

Charity registration number: 502610

The Charnwood Trust

Annual Report and Financial Statements

for the Year Ended 31 August 2018

McKellens Ltd
Chartered accountants
11 Riverview
The Embankment Business Park
Vale Road
Heaton Mersey
Stockport
SK4 3GN

The Charnwood Trust

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The Charnwood Trust

Reference and Administrative Details

Trustees	A. Graystone A. Cross (passed away 3 June 2018) M. Hardstone (nee Duerdoth) J.A. McCulloch A.P. Ruddick A Harris J Baker S Crane
Principal Office	St Paul's Road Stockport Cheshire SK4 4RY
Charity Registration Number	502610
Auditor	McKellens Ltd Chartered accountants 11 Riverview The Embankment Business Park Vale Road Heaton Mersey Stockport SK4 3GN

The Charnwood Trust

Trustees' Report

The trustees present the annual report together with the financial statements and auditors' report of the charity for the year ended 31 August 2018.

The Board of Trustees who administer Charnwood Trust and support the leadership team managing the charity on a day to day basis, have been encouraged as they reflect on developments during a year which has again seen increasing challenges for the voluntary and charitable sectors. Plans made during the 50th anniversary 5 years ago to broaden the scope of the charity have continued and this year has seen an expansion to the physical layout of the building, as well as an introduction of the 30 hours of free childcare for eligible children.

The Trustees also have responsibility for the new Charnwood Trust CIO and plan to transfer resources and responsibilities of the existing Charnwood Trust to this new body in the future. At present, the CIO is a dormant body.

Objectives

The principal objectives of the existing Trust, as set out in the Charity's original trust deed and translated into contemporary language for the new CIO, are reflected in Charnwood's commitment to children and their families. That commitment is based on the Christian belief that every individual is a precious and uniquely created being, and on the premise that every individual child can learn and contribute in an inclusive setting.

The Trust aims to:

- promote the physical, mental, emotional and spiritual welfare of children
- provide inclusive nursery school education especially for children with special needs
- provide help and support for their families
- demonstrate the Christian faith in action

The focus of the Trust's inclusion agenda has always been to support disadvantaged young children alongside their peers, and during the year it has been humbling to witness the care and friendship established between the children. Historically, the disadvantaged children at Charnwood were those with additional support needs because of Special Educational Needs, other disability or medical conditions; the Trustees anticipate that this will continue to be a major factor in future activity. In addition, more recently, the Trust has extended its focus to embrace inclusion where young children are developmentally delayed because of social disadvantage. There is increasing evidence from research that helping children when they are young (which is the right thing to do anyway!) has a significant impact on improving future school achievement and the overall life chances of children from less advantaged environments.

Structure, Governance and Management

The Trustees meet together as a board usually each half term, and occasionally for extra meetings about specific issues. In addition, individual trustees are involved in various activities and projects contributing towards the work of the charity. The Trustees give their time freely, and receive no remuneration or other financial benefits.

Existing trustees are responsible for the recruitment of new trustees, and the present board includes some with current and past teaching experience, and some with experience in the Local Authority, faith or charity sector; one is a recent Charnwood parent, and others have been in the past. All are people of faith from a range of Christian churches, and have a knowledge and understanding of the issues facing parents with young children, and an insight into the added pressures where there is a child with extra support needs. The board members are committed to stay as trustees for the immediate future, unless life circumstances prevent this: sadly this year saw the death of Charnwood's longest serving Trustee, much to the sadness of all those at Charnwood.

The Charnwood Trust

Trustees' Report

Structure, Governance and Management (cont.)

A Director, Graham Frost, manages the day to day business of the Trust, and assists the Trustees in planning strategically for the future. The day to day educational activity is managed by Cath Carr-Deed, Head of Education, and the Special Educational Needs Co-ordinator (SENCO) Anne Smith, who also acts as deputy. A Family Worker completes the leadership team of four, which supports and is supported by three part-time administrative staff and a number of teaching and nursery nurse staff, and other housekeeping staff. All the leadership team and around a third of the rest of the staff team are members of Christian Churches.

Risk Management

In managing the charity, the trustees have due regard for the Charity Commission guidance on public benefit. They recognise that public policy and provision continues to be in a state of significant change, and their intention has been to ensure the Trust is robust, fit for purpose, and able to respond to changing circumstances.

