

REPORT OF THE TRUSTEES AND
AUDITED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2022
FOR
ROOTS AND SHOOTS

Kings CAP Ltd
Statutory Auditor
4 Grovelands
Boundary Way
Hemel Hempstead
Hertfordshire
HP2 7TE

ROOTS AND SHOOTS

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ROOTS AND SHOOTS

REPORT OF THE TRUSTEES for the Year Ended 31 August 2022

The trustees who are also directors of the charity for the purposes of the Companies Act 2006, present their report with the financial statements of the charity for the year ended 31 August 2022. The trustees have adopted the provisions of 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 2019).

OBJECTIVES AND ACTIVITIES

Objectives and aims

To advance education for the public benefit by the provision of training and education to young people with learning difficulties and/or emotional and behavioural problems and to promote for the benefit of the public and to advance the education of the public in the conservation protection and improvement of the physical and natural environment.

The charity seeks to achieve its charitable aims by providing:

- Education and training in horticultural and conservation for young people with learning difficulties, social and emotional problems, to help them find and keep employment
- Environmental education for the whole community and for the enrichment of the biodiversity of the local area

Public benefit

The Trustees confirm they have complied with their duty in section 17 of the Charities Act 2011 to have due regard to the Charity Commission's general guidance on public benefit. Roots and Shoots provides vocational training for young people with learning, behavioural and emotional difficulties which includes support to improve functional skills and personal development alongside practical skills in areas including Horticulture and Retail.

We also provide environmental education to schools and the local community and use the assets and resources of the charity to promote a sustainable environment and for the benefit of the public. The charity is located in an inner city area where many local residents and schoolchildren live on large social housing estates and do not have access to the natural world. We aim to redress this imbalance by working with schools and the wider community and encourage access to and use of the Wildlife Garden, neighbouring land and the charity's resources and expertise.

ROOTS AND SHOOTS
REPORT OF THE TRUSTEES
for the Year Ended 31 August 2022

ACHIEVEMENT AND PERFORMANCE

Achievements and Performance

Following the 'covid years', Roots and Shoots has received a substantial increase in applications for our Study Programme for SEN students, and we are now able to support up to 45 young people. This year we over-performed our government funded contract through student attendance and achievement, with student attendance averaging 93%. This big achievement shows the dedication and hard work of both staff and students, and it means that we can make an even bigger difference in our students' lives. Due to our over-achievement, we received additional income from the ESFA which has enabled us to make new improvements to our educational facilities.

Current ongoing projects include securing core funding for an extension to our oak Apple Barn which will be transformed into a gardening classroom for our students by the end of summer 2023, and will also entail the surrounding training area to be improved for use.

In the current year, the Trustees have specifically considered, in addition to other direct and indirect risks, IT security, the impact of the operations and financial reporting systems and the safeguards in place. This year we have further updated and developed our internal IT systems and internal data management to better support our educational activities, as well as updated our data protection policies and procedures, and hired a new Administrator to support the education and admin teams to support these endeavours. Our new website is also due to go 'live' by the end of Spring 2023, which will enable our charity to show both past and present achievements, and to enable even better communication with prospective students and our community.

Work placements on both our Study Programme and Pre-Supported Internship Programme have been successful with our students, who now have a much wider range of work experience tasters with supportive local employers, organised by our Careers team. Working with employers in the local community gives our students the opportunity to implement the skills they have learnt at Roots and Shoots, and apply them to real situations. This gives our students an improved understanding of the 'world of work', further enhancing their confidence and self assurance and leading to new job opportunities.

Our charity continues to provide a School Links service for groups from six local special schools, who come to our site for bespoke environmental and educational activities for their curriculum enrichment on a weekly basis.

We have further improved the meeting room facilities on site for the benefit of our venue hire clients from charities and 'not for profit' organisations. All income from this activity contributes towards ongoing site maintenance and the smooth running of the organisation.

Post-covid we have begun to reconnect with our local community with a very successful large environmental event 'Roots and Shoots Goes Wild!' with over 500 local visitors. Together with our volunteers we have continued to develop and replant our Wild Garden and other garden areas to improve biodiversity which also benefits our local area. This coming year we will begin collaborative projects including 'The Butterfly Conservation Trust', 'Bug Life' as well as the Horniman Museum to demonstrate how local communities can positively support the environment.

