

CHARD NNI

Charity Registration Number: 1016988

TRUSTEES' REPORT AND UNAUDITED ACCOUNTS FOR THE YEAR ENDED 31 AUGUST 2020

Viking Accounts – Brookside, The Street, Kilmington, Devon,
EX13 7RJ

CHARD NNI CONTENTS

	Page
Legal and administrative information	1
Trustees Report	2 - 4
Statement of Trustees' responsibilities	5
Independent examiners' report	6
Statement of financial activities	7
Balance sheet	8
Notes to the accounts	9 - 14

LEGAL AND ADMINISTRATIVE INFORMATION

Trustees: Mrs M Baker (Chair)
Mr Wayne Lockett (Treasurer)
Miss Cydney Issacs (Secretary)
Mr Matthew Constance
Gary Shortland
Jessie Vowles
Daniel Glentworth
Gemma Dunn

Secretary: Miss Cydney Issacs

Charity number: 1016988

Principal address: Clare House
Millfield
Chard
Somerset
TA20 2DA

Independent examiner: Mrs N Cornelius MAAT
Viking Accounts
Brookside
The Street
Kilminster
Devon
EX13 7RJ

Bankers: HSBC plc
11 High Street
Chard
Somerset
TA20 1QQ

The accounts have been prepared in accordance with the accounting policies set out in note 1 to the accounts and comply with the charity's governing documents, applicable law and the requirements of the Statement of Recommended Practice, "Accounting and Reporting by Charities" issued in 2005 (revised 2008).

The charity information shown on the Legal and Administrative page forms part of this report. The charity is also known as Chard Neighbourhood Nursery and Schools Out, Chard Children's Centre and Clare House.

Structure, governance and management

The charity is operated under its constitution dated 2 November 1962, amended 7 February 2000, 12 February 2003, 7 April 2003 and 16th July 2013. At the Special General Meeting held on 25 September 2008 it was agreed that the date of the AGM be altered (subject to charity Commission approval) to the spring.

At the AGM held on 19th September 2019 the following Trustees were elected:

Mrs Marie Baker (Chair)

Mr Wayne Luckett (Treasurer)

Miss Cydney Isaacs (Secretary)

Mr Matthew Constance

Gary Shortland

Jessie Vowles

Daniel Glentworth

Gemma Dunn

Due to difficulties posed by covid these officers remained in place for the following year.

New trustees are asked to read the National Standards for Day Care so that they are fully conversant with the operational needs and restrictions of the charity, this is backed up by the charity's own operational policies and procedures. They are also made aware of the need for strict confidentiality within the group and have to sign a letter agreeing to confidentiality of information within the charity. New trustees also have the chance to read the notes from the Committee training run by Somerset County Council that previous members have attended.

The Trustees delegate the day to day running of the setting to the Manager Jayne Windsor who oversees the childcare provided by the Room Managers and Nursery Practitioners and Janet Woodbury who provides Administrative support

The trustees meet regularly throughout the year to discuss issues affecting the childcare provision and the use of the charity's premises and they agree on the action to be taken. The Childcare Manager attends the committee meetings to report matters of importance to the trustees and discuss the issues that arise. The chairperson and treasurer are also required to be authorised signatories for banking purposes.

The management committee has conducted its own review of the major risks to which the charity is exposed and systems have been established to mitigate those risks. Internal risks are minimised by the implementation of procedures for authorisation of all transactions and projects and to ensure consistent quality of delivery for all operational aspects of the charity. These procedures are periodically reviewed to ensure they still meet the needs of the charity.

Objectives and activities

The charity's objectives are to enhance the development and education of children primarily under statutory school age, by encouraging parents to understand and provide for the needs of their children through community groups. The charity provides day care and education in Chard to children aged 0 to 5 years. It also provides before and after school and holiday care for children aged 5 to 14 years. As part of the information sharing initiative put together by the Children and Young People's Services in Somerset there are now even closer links with other services for children.

