

Charity registration number: 502610

The Charwood Trust

Annual Report and Financial Statements

for the Year Ended 31 August 2023

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 J. Baker S. Crane N. Lawrinson S. Forman G.A. Whitaker C.M. Fay C Carr-Deed |
| Charity Registration Number | 502610 |
| Principal Office | St Paul's Road Stockport Cheshire SK4 4RY |
| Independent Examiner | McKellens Ltd Chartered Accountants 11 Riverview The Embankment Business Park Vale Road Heaton Mersey Stockport SK4 3GN |

The Charnwood Trust

Trustees' Report

The trustees of the Charnwood Trust (Reg no. 502610) present their annual report together with the financial statements of the charity for the year ended 31 August 2023.

The Board of Trustees administer the Charnwood Trust and support the leadership team, who manage the charity from day to day. We have been encouraged as we reflect on developments during a year which has again seen increasing challenges for the voluntary and Early Years sectors. These challenges included particular financial challenges for Charnwood, its staff and the children and their families served by Charnwood as annual inflation (CPI) reached 11.1% in October 2022.

We reported in the prior year that the process of winding up The Charnwood Trust CIO (Reg no. 1168496) (dormant) was almost complete; this has now been completed.

Objectives

The principal objectives of the existing Trust are set out in the Charity's trust deed. Our values stem from the Christian belief that every individual is uniquely created and valued, and that every individual child can learn and contribute to society.

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 provide holistic support to disadvantaged young children and their families. Disadvantaged children learn alongside their peers, and once again 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, over recent years, the Trust has extended its focus to embrace inclusion where children are developmentally delayed because of social disadvantage. There is increasing evidence from research that providing for pre-school children 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 participate 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.

Subsequent to the year-end, on 23 January 2024, we were delighted to welcome Cath Carr-Deed (former Charnwood Head of Education) to the Board of Trustees. We are already appreciating the contribution she is making and wealth of experience she brings.

The Charnwood Trust

Trustees' Report (continued)

Also subsequent to the year-end, on 11 October 2023, Julie-Ann McCulloch stepped down as trustee. We thank Julie-Ann for all her input and hard work over many years and know that Julie-Ann remains a passionate advocate for Charnwood.

The year ended 31 August 2023 was the second full year in post for our Head of Education, Jill Dring. Jill was supported throughout the year by Suzannah Gleaves - Deputy Head / SENCO, Julie Nowell - Business Manager and Vanessa Orr - Family Support Lead, who made up the Senior Leadership Team. Jill has continued to advance the Charnwood ethos and sphere of influence for good, ably supported by our incredible senior leadership team who consistently go above and beyond in their care and support for Charnwood children and their families.

Across the year we had a total of 50 employees (equating to 30 full time equivalents) - 4 members of the senior leadership team, 31 nursery floor and opportunity group staff, 9 lunchtime staff, 3 admin staff, 2 cleaners and a caretaker.

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 maintain a risk register, through which the major areas of risk to which the Charnwood Trust is exposed are systematically scrutinised over an annual cycle. The trustees have considered those risks and taken appropriate steps to mitigate where they can.

A major source of income for the Trust is from universal early years free entitlement (FE) fees for 15 or 30 nursery hours each week. These are paid on the basis of occupancy, and overall, places at the nursery setting continued to be well subscribed during the year. Charnwood's provision accommodates this, while at the same time seeking to maintain a family focussed perspective where children and parents have the opportunity for time together.

One area of risk that the trustees continue to be mindful of, relates to dependence on a single source of income. For the provision of nursery places for children with special needs Charnwood continued to receive additional Local Authority funding in addition to standard FE fees. We remain conscious of the single source of income risk, especially in the context of not having this agreed more than one academic year in advance and funding that is effectively reduced, static or not increasing in line with wage and other cost inflation. We continue to explore other income opportunities.

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.

In our 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 provision through the Heaton Moor nursery this past year included an inclusive Nursery School, additional physiotherapy, hydrotherapy, speech therapy and occupational therapy. We also offered a breakfast and after school club.

Family support forms an increasingly important part of our work, with individual support and advocacy backed up by parenting courses, support groups, meetings with visiting professionals, and one-to-one sessions at Charnwood or at the family home. Activities during school holidays also help families who care for children with additional needs and their siblings.