To this end the Trustees have continued to systematically scrutinise the major areas of risk to which the Charnwood Trust is exposed, and they have both considered and taken appropriate steps to mitigate those risks where they can. A major source of income for the Trust is from universal early years free entitlement (FE) fees for 15 nursery hours each week. These are paid on the basis of occupancy, and overall, places at the three Charnwood nursery settings have continued to be oversubscribed during the year, despite the increase in the number of other providers locally increasing competition. (Each year, one of the smaller settings tends to experience periods of lower numbers due to the transitory lifestyle in some of its local accommodation.) From September 2017, the 15 hours FE was extended to 30 hours for the children of working parents (EFE). Charnwood has adapted its provision to accommodate this, while at the same time sought to maintain a family focused perspective where children and parents have the opportunity for time together. Having successful in a bid for capital funding from the Department for Education to extend the building so that children with SEN will be able to access the 30 hours. The work on the building commenced in the Autumn Term and was completed by May 2018.

One specific area of risk that the trustees continue to be aware of relates to one source of income: Charnwood's provision of nursery places for children with special needs attracts local authority funding (and running costs) at a higher rate than standard FE nursery fees. As local authority resources are squeezed, less funding is available to provide for the extra support needs of those children, while their extra support needs still need to be met. This has been a challenge for Charnwood, as our income is reduced, but the met needs of the children and families from other sources is reduced too, leading us to facing more unmet need. The Trust has continued to review the way it uses available resources, but still views each child and family as unique and precious, and has avoided raising eligibility bars. Local Authorities facing economic constraints are seeking to find both local and regional solutions to providing quality inclusive services. Charnwood has continued to encourage and support the development of other settings able to offer quality inclusion through training activity offered to staff in those settings.

Activities

To achieve its objectives, the Trust directly provides services itself and seeks to influence the provision offered to children and families who don't use Charnwood services. This year, Charnwood continued to run a nursery school and family centre in the Heaton Moor area of Stockport, and, in partnership with the local Children's Centre, two smaller sites in the adjacent areas of Belmont and Lancashire Hill. In these nursery settings, the Trust aims to support the development of each child's full potential by providing Centres of Excellence that deliver the highest quality nursery education and family support, and which can also be a reference point for other providers.

The Charnwood Trust

Trustees' Report

Activities (cont.)

The provision through the Heaton Moor nursery school and family centre this past year included:

- An inclusive Nursery School with 28 places for children accessing the 30 hours provision and 63 for those accessing 15 hours provision, children with extra support needs were fully included alongside their peers. Approximately one third of the children had learning and physical disabilities, and significant, sometimes life threatening health problems, as well as some who needed extra support because of current or earlier family circumstances. This year again, there were several looked after children who presented attachment issues.
- Across the nursery, there were daily sessions by physiotherapists, funded through BBC Children in Need, and weekly hydrotherapy sessions for identified children. There were also regular visits and support from other professionals such as speech therapists, an occupational therapist and an educational psychologist and sensory therapists. The activities in these therapy sessions were not carried out in isolation, but took place in such a way as to help the participating children join and be joined by other children.
- A Breakfast and After Nursery School club, which enabled parents to fit more easily around work and other commitments, by dropping their children off early, or picking them up later.
- A morning and an afternoon Adventurers Club. This was an inclusive extended nursery provision where children could have a more informal extra session each week, extending some of the curriculum themes that were being covered in the nursery.
- A Family Centre, in the form of a part time Family Support worker, providing support and information for families through parenting courses, parent support groups, meetings with visiting professionals, and one-to-one sessions at Charnwood or at the family home. Various family activities have been organised during school holidays for children with additional needs and their siblings. Support was also made available to families who had moved on to primary school in the recent past, helping them to form and maintain new support networks.
- A stay-and-play-plus Opportunity Group four afternoons per week in term time where 30 parents and their children under three could enjoy all our facilities. Every week up to 120 families have used this resource, which again has encouraged children with special needs to join in play alongside their peers.
- An experienced staff team has assisted parents to develop their children's skills through play. This is the period when some parents discover that their initial fears of their child having a disability are being realised, and staff help parents to see and celebrate what their child can do, rather than the limits of the emerging disability.
- The opportunity for parents to borrow some specialist resources for their child needing specific support as part of their development. There is also a library of books and other resources for parents.

The Charnwood Trust

Trustees' Report

Activities (cont.)