The trustees will be ensuring that childcare of a high standard continues to be provided and make any necessary improvements to the service it offers. This is done by constant monitoring and evaluation to ensure the charity adapts to the changing needs of the children and families who attend. There is a growing ethnic population in Chard and the charity is working hard to meet their particular needs, a large proportion of these are Portuguese and Polish along with a mixture of other nationalities – the staff work with outside agencies to ensure that all their individual needs are met. There is continual staff training and a development programme ensures that the staff are up to date on the EYFS principles and all the latest thinking and legislation which in turn ensures better childcare and continuing high standards.

This has been a very challenging year as for everyone with the onset of covid. Lockdown caused numbers to drop from 50 to 5 children (keyworkers) per day with the setting being run by a core of 5 members of staff with the rest being put on furlough. The setting returned to near normality in August 2020 with most children returning to normal attendance.

Achievements and performance

The Nursery part of the Charity's activities continues to receive considerable support from Somerset County Council by way of grants received. Contributions for the year amounted to £130,165.

The setting is so busy now that provision has been reorganised to allow for more children. The Hive (SEN provision) has moved upstairs and the 3's and 4's have been split into two groups.

Financial review

The charity remains dependent on grants and fees for the services that it provides.

Due to the improvements to financial procedures instigated and increasing number the charity is now building up reserves in line with its Reserves Policy meaning that the setting has money in the bank as a fall back for the Autumn term when numbers of children historically are at the lowest point of the year which equates to lower income. It is anticipated that this trend will continue. The trustees believe that it is appropriate to continue to prepare the accounts on a going concern basis.

Asset cover for funds

Note 16 sets out an analysis of the assets attributed to the various funds and a description of the trusts. These assets are sufficient to meet the charity's obligations on a fund by fund basis.

In the long term the group will keep building on its considerable experience and long standing success in childcare to meet the ever changing needs of the children and families in the community that it serves.

Public Benefit

The Charities Act (2006) explicitly includes "Public Benefit" in the definition of "Charitable Purpose". The Trustees believe that Chard NNI meets this requirement as it provides day care and education to any child in the area wishing to attend the setting provided, subject to spaces available, and provides facilities which groups in the community are able to use and hire.

Approved by the Trustees on 8th March 2021 and signed on their behalf by:

Mrs M Baker (chairperson

Trustee

CHARD NNI STATEMENT OF TRUSTEES' RESPONSIBILITIES

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

The law applicable to charities in England and Wales requires the Trustees to prepare accounts for each financial year which give a true and fair view of the state of affairs of the charity and of the incoming resources of the charity for that year.

In preparing these accounts, the Trustees are required to:

- Select suitable accounting policies and then apply them consistently;
- Observe the methods and principles in 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 accounts; and
- Prepare the accounts on the going concern basis unless it is appropriate to presume that the charity will continue in operation.

The Trustees are responsible for keeping sufficient accounting records that disclose with reasonable accuracy at any time the financial position of the charity and enable them to ensure that the accounts comply with the Charities Act 2011, the Charity (Accounts and Reports) Regulations 2008 and Provisions of the trust deed. They are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

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

5

CHARD NNI /INDEPENDENT EXAMINER'S REPORT TO THE TRUSTEES OF CHARD NNI

I report on the accounts of the charity for the year ended 31 August 2020, which are set out on pages 7 to 14.

Respective responsibilities of Trustees and examiner

The charity's Trustees are responsible for the preparation of the accounts. The charity's Trustees consider that an audit is not required for this year under section 144(2) of the Charities Act 2011 (the 2011 Act) and that an independent examination is needed. The charity's gross income exceeded £250,000 and I am qualified to undertake the examination by being a qualified member of the Association of Accounting Technicians (AAT)

It is my responsibility to:

- examine the accounts under section 145 of the 2011 Act;
- to follow the procedures laid down in the General Directions given by the Charity Commission under section 145(5)(b) of the 2011 Act; and
- to state whether particular matters have come to my attention.

Basis of Independent examiner's report

My examination was carried out in accordance with the General Directions given by the Charity Commission. An examination includes a review of the accounting records kept by the charity and a comparison of the accounts presented with these records. It also includes consideration of any unusual items or disclosures in the accounts, and seeking explanations from you as trustees concerning any such matters. The procedures undertaken do not provide all the evidence that would be required in an audit and consequently no opinion is given as to whether the accounts present a 'true and fair view' and the report is limited to those matters set out in the statement below.