The Charnwood Trust

Trustees' Report (continued)

Charnwood continued to provide its stay-and-play-plus Opportunity Group in term time. Experienced staff assist parents with their children's development through play. The Opportunity Group also allows parents to borrow specialist resources or books for their child needing specific support as part of their development.

During the year, Charnwood Trust was also involved in training, providing opportunities for students and apprentices and extended its work with other nursery settings to share and encourage good practice. We continued to participate in research.

A restricted fund is held in memory of our longest serving Trustee, the late Arthur Cross. Arthur's fund is available to make small grants to help staff and families with specific needs and we remain alert to appropriate use of this fund to this end. There were further donations to this fund during the year.

The impact of Covid-19 continued to diminish but we remained cautious to any Covid-19 or other infection outbreaks. Staff continued to respond magnificently ensuring that they maintained contact and support with children and families who were not able to join us in nursery or were isolating.

Achievements and Performance

We remain delighted that we retained our overall 'Outstanding' status following Ofsted inspection in July 2022, incorporating assessed outstanding quality of education, behaviour and attitudes, personal development, leadership and management. The following were just a select few of the comments made by Ofsted in their report:

- *'Children thrive at this inspirational setting'*
- *'The extremely ambitious and well-thought-out curriculum is built around what children know and can do. The environment offers children a rich set of learning experiences.'*
- *'Community is at the heart of Charnwood'*.

This outcome is testament to the quality and care of the Charnwood senior leadership team and indeed all the staff. As Ofsted also note, *'The leadership team and staff take time to get to know children and their families from the earliest opportunity. They go above and beyond for the families who attend and for other families in the community.'* We knew this already. This is Charnwood.

In June 2023, we had the joy of celebrating 50 years of Charnwood Trust. It was wonderful to hear so many stories from past and present of the difference that Charnwood has made and continues to make to children and their families.

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 children are really happy to be at Charnwood, parents are pleased with the service they receive, and staff commitment and morale remains high.

The Charnwood Trust

Trustees' Report (continued)

Financial Review

Following two years of surpluses, Charnwood had an overall net deficit of £64,881 for the year. There were specific causes for this, which we are mindful of even if some of these should be considered 'one-offs' as set out below.

Total income fell by £54,446 from £897,182 to £842,736. This was the net effect of overall reduced income from charitable activities of £78,254 as partially offset by net other increases principally arising from an increase in donations and legacies. The largest components of income from charitable activities are Special Educational Needs grants and FE grants - actual income arising from these grants is dependent not just on any increase (if any) in grant rates but also on the number of children and the mix of those children including the numbers with Special Educational Needs and/or other additional needs that do not necessarily attract commensurate additional funding. A further reason for the reduction in income year on year was the end of a secondment arrangement with the Start Well Portage team associated with Stockport Council working with pre-school children with Special Educational Needs and/or Disabilities and their families, a valuable collaboration but one that presented a significant resource stretch to the senior leadership team of Charnwood.

Total expenditure increased by 8.4% from £836,363 to £906,818. This reflected general inflationary rises during the year including an overall 4.8% increase in gross wages and salaries. Another significant reason for the increase was a £19,555 quasi-exceptional cost for re-surfacing the shared private access road for which Charnwood is the last property at the end of the road - re-surfacing was considered necessary to enable children and their families to continue to safely access the nursery.

Cash at bank and in hand fell by £136,579 from £232,795 to £96,216, i.e. by significantly more than the net deficit for the year. This was principally due to a combination of:

- Amounts due from the Local Authority of £65,554 at the year-end, received in full after the year-end;
- A gift from legacy of £30,000 that passed through probate during the year but was not actually received after the year-end; as partially offset by
- Post year-end payments associated with the access road resurfacing and a new roof and solar panels for the nursery extension completed in August 2023 for which the full cost (or depreciation and equivalent expense) is recognised in the year.

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 on a like-for-like basis, which equates to approximately £220,000 for the year ended 31 August 2023. 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. We had been pleased to report in the prior year that we had met our reserves policy at the year-end for the first time in several years but we cautioned that we were not complacent and anticipated erosion of our free reserves due to the expected cash outlays on the roof and shared private access road. For a combination of the reasons set out in the Financial Review above, our free reserves have fallen to £179,815, such that we are once again in a position where we are not meeting our reserves policy.