The provision using the extended two year-old offer included:

- Two small nursery settings for two year olds, set up in nearby socially disadvantaged neighbourhoods. (Typically, such an area has a population which includes families who have a disrupted lifestyle and where children have had limited opportunities). There were 15 sessions each week (5 mornings at one setting, and 5 mornings and 5 afternoons at the other) with up to 44 children supported with 5 sessions each. Over the year, numbers fluctuated as families were moved in and out of the area, and there was an increasing trend of children coming from homes where English was not spoken at home, their families having arrived as refugees.
- Parent meetings to help build relationships as well as develop parenting skills and confidence (eg around toileting, applying for schools). Each parent and child has come with their own particular needs and agenda, and the number of safeguarding and support issues has risen steadily. During the year one of the team had the additional role of supporting individual families who were finding it difficult to engage and deal with life problems.
- The introduction of Makaton signing to encourage and support communication, and physiotherapy support to help devise ways of improving the children's delayed physical development.
- Parent and child visits to local resources that parents can then repeat (eg to the local library).

During the year, Charnwood Trust was also involved in:

- Training. We promoted high quality education in the community by offering training opportunities for students and apprentices from a variety of institutions and placements. We continued links with other nursery settings to share and encourage good practice, and develop networks for those engaged with children with special needs.
- Research. We continued to participate in an extended DfE funded project and presented at conferences exploring the implementation of the SEND reforms nationally, and linking into improvements in early years training.
- Supporting volunteers. Volunteering has always been an important part of Charnwood. For some, this has been an opportunity to gain experience in a possible new career; for others, it has been an opportunity to build confidence, or to give something back to their community.

Achievements and Performance

The trustees wish to express their appreciation of the achievements of the staff in successfully maintaining and developing the various areas of the Trust's work. Those achievements are as much about the spirit in which things are done as what actually is done. Given the ethos and aims of the Trust, the Trustees are grateful to be able to report that overall, children are really happy to be at Charnwood, and that parents are very pleased with how their children settle and progress.

At the last OFSTED inspection in July 2015, the setting at Heaton Moor was judged it to be outstanding in every category, for the third time in succession. Less than one percent of nurseries nationally have achieved this. Trustees are pleased that staff commitment to the Trust's ethos, valuing each individual child and their parents, has continued this year and what Ofsted identified and reported is still practiced.

The Charnwood Trust

Trustees' Report

Achievements and Performance (cont.)

Ofsted said:

The nursery has developed highly engaging strategies to involve parents. Relationships between parents and staff are trusting, respectful and understanding.

Staff place an exceptionally high emphasis on promoting children's emotional wellbeing...to develop the essential skills needed to become confident and independent learners.

Staff give the highest priority to keeping children safe and secure.

Children's behaviour is exemplary. Staff are very aware of the varying needs of the children who attend and show patience and understanding when dealing with behaviour.

The care of children with special educational needs and/or disabilities is exceptional. Partnership working is exemplary and staff are especially aware of children's individual needs. This helps to promote children's emotional and physical well-being pertinently well.

Staff teaching is exceptional. They skilfully question children, encouraging them to think for themselves. Activities are differentiated extremely well to provide varying levels of challenge, taking into account the differing needs of the children.

In July 2018 OFSTED inspected the setting at Belmont and found it to be Outstanding in every category.

Parental comments were collected regularly during the year, and continued to be consistently positive:

'We've all had a fantastic experience at Charnwood. He has grown in confidence, his numbers and recognition is great. All staff are loving, friendly and helpful and any questions or concerns are always sensitively answered'

We have been extremely happy with every aspect of Charnwood right from when he started opportunity group at 8 months old. The level of support, advice and help we have received with both him and us as parents has been amazing'

'We love you all! Wonderful nursery and a great service to the local community.'

'Absolutely brilliant from start to finish. Staff are fantastic and are very supportive and approachable'

'Charnwood is such a lovely nursery, he is learning so much whilst he is there and also having lots of fun. The staff at Charnwood are amazing.'

Students and volunteers have made a valuable contribution to Charnwood's work, and placement reports indicate individuals valued highly their experiences and learning in the settings. Some students have chosen to come back for their second placement. Charnwood's hope was to give the professional course students experiences that put their theoretical learning into a practical and quality context, which challenged them and inspired them to be creative in their future early years work. This is one way that Charnwood can have an impact on the experience of children in other settings, who themselves never actually come to Charnwood.

Along the same lines, we have been involved in supporting staff from other early years settings, both in day placements at Charnwood, but also acting as consultant regarding specialist support for children in their setting.

The Charnwood Trust

Trustees' Report

Achievements and Performance (cont.)

Each nursery floor has a full-time teacher. The experience and range of skills and qualifications within the staff team is already significant (all key worker staff have at least level 3 qualification), and these strengths continue to be encouraged through participation in a number of practice development projects on site. Staff training continues to be a priority, and we have continue with 3 weekly training sessions as well as regular full team days. Some individuals have attended courses on specific topics and 10 are engaged in further professional qualifications. All of the staff have food handling certificates, undertake moving and handling, safeguarding and basic paediatric first aid training on a regular basis, and additional training has been arranged to meet the specific needs of the cohort of children.