Independent examiner's statement

In connection with my examination, no matter has come to my attention:

- which gives me reasonable cause to believe that in any material respect the requirements:
 - i) to keep accounting records in accordance with section 130 of the 2011 Act: and
 - ii) to prepare accounts which accord with the accounting records and comply with the accounting requirements of the 2011 Act have not been met: or
- to which, in my opinion, attention should be drawn in order to enable a proper understanding of the accounts to be reached.

Mrs N Cornelius MAAT
 Viking Accounts
 Brookside
 The Street
 Kilmington
 Devon EX13 7RJ

Date 1st October 2021

6

CHARD NNI STATEMENT OF FINANCIAL ACTIVITIES FOR THE YEAR ENDED 31ST AUGUST 2020

Restricted funds	Total 2020	Total 2019	Notes	£	Unrestricted funds £
£	£				
Incoming Resources					
Incoming funds from generated funds					
Investment income			2	104	-
<u>104</u>	<u>144</u>			<u>104</u>	<u>-</u>
104	144			104	-
Incoming resources from charitable activities			3	217,156	19,496
236,652	287,609				
Other incoming resources			4	<u>470</u>	<u>-</u>
	<u>470</u>	<u>1,581</u>			
Total incoming resources				<u>217,730</u>	<u>19,496</u>
<u>237,226</u>	<u>289,334</u>				

-

Resources expended

Charitable activities

Direct Charitable expenditure	5	279,602	43,696
323,298		315,892	
Governance costs	7	<u>2,419</u>	-
<u>2,419</u>		<u>2,419</u>	

Total resources expended		<u>282,021</u>	<u>43,696</u>
<u>325,717</u>		<u>318,311</u>	

Net incoming/(outgoing) resources for the			(64,291)
(24,200)		(88,491)	(28,977)

Year/ Net movement in funds

Total funds carried forward as 31 August 2020		<u>71,535</u>	<u>55,483</u>
<u>127,018</u>		<u>215,509</u>	

Total funds B/forward at 1 September 2019		<u>135,826</u>	<u>79,683</u>
<u>215,509</u>		<u>244,486</u>	

—

7

CHARD NNI BALANCE SHEET AS AT 31ST AUGUST 2020

2019				2020
£	£	Notes	£	£
Fixed assets				
Tangible assets		10		75,853
111,577				
Current assets				
Debtors		11	6,522	
24,020				

Cash at bank and in hand		<u>50,581</u>	
<u>87,874</u>			
Total current assets			57,103
111,894			
Liabilities			
Creditors amounts falling within			
one year	12	<u>5,938</u>	
<u>7,962</u>			
Net current assets/(liabilities)			-
<u>51,165</u>		<u>103,932</u>	
Total assets less current liabilities			-
<u>127,018</u>		<u>215,509</u>	
The funds of the charity			
Restricted income funds	13		55,483
79,683			
Unrestricted income funds			<u>72,531</u>
<u>135,826</u>			
Total charity funds	14		
<u>127,018</u>		<u>215,509</u>	

The accounts were approved by the Trustees on 19.10.2021

Mrs M Baker
Trustee

8

CHARD NNI NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 AUGUST 2020

1. Accounting policies

1.1. Basis of preparation

The accounts are prepared under the historical cost convention.

The accounts have been prepared in accordance with the Statement of Recommended Practice "Accounting and Reporting by Charities" (SORP) issued in March 2005 (revised 2008), the Charities Act 2011 and applicable UK accounting standards.

1.2. Incoming resources

Grants are recognised in the statement of financial activities when received by the

Charity. Grants in respect of leasehold building have been included in a restricted fund as

required by the terms and conditions of the local government and other agencies.

Fees receivable and charges for services and use of the premises are accounted for in the

Period in which the service is received.

1.3. Resources expended

Resources expended are recognised in the period in which they are incurred. Charitable

Activities include expenditure associated with the education of children. Governance costs include those incurred in governance of the charity and are primarily associated with constitutional and statutory requirements. Rentals payable under operating leases are charged against income on a straight line basis over the lease term.

1.4. Tangible fixed assets

All assets costing more than £200 are capitalised and are included at cost in the financial Statements.