The Charnwood Trust

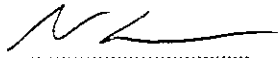
Trustees' Report (continued)

We anticipate that it might take a couple of years before we can restore our free reserves to meet our policy but remain committed to doing so in the medium term horizon. Whilst we are pleased that our partnership agreement with Stockport MBC has continued with our funding recently re-confirmed for 2024/25, rates are static. We continue to look for opportunities to expand Charnwood's other grants, donations and legacies' income streams. We are increasingly dependent on these other sources of income to continue to deliver Charnwood Trust's aims. During the year we celebrated 50 years of Charnwood Trust and post year-end, on Mothering Sunday 2024, Charnwood featured in BBC's Songs of Praise. We continue to look to build on the widespread goodwill there is towards Charnwood to facilitate and encourage others to partner with us, including financially.

As a result of these and other measures, and having considered forecasts up to August 2025, we are confident that the trust is a going concern.

The annual report was approved by the trustees of the charity on 26 June 2024 and signed on its behalf by:


.....
A. Graystone
Trustee


.....
N. Lawrinson
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.

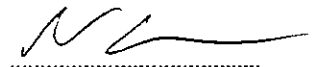
The trustees are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the charity and enable them to ensure that the financial statements comply with the Charities Act 2011, the Charities (Accounts and Reports) Regulations 2008, 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.

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

Approved by the trustees of the charity on 26 June 2024 and signed on its behalf by:



A. Graystone
Trustee



N. Lawrinson
Trustee

The Charnwood Trust

Independent Examiner's Report to the trustees of The Charnwood Trust

I report to the trustees on my examination of the accounts of The Charnwood Trust for the year ended 31 August 2023.

Responsibilities and basis of report

As the charity trustees of The Charnwood Trust you are responsible for the preparation of the accounts in accordance with the requirements of the Charities Act 2011 ('the Act').

I report in respect of my examination of the The Charnwood Trust's accounts carried out under section 145 of the 2011 Act and in carrying out my examination I have followed all the applicable Directions given by the Charity Commission under section 145(5)(b) of the Act.


Independent examiner's statement

Since The Charnwood Trust's gross income exceeded £250,000 your examiner must be a member of a body listed in section 145 of the 2011 Act. I confirm that I am qualified to undertake the examination because I am a member of McKellens Ltd, which is one of the listed bodies.

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

1. accounting records were not kept in respect of The Charnwood Trust as required by section 130 of the Act; or
2. the accounts do not accord with those records; or
3. the accounts do not comply with the accounting requirements concerning the form and content of accounts set out in the Charities (Accounts and Reports) Regulations 2008 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.

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.


.....
Paul Roper
McKellens Ltd
Chartered Accountants
11 Riverview
The Embankment Business Park
Vale Road
Heaton Mersey
Stockport
SK4 3GN

27 June 2024

The Charnwood Trust

Statement of Financial Activities for the Year Ended 31 August 2023

| | Note | Unrestricted £ | Restricted £ | Total 2023 £ |
|------------------------------------|------|-------------------|-----------------|--------------------|
| Income and Endowments from: | | | | |
| Donations and legacies | 2 | 66,658 | 3,308 | 69,966 |
| Charitable activities | 3 | 763,389 | - | 763,389 |
| Other trading activities | 4 | 9,197 | - | 9,197 |
| Investment income | 5 | 184 | - | 184 |
| Total income | | <u>839,428</u> | <u>3,308</u> | <u>842,736</u> |
| Expenditure on: | | | | |
| Raising funds | | (674) | - | (674) |
| Charitable activities | 7 | (903,605) | (3,213) | (906,818) |
| Other expenditure | 8 | (125) | - | (125) |
| Total expenditure | | <u>(904,404)</u> | <u>(3,213)</u> | <u>(907,617)</u> |
| Net movement in funds | | (64,976) | 95 | (64,881) |
| Reconciliation of funds | | | | |
| Total funds brought forward | | <u>784,455</u> | <u>4,646</u> | <u>789,101</u> |
| Total funds carried forward | 18 | <u>719,479</u> | <u>4,741</u> | <u>724,220</u> |

The notes on pages 13 to 23 form an integral part of these financial statements.