Plans for the Future

This coming year we will begin collaborative projects with the Butterfly Conservation Trust to raise awareness and how local communities can support butterfly and moth populations in the local area.

FINANCIAL REVIEW

Reserves policy

The charity's free reserves as at 31 August 2022 were £291,312 (31 August 2021: £205,341). The trustees set aside a sum of £100,000 to cover and safeguard the costs of its core training activities in case of unforeseen delays or problems with government and other funding. This is based on an estimated 3 month's cost.

In addition the trustees recognise the costs associated with maintaining the buildings, facilities and site and to ensure compliance with building and health and safety regulations and have allocated a sum of £20,000 to cover such costs. This is based on the current expenditure on routine improvements, planned maintenance and the replacement of essential plant and equipment.

The Hall and Freehold Property Fund represents the net book value of the property held by the charity.

ROOTS AND SHOOTS

REPORT OF THE TRUSTEES for the Year Ended 31 August 2022

STRUCTURE, GOVERNANCE AND MANAGEMENT

Governing document

The charity is controlled by its governing document, a deed of trust, and constitutes a limited company, limited by guarantee, as defined by the Companies Act 2006.

Organisational structure

Roots and Shoots has a clearly defined structure comprising a board of trustees and a finance and general purpose sub committee. This governing body has responsibility for the overall management, strategic direction and policy of the charity.

The day to day responsibility for the provision of services, administration, operational functions, fundraising and development of the organisation is the responsibility of the Roots and Shoots Company Secretary.

Induction and training of new trustees

Trustees are appointed by the Board and serve for three years after which they may be reappointed. Potential trustees are invited to submit a CV to the Board and to meet with the Director, Chair and other trustees as necessary. They are provided with information on the charity and a copy of the annual accounts. Trustees' interests are recorded on appointment and updated annually. Any likely conflict of interest is declared at the start of each meeting, recorded in the minutes and if applicable the trustee would not participate in the decision.

Risk management

The trustees have a duty to review and identify the risks to which the charity is exposed and to ensure appropriate controls are in place to provide reasonable assurance against fraud and error. The trustees have established a risk register which is reviewed on an annual basis and monitored at their quarterly management meetings.

REFERENCE AND ADMINISTRATIVE DETAILS

Registered Company number

03400781 (England and Wales)

Registered Charity number

1064070

Registered office

Walnut Tree Walk
Kennington
London
SE11 6DN

Trustees

G G Cocking
D Coghlan
G King
M L Macdonald
A M Mitchell
V A Stapleton
J Thomson
V Willmott

Company Secretary

L M Philips

Auditors

Kings CAP Ltd
Statutory Auditor
4 Grovelands
Boundary Way
Hemel Hempstead
Hertfordshire
HP2 7TE

ROOTS AND SHOOTS

REPORT OF THE TRUSTEES for the Year Ended 31 August 2022

STATEMENT OF TRUSTEES' RESPONSIBILITIES

The trustees (who are also the directors of Roots and Shoots 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) including Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland"

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 those financial statements, the trustees are required to

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charity SORP;
- make judgements and estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

The trustees are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the charitable company and to 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 audit information of which the charitable company's auditors are unaware; and
- the trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information.

AUDITORS

The auditors, Kings CAP Ltd, will be proposed for re-appointment at the forthcoming Annual General Meeting.

This report has been prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small companies.

Approved by order of the board of trustees on 23rd FEBRUARY 2023 and signed on its behalf by:



V A Stapleton - Trustee

**REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF
ROOTS AND SHOOTS**

Opinion

We have audited the financial statements of Roots and Shoots (the 'charitable company') for the year ended 31 August 2022 which comprise the Statement of Financial Activities, the Balance Sheet, the Cash Flow Statement and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 August 2022 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and the provisions available for small entities, in the circumstances set out in note 18 to the financial statements, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the charitable company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the trustees with respect to going concern are described in the relevant sections of this report.