Major works were undertaken on the building in Heaton Moor this year, including a large expansion of the upstairs nursery floor and the addition of a new office space downstairs. A new kitchen was fitted in order to allow the catering staff to provide lunchtime meals for an increased number of children. The new offices has provided a space for some of the admin team, as well as nursery staff to work. The trustees are immensely grateful to all the staff, and particularly the leadership team who have worked incredibly hard to ensure as little disruption as possible to the children and parents using the building, in fact the children have enjoyed watching the building works taking place.

Financial Review

There has again been an increase in the financial activity of the trust with a rise in both income and expenditure. This is temporary and largely due to the building works that have taken place. Trustees are grateful to the individuals and organisations who have made large and small donations towards this development.

Statement of Trustees' Responsibilities:

Law applicable to charities in England, Wales and Scotland requires the Trustees to prepare financial statements for each financial year which give a true and fair view of the Charity's financial activities during the year and of its financial position at the end of the year. In preparing these financial statements, the Trustees are required to:

- select suitable accounting policies and then apply them consistently;
- 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 Charity will continue in operation.

As part of the charity's Christian ethos, the Trustees have been concerned to be as exemplary and generous an employer and service provider as possible within available resources. Whilst there is some statutory funding, it doesn't cover the full cost of what Charnwood does, and the Trust is thankful that support from friends and grant-making bodies has enabled this work to continue. At the same time, the Trust's other non-statutory funded activity has been maintained.

As well as being responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the Charity (and which enable them to ensure that the financial statements comply with the Charities Act 2011) the Trustees 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.

In so far as the Trustees are aware:

- there is no relevant audit information of which the charity's auditor is 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 auditor is aware of that information.

The Charnwood Trust

Trustees' Report

Reserves Policy

The trustees consider that unrestricted funds not invested in tangible fixed assets or designated for specific purposes ("the free reserves") should be around 3 months of the resources expended, which equates to approximately £150,000. At this level, the trustees feel that they would be able to continue the current activities of the charity in the event of a significant drop in funding. In this situation, it would obviously be necessary to consider how the funding would be replaced or activities changed. However, an exception was made this year and some of the reserves, approximately £50,000, have been used to complete the building extension. This was deemed less of a risk than undertaking a mortgage and the plan is to re-build these reserves over the next 5 years.

Disclosure of information to auditor

Each trustee has taken steps that they ought to have taken as a trustee in order to make themselves aware of any relevant audit information and to establish that the charity's auditor is aware of that information. The trustees confirm that there is no relevant information that they know of and of which they know the auditor is unaware.

The annual report was approved by the trustees of the charity on 17 May 2019 and signed on its behalf by:



A. Graystone
Trustee

The Charnwood Trust

Statement of Trustees' Responsibilities


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

The law applicable to charities 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 of the charity 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 accounting standards 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 business.

The trustees are responsible for keeping proper 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 Charities Act 2011, the applicable Charities (Accounts and Reports) Regulations, and the provisions of the constitution. The trustees 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.

Approved by the trustees of the charity on 17 May 2019 and signed on its behalf by:


.....
A. Graystone
Trustee

The Charnwood Trust

Independent Auditor's Report to the Members of The Charnwood Trust

Opinion

We have audited the financial statements of The Charnwood Trust (the 'charity') for the year ended 31 August 2018, which comprise the Statement of Financial Activities, Balance Sheet, 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 United Kingdom Accounting Standards, comprising Charities SORP - FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and applicable law (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the charity trustees, as a body, in accordance with section 144 of the Charities Act 2011 and regulations made under section 154 of that Act. Our work has been undertaken so that we might state to the trustees those matters we are required to state to trustees 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 charity and its trustees as a body, for our audit work, for this report, or for the opinions we have formed.

In our opinion the financial statements:

- give a true and fair view of the state of the charity's affairs as at 31 August 2018 and of its results for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Charities Act 2011.

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 Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the charity 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 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

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the trustees use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the charity's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

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 auditor's report 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.

The Charnwood Trust

Independent Auditor's Report to the Members of The Charnwood Trust

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 there is a material misstatement in the financial statements or a material misstatement of the other information. 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.

Matters on which we are required to report by exception

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

We have nothing to report in respect of the following matters where the Charities Act 2011 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.

Responsibilities of trustees

As explained more fully in the Statement of Trustees' Responsibilities (set out on page 9), the trustees 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 charity'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 charity or to cease operations, or have no realistic alternative but to do so.