The Charnwood Trust

Statement of Financial Activities for the Year Ended 31 August 2023 (continued)

| | Note | Unrestricted £ | Restricted £ | Total 2022 £ |
|------------------------------------|------|-------------------|-----------------|--------------------|
| Income and Endowments from: | | | | |
| Donations and legacies | 2 | 14,805 | 17,435 | 32,240 |
| Charitable activities | 3 | 841,643 | - | 841,643 |
| Other trading activities | 4 | 5,118 | - | 5,118 |
| Investment income | 5 | 11 | - | 11 |
| Other income | 6 | <u>18,170</u> | <u>-</u> | <u>18,170</u> |
| Total income | | <u>879,747</u> | <u>17,435</u> | <u>897,182</u> |
| Expenditure on: | | | | |
| Raising funds | | (129) | - | (129) |
| Charitable activities | 7 | <u>(819,883)</u> | <u>(16,480)</u> | <u>(836,363)</u> |
| Total expenditure | | <u>(820,012)</u> | <u>(16,480)</u> | <u>(836,492)</u> |
| Net movement in funds | | 59,735 | 955 | 60,690 |
| Reconciliation of funds | | | | |
| Total funds brought forward | | <u>724,720</u> | <u>3,691</u> | <u>728,411</u> |
| Total funds carried forward | 18 | <u>784,455</u> | <u>4,646</u> | <u>789,101</u> |

All of the charity's activities derive from continuing operations during the above two periods.
The funds breakdown for 2022 is shown in note 18.

The Charnwood Trust

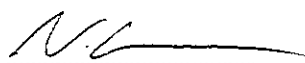
(Registration number: 502610)
Balance Sheet as at 31 August 2023

| | Note | 2023 £ | 2022 £ |
|---|------|-----------------|-----------------|
| Fixed assets | | | |
| Tangible assets | 13 | 539,664 | 546,155 |
| Current assets | | | |
| Debtors | 14 | 117,460 | 23,993 |
| Cash at bank and in hand | 15 | <u>96,216</u> | <u>232,795</u> |
| | | 213,676 | 256,788 |
| Creditors: Amounts falling due within one year | 16 | <u>(29,120)</u> | <u>(13,842)</u> |
| Net current assets | | <u>184,556</u> | <u>242,946</u> |
| Net assets | | <u>724,220</u> | <u>789,101</u> |
| Funds of the charity: | | | |
| Restricted income funds | | | |
| Restricted funds | | 4,741 | 4,646 |
| Unrestricted income funds | | | |
| Unrestricted funds | | <u>719,479</u> | <u>784,455</u> |
| Total funds | 18 | <u>724,220</u> | <u>789,101</u> |

The financial statements on pages 9 to 23 were approved by the trustees, and authorised for issue on 26 June 2024 and signed on their behalf by:



A. Graystone
Trustee



N. Lawrinson
Trustee

The Charnwood Trust

Cash Flow Statement for the Year Ended 31 August 2023

| | Note | 2023 £ | 2022 £ |
|--|------|------------------|----------------|
| Cash flows from operating activities | | | |
| Net cash (expenditure)/income | | (64,881) | 60,690 |
| Adjustments to cash flows from non-cash items | | | |
| Depreciation | 8 | 16,262 | 16,067 |
| Investment income | 5 | (184) | (11) |
| Loss on disposal of tangible fixed assets | | 6,206 | - |
| | | <u>(42,597)</u> | <u>76,746</u> |
| Working capital adjustments | | | |
| (Increase)/decrease in debtors | 14 | (93,467) | 39,428 |
| Increase/(decrease) in creditors | 16 | 15,278 | (20,400) |
| Net cash flows from operating activities | | <u>(120,786)</u> | <u>95,774</u> |
| Cash flows from investing activities | | | |
| Interest receivable and similar income | 5 | 184 | 11 |
| Purchase of tangible fixed assets | 13 | (15,977) | (3,465) |
| Net cash flows from investing activities | | <u>(15,793)</u> | <u>(3,454)</u> |
| Net (decrease)/increase in cash and cash equivalents | | (136,579) | 92,320 |
| Cash and cash equivalents at 1 September | | <u>232,795</u> | <u>140,475</u> |
| Cash and cash equivalents at 31 August | | <u>96,216</u> | <u>232,795</u> |

All of the cash flows are derived from continuing operations during the above two periods.

The notes on pages 13 to 23 form an integral part of these financial statements.

The Charnwood Trust

Notes to the Financial Statements for the Year Ended 31 August 2023

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 2019) - (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. The accounts (financial statements) have been prepared under the historical cost convention with items recognised at cost or transaction value unless otherwise stated in the relevant note(s) to these accounts.

