so further the aim of the Pre-school Learning Alliance and promote public awareness and recognition of the needs of such children locally.

#### **Risk Management**

The trustees have drawn up a risk register which provides dates and details of action to be taken to reduce the risks faced by the charity. The charity also purchases a range of insurances.

## **Triangle Preschool**

### **Trustees' Report for the year ended 31 March 2020**

#### **REVIEW OF THE PRE-SCHOOL'S ACTIVITIES**

**Accommodation** Triangle moved in September 2003 to new accommodation on Cassland Road with an outside play area and access to a playground. We are permanently based here and with an outside garden play area.

**Play Activities** The children had a happy and active year and covered a range of worthwhile and interesting activities including projects. Topics covered included 'Animals', 'Weather', 'Language and Literacy', 'Colours and Shapes', 'All about me' and Important people.

We raised funds for our end of term parties by filling Smarties pack with 20p coins, we also raised money for Autism Awareness week. On summer trip took us to the Olympic Park Stratford

All the major religious festivals were celebrated, including Eid and the Chinese New Year and the parties marking the Christmas and Easter festivities were a great success.

Staff continued to work successfully to implement the Early year's Foundation Stage curriculum.

**Balance Sheet** Details of the major items on the balance sheet can be found in the notes of the accounts.

The fluctuations in debtors and creditors year on year are purely the result of the timing of receipts and payment around the year-end.

**Principal Funding Sources** Triangle continued to receive a financial grant from the London Borough of Hackney.

**Fee revenue** for the year was £12,133 (2019:£16,912).

**Fund-raising** Activities during the year have included Christmas and Easter raffle, which raised funds which were put towards the children's Christmas and Easter parties.

**Nursery Education Grant** for 3- and 4-year olds educated during the year was received and used to provide fee rebates for the children in question.

**Cash flow** was well engineered throughout the year. At no time was Triangle unable to meet their financial obligations.

The Management Committee is of the opinion that Triangle's financial position is reasonably secure so long as:

- a.) In the short to medium term, Hackney Council continues to provide financial assistance via the grant.
- b.) In the long term, additional financial backers are found to reduce reliance upon Hackney Council
- c.) Income from the Nursery Grant Scheme for 2, 3 and 4 year olds continues to be earned
- d.) A policy of prudent spending continues to be adopted

## **Triangle Preschool**

### **Trustees' Report for the year ended 31 March 2020**

#### **Going Concern and Impact of COVID 19**

The trustees are satisfied that the charity will continue to be a going concern for the foreseeable future.

Due to Covid 19 we had to close from the end of March to the beginning of June 2020. When we reopened, we had to reduce our hours which meant that we had a reduction in income. We have been able to continue opening since then as many of our children are entitled to 15 hours free funding from the local authority. Due to this we have not had to furlough any of our staff.

Our key risk is that Covid 19 would be spread in the nursery, so far this had not happened and we have extremely strict policies in place.

We have tried our best to continue with the programme that we set out for the children and hope to do so in the future.

#### **Financial Review**

The Charity's total income and expenditure for the year were £120,111 (2019:£117,389) and £96,778 (2019:£114,602) respectively. The charity's net income for the year stood at £23,334 (net income 2019:£2,787 ). At the year end, the Charity had total reserves of £92,349 (2019:£69,015).

#### **Reserve Policy**

Unrestricted fund at the year-end stood at £71,014 (2019: £47,819). This includes designated funds set aside for redundancies in case of closure of the charity of £16,782 (2019: £16,748). The trustees believe that the general funds at year end (excluding designated redundancy funds) that stood at £54,232 (2019: £31,071) remain healthy as they are enough to cover more than half of the expenditure of the charity at the 2019-20 level.

It is necessary to ensure that sufficient reserves exist at the end of each financial year to meet potential statutory liabilities should the charity have to close. The trustees are of the opinion that there is no such need to transfer more reserves to redundancy fund as currently, the fund holds enough to meet any potential statutory liabilities. Therefore, we have decided to not set aside any further funds towards a redundancy fund during the year.

