

REGISTERED COMPANY NUMBER: 06420566 (England and Wales)
REGISTERED CHARITY NUMBER: 1123684

REPORT OF THE TRUSTEES AND
UNAUDITED FINANCIAL STATEMENTS FOR THE YEAR ENDED
31 MARCH 2019
FOR
SHERNHALL PRE-SCHOOL

Robert A. Price F. C. C. A.
39 Etchingham Park Road
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SHERNHALL PRE-SCHOOL

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FOR THE YEAR ENDED 31 MARCH 2019

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SHERNHALL PRE-SCHOOL
REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 MARCH 2019

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 March 2019. 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 2015).

Full name: Shernhall Pre-School
Registered company number: 06420566
Registered charity number: 1123684
Principal address: St George's Church Hall; 136 Shernhall Street; London E17 9HU

Trustees for the accounting period to 31st March 2019

Denise Harris (Chair)
Pamela Dewbury (Secretary)
Maria Gonzalez (Treasurer)

Senior Staff Member(s)

Liljana Markaj, Play Leader.
Kay Sullivan, Deputy Play Leader.

Governing document

The charitable company operates under its Memorandum and Articles of Association dated 7 April 2007 which were updated using the model Memorandum and Articles available from the Preschool Learning Alliance (and which have been preapproved by the Charity Commission) at AGM meeting on 27 Jan 2016. It is a company limited by guarantee without a share capital. It was incorporated on 7 November 2007.

The governance of the charity is the responsibility of the trustees who are elected and co-opted under the terms of the Memorandum and Articles of Association. Day to day project activity is managed and carried out by paid staff.

Bankers

The Co-operative Bank Plc, PO Box 250, Skelmersdale WN8 6WT

Independent examiner

Robert A Price FCCA
The Association of Chartered Certified Accountants
Robert A. Price F. C. C. A.
39 Etchingham Park Road
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Aims and organisation

Shernhall Pre-school is a voluntary, community pre-school and a registered charitable company. It offers flexible, affordable, quality childcare and education to children and families from a diverse social and cultural mix. It is a professionally run, friendly and inclusive setting that aims to help pre-school children learn and explore their world through play and fun activities.

The Pre-school aims to:

- Promote learning through play linked to the Early Years Foundation Stage
- Provide opportunities for parents to be involved in the group
- Ensure all children have the opportunity to develop whatever their race, culture, religion, means or ability
- Reflect and value the different cultures that make up our community
- Create an environment which promotes and safeguards the welfare of children ensuring a safe and happy atmosphere for all the children to thrive
- Ensure parents feel welcome and involved in the care and education of their child.
- Ensure that all children, staff, parents and trustees have fun learning and playing together

Shernhall Pre-school is committed to the principles and practice of equal opportunities.

Activities

The principal activity of the charity is the provision of good quality, flexible and affordable childcare for children aged between 2 and 5. The pre-school complies with the requirements for the Early Years Register set out in the statutory framework for the Early Years Foundation Stage. The pre-school is open 5 days a week, term time only, from 8.30am to 3.30pm. The pre-school provides a range of childcare options including sessional, full day care and lunch club. The pre-school is based on Shernhall Street in the heart of Walthamstow in the London Borough of Waltham Forest (LBWF). It rents premises from Our Lady and St George's Church, although it is not affiliated to the church. Shernhall Pre-school provides care for the local community and some children who live in postcode areas of high deprivation as identified by the IDACI data (Income Deprivation Affecting Children Index 2019). Many of these children have additional support needs (autism, etc). In addition, we have up to 20 places per session available for '2 year olds' who have been issued a funding code from the LBWF. LBWF offers 6 hours of funded care to 2 year olds and this is based on additional needs that do not meet the usual Special Education Needs (SEN) criteria. Offering these children access to early education helps to reduce the likelihood of more expensive interventions as they develop and to try to limit delays in sensory, motor, communication and personal development compared to that of their peers.