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.

Gifts in kind

Gifts in kind are recognised in different ways dependent on how they are used by the charity:

- (i) Those donated for resale produce income when they are sold. They are valued at the amount actually realised.
- (ii) Those donated for onward transmission to beneficiaries are included in the Statement of Financial Activities as incoming resources and resources expended when they are distributed. They are valued at the amount the charity would have had to pay to acquire them.
- (iii) Those donated for use by the charity itself are included when receivable. They are valued at the amount the charity would have had to pay to acquire them.

The Charnwood Trust

Notes to the Financial Statements for the Year Ended 31 August 2023 (continued)

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.

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 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.

The depreciation rates are as follows:

| Asset class | Depreciation method and rate |
|----------------------------------|-------------------------------------|
| Fixtures, fittings and equipment | 25% straight line |
| Land and buildings | 2% straight line |

The Charnwood Trust

Notes to the Financial Statements for the Year Ended 31 August 2023 (continued)

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.

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 discretion in furtherance of the objectives of the charity.

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.

Hire purchase and finance leases

Leases in which substantially all the risks and rewards of ownership are retained by the lessor are classified as operating leases. Rentals payable under operating leases are charged in the Statement of Financial Activities on a straight line basis over the lease term.

Pensions and other post retirement obligations

The charity operates a defined contribution pension scheme which is a pension plan under which fixed contributions are paid into a pension fund and the charity has no legal or constructive obligation to pay further contributions even if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods.

Contributions to defined contribution plans are recognised in the Statement of Financial Activities when they are due. If contribution payments exceed the contribution due for service, the excess is recognised as a prepayment.

The Charnwood Trust

Notes to the Financial Statements for the Year Ended 31 August 2023 (continued)

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.

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.

The Charnwood Trust

Notes to the Financial Statements for the Year Ended 31 August 2023 (continued)

2 Income from donations and legacies

| | Unrestricted funds General £ | Restricted funds £ | Total 2023 £ | Total 2022 £ |
|--|---------------------------------------|--------------------------|--------------------|--------------------|
| Donations and legacies; | | | | |
| Donations from companies, trusts and similar proceeds | 3,426 | 3,208 | 6,634 | 1,000 |
| Donations from individuals | 8,480 | 100 | 8,580 | 11,729 |
| Legacies | 30,000 | - | 30,000 | - |
| Gift aid reclaimed | 146 | - | 146 | 787 |
| Grants, including capital grants; | | | | |
| Grants from other charities | 24,206 | - | 24,206 | 18,724 |
| Gifts in kind | 400 | - | 400 | - |
| | <u>66,658</u> | <u>3,308</u> | <u>69,966</u> | <u>32,240</u> |

3 Income from charitable activities

| | Unrestricted General £ | Total 2023 £ | Total 2022 £ |
|--|------------------------------|--------------------|--------------------|
| EYPP | 2,153 | 2,153 | 5,436 |
| SEN Grant | 373,631 | 373,631 | 416,786 |
| Free Entitlement Grant | 261,455 | 261,455 | 256,675 |
| 2 Year Old Offer | 17,073 | 17,073 | 15,812 |
| DAF - Disability Access Fund | 12,224 | 12,224 | 14,275 |
| DEP | 2,214 | 2,214 | - |
| Nursery Session | 34,558 | 34,558 | 71,888 |
| Lunch and snack fees | 27,400 | 27,400 | 29,996 |
| Woodies Fee | 25,822 | 25,822 | 22,140 |
| Extras and add ons | 737 | 737 | 845 |
| Opportunity Group Fees | 6,122 | 6,122 | 5,210 |
| Recharge of rent for opportunity group | - | - | 2,580 |
| | <u>763,389</u> | <u>763,389</u> | <u>841,643</u> |

The Charnwood Trust

Notes to the Financial Statements for the Year Ended 31 August 2023 (continued)

4 Income from other trading activities

| | Unrestricted funds General £ | Total funds £ | Total 2022 £ |
|--|---------------------------------------|---------------------|--------------------|
| Local fundraising and street collection income | 6,126 | 6,126 | 3,669 |
| Other income from other trading activities | 3,071 | 3,071 | 1,449 |
| | <u>9,197</u> | <u>9,197</u> | <u>5,118</u> |