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided at

rates calculated to write of the cost less estimated residual value of each asset over its

expected useful life as follows:

Leasehold property	over the term of the lease
Fixtures, fittings and equipment	1 to 4 years

Leasehold property is depreciated over the remaining life of the lease from the date the

property works were completed. The lease was originally for a period of 28 years. The

lease commenced before work began on the construction of the new building and eight

years had elapsed by the time the construction was completed.

The Trustees have carried out an impairment review of asset under FRS 11 and consider

that the carrying values shown in the accounts are at least equal to recoverable amount.

9

CHARD NNI NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 AUGUST 2020

1.5. Accumulated funds

The restricted fund comprises grants to be used for a specific purpose as laid down by the grantor. Expenditure which meets the criteria is charged to the fund.

1.6. Unrestricted fund

The unrestricted fund represents funds which the trustees are free to use in accordance with the charitable objectives.

1.7. Taxation

As a registered charity, Chard NNI is generally exempt from Income Tax and Capital

Gains Tax, but not Value Added Tax. Irrecoverable Value Added Tax is included in the costs of those items to which it relates.

2. Investment income

	2020
	£
£	
Interest receivable	<u>104</u>
<u>144</u>	

3. Incoming resources from charitable activities

			Unrestricted	
Restricted	Total	Total	funds	funds
2020	2019		£	£
£	£			
Grants received		130,365	1,000	
131,365	155,023			
Job Retention scheme Funding		-	18,496	
18,496	-			
School fees & registrations received		<u>86,791</u>	<u>-</u>	
<u>86,791</u>	<u>132,586</u>			
		217,156	19,496	
236,652	287,609			

Grants received in the year are from Somerset County Council. These grants include £119,018 (2019 £109,953) for funded places for 2, 3 and 4

year olds using the preschool, £1,000 gardening grant and SSDC Covid funding £9,700.

4. Other incoming resources

	2020 £	2019 £
Room hire and service charges	-	1,581
Other income	<u>470</u>	<u>-</u>
	<u>470</u>	<u>1,581</u>

5. Total resources expended

Other costs	Total 2020 £	Total 2019 £	Staff costs £	Depreciation £
Charitable activities				
Direct charitable expenditure				
Activities undertaken directly	254,828	35,724	32,746	
Governance costs	323,298	315,892		-
	<u>2,419</u>	<u>2,419</u>	<u>254,828</u>	<u>35,724</u>
	<u>35,165</u>	<u>318,311</u>		
	<u>325,717</u>	<u>318,311</u>		

CHARD NNI NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 AUGUST 2020

6. Activities under taken directly

2019	2020 £
Other costs relating to direct charitable Expenditure comprise:	
Play materials	1,792
1,938	
Equipment	700
387	
Groceries	2,131
3,132	
Minibus & Trips	0
0	
Maintenance	5,083
2,545	
Rent	50
50	
Insurance	4,574
4,267	

Subscriptions	469
561	
Courses and training materials	1,583
1,448	
Computer software	1,516
1,395	
Card machine hire	625
638	
Services	8,563
9,696	
Stationery, printing and photocopying	3,075
3,817	
Advertising	-
-	
Telephone	704
871	
Bank Charges	-
-	
Donations	-
-	
Sundry	1,720
2,093	
Clothing Costs	<u>161</u>
<u>1,070</u>	
	<u>32,746</u>
<u>33,908</u>	

7. Governance costs

	2020
	£
2019	
Other governance costs comprise:	
Independent examination fees	500
500	
Non-audit fees	450
450	
Consultancy fees	1,469
1,469	
Legal & professional fees	<u>-</u>
<u>-</u>	
	<u>2,419</u>
<u>2,419</u>	

8. Trustees

None of the Trustees (or any persons connected with them) received any remuneration or had expenses reimbursed during the year.

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 AUGUST 2020

9. Employees

Number of employees

The average monthly number of employees during the year was:

	2020	
2019		Number
Number		
Child care	16	
16		
Management & administration	1	
1		17
17		
Employment cost		

	2020	
2019		£
£		
Wages & salaries	241,830	
230,109		
Pension Costs	3,611	
2,765		
Social security costs	<u>9,387</u>	
<u>9,467</u>		<u>254,828</u>
<u>242,341</u>		

There were no employees with annual remuneration of £60,000 or more.