Auditor's 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 an auditor's report 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.

As part of an audit in accordance with ISAs (UK), we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the charity's internal control.

The Charnwood Trust

Independent Auditor's Report to the Members of The Charnwood Trust

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the trustees.
- Conclude on the appropriateness of the trustees use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the charity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the charity to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the charity to express an opinion on the financial statements. We are responsible for the direction, supervision and performance of the charity audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.



.....
Paul Roper (Senior Statutory Auditor)
For and on behalf of McKellens Ltd
11 Riverview
The Embankment Business Park
Vale Road
Heaton Mersey
Stockport
SK4 3GN

21 May 2019

The Charnwood Trust

Statement of Financial Activities for the Year Ended 31 August 2018

	Note	Unrestricted funds £	Restricted funds £	Total 2018 £
Income and Endowments from:				
Donations and legacies	2	61,206	331,785	392,991
Charitable activities	3	700,020	-	700,020
Other trading activities	4	14,039	-	14,039
Investment income	5	132	-	132
Other income	6	200	-	200
Total income		<u>775,597</u>	<u>331,785</u>	<u>1,107,382</u>
Expenditure on:				
Raising funds	7	(1,995)	-	(1,995)
Charitable activities	8	(833,389)	(21,348)	(854,737)
Total expenditure		<u>(835,384)</u>	<u>(21,348)</u>	<u>(856,732)</u>
Net (expenditure)/income		(59,787)	310,437	250,650
Gross transfers between funds		<u>282,770</u>	<u>(282,770)</u>	-
Net movement in funds		222,983	27,667	250,650
Reconciliation of funds				
Total funds brought forward		<u>471,724</u>	-	<u>471,724</u>
Total funds carried forward	16	<u>694,707</u>	<u>27,667</u>	<u>722,374</u>

The Charnwood Trust

Statement of Financial Activities for the Year Ended 31 August 2018

	Note	Unrestricted funds £	Restricted funds £	Total 2017 £
Income and Endowments from:				
Donations and legacies	2	63,299	22,750	86,049
Charitable activities	3	603,131	-	603,131
Other trading activities	4	16,625	-	16,625
Investment income	5	550	-	550
Total income		<u>683,605</u>	<u>22,750</u>	<u>706,355</u>
Expenditure on:				
Raising funds	7	(2,079)	-	(2,079)
Charitable activities	8	(686,593)	(24,655)	(711,248)
Total expenditure		<u>(688,672)</u>	<u>(24,655)</u>	<u>(713,327)</u>
Net expenditure		(5,067)	(1,905)	(6,972)
Gross transfers between funds		(1,536)	1,536	-
Net movement in funds		(6,603)	(369)	(6,972)
Reconciliation of funds				
Total funds brought forward		478,327	369	478,696
Total funds carried forward	16	<u>471,724</u>	-	<u>471,724</u>

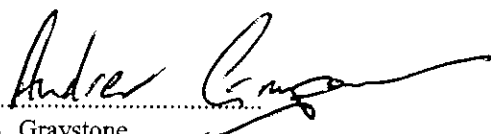
All of the charity's activities derive from continuing operations during the above two periods.


The funds breakdown for 2017 is shown in note 16.

The Charnwood Trust
(Registration number: 502610)
Balance Sheet as at 31 August 2018

	Note	2018 £	2017 £
Fixed assets			
Tangible assets	13	564,700	280,639
Current assets			
Debtors	14	30,373	18,064
Cash at bank and in hand		<u>141,956</u>	<u>182,907</u>
		172,329	200,971
Creditors: Amounts falling due within one year	15	<u>(14,655)</u>	<u>(9,886)</u>
Net current assets		<u>157,674</u>	<u>191,085</u>
Net assets		<u>722,374</u>	<u>471,724</u>
Funds of the charity:			
Restricted funds		(27,667)	-
Unrestricted income funds			
Unrestricted funds		<u>(694,707)</u>	<u>(471,724)</u>
Total funds	16	<u>(722,374)</u>	<u>(471,724)</u>

The financial statements on pages 13 to 26 were approved by the trustees, and authorised for issue on 17 May 2019 and signed on their behalf by:


 A. Graystone
 Trustee


 A Harris
 Trustee

The Charnwood Trust

Notes to the Financial Statements for the Year Ended 31 August 2018

1 Accounting policies

Statement of compliance

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) and the Charities Act 2011.

Basis of preparation

The Charnwood Trust meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy notes.