5 Investment income

| | Unrestricted funds General £ | Total 2023 £ | Total 2022 £ |
|---|---------------------------------------|--------------------|--------------------|
| Interest receivable and similar income; Interest receivable on bank deposits | 184 | 184 | 11 |

6 Other income

| | Total 2023 £ | Total 2022 £ |
|-------------------|--------------------|--------------------|
| Fees and supplies | - | 18,170 |

7 Expenditure on charitable activities

| | Unrestricted | | Total 2023 £ | Total 2022 £ |
|---|----------------|-----------------|--------------------|--------------------|
| | General £ | Restricted £ | | |
| Wages and salaries | 665,104 | 5 | 665,109 | 634,464 |
| Social security costs | 36,055 | - | 36,055 | 33,662 |
| Pension costs | 27,314 | - | 27,314 | 25,778 |
| Other staff costs | 8,458 | - | 8,458 | 10,257 |
| Establishment Costs | 29,404 | 2,673 | 32,077 | 31,298 |
| Cleaning | 23,705 | - | 23,705 | 17,177 |
| Office Expenses | 12,664 | - | 12,664 | 12,105 |
| Sundry and other costs | 31,810 | 535 | 32,345 | 24,738 |
| Physiotherapy and speech therapy | 21,811 | - | 21,811 | 25,823 |
| Depreciation, amortisation and other similar costs | 22,469 | - | 22,469 | 16,067 |
| Road repairs | 19,555 | - | 19,555 | - |
| Governance costs | 5,256 | - | 5,256 | 4,994 |
| | <u>903,605</u> | <u>3,213</u> | <u>906,818</u> | <u>836,363</u> |

The Charnwood Trust

Notes to the Financial Statements for the Year Ended 31 August 2023 (continued)

8 Other expenditure

| | Unrestricted funds General £ | Total funds £ |
|--------------------------|---------------------------------------|---------------------|
| Other resources expended | 125 | 125 |
| Total for 2023 | 125 | 125 |

9 Analysis of governance and support costs

Governance costs

| | Unrestricted funds General £ | Total 2023 £ | Total 2022 £ |
|---|---------------------------------------|--------------------|--------------------|
| Independent examiner fees | | | |
| Examination of the financial statements | 1,065 | 1,065 | 975 |
| Other fees paid to examiners | 3,578 | 3,578 | 3,453 |
| Other governance costs | 613 | 613 | 566 |
| | 5,256 | 5,256 | 4,994 |

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.

11 Staff costs

The aggregate payroll costs were as follows:

| | 2023 £ | 2022 £ |
|--|-----------|-----------|
| Staff costs during the year were: | | |
| Wages and salaries | 665,109 | 634,464 |
| Social security costs | 36,055 | 33,662 |
| Pension costs | 27,314 | 25,778 |
| Other staff costs | 8,458 | 10,257 |
| | 736,936 | 704,161 |

The Charnwood Trust

Notes to the Financial Statements for the Year Ended 31 August 2023 (continued)

The monthly average number of persons (including senior management / leadership team) employed by the charity during the year was 50 (2022: 49).

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

| | 2023 No | 2022 No |
|----------------------|------------|------------|
| Administrative staff | 4 | 4 |
| Teaching staff | 26 | 26 |
| | 30 | 30 |

31 (2022 - 31) of the above employees participated in the Defined Contribution Pension Schemes.

Contributions to the employee pension schemes for the year totalled £36,055 (2022 - £33,662).

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.

13 Tangible fixed assets

| | Land and buildings £ | Furniture and equipment £ | Total £ |
|-------------------------|----------------------------|---------------------------------|------------|
| Cost | | | |
| At 1 September 2022 | 677,097 | 99,475 | 776,572 |
| Additions | 15,197 | 780 | 15,977 |
| Disposals | (6,936) | (12,129) | (19,065) |
| At 31 August 2023 | 685,358 | 88,126 | 773,484 |
| Depreciation | | | |
| At 1 September 2022 | 136,858 | 93,559 | 230,417 |
| Charge for the year | 13,541 | 2,721 | 16,262 |
| Eliminated on disposals | (729) | (12,130) | (12,859) |
| At 31 August 2023 | 149,670 | 84,150 | 233,820 |
| Net book value | | | |
| At 31 August 2023 | 535,688 | 3,976 | 539,664 |
| At 31 August 2022 | 540,239 | 5,916 | 546,155 |