Summary of the main achievements during the period

- Shernhall Pre-school staff have continued delivering daily music sessions for children. The programme is open to all the Children that attend preschool and is the legacy from the successful 'Waltham Forest Sound Foundations'. There is an emphasis on personal and social development, building confidence in participating in a group situation and as an individual. Music sessions contain a variety of activities e.g. songs and rhymes, encouraging competency in speaking and listening skills, beat and rhythm, structured and free dance, playing instruments (egg shakers, rhythm sticks, etc.) and aspects of numeracy and encouraging accurate counting, grouping and sequencing.
- The preschool introduced yoga sessions into the early years curriculum. Yoga has been shown to help to improve fine + gross motor skills, developing self confidence, self expression and body awareness. Yoga teaches children how to relax, unwind and calm down. Physically, yoga builds strength, flexibility and balance. Empowering children to feel more confident, relaxed and happier everyday.
- The pre-school has continued to develop and train staff in all areas related to Early Years provision to ensure we maintain a team of well trained highly skilled staff.
- Shernhall Pre-school has again seen an increase in the number of children with Special and Educational Needs attending our setting. Our Special Education Needs Co-ordinator (Kay Sullivan) and the staff team have worked extremely hard to ensure that these children (and their families) access the services they are entitled to and that support is in place by the time the child starts reception. This task has become increasingly challenging and time consuming in the current climate of cuts to local authority services and budgets.
- Shernhall Pre-school had to fund a rent increase of 4% from April 2018 which we have been able to meet by ensuring occupancy at the sessions remains high (with a healthy waiting list), the additional funding received from the local authority to support children with Special Educational Needs at the setting and reviewing our 'fees policy'.

The pre-school has a very experienced and committed staff team. Staff with 'Key Person' responsibilities are trained to Level 3 NVQ qualification, and the Play Leader and Deputy Play Leader have achieved Level 5 NVQ qualifications. The pre-school has a Family Liaison Officer in post which has helped the links between families and the pre-school. Level 2 assistants are actively encouraged and supported to achieve Level 3 qualifications.

We benefit the public by offering free FEEE funded childcare sessions. If we do not fill up the spaces with FEEE funded places, we then offer additional sessions and spaces to younger children for whom we charge a fee. The trustees try to keep the fee as low as possible to ensure our childcare is affordable whilst covering our costs for running this service. Additionally we offer a stay and play session so younger children/siblings and parents/carers can also experience pre-school and all the benefits of the early years setting.

The public benefit of pre-school education has long been recognised. The opportunity to interact with other children develops social skills and confidence while the play and other activities that take place prepare children for academic learning. Research has found that good quality pre-schools boost children's cognitive, language and social development and that children who attend one continue to benefit throughout their school life.

The Charity's policy on Reserves

The Trustees aim to hold reserves at least equivalent to 6 months operating expenditure which is approximately £170,000, this is to enable us to meet our ongoing commitments for that period should we suffer a gap in funding. The total reserves as at 31st March 2019 are £326,628, of which we have designated £160,000 for the long term development of the charity. The trustees will keep the level of reserves under review and will ensure surpluses are expended in developing the Pre-School's charitable activities.

The trustees also keep its level of risk under annual review and are satisfied that all steps are taken to mitigate these.

Approved by order of the board of trustees on 8th November 2019 and signed on its behalf by:



Denise Harris - Chair

**INDEPENDENT EXAMINER'S REPORT TO THE TRUSTEES OF
SHERNHALL PRE-SCHOOL**

Independent examiner's report to the trustees of Shernhall Pre-School ('the Company')

I report to the charity trustees on my examination of the accounts of the Company for the year ended 31 March 2019.

Responsibilities and basis of report

As the charity's trustees of the Company (and also its directors for the purposes of company law) you are responsible for the preparation of the accounts in accordance with the requirements of the Companies Act 2006 ('the 2006 Act').

Having satisfied myself that the accounts of the Company are not required to be audited under Part 16 of the 2006 Act and are eligible for independent examination, I report in respect of my examination of your charity's accounts as carried out under section 145 of the Charities Act 2011 ('the 2011 Act'). In carrying out my examination I have followed the Directions given by the Charity Commission under section 145(5) (b) of the 2011 Act.