Exemption from preparing a cash flow statement

The charity opted to early adopt Bulletin 1 published on 2 February 2016 and have therefore not included a cash flow statement in these financial statements.

Going concern

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

Income and endowments

Voluntary income including donations, gifts, legacies and grants that provide core funding or are of a general nature is recognised when the charity has entitlement to the income, it is probable that the income will be received and the amount can be measured with sufficient reliability.

Donations and legacies

Donations and legacies are recognised on a receivable basis when receipt is probable and the amount can be reliably measured.

Grants receivable

Grants are recognised when the charity has an entitlement to the funds and any conditions linked to the grants have been met. Where performance conditions are attached to the grant and are yet to be met, the income is recognised as a liability and included on the balance sheet as deferred income to be released.

Expenditure

All expenditure is recognised once there is a legal or constructive obligation to that expenditure, it is probable settlement is required and the amount can be measured reliably. All costs are allocated to the applicable expenditure heading that aggregate similar costs to that category. Where costs cannot be directly attributed to particular headings they have been allocated on a basis consistent with the use of resources, with central staff costs allocated on the basis of time spent, and depreciation charges allocated on the portion of the asset's use. Other support costs are allocated based on the spread of staff costs.

The Charnwood Trust

Notes to the Financial Statements for the Year Ended 31 August 2018

Raising funds

These are costs incurred in attracting voluntary income, the management of investments and those incurred in trading activities that raise funds.

Charitable activities

Charitable expenditure comprises those costs incurred by the charity in the delivery of its activities and services for its beneficiaries. It includes both costs that can be allocated directly to such activities and those costs of an indirect nature necessary to support them.

Support costs

Support costs include central functions and have been allocated to activity cost categories on a basis consistent with the use of resources, for example, allocating property costs by floor areas, or per capita, staff costs by the time spent and other costs by their usage.

Governance costs

These include the costs attributable to the charity's compliance with constitutional and statutory requirements, including audit, strategic management and trustees's meetings and reimbursed expenses.

Taxation

The charity is considered to pass the tests set out in Paragraph 1 Schedule 6 of the Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes. Accordingly, the charity is potentially exempt from taxation in respect of income or capital gains received within categories covered by Chapter 3 Part 11 of the Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

Tangible fixed assets

Individual fixed assets costing £500.00 or more are initially recorded at cost, less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

Depreciation and amortisation

Depreciation is provided on tangible fixed assets so as to write off the cost or valuation, less any estimated residual value, over their expected useful economic life as follows:

Asset class	Depreciation method and rate
Fixtures, fittings and equipment	25% straight line
Land and buildings	Straight line over remaining years of lease at time of addition

Trade debtors

Trade debtors are amounts due from customers for merchandise sold or services performed in the ordinary course of business.

Trade debtors are recognised initially at the transaction price. They are subsequently measured at amortised cost using the effective interest method, less provision for impairment. A provision for the impairment of is established when there is objective evidence that the will not be able to collect all amounts due according to the original terms of the receivables.

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Notes to the Financial Statements for the Year Ended 31 August 2018

Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and call deposits, and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of change in value.

Trade creditors

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if the does not have an unconditional right, at the end of the reporting period, to defer settlement of the creditor for at least twelve months after the reporting date. If there is an unconditional right to defer settlement for at least twelve months after the reporting date, they are presented as non-current liabilities.

Trade creditors are recognised initially at the transaction price and subsequently measured at amortised cost using the effective interest method.

Fund structure

Unrestricted income funds are general funds that are available for use at the trustees's discretion in furtherance of the objectives of the charity.

Designated funds are unrestricted funds set aside for specific purposes at the discretion of the trustees.

Restricted income funds are those donated for use in a particular area or for specific purposes, the use of which is restricted to that area or purpose.

Financial instruments

Classification

Financial assets and financial liabilities are recognised when the charity becomes a party to the contractual provisions of the instrument.

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 charity after deducting all of its liabilities.

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Notes to the Financial Statements for the Year Ended 31 August 2018

Recognition and measurement

All financial assets and liabilities are initially measured at transaction price (including transaction costs), except for those financial assets classified as at fair value through profit or loss, which are initially measured at fair value (which is normally the transaction price excluding transaction costs), unless the arrangement constitutes a financing transaction. If an arrangement constitutes a financing transaction, the financial asset or financial liability is measured at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

Financial assets and liabilities are only offset in the statement of financial position when, and only when there exists a legally enforceable right to set off the recognised amounts and the charity intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Financial assets are derecognised when and only when a) the contractual rights to the cash flows from the financial asset expire or are settled, b) the charity transfers to another party substantially all of the risks and rewards of ownership of the financial asset, or c) the charity, despite having retained some, but not all, significant risks and rewards of ownership, has transferred control of the asset to another party.