The Charnwood Trust

Notes to the Financial Statements for the Year Ended 31 August 2023 (continued)

14 Debtors

| | 2023 £ | 2022 £ |
|--------------------------------|-----------|-----------|
| Trade debtors | 70,920 | 15,710 |
| Prepayments and accrued income | 45,607 | 7,497 |
| Other debtors | 933 | 786 |
| | 117,460 | 23,993 |

15 Cash and cash equivalents

| | 2023 £ | 2022 £ |
|--------------|-----------|-----------|
| Cash on hand | 2,606 | 363 |
| Cash at bank | 93,610 | 232,432 |
| | 96,216 | 232,795 |

16 Creditors: amounts falling due within one year

| | 2023 £ | 2022 £ |
|------------------------------------|-----------|-----------|
| Trade creditors | 12,182 | 2,750 |
| Other taxation and social security | 503 | - |
| Other creditors | 1,300 | 1,000 |
| Pension scheme creditor | - | 3,812 |
| Accruals | 15,135 | 6,280 |
| | 29,120 | 13,842 |

17 Obligations under leases and hire purchase contracts

Operating lease commitments

Total future minimum lease payments under non-cancellable operating leases are as follows:

| | 2023 £ | 2022 £ |
|----------------------------|-----------|-----------|
| Other | | |
| Between one and five years | 21,909 | 24,911 |

The Charnwood Trust

Notes to the Financial Statements for the Year Ended 31 August 2023 (continued)

18 Funds

| | Balance at 1 September 2022 £ | Incoming resources £ | Resources expended £ | Balance at 31 August 2023 £ |
|-------------------------|--|----------------------------|----------------------------|-----------------------------------|
| Unrestricted | | | | |
| General | 784,455 | 839,428 | (904,404) | 719,479 |
| Restricted | | | | |
| Arthur's Fund | 4,646 | 100 | (5) | 4,741 |
| Opportunity Group | - | 3,208 | (3,208) | - |
| Total Restricted | 4,646 | 3,308 | (3,213) | 4,741 |
| Total funds | 789,101 | 842,736 | (907,617) | 724,220 |
| | Balance at 1 September 2021 £ | Incoming resources £ | Resources expended £ | Balance at 31 August 2022 £ |
| Unrestricted | | | | |
| General | 724,720 | 879,747 | (820,012) | 784,455 |
| Restricted | | | | |
| Arthur's Fund | 3,691 | 1,000 | (45) | 4,646 |
| Sisters of St Joseph | - | 10,000 | (10,000) | - |
| Morrison's Foundation | - | 6,435 | (6,435) | - |
| Total Restricted | 3,691 | 17,435 | (16,480) | 4,646 |
| Total funds | 728,411 | 897,182 | (836,492) | 789,101 |

The specific purposes for which the funds are to be applied are as follows:

Arthur's Fund is held in memory of the late Arthur Cross, the longest serving trustee of the charity. This fund is used to make small grants to help staff and families with specific needs, such as holidays or transport.

In the year ended 31 August 2022, The Sisters of St Joseph of the Apparition have given a grant towards physiotherapy costs. They also gave a grant in the current year with no restrictions.

The Morrison's Foundation have given a grant towards the 'Help People to Hear My Voice' project.

The Co-op Local Community Fund has given a grant towards the Opportunity Group.

The Charnwood Trust

Notes to the Financial Statements for the Year Ended 31 August 2023 (continued)

19 Analysis of net assets between funds

| | Unrestricted funds General £ | Restricted funds £ | Total funds at 31 August 2023 £ |
|-------------------------|---------------------------------------|--------------------------|--|
| Tangible fixed assets | 539,664 | - | 539,664 |
| Current assets | 208,935 | 4,741 | 213,676 |
| Current liabilities | (29,120) | - | (29,120) |
| Total net assets | 719,479 | 4,741 | 724,220 |

| | Unrestricted funds General £ | Restricted funds £ | Total funds at 31 August 2022 £ |
|-------------------------|---------------------------------------|--------------------------|--|
| Tangible fixed assets | 546,155 | - | 546,155 |
| Current assets | 252,142 | 4,646 | 256,788 |
| Current liabilities | (13,842) | - | (13,842) |
| Total net assets | 784,455 | 4,646 | 789,101 |

