

Company number
Charity number

05709181
1114179

Riding Mill Pre School Limited

Trustees Report and Financial Statements

**For the year ended
31 July 2020**

Riding Mill Pre School Limited

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For the year ended

31 July 2020

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Riding Mill Pre School Limited
Reference and administrative details

For the year ended
31 July 2020

Company number	05709181
Charity number	1114179
Registered office and operational address	Broomhaugh C of E First School, Church Lane, Riding Mill, Northumberland, NE44 6DR
Trustees	Trustees, who are also directors under company law, who served during the year and up to the date of this report were as follows: Carole Smith (Chair) Helen Ridley (secretary) Charles Peter Judge Gemma Robinson
Bankers	Barclays Bank UK plc Scottish Widows (part of Lloyds Bank plc)
Independent examiner	Caroline Jackson, FCA 5 St James Terrace Riding Mill NE44 6ED

The Trustees present their report and the independently examined financial statements for the year period ended 31 July 2020. This report incorporates the Directors' Report.

Reference and administrative information set out on page 3 forms part of this report. The financial statements comply with current statutory requirements, the memorandum and articles of association and the Statement of Recommended Practice - Accounting and Reporting by Charities (Charities SORP FRS 102).

Structure, governance and management

The organisation is a charitable company limited by guarantee, incorporated on 14 February 2006 and registered as a charity on 15 May 2006. The company was established under a memorandum of association which established the objects and powers of the charitable company and is governed under its articles of association.

All Trustees give their time voluntarily and receive no benefits from the Charity. Any expenses reclaimed from the charity are set out in note 13 to the accounts.

The Trustees review the aims, objectives and activities of the charity each year. This report looks at what the charity has achieved and the outcome of its work within the last twelve months. The Trustees report the achievements of the charity and the benefits the charity has brought to those groups of people that it is set up to help. The review also helps the Trustees ensure that the charity's aims, objectives and activities remain focused on its stated purposes.

Objectives and activities

Riding Mill Pre-School Limited is a registered charity that aims to enhance the development and education of children under the statutory school age by encouraging the parents to understand and provide for the needs of their children through community groups. It runs a pre-school for up to around 25 children from in and around Riding Mill, Northumberland.

Achievements and performance

This report covers the period July 2019 to July 2020 as our accounting period now aligns with the academic year.

July 2019 saw the end of our first year of operation as an outdoor setting. Preschool moved into the 2019-2020 academic year with confidence: we were opening five days a week and offering wraparound care through 'Scurries', and fortunate to have a strong and dedicated staff team. We were successful in raising income through grant applications and fundraising to enhance the setting and help offset the deficit between income and expenditure in the first term when numbers are low. Grant income enabled the addition of the Office building over the summer and, later in the year, the Engineering Shed decking and also the purchase of I-pads to improve monitoring and record keeping.

The Autumn term 2019 went well. Numbers, though not at capacity, were higher than in the preceding September and set to rise during the year, with an encouraging number of new starters on the books. The children settled well and made super progress while exploring the outdoors. In February 2020, the preschool leader confirmed her intention to leave the setting at the end of August after two years with us. Siobhan's knowledge and inspiration had been a huge contribution to the successful establishment of the outdoor setting. The Committee appointed Ruth Brown, the deputy leader, as her replacement, confident that there was ample time for the transition. Then came COVID-19.

Impact of COVID-19

After lockdown in March, the setting initially remained open for the children of Key Workers but numbers were small and could be accommodated at Corbridge First School. We modelled a number of financial options, with our main priorities being the long-term viability of the setting and the welfare of our staff. The Committee made the decision to close from 1st April. All staff and parents were kept fully informed about all Committee decisions and the committee met regularly via Zoom.

We were fortunate in that EY funding from NCC was still paid, though based on the previous year and so not as much as anticipated. Approximately 23% of annual income is from other sources and so we were able to make limited use of the Job Retention Scheme. All the staff agreed to be furloughed from 1st April (on Government or private furlough arrangements) receiving 80% of their basic pay. This continued in May, but we did 'unfurlough' Siobhan and Ruth for a week so that they could work together of the arrangements for the handover of leadership.