The reserves account which is designated for redundancy costs, currently holds £16,782 (2019: £16,748). The trustees have been advised that there should be one quarter of the annual income (approximately £30,000) in reserves in order to protect Triangle Pre-school from bankruptcy.

The policy will be reviewed once yearly at a management committee meeting.



## Triangle Preschool

### Trustees' Report for the year ended 31 March 2020

#### **Statement of Trustees' Responsibilities**

The trustees are responsible for preparing the Trustees' Annual Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Charity law requires the trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charity and of the incoming resources and application of resources, including the income and expenditure of the charity for that period. In preparing these financial statements, the trustees are required to:

- a) select suitable accounting policies and apply them consistently;
- b) observe the methods and principles in the Charities SORP;
- c) make judgments and accounting estimates that are reasonable and prudent;
- d) state whether applicable UK accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- e) prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in operation.

The trustees are responsible for keeping adequate accounting records that disclose with reasonable accuracy at any time the financial position of the charity and enable them to ensure that the financial statements comply with the requirements of Charities Act 2011. They are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities. This report was approved by the Board on 19<sup>th</sup> MARCH 2021 and signed on its behalf.

J Phillips

Name Judith Phillips

Trustee

## **Independent Examiner's Report to the Trustees of Triangle Preschool**

I report on the financial statements of Triangle Preschool for the year ended 31 March 2020 as set out on pages 7 to 14.

### **Responsibilities and basis of report**

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 charity's accounts carried out under section 145 of the 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 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 charity as required by section 130 of the Act; or
2. The accounts do not accord with those records; or
3. The accounts do not comply with the applicable requirements concerning the form and content of accounts set out in the Charities (Accounts and Reports) Regulations 2008 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

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.

*Shruti Soni*

**Shruti Soni ACCA**

Shruti Soni Ltd ● Chartered Certified Accountants  
117a St. John's Hill, Sevenoaks TN13 3PE

Date: 22 March 2021

**Triangle Preschool**  
**Statement of financial activities** (incorporating an income and expenditure account)

**For the year ended 31 March 2020**

	Note	Unrestricted £	Restricted £	2020 Total £	Unrestricted £	Restricted £	2019 Total £
<b>Income from:</b>							
Charitable activities	2	120,583	–	120,583	117,186	–	117,186
Other trading activities	3	370	–	370	182	–	182
Investments – bank interest		34	–	34	21	–	21
<b>Total income</b>		<b>120,987</b>	<b>–</b>	<b>120,987</b>	<b>117,389</b>	<b>–</b>	<b>117,389</b>
<b>Expenditure on:</b>							
Charitable activities	4	97,600	–	97,600	114,507	–	114,507
Fundraising		192	–	192	95	–	95
<b>Total expenditure</b>		<b>97,792</b>	<b>–</b>	<b>97,792</b>	<b>114,602</b>	<b>–</b>	<b>114,602</b>
<b>Net movement in funds</b>		<b>23,195</b>	<b>–</b>	<b>23,195</b>	<b>2,787</b>	<b>–</b>	<b>2,787</b>
<b>Reconciliation of funds:</b>							
Total funds brought forward		47,819	21,196	69,015	45,032	21,196	66,228
<b>Total funds carried forward</b>	11	<b>71,014</b>	<b>21,196</b>	<b>92,210</b>	<b>47,819</b>	<b>21,196</b>	<b>69,015</b>

All of the above results are derived from continuing activities. There were no other recognised gains or losses other than those stated above. Movements in funds are disclosed in Note 11 to the financial statements.