Other information

The trustees are responsible for the other information. The other information comprises the information included in the Annual Report, other than the financial statements and our Report of the Independent Auditors thereon.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Report of the Trustees for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Report of the Trustees has been prepared in accordance with applicable legal requirements.

**REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF
ROOTS AND SHOOTS**

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Report of the Trustees.

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the trustees were not entitled to take advantage of the small companies exemption from the requirement to prepare a Strategic Report or in preparing the Report of the Trustees.

Responsibilities of trustees

As explained more fully in the Statement of Trustees' Responsibilities, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.

**REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF
ROOTS AND SHOOTS**

Our responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue a Report of the Independent Auditors that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

Our approach to identifying and assessing the risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations was to ensure the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with applicable laws and regulations.

We obtained an understanding of the legal and regulatory frameworks that are applicable to the entity by way of discussions with the trustees and from our commercial knowledge and experience in the charitable sector. We focused on specific laws and regulations which we considered may have a direct material effect on the financial statements or the operations of the charity, including the Companies Act 2006, Charities Act 2011 and data protection, employment and health and safety legislation.

We assessed the extent of compliance with the laws and regulations identified above through making enquiries of management and inspecting legal correspondence and identified laws and regulations were communicated within the audit team regularly and the team remained alert to instances of non-compliance throughout the audit.

We assessed the susceptibility of the charity's financial statements to material misstatement, including obtaining an understanding of how fraud might occur, by making enquiries of management as to where they considered there was susceptibility to fraud, their knowledge of actual, suspected and alleged fraud; and considering the internal controls in place to mitigate risks of fraud and non-compliance with laws and regulations.

To address the risk of fraud through management bias and override of controls we performed analytical procedures to identify any unusual or unexpected relationships; tested journal entries to identify unusual transactions assessed whether judgements and assumptions made in determining the accounting estimates were indicative of potential bias; and investigated the rationale behind significant or unusual transactions.

In response to the risk of irregularities and non-compliance with laws and regulations, we designed procedures which included, but were not limited to:

- agreeing financial statement disclosures to underlying supporting documentation;
- enquiring of management as to actual and potential litigation and claims; and
- reviewing correspondence with relevant regulators, and the company's external advisors.

There are inherent limitations in our audit procedures described above. The more removed that laws and regulations are from financial transactions, the less likely it is we would become aware of non-compliance. Auditing standards also limit the audit procedures required to identify non-compliance with laws and regulations to enquiry of the and trustees and other management and the inspection of regulatory and legal correspondence, if any.

Material misstatements that arise due to fraud can be harder to detect than those that arise from error as they may involve deliberate concealment or collusion.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at www.frc.org.uk/auditorsresponsibilities. This description forms part of our Report of the Independent Auditors.

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF
ROOTS AND SHOOTS

Use of our report

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Kings

Sara Brown (Senior Statutory Auditor)
for and on behalf of Kings CAP Ltd
Statutory Auditor
4 Grovelands
Boundary Way
Hemel Hempstead
Hertfordshire
HP2 7TE

Date: 13 March 2023

ROOTS AND SHOOTS

STATEMENT OF FINANCIAL ACTIVITIES for the Year Ended 31 August 2022

	Notes	Unrestricted funds £	Restricted funds £	31.8.22 Total funds £	31.8.21 Total funds £
INCOME AND ENDOWMENTS FROM					
Donations and legacies	3	-	1,007,716	1,007,716	870,025
Charitable activities	6				
Charitable activities		-	2,218	2,218	676
Other trading activities	4	89,184	152,669	241,853	112,166
Investment income	5	30	104	134	13
Total		<u>89,214</u>	<u>1,162,707</u>	<u>1,251,921</u>	<u>982,880</u>
EXPENDITURE ON					
Charitable activities	7				
Hall hire		-	-	-	415
Charitable activities		3,243	1,089,066	1,092,309	927,838
Other		-	32,760	32,760	32,760
Total		<u>3,243</u>	<u>1,121,826</u>	<u>1,125,069</u>	<u>961,013</u>
NET INCOME		85,971	40,881	126,852	21,867
RECONCILIATION OF FUNDS					
Total funds brought forward		205,341	997,611	1,202,952	1,181,085
TOTAL FUNDS CARRIED FORWARD		<u><u>291,312</u></u>	<u><u>1,038,492</u></u>	<u><u>1,329,804</u></u>	<u><u>1,202,952</u></u>