After consultation with staff and parents, the setting reopened on reduced hours and staffing in June, with all the relevant Covid risk assessments in place. Much of this preparation fell to Ruth as Siobhan remained in furlough, returning to work in July. Many parents chose to send their children back to preschool, recognising that the outdoor setting was a very safe environment, and we re-opened fully in July, but without Scurries wraparound, even welcoming some new starters. We made use of the 'flexi-furlough' arrangement to compensate staff in part for the reduced hours worked.

The committee kept in close touch with staff throughout this difficult period, and they all expressed their thanks for this and the fact that their jobs had been secure. The committee is, in turn, very grateful to all staff members for their cooperation and flexibility during what was a very uncertain time.

Plans for future periods

Going forward, numbers of children are in line with our expectations and we expect that EY funding from NCC will continue. The new leader is keen to take small numbers of younger children, which bring in higher fees, and there is increasing interest in Scurries (before and after school provision). We have already been successful in securing a small Covid-related grant and expect to continue to make applications for funding to augment our income from fees and fundraising, as the potential for the latter is likely to be reduced in the foreseeable future. The fundamental purpose of moving preschool to the school grounds was that the preschool's operation would ultimately become integrated with the school. This is still the intention and the school governors have begun exploring the process, with a view to completing in time for September 2022.

As in previous years, I must thank the trustees and members of the Management Committee who give freely of their time and expertise to support the preschool. They, and the staff, have been amazingly supportive and helpful in getting the organisation through very difficult times this year. There are, inevitably, more challenges to come but I am confident that we can meet them together, move on, and continue to build on our successes.

Financial review

Full details of the charity's financial performance are set out from page 9 of the report. The fall in income over this period was due to the impact of COVID-19 on fee income and fundraising.

Total income for the year was £58,941 with total expenditure of £52,243 in the period. The charity had planned for a surplus and despite the impact of COVID-19 generated an overall surplus for the year of £6,698.

For the 17 months ended
31 July 2020

Reserves policy

The Trustees have examined the charity's requirements for reserves considering the main risks to the organisation. Trustees are committed to maintaining sufficient reserves to support current activities to meet the following requirements:

- Safeguarding the charity's service commitment in the event of reduction or delay in receipt of grants or other income.
- Providing a financial cushion against risk and future uncertainties.

To this end, the Trustees review the level of reserves annually to ensure that the appropriate levels of reserves are maintained and that the Pre-school would be able to continue its provision for a period of 3 to 6 months without unnecessary disruption in the event of a delay or fall in grant funding.

Total unrestricted funds at the year-end were £31,246. These are represented entirely by net current assets. During this period, restricted grant funding totalling £3,707 was received. Of the restricted income received £255 remains unspent at the year end with the rest being spent in accordance with the restrictions on site improvements and IT equipment.

Trustee selection method

Trustee membership is open to anybody with an interest in the Riding Mill Pre-school and the development of its children at pre-school age. New trustees are recruited by existing Trustees and are typically parents of those children attending Riding Mill Pre-School.

Trustees are either voted onto the committee at our Annual General Meeting or are co-opted onto the committee between Annual General Meetings. New Trustees must submit an application that meets Ofsted's requirements.

Risk management

The Trustees have examined the major risks the charity faces and confirms that systems have been established to enable regular reports to be produced so that the necessary steps can be taken to lessen the risks.

Volunteers

The charity is grateful for the efforts of its volunteers who contribute greatly to the work of the organisation through carrying out administrative services, assisting at events and fundraising. Given the difficulty in placing a value on the time and effort given by our volunteers their impact is not reflected in our financial statements.