10. Tangible fixed assets

	Leasehold buildings	Fixtures, fittings & equipment
	£	£
£		
Cost		
At 1 September 2019	759,331	56,561
815,892		
Additions	<u>-</u>	<u>-</u>
=		
At 31 August 2020	<u>759,331</u>	<u>56,561</u>
<u>815,892</u>		

Depreciation

At 1 September 2019	647,754	56,561
704,315		
Charge for the year	<u>35,724</u>	<u>-</u>
<u>35,724</u>		
At 31 August 2020	<u>683,478</u>	<u>56,561</u>
<u>740,039</u>		
Net book value		
At 31 August 2020	<u>75,853</u>	<u>-</u>
<u>75,853</u>		
At 31 August 2019	<u>111,577</u>	<u>-</u>
<u>111,577</u>		

The leasehold commitment is shown in note 16 of the accounts.

12

CHARD NNI NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 AUGUST 2020

11. Debtors

	2020	
2019		
	£	
£		
Trade debtors	5,552	21,050
Prepayments and accrued income	<u>970</u>	<u>2,970</u>
	<u>6,522</u>	<u>24,020</u>

12. Creditors: amounts falling due within one year

	2020	
2019		
	£	
£		
Trade creditors	1,900	1,900
Taxes and social security costs	2,148	3,171
Accruals	<u>1,890</u>	
<u>2,891</u>	<u>5,938</u>	<u>7,962</u>

13. Restricted funds

		Balance at	Movement in funds
Resources	Balance at	1 September	Incoming
expended	31 August	2019	resources
2020			

	£	£	£	£
Building fund		79,683	-	(24,200)
55,483				
Pram shelter		-	-	-
-				
Outdoor play area		-	-	-
-				
Garden Maintenance		-	1,000	(1,000)
-				
Job Retention scheme funding		-	<u>18,496</u>	<u>(18,496)</u>
<u>-</u>				
		<u>79,683</u>	<u>19,496</u>	<u>(43,696)</u>
<u>55,483</u>				

The purpose of the restricted funds is to account for grant income where a restriction has been applied.

The building fund had to be used in the construction of the nursery building. The balance remaining represents depreciation that will be charged over the remainder of the useful economic life of the building, which as at 31 August 2020 was 3 years.

The Pram shelter was used in the construction of a shelter attached to the nursery building. This has now been fully depreciated over its useful economic life.

The outdoor play area fund relates to money received from Somerset County Council and the Co-Operative to build an outdoor play area for the children. The balance remaining represents depreciation that will be charged over the remainder of the useful economic life of the play area, which as at 31 August 2020 was now fully depreciated.

13

CHARD NNI NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 AUGUST 2020

14. Analysis of net assets between funds

Restricted funds	Total	Unrestricted funds
£	£	£

Fund balances at 31 August 2019 are represented by:

Tangible fixed assets		20,370	
55,483	75,853		
Current assets		57,103	-
57,103			
Creditors:			
amounts falling due within one year		(5,938)	-
(5,938)			
		<u>71,535</u>	
<u>55,483</u>	<u>127,018</u>		

15. Contingent liabilities

There are certain circumstances in which the grant received from the National Opportunities Fund will have to be repaid. This grant amounted to £110,000 and was specifically towards the cost of the new school building. Circumstances where this grant would have to be repaid include the disposal of the building or the change of its use. This condition applies for 20 years after completion of the building works, therefore until 2023.

16. Commitments under operating leases

At 31 August 2020 the had annual commitment under non-cancellable operating leases as follows:-

			Land and
buildings			2020
2019			£
£			
Expiry date: in over 5 years		<u>50</u>	
<u>50</u>			
Equipment			2020
2019			£
£			
Expiry date: Within 1 year		1,815	
1,815			
Within 2-5 years		<u>3,629</u>	
<u>5,554</u>			
		<u>5,444</u>	
<u>7,369</u>			
			Insurance
Protection			2020
2019			

	£	£
Expiry date: Within 1 year	324	
324		
Within 2-5 years		<u>864</u>
<u>81</u>		<u>1,188</u>
<u>405</u>		14