The notes form part of these financial statements

ROOTS AND SHOOTS

BALANCE SHEET

31 August 2022

	Notes	Unrestricted funds £	Restricted funds £	31.8.22 Total funds £	31.8.21 Total funds £
FIXED ASSETS					
Tangible assets	13	-	855,286	855,286	862,102
CURRENT ASSETS					
Debtors	14	-	33,770	33,770	65,215
Cash at bank		291,312	170,141	461,453	308,630
		<u>291,312</u>	<u>203,911</u>	<u>495,223</u>	<u>373,845</u>
CREDITORS					
Amounts falling due within one year	15	-	(20,705)	(20,705)	(32,995)
NET CURRENT ASSETS		<u>291,312</u>	<u>183,206</u>	<u>474,518</u>	<u>340,850</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>291,312</u>	<u>1,038,492</u>	<u>1,329,804</u>	<u>1,202,952</u>
NET ASSETS		<u>291,312</u>	<u>1,038,492</u>	<u>1,329,804</u>	<u>1,202,952</u>
FUNDS	16				
Unrestricted funds				291,312	205,341
Restricted funds				<u>1,038,492</u>	<u>997,611</u>
TOTAL FUNDS				<u>1,329,804</u>	<u>1,202,952</u>

These financial statements have been prepared in accordance with the provisions applicable to charitable companies subject to the small companies regime.

The financial statements were approved by the Board of Trustees and authorised for issue on 23rd FEBRUARY 2023 and were signed on its behalf by:

V. A. Stapleton

V A Stapleton - Trustee

ROOTS AND SHOOTS

CASH FLOW STATEMENT
for the Year Ended 31 August 2022

	Notes	31.8.22 £	31.8.21 £
Cash flows from operating activities			
Cash generated from operations	1	194,194	28,052
Net cash provided by operating activities		194,194	28,052
Cash flows from investing activities			
Purchase of tangible fixed assets		(41,505)	(11,811)
Interest received		134	13
Net cash used in investing activities		(41,371)	(11,798)
Change in cash and cash equivalents in the reporting period		152,823	16,254
Cash and cash equivalents at the beginning of the reporting period		308,630	292,376
Cash and cash equivalents at the end of the reporting period		461,453	308,630

The notes form part of these financial statements

ROOTS AND SHOOTS

NOTES TO THE CASH FLOW STATEMENT for the Year Ended 31 August 2022

1. RECONCILIATION OF NET INCOME TO NET CASH FLOW FROM OPERATING ACTIVITIES

	31.8.22	31.8.21
	£	£
Net income for the reporting period (as per the Statement of Financial Activities)	126,852	21,867
Adjustments for:		
Depreciation charges	48,321	48,245
Interest received	(134)	(13)
Decrease/(increase) in debtors	31,445	(15,591)
Decrease in creditors	(12,290)	(26,456)
Net cash provided by operations	194,194	28,052

2. ANALYSIS OF CHANGES IN NET FUNDS

	At 1.9.21	Cash flow	At 31.8.22
	£	£	£
Net cash			
Cash at bank	308,630	152,823	461,453
	<u>308,630</u>	<u>152,823</u>	<u>461,453</u>
Total	<u>308,630</u>	<u>152,823</u>	<u>461,453</u>

ROOTS AND SHOOTS

NOTES TO THE FINANCIAL STATEMENTS for the Year Ended 31 August 2022

1. ACCOUNTING POLICIES

Basis of preparing the financial statements

The financial statements of the charitable company, which is a public benefit entity under FRS 102, have been prepared in accordance with the Charities SORP (FRS 102) '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 2019)', Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and the Companies Act 2006. The financial statements have been prepared under the historical cost convention.

The financial statements have been prepared on a going concern basis which assumes that the charity will continue for the next 12 months. The trustees continue to adopt the going concern basis of accounting on the basis of continued funding from local authorities and diversification into ancillary activities to support the long term strategy of the charity. The trustees regularly review the financial position and performance of the charity to ensure there is relevant contingencies in place should their funding be impacted. There are no material uncertainties about the charity's ability to continue for the foreseeable future.