**Triangle Preschool  
Balance sheet**

**As at 31 March 2020**

	Note	£	2020 £	£	2019 £
<b>Current assets:</b>					
Cash at bank and in hand		94,500		71,978	
		<u>94,500</u>		<u>71,978</u>	
<b>Liabilities:</b>					
Creditors: amounts falling due within one year	9	2,290		2,963	
		<u>2,290</u>		<u>2,963</u>	
<b>Net current assets / (liabilities)</b>			<u>92,210</u>		<u>69,015</u>
<b>Total assets less current liabilities</b>			<u>92,210</u>		<u>69,015</u>
<b>Total net assets / (liabilities)</b>			<u><u>92,210</u></u>		<u><u>69,015</u></u>
<b>The funds of the charity:</b>	11				
Restricted income funds			21,196		21,196
Unrestricted income funds:					
General funds		54,232		31,071	
Designated funds		<u>16,782</u>		<u>16,748</u>	
<b>Total unrestricted funds</b>			<u>71,014</u>		<u>47,819</u>
<b>Total charity funds</b>			<u><u>92,210</u></u>		<u><u>69,015</u></u>

These financial statements which are prepared in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2015), were approved by the Board on ..... and signed on its behalf by:

J Phillips  
Trustee  
Name: Judith Phillips

For the year ended 31 March 2020

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## 1 Accounting policies

### a) Basis of preparation

The financial statements have been prepared in accordance with 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 2015) – (Charities SORP FRS 102) and the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102).

Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy or note.

### b) Public benefit entity

The charitable company meets the definition of a public benefit entity under FRS 102.

### c) Going concern

The trustees consider that there are no material uncertainties about the charitable company's ability to continue as a going concern.

The trustees do not consider that there are any sources of estimation uncertainty at the reporting date that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next reporting period.

### d) Income

Income is recognised when the charity has entitlement to the funds, any performance conditions attached to the income have been met, it is probable that the income will be received and that the amount can be measured reliably.

Income from government and other grants, whether 'capital' grants or 'revenue' grants, is recognised when the charity has entitlement to the funds, any performance conditions attached to the grants have been met, it is probable that the income will be received and the amount can be measured reliably and is not deferred.

### e) Fund accounting

Restricted funds are to be used for specific purposes as laid down by the donor. Expenditure which meets these criteria is charged to the fund.

Unrestricted funds are donations and other incoming resources received or generated for the charitable purposes.

Designated funds are unrestricted funds earmarked by the trustees for particular purposes.

### f) Expenditure and irrecoverable VAT

Expenditure is recognised once there is a legal or constructive obligation to make a payment to a third party, it is probable that settlement will be required and the amount of the obligation can be measured reliably.

Expenditure is classified under the following activity headings:

- Costs of raising funds relate to the costs incurred by the charitable company in inducing third parties to make voluntary contributions to it, as well as the cost of any activities with a fundraising purpose
- Expenditure on charitable activities includes the costs of delivering services and activities undertaken to further the purposes of the charity and their associated support costs
- Other expenditure represents those items not falling into any other heading

Irrecoverable VAT is charged as a cost against the activity for which the expenditure was incurred.

**Triangle Preschool**  
**Notes to the financial statements**

**For the year ended 31 March 2020**

**1 Accounting policies (continued)**

**g) Allocation of support costs**

Resources expended are allocated to the particular activity where the cost relates directly to that activity. However, the cost of overall direction and administration of each activity, comprising the salary and overhead costs of the central function, is apportioned on the following basis which are an estimate, based on staff time, of the amount attributable to each activity.

- Preschool 100%

**h) Creditors and provisions**

Creditors and provisions are recognised where the charity has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors and provisions are normally recognised at their settlement amount after allowing for any trade discounts due.

The charity only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value with the exception of bank loans which are subsequently measured at amortised cost using the effective interest method.