Independent examiner's statement

Since your charity's gross income exceeded £250,000 your examiner must be a member of a listed body. I can confirm that I am qualified to undertake the examination because I am a registered member of The Association of Certified Chartered Accountants which is one of the listed bodies

I have completed my examination. I confirm that no matters have come to my attention in connection with the examination giving me cause to believe:

1. accounting records were not kept in respect of the Company as required by section 386 of the 2006 Act; or
2. the accounts do not accord with those records; or
3. the accounts do not comply with the accounting requirements of section 396 of the 2006 Act other than any requirement that the accounts give a true and fair view which is not a matter considered as part of an independent examination; or
4. the accounts have not been prepared in accordance with the methods and principles of the Statement of Recommended Practice for accounting and reporting by charities [applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102)].

I have no concerns and have come across no other matters in connection with the examination to which attention should be drawn in this report in order to enable a proper understanding of the accounts to be reached

Robert A Price FCCA

Robert A Price FCCA
The Association of Certified Chartered Accountants
Robert A. Price F. C. C. A.
39 Etchingham Park Road
Finchley
London
N3 2DU

Date: 12/11/2019

SHERNHALL PRE-SCHOOL

STATEMENT OF FINANCIAL ACTIVITIES
FOR THE YEAR ENDED 31 MARCH 2019

		Unrestricted funds	Restricted fund	Total	2019 funds	Total	2018 funds
	Not es	£	£		£		£
INCOME AND ENDOWMENTS FROM							
Donations and legacies		314,543	32,291		346,834		315,930
Other trading activities	2	480	-		480		637
Investment income	3	1	-		1		19
Total		315,024	32,291		347,315		316,586
 EXPENDITURE ON							
Raising funds		787	-		787		671
Charitable activities							
Staff costs		234,676	32,291		266,967		249,351
Activity		10,726	-		10,726		8,832
Running costs		38,795	-		38,795		36,301
Building and maintenance costs		10,544	-		10,544		10,404
Total		295,528	32,291		327,819		305,559
 NET INCOME		 19,496	 -		 19,496		 11,027
 RECONCILIATION OF FUNDS							
Total funds brought forward		307,132	-		307,132		296,105
 TOTAL FUNDS CARRIED FORWARD		 <u>326,628</u>	 <u>-</u>		 <u>326,628</u>		 <u>307,132</u>

The notes form part of these financial statements

SHERNHALL PRE-SCHOOL

BALANCE SHEET
AT 31 MARCH 2019

		Unrestricted funds	Restricted fund	Total	2019 funds	Total	2018 funds
	Not es	£	£		£		£
FIXED ASSETS							
Tangible assets	8	24,011	-		24,011		25,667
CURRENT ASSETS							
Debtors	9	19,371	-		19,371		8,536
Cash at bank		<u>287,450</u>	<u>-</u>		<u>287,450</u>		<u>278,427</u>
		306,821	-		306,821		286,963
CREDITORS							
Amounts falling due within one year	10	(4,204)	-		(4,204)		(5,498)
NET CURRENT ASSETS		<u>302,617</u>	<u>-</u>		<u>302,617</u>		<u>281,465</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		326,628	-		326,628		307,132
NET ASSETS		<u>326,628</u>	<u>-</u>		<u>326,628</u>		<u>307,132</u>
FUNDS	11						
Unrestricted funds					326,628		307,132
Restricted funds					-		-
TOTAL FUNDS					<u>326,628</u>		<u>307,132</u>

The notes form part of these financial statements

SHERNHALL PRE-SCHOOL

BALANCE SHEET - CONTINUED
AT 31 MARCH 2019

The charitable company is entitled to exemption from audit under Section 477 of the Companies Act 2006 for the year ended 31 March 2019.

The members have not required the company to obtain an audit of its financial statements for the year ended 31 March 2019 in accordance with Section 476 of the Companies Act 2006.

The trustees acknowledge their responsibilities for

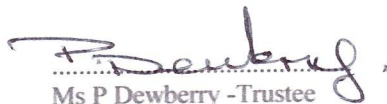
- (a) ensuring that the charitable company keeps accounting records that comply with Sections 386 and 387 of the Companies Act 2006 and
- (b) preparing financial statements which give a true and fair view of the state of affairs of the charitable company as at the end of each financial year and of its surplus or deficit for each financial year in accordance with the requirements of Sections 394 and 395 and which otherwise comply with the requirements of the Companies Act 2006 relating to financial statements, so far as applicable to the charitable company.