Income

All income is recognised in the Statement of Financial Activities once the charity has entitlement to the funds, it is probable that the income will be received and the amount can be measured reliably.

Voluntary income, including donations, gifts and legacies and grants that provide core funding or are of a general nature, are recognised where there is entitlement, certainty of receipt and the amount can be measured with sufficient reliability.

Income derived from Hall hire and other events is recognised as earned on the basis of when the service is provided.

Income from charitable activities includes income recognised as earned where entitlement to grant funding is subject to specific performance conditions. Grant income included in this category provides funding to support programme activities and is recognised where there is entitlement, certainty of receipt and the amount can be measured with sufficient reliability.

Investment income is recognised on a receivable basis.

Expenditure

Liabilities are recognised as expenditure as soon as there is a legal or constructive obligation committing the charity to that expenditure, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. Expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all cost related to the category. Where costs cannot be directly attributed to particular headings they have been allocated to activities on a basis consistent with the use of resources.

Tangible fixed assets

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

Freehold property	- Straight line from date of acquisition
Plant and machinery	- 25% on reducing balance
Fixtures and fittings	- 25% on reducing balance
Motor vehicles	- 25% on reducing balance
Computer equipment	- 25% on reducing balance

Where the recoverable amount of a tangible asset is found to be below its net book value the asset is written down to its recoverable amount and the loss in impairment is charged to the relevant expenditure category of the statement of financial activities. Where an asset is not primarily used to generate income its impairment is assessed by reference to its service potential on its initial acquisition. In the year, the charity currently has no tangible fixed assets to which impairment provisions apply.

ROOTS AND SHOOTS

NOTES TO THE FINANCIAL STATEMENTS - continued **for the Year Ended 31 August 2022**

1. ACCOUNTING POLICIES - continued

Taxation

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

Fund accounting

Unrestricted funds can be used in accordance with the charitable objectives at the discretion of the trustees.

Restricted funds can only be used for particular restricted purposes within the objects of the charity. Restrictions arise when specified by the donor or when funds are raised for particular restricted purposes.

Further explanation of the nature and purpose of each fund is included in the notes to the financial statements.

Pension costs and other post-retirement benefits

The charitable company operates a defined contribution pension scheme. Contributions payable to the charitable company's pension scheme are charged to the Statement of Financial Activities in the period to which they relate.

Financial instruments

The company has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the company's balance sheet when the company becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Basic financial assets

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

Classification of financial liabilities

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities.

Basic financial liabilities

Basic financial liabilities, including creditors, that are classified as debt, are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

ROOTS AND SHOOTS

NOTES TO THE FINANCIAL STATEMENTS - continued for the Year Ended 31 August 2022

2. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

In the application of the charity's accounting policies, the trustees are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumption are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

Critical Judgements

The following judgements (apart from those involving estimates) have had the most significant effect on amounts recognised in the financial statements.

Legacy Income

Legacy income is recognised in the accounts when it is probable it will be remitted to the charity and can be measured reliably.

Key sources of estimation uncertainty

The estimates and assumptions which have significant risk of causing a material adjustment to the carrying amount of assets and liabilities are as follows.

Depreciation rate of Freehold Property

The trustees adopt a 50 year straight line depreciation policy on the buildings in which they occupy. Due to the nature of the buildings use and location the depreciation rate adopted reflects the general wear and tear of the building over time.

3. DONATIONS AND LEGACIES

	31.8.22	31.8.21
	£	£
Donations	16,610	34,452
Legacies	-	62,487
Grants	991,106	773,086
	<u>1,007,716</u>	<u>870,025</u>

Grants received, included in the above, are as follows:

	31.8.22	31.8.21
	£	£
Education and Skills Funding Agency	423,581	342,699
High Needs Funding - Lambeth SEN	286,719	153,862
High Needs Funding - London Borough Merton	12,721	-
High Needs Funding - Southwark Council	151,632	148,701
High Needs Funding - Wandsworth Council	79,448	34,643
High Needs Funding - Westminster Council	12,905	-
High Needs Funding - Lewisham Council	9,848	8,449
High Needs Funding - Croydon Council	-	9,859
High Needs Funding - Bromley	10,258	11,748
High Needs Funding - Royal Borough Greenwich	3,994	17,225
City of London (Bridge House)	-	40,900
City of London	-	5,000
	<u>991,106</u>	<u>773,086</u>