Financial liabilities are derecognised only when the obligation specified in the contract is discharged, cancelled or expires.

2 Income from donations and legacies

	Unrestricted funds		Total 2018	Total 2017
	General £	Restricted funds £	£	£
Donations and legacies;				
Donations from companies, trusts and similar proceeds	26,000	-	26,000	10,481
Donations from individuals	20,092	286,335	306,427	22,030
Legacies	14,000	-	14,000	6,935
Donations from community groups	-	-	-	19,000
Gift aid reclaimed	1,114	-	1,114	4,853
Grants, including capital grants;				
Grants from other charities	-	45,450	45,450	22,750
	<u>61,206</u>	<u>331,785</u>	<u>392,991</u>	<u>86,049</u>

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Notes to the Financial Statements for the Year Ended 31 August 2018

3 Income from charitable activities

	Unrestricted funds		Total 2017 £
	General £	Total 2018 £	
EYPP	3,641	3,641	2,839
SEN Grant	226,410	226,410	217,499
Free Entitlement Grant	224,842	224,842	155,345
Additional Support	12,348	12,348	21,034
2 Year Old Offer	88,144	88,144	105,058
DAF - Disability Access Fund	10,455	10,455	-
Pen Green Payments	30,287	30,287	23,522
Nursery Session	28,347	28,347	14,842
Lunch and snack fees	17,631	17,631	13,040
Woodies Fee	24,604	24,604	9,608
Adventurers Fee	12,438	12,438	27,571
Extras and add ons	666	666	-
Holiday Club	7,525	7,525	-
Opportunity Group Fees	12,682	12,682	12,773
	<u>700,020</u>	<u>700,020</u>	<u>603,131</u>

4 Income from other trading activities

	Unrestricted funds		Total 2017 £
	General £	Total 2018 £	
Local fundraising and street collection income	9,018	9,018	12,396
Other income from other trading activities	5,021	5,021	4,229
	<u>14,039</u>	<u>14,039</u>	<u>16,625</u>

5 Investment income

	Unrestricted funds		Total 2017 £
	General £	Total 2018 £	
Interest receivable and similar income;			
Interest receivable on bank deposits	132	132	550
	<u>132</u>	<u>132</u>	<u>550</u>

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Notes to the Financial Statements for the Year Ended 31 August 2018

6 Other income

	Unrestricted funds	Total 2018
	General	2018
	£	£
Fees and supplies	200	200

7 Expenditure on raising funds

a) Costs of trading activities

	Unrestricted funds	Total 2018	Total 2017
	General	2018	2017
	£	£	£
Fundraising trading costs;			
Fundraising	1,995	1,995	2,079
	1,995	1,995	2,079

8 Expenditure on charitable activities

	Unrestricted funds	Restricted funds	Total 2018	Total 2017
	General	funds	2018	2017
	£	£	£	£
Wages and salaries	650,158	-	650,158	554,418
Social security costs	37,394	-	37,394	27,421
Pension costs	22,574	-	22,574	12,565
Other staff costs	6,637	-	6,637	5,560
Establishment Costs	28,524	-	28,524	22,861
Cleaning	16,442	-	16,442	13,519
Office Expenses	14,866	-	14,866	12,812
Sundry and other costs	33,971	200	34,171	20,919
Physiotherapy	-	21,148	21,148	24,655
Depreciation, amortisation and other similar costs	14,479	-	14,479	8,790
Governance costs	8,344	-	8,344	7,728
	833,389	21,348	854,737	711,248

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Notes to the Financial Statements for the Year Ended 31 August 2018

9 Analysis of governance and support costs

Governance costs

	Unrestricted funds	Total 2018	Total 2017
	General £	£	£
Audit fees			
Audit of the financial statements	3,600	3,600	-
Other fees paid to auditors	3,270	3,270	-
Independent examiner fees			
Examination of the financial statements	-	-	900
Other fees paid to examiners	-	-	2,802
Legal fees	1,200	1,200	3,730
Other governance costs	274	274	296
	<u>8,344</u>	<u>8,344</u>	<u>7,728</u>

10 Trustees remuneration and expenses

No trustees, nor any persons connected with them, have received any remuneration from the charity during the year.

No trustees have received any reimbursed expenses or any other benefits from the charity during the year.

Donations made by the trustees without any conditions attached totalled £Nil for the year (2017 - £1,000).