**2 Income from Charitable Activities**

	Unrestricted £	Restricted £	2020 total Total £	2019 Total £
London Borough Hackney	107,575	–	107,575	100,274
Childcare fees	13,008	–	13,008	16,912
	<b>120,583</b>	<b>–</b>	<b>120,583</b>	<b>117,186</b>

**3 Income from Other Trading Activities**

	Unrestricted £	Restricted £	2020 total Total £	2019 Total £
Fundraising	370	–	370	182
	<b>370</b>	<b>–</b>	<b>370</b>	<b>182</b>

Triangle Preschool  
Notes to the financial statements

For the year ended 31 March 2020

4 Analysis of expenditure

	Cost of raising funds £	Charitable Activity Preschool £	Support costs £	2020 Total £
Wages	-	68,285	-	68,285
Temporary/Agency Staff	-	-	-	-
Social Security costs	-	8,114	-	8,114
Payroll	-	1,656	-	1,656
Pension	-	2,202	-	2,202
Staff Training	-	440	-	440
Advertisement	192	-	-	192
Refreshments	-	962	-	962
Rent & Rates	-	11,700	-	11,700
Play Equipment	-	-	-	-
Telephone	-	-	382	382
Office Equipment/Admin	-	-	979	979
Insurance/Memberships	-	-	716	716
Miscellaneous Expenses	-	1,004	-	1,004
Accountancy Fees	-	-	1,080	1,080
Administration charges	-	-	80	80
	192	94,363	3,237	97,792
Support costs	-	3,237	(3,237)	-
<b>Total expenditure 2020</b>	<b>192</b>	<b>97,600</b>	<b>-</b>	<b>97,792</b>
Total expenditure 2019	95	114,507	-	114,602

	Cost of raising funds £	Charitable Activity Preschool £	Support costs £	2019 Total £
Wages	-	82,030	-	82,030
Temporary/Agency Staff	-	786	-	786
Social Security costs	-	11,108	-	11,108
Payroll	-	1,762	-	1,762
Pension	-	1,637	-	1,637
Staff Training	-	160	-	160
Advertisement	-	-	-	-
Refreshments	-	40	-	40
Rent & Rates	-	11,700	-	11,700
Play Equipment	95	737	-	832
Telephone	-	-	358	358
Office Equipment/Admin	-	-	1,152	1,152
Insurance/Memberships	-	-	904	904
Miscellaneous Expenses	-	861	-	861
Accountancy Fees	-	-	1,080	1,080
Administration charges	-	-	192	192
	95	110,821	3,686	114,602
Support costs	-	3,686	(3,686)	-
<b>Total expenditure 2019</b>	<b>95</b>	<b>114,507</b>	<b>-</b>	<b>114,602</b>



For the year ended 31 March 2020

**5 Analysis of staff costs, trustee remuneration and expenses, and the cost of key management personnel**

Staff costs were as follows:

	2020 £	2019 £
Salaries and wages	68,285	82,030
Salaries and wages of temporary/agency staff	–	786
Social security costs	8,114	11,108
Employer's contribution to defined contribution pension schemes	2,202	1,637
Other: Payroll	1,656	1,762
	<b>80,257</b>	<b>97,323</b>

There is key management personnel on payroll. The key management and day to day running of the charity is delegated to Judith Philips, who is also a Trustee, and receive remuneration for the same.

**6 Staff numbers**

The average number of employees (head count based on number of staff employed) during the year was as follows:

	2020 No.	2019 No.
Charitable activities	7.0	8.0
	<b>7.0</b>	<b>8.0</b>

**7 Related party transactions**

The charity trustees were not paid or received any other benefits from employment with the charity in the year (2019: £nil). No charity trustee received payment for professional or other services supplied to the charity (2019: £nil).

J. L. Philips, the daughter of Judith Philips, Trustee, received remuneration during the year of nil (2019: £11,182). Judith Philips, Trustee received remuneration during the year totalling £2,587 (2019: nil). There are no other related party transactions to disclose. There were no amounts owed to him at year end. Other than this amount no remuneration, directly or indirectly out of the funds of the Charity, was paid or payable for the year to any Trustee or to any person or persons known to be connected with any of them.