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 on 8th November 2019 and were signed on its behalf by:


.....
Ms D Harris -Trustee


.....
Ms M J Gonzalez Cáceres -Trustee


.....
Ms P Dewberry -Trustee

SHERNHALL PRE-SCHOOL

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019

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 2015)', 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.

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.

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.

Improvements to property	- 25% on reducing balance
Fixtures and fittings	- 25% on reducing balance
Computer equipment	- 25% on reducing balance

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.

Hire purchase and leasing commitments

Rentals paid under operating leases are charged to the Statement of Financial Activities on a straight line basis over the period of the lease.

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.

2. OTHER TRADING ACTIVITIES

	2019	2018
	£	£
Fundraising events	<u>480</u>	<u>637</u>

SHERNHALL PRE-SCHOOL

**NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 31 MARCH 2019**

3. INVESTMENT INCOME

	2019	2018
	£	£
Deposit account interest	<u>1</u>	<u>19</u>

4. NET INCOME/(EXPENDITURE)

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

	2019	2018
	£	£
Depreciation - owned assets	8,004	8,555
Hire of plant and machinery	<u>858</u>	<u>936</u>

5. TRUSTEES' REMUNERATION AND BENEFITS

There were no trustees' remuneration or other benefits for the year ended 31 March 2019 nor for the year ended 31 March 2018.

Trustees' expenses

There were no trustees' expenses paid for the year ended 31 March 2019 nor for the year ended 31 March 2018.

6. STAFF COSTS

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

	2019	2018
	1	1
Administration	<u>16</u>	<u>15</u>
Teaching	<u>17</u>	<u>16</u>

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

7. COMPARATIVES FOR THE STATEMENT OF FINANCIAL ACTIVITIES

	Unrestricted funds £	Restricted fund £	Total funds £
INCOME AND ENDOWMENTS FROM			
Donations and legacies	313,567	2,363	315,930
Other trading activities	637	-	637
Investment income	<u>19</u>	<u>-</u>	<u>19</u>
Total	314,223	2,363	316,586
EXPENDITURE ON			
Raising funds	671	-	671
Charitable activities			
Staff costs	246,988	2,363	249,351
Activity	8,832	-	8,832
Running costs	36,301	-	36,301
Building and maintenance costs	<u>10,404</u>	<u>-</u>	<u>10,404</u>
Total	303,196	2,363	305,559

SHERNHALL PRE-SCHOOL

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 31 MARCH 2019

7. COMPARATIVES FOR THE STATEMENT OF FINANCIAL ACTIVITIES - continued				
	Unrestricted funds £	Restricted fund £	Total funds £	
NET INCOME	11,027	-	11,027	
RECONCILIATION OF FUNDS				
Total funds brought forward	296,105	-	296,105	
TOTAL FUNDS CARRIED FORWARD	<u>307,132</u>	<u>-</u>	<u>307,132</u>	
 8. TANGIBLE FIXED ASSETS				
	Improvements to property £	Fixtures and fittings £	Computer equipment £	Totals £
COST				
At 1 April 2018	88,408	25,705	14,191	128,304
Additions	<u>-</u>	<u>4,264</u>	<u>2,084</u>	<u>6,348</u>
At 31 March 2019	<u>88,408</u>	<u>29,969</u>	<u>16,275</u>	<u>134,652</u>
DEPRECIATION				
At 1 April 2018	77,521	14,572	10,544	102,637
Charge for year	<u>2,722</u>	<u>3,849</u>	<u>1,433</u>	<u>8,004</u>
At 31 March 2019	<u>80,243</u>	<u>18,421</u>	<u>11,977</u>	<u>110,641</u>
NET BOOK VALUE				
At 31 March 2019	<u>8,165</u>	<u>11,548</u>	<u>4,298</u>	<u>24,011</u>
At 31 March 2018	<u>10,887</u>	<u>11,133</u>	<u>3,647</u>	<u>25,667</u>
 9. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR				
		2019	2018	
		£	£	
Trade debtors		7,750	1,413	
Prepayments and accrued income		<u>11,621</u>	<u>7,123</u>	
		<u>19,371</u>	<u>8,536</u>	

SHERNHALL PRE-SCHOOL

**NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 31 MARCH 2019**

10. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2019	2018
	£	£
Social security and other taxes	2,704	3,633
Other creditors	-	665
Accrued expenses	<u>1,500</u>	<u>1,200</u>
	<u>4,204</u>	<u>5,498</u>