Signed on behalf of the Trustees:



Carole Smith, Chair

Date: 11.11.2020

For the year ended
31 July 2020

Statement of Responsibility of the Trustees

Our Trustees (who are also directors of Riding Mill Pre School Limited for the purposes of company law) are responsible for preparing the report of the Trustees' and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company 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 charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that period. In preparing these financial statements, the Trustees are required to:

- Select suitable accounting policies and then apply them consistently;
- Observe the methods and principles in the Charities SORP;
- Make judgements and estimates that are reasonable and prudent;
- State whether applicable UK Accounting Standards and statements of recommended practice have been followed, subject to any material departures disclosed and explained in the financial statements; and
- 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 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.

In so far as the Trustees are aware:

- There is no relevant information of which the charity's independent examiner is unaware; and
- The Trustees have taken all steps that they ought to have taken to make themselves aware of any relevant information and to establish that the independent examiner is aware of that information.

The Trustees are responsible for the maintenance and integrity of the corporate and financial information included on the charitable company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Members of the charity guarantee to contribute an amount not exceeding £1 to the assets of the charity in the event of winding up. The total number of such guarantees at 31 July 2020 was 4 (4 as at 31 July 2019). The Trustees are members of the charity but this entitles them only to voting rights. The Trustees have no beneficial interest in the charity.

Signed on behalf of the Trustees:



Carole Smith, Chair

Date:

11.11.2020

For the year ended
31 July 2020

I report on the accounts of the company for the period ended 31 July 2020, which are set out on pages 9 to 17.

Respective responsibilities of trustees and examiner

The trustees (who are also the directors of the company for the purposes of company law) are responsible for the preparation of the accounts. The charity trustees consider that an audit is not required for this year under section 144 of the Charities Act 2011 (the 2011 Act) and that an independent examination is needed.

Having satisfied myself that the charity is not subject to audit under company law 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 seeking 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:

(1) 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, 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: Accounting and Reporting by Charities have not been met; or

(2) To which, in my opinion, attention should be drawn in order to enable a proper understanding of the financial statements to be reached.

Signed:



Independent examiner:
Caroline Jackson, FCA
5 St James Terrace
Riding Mill
Northumberland
NE44 6ED

Date: 14 Nov 2020

Riding Mill Pre School Limited

Statement of Financial Activities (incorporating an income and expenditure account)

For the year ended

31 July 2020

				12 months to 31 July 2020	17 months to 31 July 2019
	Note	Unrestricted £	Restricted £	Total £	Total £
Income from:					
Donations and legacies		3,170	3,707	6,877	10,977
Charitable activities	3	51,379		51,379	57,730
Investments: interest income		8		8	9
Other		677		677	423
Total income		55,234	3,707	58,941	69,139
Expenditure on:					
Raising funds				-	303
Charitable activities	4	52,243		52,243	54,275
Other				-	758
Total expenditure		52,243	-	52,243	55,336
Net income for the year		2,991	3,707	6,698	13,803
Reconciliation of funds					
Total funds brought forward		24,803		24,803	11,000
Net income for the year		2,991	3,707	6,698	13,803
Transfers between funds		3,452	(3,452)	-	-
Total funds carried forward		31,246	255	31,501	24,803

The above results are derived from continuing activities. There are no recognised gains or losses other than those stated above. Movements in funds are disclosed in Note 12 to the financial statements.

The notes on pages 11 to 17 form part of these financial statements.

Riding Mill Pre School Limited
Statement of Financial Position

For the year ended
31 July 2020

		As at 31 July 2020 Total £	As at 31 July 2019 Total £
	Note		
Fixed assets			
Tangible fixed assets	8	4,518	1,372
		<u>4,518</u>	<u>1,372</u>
Current Assets			
Stock		5	5
Debtors	9	-	-
Cash at bank and in hand		<u>27,081</u>	<u>23,551</u>
		<u>27,086</u>	<u>23,556</u>
Liabilities			
Creditors: amounts falling due within one year	10	(103)	(125)
Net current assets		<u>26,984</u>	<u>23,431</u>
Total assets less current liabilities		<u>31,502</u>	<u>24,803</u>
Creditors: amounts falling due after more than one year		-	-
Provisions for liabilities and charges		-	-
Net assets		<u><u>31,502</u></u>	<u><u>24,803</u></u>
The funds of the charity	11		
Restricted funds		255	-
Designated funds		-	-
General Funds		<u>31,246</u>	<u>24,803</u>
Total charity funds		<u><u>31,501</u></u>	<u><u>24,803</u></u>

For the financial year in question the charitable company was entitled to exemption under section 477 of the Companies Act 2006 relating to small companies.