There are no donations from related parties which are outside the normal course of business and no restricted donations from related parties.

No payments or reimbursement of travel and subsistence costs were made to any trustees for trustee meetings during the year (2019: Nil)



**Triangle Preschool**  
**Notes to the financial statements**

**For the year ended 31 March 2020**

**8 Taxation**

The charitable company is exempt from corporation tax as all its income is charitable and is applied for charitable purposes.

**9 Creditors: amounts falling due within one year**

	2020 £	2019 £
Taxation and social security	1,014	1,661
Other creditors	196	222
Accruals	1,080	1,080
	<u>2,290</u>	<u>2,963</u>

**10 Analysis of net assets between funds**

**Current Year (2020)**

	General unrestricted £	Designated £	Restricted £	Total funds £
Net current assets	54,232	16,782	21,196	92,210
Net assets at the end of the year	<u>54,232</u>	<u>16,782</u>	<u>21,196</u>	<u>92,210</u>

**Previous Year (2019)**

	General unrestricted £	Designated £	Restricted £	Total funds £
Net current assets	31,071	16,748	21,196	69,015
Net assets at the end of the year	<u>31,071</u>	<u>16,748</u>	<u>21,196</u>	<u>69,015</u>

Triangle Preschool  
Notes to the financial statements

For the year ended 31 March 2020

11 Movements in funds

Current Year (2020)

	At the start of the year £	Incoming resources & gains £	Outgoing resources & losses £	Transfers £	At the end of the year £
<b>Restricted funds:</b>					
London Borough of Hackney	21,196	-	-	-	21,196
<b>Total restricted funds</b>	<b>21,196</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>21,196</b>
<b>Unrestricted funds:</b>					
<b>Designated funds:</b>					
Redundancy Fund	16,748	-	-	34	16,782
<b>Total designated funds</b>	<b>16,748</b>	<b>-</b>	<b>-</b>	<b>34</b>	<b>16,782</b>
<b>General funds</b>	<b>31,071</b>	<b>120,987</b>	<b>(97,792)</b>	<b>(34)</b>	<b>54,232</b>
<b>Total unrestricted funds</b>	<b>47,819</b>	<b>120,987</b>	<b>(97,792)</b>	<b>-</b>	<b>71,014</b>
<b>Total funds</b>	<b>69,015</b>	<b>120,987</b>	<b>(97,792)</b>	<b>-</b>	<b>92,210</b>

11 Movements in funds (continued...)

Previous Year (2019)

	At the start of the year £	Incoming resources & gains £	Outgoing resources & losses £	Transfers £	At the end of the year £
<b>Restricted funds:</b>					
London Borough of Hackney	21,196	-	-	-	21,196
<b>Total restricted funds</b>	<b>21,196</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>21,196</b>
<b>Unrestricted funds:</b>					
<b>Designated funds:</b>					
Redundancy Fund	16,727	-	-	21	16,748
<b>Total designated funds</b>	<b>16,727</b>	<b>-</b>	<b>-</b>	<b>21</b>	<b>16,748</b>
<b>General funds</b>	<b>28,305</b>	<b>117,388</b>	<b>(114,601)</b>	<b>(21)</b>	<b>31,071</b>
<b>Total unrestricted funds</b>	<b>45,032</b>	<b>117,388</b>	<b>(114,601)</b>	<b>-</b>	<b>47,819</b>
<b>Total funds</b>	<b>66,228</b>	<b>117,388</b>	<b>(114,601)</b>	<b>-</b>	<b>69,015</b>

**Purposes of restricted funds**

London Borough of Hackney funds are being carried forward for a number of years. The Trustees will review these over the next year and make a decision as to the appropriate use of these funds.

**Purposes of designated funds**

Designated fund is allocated to cover redundancy payments to staff.