11. MOVEMENT IN FUNDS

	At 1.4.18	Net movement in funds	At 31.3.19
	£	£	£
Unrestricted funds			
General fund	307,132	19,496	326,628
	<u>307,132</u>	<u>19,496</u>	<u>326,628</u>
TOTAL FUNDS			

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

	Incoming resources	Resources expended	Movement in funds
	£	£	£
Unrestricted funds			
General fund	315,024	(295,528)	19,496
Restricted funds			
Grant other	32,291	(32,291)	-
	<u>347,315</u>	<u>(327,819)</u>	<u>19,496</u>
TOTAL FUNDS			

Comparatives for movement in funds

	At 1.4.17	Net movement in funds	At 31.3.18
	£	£	£
Unrestricted Funds			
General fund	296,105	11,027	307,132
	<u>296,105</u>	<u>11,027</u>	<u>307,132</u>
TOTAL FUNDS			

SHERNHALL PRE-SCHOOL

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 31 MARCH 2019

11. MOVEMENT IN FUNDS - continued

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

	Incoming resources £	Resources expended £	Movement in funds £
Unrestricted funds			
General fund	314,223	(303,196)	11,027
Restricted funds			
Grant other	2,363	(2,363)	-
	<hr/>	<hr/>	<hr/>
TOTAL FUNDS	<u>316,586</u>	<u>(305,559)</u>	<u>11,027</u>

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

	At 1.4.17 £	Net movement in funds £	At 31.3.19 £
Unrestricted funds			
General fund	<u>296,105</u>	<u>30,523</u>	<u>326,628</u>
TOTAL FUNDS	<u>296,105</u>	<u>30,523</u>	<u>326,628</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	629,247	(598,724)	30,523
Restricted funds			
Grant other	<u>34,654</u>	<u>(34,654)</u>	<u>-</u>
TOTAL FUNDS	<u>663,901</u>	<u>(633,378)</u>	<u>30,523</u>

12. RELATED PARTY DISCLOSURES

There were no related party transactions for the year ended 31 March 2019.

SHERNHALL PRE-SCHOOL

DETAILED STATEMENT OF FINANCIAL ACTIVITIES
FOR THE YEAR ENDED 31 MARCH 2019

	2019 £	2018 £
INCOME AND ENDOWMENTS		
Donations and legacies		
Donations	-	418
Grants	299,153	260,892
Fees & contributions	<u>47,681</u>	<u>54,620</u>
	346,834	315,930
Other trading activities		
Fundraising events	480	637
Investment income		
Deposit account interest	<u>1</u>	<u>19</u>
Total incoming resources	347,315	316,586
EXPENDITURE		
Other trading activities		
Purchases	787	671
Charitable activities		
Wages	244,846	227,236
Social security	12,972	12,812
Pensions	2,959	3,224
Hire of plant and machinery	858	936
Insurance	663	537
Telephone	1,308	1,154
Postage and stationery	1,328	2,256
Advertising	125	560
Sundries	378	149
Consumable play equipment	9,551	8,103
Trips & outside activities	789	528
Cooking and craft expenses	386	410
Rent	24,420	23,742
Fundraising activity costs	56	33
Refreshments	2,435	2,030
Equipment repairs & renewals	2,846	2,158
Other consumable equipment	4,365	2,823
Professional books & magazines	156	50
Bank charges	-	6
Payroll & accounting costs	1,421	917
Staff costs	5,498	5,352
Improvements to property	2,722	3,629
Fixtures and fittings	3,849	3,711
Computer equipment	<u>1,433</u>	<u>1,216</u>
	325,364	303,572

This page does not form part of the statutory financial statements

SHERNHALL PRE-SCHOOL

DETAILED STATEMENT OF FINANCIAL ACTIVITIES
FOR THE YEAR ENDED 31 MARCH 2019

	2019 £	2018 £
Governance costs		
Sundries	168	116
Accountancy fees	<u>1,500</u>	<u>1,200</u>
	<u>1,668</u>	<u>1,316</u>
Total resources expended	327,819	305,559
	<u> </u>	<u> </u>
Net income	<u><u>19,496</u></u>	<u><u>11,027</u></u>

This page does not form part of the statutory financial statements