No members have required the charitable company to obtain an audit of its accounts for the year in question in accordance with section 476 of the Companies Act 2016.

The trustees, who are directors of the charitable company under company law, acknowledge their responsibility for complying with the requirements of the Act with respect to accounting records and for the preparation of accounts. These accounts have been prepared in accordance with provision applicable to companies subject to the small companies' regime.

The financial statements were approved by the Trustees and authorised for issue on 11.11.20 and signed on their behalf by:

Carole Smith, Chair

For the year ended
31 July 2020

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), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (August 2014) and the Companies Act 2006.

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

b) Change in accounts presentation

These financial statements adopt an updated presentation style to demonstrate that the accounting policies required by FRS 102 and the Charities SORP FRS 102 have been applied.

c) Change of accounting reference date

On 18 September 2019 the Trustees agreed to extend the charity's accounting period from 28 February to 31 July under s392 Companies Act 2006 and in order to align with the academic year. The current financial statements therefore cover the 12 month period to 31 July 2020. As a consequence of this change the prior year figures presented in this report, covering the 17 month period to 31 July 2019, will not be entirely comparable.

d) The Charity

The charity is a company limited by guarantee. The members of the company are the Trustees named on page two. In the event of the charity being wound up, the liability in respect of the guarantee is limited to £1 per member of the charity. In the opinion of the Trustees there is no ultimate controlling party.

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

e) Going concern

The Trustees consider that there are no material uncertainties about the charitable company's ability to continue as a going concern. There are no key judgements that the charitable company has made which have a significant effect on the accounts. 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.

f) 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

g) Expenditure

Expenditure is accounted for on an accruals basis. Fundraising costs are those incurred in seeking voluntary contributions and do not include the costs of disseminating information in support of the charitable activities. Support costs are those costs incurred directly in support of expenditure on the objects of the charity and include project management. Governance costs are those incurred in connection with administration of the charity and compliance with constitutional and statutory requirements.

The charity is not registered for VAT. In common with many other charities, the Riding Mill Pre School Limited expenses are inflated by VAT which cannot be recovered.

For the 17 months ended
31 July 2020

1 Accounting policies (continued)

h) Tangible fixed assets

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost of fixed assets, less their estimated residual value, over their expected useful lives on the following bases:

Furniture and fixtures	25% straight line
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i) Debtors

Trade and other debtors are recognised at the settlement amount due after any trade discount offered.

j) Cash at bank and in hand

Cash at bank and cash in hand includes cash and instant access bank accounts.

k) 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.

Riding Mill Pre School Limited
Notes to the Financial Statements

For the year ended
31 July 2020

			17 months to 31 Jul 2019
2 Prior year comparatives for the statement of financial activities	Unrestricted £	Restricted £	Total £
Income from:			
Donations and legacies	8,977	2,000	10,977
Charitable activities	57,730		57,730
Investments: interest income	9		9
Other	423		423
Total income	67,139	2,000	69,139
Expenditure on:			
Raising funds	303		303
Charitable activities	52,275	2,000	54,275
Other	758		758
Total expenditure	53,336	2,000	55,336
Net income for the year	13,803	-	13,803
Reconciliation of funds			
Total funds brought forward	11,000	-	11,000
Net income for the year	13,803	-	13,803
Transfers between funds	-	-	-
Total funds carried forward	24,803	-	24,803

For the year ended
31 July 2020

3 Income from charitable activities				31 Jul	31 Jul
				2020	2019
	Unrestricted	Restricted		Total	Total
	£	£		£	£
The charitable activities of the Charity comprise the provision of pre-school education.					
Fee income	10,140	-		10,140	8,321
Local council grant income	36,579	-		36,579	49,409
Government grant income	4,660	-		4,660	-
Total	51,379	-		51,379	57,730

Government grant income related to amounts claimed by the charity under the Coronavirus Job Retention Scheme.