ROOTS AND SHOOTS

NOTES TO THE FINANCIAL STATEMENTS - continued for the Year Ended 31 August 2022

4. OTHER TRADING ACTIVITIES

	31.8.22	31.8.21
	£	£
Hall hire	60,192	16,411
School links & study programme	181,661	95,755
	<u>241,853</u>	<u>112,166</u>

5. INVESTMENT INCOME

	31.8.22	31.8.21
	£	£
Deposit account interest	<u>134</u>	<u>13</u>

6. INCOME FROM CHARITABLE ACTIVITIES

	Activity	31.8.22	31.8.21
		£	£
Sales	Charitable activities	<u>2,218</u>	<u>676</u>

7. CHARITABLE ACTIVITIES COSTS

	Direct Costs	Support costs (see note 8)	Totals
	£	£	£
Charitable activities	<u>52,191</u>	<u>1,040,118</u>	<u>1,092,309</u>

8. SUPPORT COSTS

	Other	Governance costs	Totals
	£	£	£
Charitable activities	<u>1,019,025</u>	<u>21,093</u>	<u>1,040,118</u>

Support costs, included in the above, are as follows:

	31.8.22	31.8.21
	Charitable activities	Total activities
	£	£
Wages	359,567	315,714
Social security	29,291	24,900
Pensions	8,122	7,102
Premises costs	95,371	67,064
Insurance	16,771	16,351
Light and heat	9,644	9,355
Telephone and internet	3,759	2,669
Printing, postage & stationery	9,513	9,235
Sundries	30	214
Bank charges	678	735
Staff training	4,446	2,204
Staff travel	8,035	9,390
Computer costs	<u>6,776</u>	<u>14,479</u>
Carried forward	552,003	479,412

ROOTS AND SHOOTS

NOTES TO THE FINANCIAL STATEMENTS - continued for the Year Ended 31 August 2022

8. SUPPORT COSTS - continued

	31.8.22	31.8.21
	Charitable	Total
	activities	activities
	£	£
Brought forward	552,003	479,412
Motor expenses	418	1,110
Education & Certs	21,566	8,709
CRB checks	942	1,698
Trustee expenses	330	-
Cleaning	10,175	13,301
Student expenses	6,036	7,490
Membership & registration fees	185	267
Support staff	393,482	323,556
Legal and professional	4,213	7,741
Data management	12,000	8,240
Security and health & safety	2,104	3,311
Donations paid	10	5,200
Depreciation of tangible fixed assets	15,561	15,485
Auditors' remuneration	3,600	4,200
Accountancy fees	17,493	14,808
	<u>1,040,118</u>	<u>894,528</u>

9. NET INCOME/(EXPENDITURE)

Net income/(expenditure) is stated after charging/(crediting):

	31.8.22	31.8.21
	£	£
Auditors' remuneration	3,600	4,200
Depreciation - owned assets	<u>48,321</u>	<u>48,245</u>

10. TRUSTEES' REMUNERATION AND BENEFITS

There were no trustees' remuneration or other benefits for the year ended 31 August 2022 nor for the year ended 31 August 2021.

Trustees' expenses

There were trustee's expenses of £330 paid during the year ended 31 August 2022 (2021: £nil).

ROOTS AND SHOOTS

NOTES TO THE FINANCIAL STATEMENTS - continued for the Year Ended 31 August 2022

11. STAFF COSTS

	31.8.22	31.8.21
	£	£
Wages and salaries	359,567	315,714
Social security costs	29,291	24,900
Other pension costs	8,122	7,102
	<u>396,980</u>	<u>347,716</u>

The average monthly number of employees during the year was as follows:

	31.8.22	31.8.21
Management	1	1
Administration	5	4
Project workers	9	8
	<u>15</u>	<u>13</u>

No employees received emoluments in excess of £60,000.