The Charnwood Trust

Notes to the Financial Statements for the Year Ended 31 August 2018

11 Staff costs

The aggregate payroll costs were as follows:

	2018 £	2017 £
Staff costs during the year were:		
Wages and salaries	650,158	554,418
Social security costs	37,394	27,421
Pension costs	22,574	12,565
Other staff costs	6,637	5,560
	<u>716,763</u>	<u>599,964</u>

The monthly average number of persons (including senior management team) employed by the charity during the year expressed as full time equivalents was as follows:

	2018 No	2017 No
Administrative staff	4	4
Teaching staff	29	27
	<u>33</u>	<u>31</u>

No employee received emoluments of more than £60,000 during the year

12 Taxation

The charity is a registered charity and is therefore exempt from taxation.

The Charnwood Trust

Notes to the Financial Statements for the Year Ended 31 August 2018

13 Tangible fixed assets

	Land and buildings £	Furniture and equipment £	Total £
Cost			
At 1 September 2017	350,431	97,386	447,817
Additions	295,833	2,707	298,540
At 31 August 2018	<u>646,264</u>	<u>100,093</u>	<u>746,357</u>
Depreciation			
At 1 September 2017	80,267	86,911	167,178
Charge for the year	9,593	4,886	14,479
At 31 August 2018	<u>89,860</u>	<u>91,797</u>	<u>181,657</u>
Net book value			
At 31 August 2018	<u>556,404</u>	<u>8,296</u>	<u>564,700</u>
At 31 August 2017	<u>270,164</u>	<u>10,475</u>	<u>280,639</u>

14 Debtors

	2018 £	2017 £
Trade debtors	24,371	10,262
Prepayments	3,686	3,604
Other debtors	2,316	4,198
	<u>30,373</u>	<u>18,064</u>

15 Creditors: amounts falling due within one year

	2018 £	2017 £
Trade creditors	3,554	1,847
Other creditors	2,500	-
Pension scheme creditor	2,962	3,775
Accruals	5,639	4,264
	<u>14,655</u>	<u>9,886</u>

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Notes to the Financial Statements for the Year Ended 31 August 2018

16 Funds

	Balance at 1 September 2017 £	Incoming resources £	Resources expended £	Transfers £	Balance at 31 August 2018 £
Unrestricted funds					
<i>General</i>					
General fund	(371,724)	(775,597)	835,384	(382,770)	(694,707)
<i>Designated</i>					
Designated	<u>(100,000)</u>	<u>-</u>	<u>-</u>	<u>100,000</u>	<u>-</u>
Total unrestricted funds	<u>(471,724)</u>	<u>(775,597)</u>	<u>835,384</u>	<u>(282,770)</u>	<u>(694,707)</u>
Restricted funds					
Children in Need	-	(22,950)	21,148	-	(1,802)
Building Redevelopment	-	(282,770)	-	282,770	-
Arthur's Fund	-	(3,565)	200	-	(3,365)
Sylvia Adams Fund	<u>-</u>	<u>(22,500)</u>	<u>-</u>	<u>-</u>	<u>(22,500)</u>
Total restricted funds	<u>-</u>	<u>(331,785)</u>	<u>21,348</u>	<u>282,770</u>	<u>(27,667)</u>
Total funds	<u>(471,724)</u>	<u>(1,107,382)</u>	<u>856,732</u>	<u>-</u>	<u>(722,374)</u>
	Balance at 1 September 2016 £	Incoming resources £	Resources expended £	Transfers £	Balance at 31 August 2017 £
Unrestricted funds					
<i>General</i>					
General fund	(378,327)	(683,605)	688,672	1,536	(371,724)
<i>Designated</i>					
Designated	<u>(100,000)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(100,000)</u>
Total unrestricted funds	<u>(478,327)</u>	<u>(683,605)</u>	<u>688,672</u>	<u>1,536</u>	<u>(471,724)</u>
Restricted funds					
Children in Need	<u>(369)</u>	<u>(22,750)</u>	<u>24,655</u>	<u>(1,536)</u>	<u>-</u>
Total funds	<u>(478,696)</u>	<u>(706,355)</u>	<u>713,327</u>	<u>-</u>	<u>(471,724)</u>

The Charnwood Trust

Notes to the Financial Statements for the Year Ended 31 August 2018

17 Analysis of net assets between funds

	Unrestricted funds	Restricted funds	Total funds
	General £	£	£
Tangible fixed assets	564,700	-	564,700
Current assets	144,662	27,667	172,329
Current liabilities	(14,655)	-	(14,655)
Total net assets	<u>694,707</u>	<u>27,667</u>	<u>722,374</u>