4 Expenditure	Cost of generating funds	Provision of pre-school education	Governance and support Costs	31 Jul 2020	31 Jul 2019
	£	£	£	Total	Total
				£	£
Staff costs		44,508		44,508	46,286
Trustees' expenses				-	-
Professional fees				-	-
Equipment and other expenses		6,703		6,703	5,853
Recruitment and training				-	180
Staff and volunteer expenses				-	-
Event costs				-	303
Premises and office costs		555		555	1,956
Insurance			477	477	602
Other				-	156
	-	51,766	477	52,243	55,336

For the year ended
31 July 2020

5 Net income for the year

Net income for the year is stated after charging accountant's fees of £nil (2019 £nil).

During the year no Trustees received any remuneration or benefits. No Trustees received reimbursement of travel and subsistence expenses.

6 Staff costs and numbers

Staff costs were as follows

	31 Jul 2020 £	31 Jul 2019 £
Salaries and wages	43,080	45,274
Social security costs	-	-
Employer's contribution to defined contribution pension schemes	1,428	1,012
	<u>44,508</u>	<u>46,286</u>

No employee earned more than £60,000.

The company makes contrubtions to a stakeholder defined contribution pension scheme for the benefit of the employees. The assets of the scheme are administered by an independent pensions provider, NEST Pensions.

During the period the company paid £nil (2019: £581) in redundancy payments.

	31 Jul 2020 Number	31 Jul 2019 Number
The average number of employees during the period was as follows:		
Direct charitable activities	3.7	3.3
Support and governance	0.0	0.0
	<u>3.7</u>	<u>3.3</u>

7 Taxation

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

For the year ended
31 July 2020

8 Tangible fixed assets

	Furniture and Equipment £	Total £
Cost		
At 1 August 2019	1,829	1,829
Additions	4,805	4,805
Disposals	-	-
At 31 July 2020	6,634	6,634
Depreciation		
At 1 August 2019	457	457
Provided in the year	1,658	1,658
Disposals	-	-
At 31 July 2020	2,115	2,115
Net book amount at 31 July 2020	4,518	4,518
Net book amount at 31 July 2019	1,372	1,372

	31 Jul 2020 £	31 Jul 2019 £
9 Debtors		
Trade debtors	-	-
10 Creditors: amounts falling due within one year		
Accruals	103	125

For the year ended
31 July 2020

11 Analysis of net assets between funds

	General unrestricted	Designated	Restricted	Total funds
	£	£	£	£
Net current assets	<u>31,246</u>	<u>-</u>	<u>255</u>	<u>31,501</u>

12 Movements in funds

	At the start of the year	Incoming resources	Outgoing resources	Transfers	At the end of the year
	£	£	£	£	£
Restricted funds	-	3,707	-	(3,452)	255
Unrestricted funds					
Designated funds	-	-	-	-	-
General funds	24,803	55,234	(52,243)	3,452	31,246
Total unrestricted funds	<u>24,803</u>	<u>55,234</u>	<u>(52,243)</u>	<u>3,452</u>	<u>31,246</u>
Total funds	<u>24,803</u>	<u>58,941</u>	<u>(52,243)</u>	<u>-</u>	<u>31,501</u>

Purposes of restricted funds: £255 of restricted funds were held at the end of the year which are to be spent on the installation of an outside tap during the next financial year.

Purposes of designated funds: no designated funds were held at the year end

Transfers: A grant of £1,480 was received in relation the prior year expenditure out of unrestricted funds on the intallation of matting across the site. Out of a grant of £2,227, £1,972 was spent on fixed assets that have no further restriction over their use. Accordingly £3,452 has been transferred to unrestricted reserves.

13 Related party transactions

During the period £110 was paid to Helen Ridley and £33 was paid to Carole Smith. Both are Trustees of the charity. The payments were the reimbursement of expenditure on equipment incurred by the Trustees on behalf of the charity.