12. COMPARATIVES FOR THE STATEMENT OF FINANCIAL ACTIVITIES

	Unrestricted funds £	Restricted funds £	Total funds £
INCOME AND ENDOWMENTS FROM			
Donations and legacies	-	870,025	870,025
Charitable activities			
Charitable activities	-	676	676
Other trading activities	19,446	92,720	112,166
Investment income	1	12	13
Total	<u>19,447</u>	<u>963,433</u>	<u>982,880</u>
EXPENDITURE ON			
Charitable activities			
Hall hire	415	-	415
Charitable activities	-	927,838	927,838
Other	-	32,760	32,760
Total	<u>415</u>	<u>960,598</u>	<u>961,013</u>
NET INCOME	19,032	2,835	21,867
RECONCILIATION OF FUNDS			
Total funds brought forward	186,309	994,776	1,181,085
TOTAL FUNDS CARRIED FORWARD	<u>205,341</u>	<u>997,611</u>	<u>1,202,952</u>

ROOTS AND SHOOTS

NOTES TO THE FINANCIAL STATEMENTS - continued for the Year Ended 31 August 2022

13. TANGIBLE FIXED ASSETS

	Freehold property £	Plant and machinery £	Fixtures and fittings £
COST			
At 1 September 2021	1,747,996	-	191,731
Additions	-	2,495	39,010
At 31 August 2022	1,747,996	2,495	230,741
DEPRECIATION			
At 1 September 2021	938,719	-	157,455
Charge for year	32,760	416	10,508
At 31 August 2022	971,479	416	167,963
NET BOOK VALUE			
At 31 August 2022	776,517	2,079	62,778
At 31 August 2021	809,277	-	34,276
	Motor vehicles £	Computer equipment £	Totals £
COST			
At 1 September 2021	26,000	81,228	2,046,955
Additions	-	-	41,505
At 31 August 2022	26,000	81,228	2,088,460
DEPRECIATION			
At 1 September 2021	25,860	62,819	1,184,853
Charge for year	35	4,602	48,321
At 31 August 2022	25,895	67,421	1,233,174
NET BOOK VALUE			
At 31 August 2022	105	13,807	855,286
At 31 August 2021	140	18,409	862,102

Included in cost or valuation of land and buildings is freehold land of £110,000 (2021 - £110,000) which is not depreciated.

The freehold property is subject to a legal charge. No disposition of the property is to be registered without written consent of the National Lottery Charities Board.

ROOTS AND SHOOTS

NOTES TO THE FINANCIAL STATEMENTS - continued for the Year Ended 31 August 2022

14. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	31.8.22	31.8.21
	£	£
Trade debtors	27,440	48,964
Other debtors	-	3,879
Prepayments	6,330	12,372
	<u>33,770</u>	<u>65,215</u>

15. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	31.8.22	31.8.21
	£	£
Trade creditors	13,510	20,069
Other creditors	1,555	1,398
Accruals	5,640	11,528
	<u>20,705</u>	<u>32,995</u>

16. MOVEMENT IN FUNDS

	At 1.9.21	Net movement in funds	At 31.8.22
	£	£	£
Unrestricted funds			
General fund	185,341	85,971	271,312
Planned maintenance and facilities management costs	20,000	-	20,000
	<u>205,341</u>	<u>85,971</u>	<u>291,312</u>
Restricted funds			
Education	88,334	73,141	161,475
Hall and freehold property fund	809,277	(32,760)	776,517
Training activities	100,000	-	100,000
Gardening classroom	-	500	500
	<u>997,611</u>	<u>40,881</u>	<u>1,038,492</u>
TOTAL FUNDS	<u>1,202,952</u>	<u>126,852</u>	<u>1,329,804</u>

ROOTS AND SHOOTS

NOTES TO THE FINANCIAL STATEMENTS - continued for the Year Ended 31 August 2022

16. MOVEMENT IN FUNDS - continued

Net movement in funds, included in the above are as follows:

	Incoming resources £	Resources expended £	Movement in funds £
Unrestricted funds			
General fund	89,214	(3,243)	85,971
Restricted funds			
Education	1,162,207	(1,089,066)	73,141
Hall and freehold property fund	-	(32,760)	(32,760)
Gardening classroom	500	-	500
	<u>1,162,707</u>	<u>(1,121,826)</u>	<u>40,881</u>
TOTAL FUNDS	<u>1,251,921</u>	<u>(1,125,069)</u>	<u>126,852</u>

Comparatives for movement in funds

	At 1.9.20 £	Net movement in funds £	Transfers between funds £	At 31.8.21 £
Unrestricted funds				
General fund	166,309	19,032	-	185,341
Planned maintenance and facilities management costs	20,000	-	-	20,000
	<u>186,309</u>	<u>19,032</u>	<u>-</u>	<u>205,341</u>
Restricted funds				
Education	152,739	35,595	(100,000)	88,334
Hall and freehold property fund	842,037	(32,760)	-	809,277
Training activities	-	-	100,000	100,000
	<u>994,776</u>	<u>2,835</u>	<u>-</u>	<u>997,611</u>
TOTAL FUNDS	<u>1,181,085</u>	<u>21,867</u>	<u>-</u>	<u>1,202,952</u>

Comparative net movement in funds, included in the above are as follows:

	Incoming resources £	Resources expended £	Movement in funds £
Unrestricted funds			
General fund	19,447	(415)	19,032
Restricted funds			
Education	963,433	(927,838)	35,595
Hall and freehold property fund	-	(32,760)	(32,760)
	<u>963,433</u>	<u>(960,598)</u>	<u>2,835</u>
TOTAL FUNDS	<u>982,880</u>	<u>(961,013)</u>	<u>21,867</u>

ROOTS AND SHOOTS

NOTES TO THE FINANCIAL STATEMENTS - continued for the Year Ended 31 August 2022

16. MOVEMENT IN FUNDS - continued

A current year 12 months and prior year 12 months combined position is as follows:

	At 1.9.20 £	Net movement in funds £	Transfers between funds £	At 31.8.22 £
Unrestricted funds				
General fund	166,309	105,003	-	271,312
Planned maintenance and facilities management costs	20,000	-	-	20,000
	<u>186,309</u>	<u>105,003</u>	<u>-</u>	<u>291,312</u>
Restricted funds				
Education	152,739	108,736	(100,000)	161,475
Hall and freehold property fund	842,037	(65,520)	-	776,517
Training activities	-	-	100,000	100,000
Gardening classroom	-	500	-	500
	<u>994,776</u>	<u>43,716</u>	<u>-</u>	<u>1,038,492</u>
TOTAL FUNDS	<u>1,181,085</u>	<u>148,719</u>	<u>-</u>	<u>1,329,804</u>

A current year 12 months and prior year 12 months combined net movement in funds, included in the above are as follows:

	Incoming resources £	Resources expended £	Movement in funds £
Unrestricted funds			
General fund	108,661	(3,658)	105,003
Restricted funds			
Education	2,125,640	(2,016,904)	108,736
Hall and freehold property fund	-	(65,520)	(65,520)
Gardening classroom	500	-	500
	<u>2,126,140</u>	<u>(2,082,424)</u>	<u>43,716</u>
TOTAL FUNDS	<u>2,234,801</u>	<u>(2,086,082)</u>	<u>148,719</u>

The trustees have set aside a sum of £100,000 to cover and safeguard training activities in case of unforeseen delays or problems with government funding. This is based on an estimated 3 month's cost.

In addition the trustees recognise the costs associated with maintaining the buildings, facilities and site and to ensure compliance with building and health and safety regulations and have allocated a sum of £20,000 to cover such costs. This is based on the current expenditure on routine improvements, planned maintenance and the replacement of essential plant and equipment.

The Hall and Freehold Property Fund represents the net book value of the property held by the charity.

ROOTS AND SHOOTS

NOTES TO THE FINANCIAL STATEMENTS - continued
for the Year Ended 31 August 2022

17. RELATED PARTY DISCLOSURES

There were no related party transactions for the year ended 31 August 2022.

18. FRC ETHICAL STANDARD - PROVISIONS AVAILABLE FOR SMALL ENTITIES

In common with many other businesses of our size and nature we use our auditors to assist with the preparation of the financial statements.