

Registered in England  
Charity No. 1020275

**BIRCH HILL PRE-SCHOOL**

**TRUSTEES' ANNUAL REPORT AND FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 AUGUST 2022**

**BIRCH HILL PRE-SCHOOL**

**ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2022**

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**BIRCH HILL PRE-SCHOOL**  
**TRUSTEES' REPORT**  
**FOR THE YEAR ENDED 31 AUGUST 2022**

The trustees present their report and financial statements for the year ended 31 August 2022.

**Reference and administrative information**

**Registered charity name** Birch Hill Pre-School

**Charity number** 1020275

**Date of registration** 20 November 1991

**Registered address** Birch Hill Recreation Ground  
Ringmead  
Bracknell  
RG12 7AQ

**Trustees** Lara Mullett (Chair from 1 March 2022)  
Stacey Day (appointed 16 September 2022)  
Helen Drake (resigned 1 March 2022)  
Hana Karlasen (appointed 14 September 2022)  
Ian Keats (appointed 1 March 2022)  
Nick Mullett (appointed 16 September 2022)  
Amanda Watt (resigned 1 March 2022)  
Tracy Vedgen (resigned 1 March 2022)

**Independent examiner** Price Bailey LLP  
Chartered Accountants  
Anglia House, 6 Central Avenue  
St Andrews Business Park  
Thorpe St Andrew  
Norwich  
NR7 0HR

**BIRCH HILL PRE-SCHOOL  
TRUSTEES' REPORT  
FOR THE YEAR ENDED 31 AUGUST 2022**

**Structure, governance and management**

The Charity is governed in line with its Constitution, dated November 2011. It is formed of the committee, which is made up of volunteer parents/carers of children currently attending.

The power of appointing new or additional Trustees is by the committee at the annual general meeting.

The Trustees hold an Annual General meeting once a year and hold a further 2 committee meetings throughout the year (termly). When new trustees are appointed they are given the below information/guidance:

- A code of conduct
- A committee Roles
- Early Years Alliance: Volunteering as a charity trustee mini guide
- Early Years Alliance: Safeguarding responsibilities of charity trustees mini guide.

**Objectives and activities for the public benefit**

The object of the Charity is the provision of early years childcare and education (18 months – 5 years).

The Trustees confirm that they have referred to the Charity Commission's general guidance on public benefit when reviewing the Charity's aims and objectives.

**Achievements and performance**

The charity continues to provide an excellent service for the local community for early years childcare and education for children aged 18 months to 5 years old. We provide education and care for all children mainstream and SEND children.

Ofsted completed an inspection on 9th November 2021, we were rated GOOD, this was well received by all staff and parents and was an improvement on the previous inspection.

This means that we can take 2-year funded children again.

We continued to replace resources throughout the preschool, always following the children's interests, some of the resources we have been replacing are sensory toys, replenishing books and toys for the under 2's.

We have introduced more math's resources within the playroom, to improve the children's development.

We continue to replenish the soil and plants in the outside area, Children have enjoyed this very much and have learnt about life cycles of plants.

Maintenance for the year included varnishing the exterior of the building, gutter cleaning, an inspection of the roof and replenishing bark in the play area.

The Early Years Statutory Framework changed in September 2021, as a preschool this was taken well and the staff felt that they could spend more time with the children and provide a better teaching environment, as paperwork was reduced.

As a Preschool we felt it is very important to keep our parents informed and involved in their children's development. We have reintroduced face to face meetings and continue to do hand overs daily. The children's photo books were received well.

**BIRCH HILL PRE-SCHOOL  
TRUSTEES' REPORT  
FOR THE YEAR ENDED 31 AUGUST 2022**

**Going concern**

Despite the challenges of a large increase in energy prices and payroll, due to the minimum wage increase due in April 2023 Birch Hill Pre-School will remain a going concern. The Pre-School is at full capacity for the next financial year and government funding will be increasing in April 2023, we can now accept 2 year funded children.

The Trustee's consider that the charity is financially stable as there is £140,310 in the reserve account as of 14 June 2023.

**Principal risks and uncertainties**

The principal risks and uncertainties that the charity faces are:

- government funding increases are not in line with the minimum wage increases
- changing birthrates affects the number of children enrolling in the preschool
- families that pay for our services are facing more financial difficulties
- a recruitment crisis within the early years sector

**Financial review**

Income in the year totalled £150,518 (2021: £154,259), expenditure was £157,316 (2021: £146,735). Closing funds totalled £162,311 (2021: £169,109) of which £nil (2021: £26,116) is restricted.

**Reserves policy**

The Trustees aim to maintain positive reserves of at least £40,000 in order to meet three months of wages and general overheads. This has been increased from prior years due to increased costs of running our own building such as business rates, utilities and insurance. All surplus funds are applied in furtherance of the Charity's objectives, and there are plans to invest further in the building and the resources we have using the additional reserves that are available to us.

This report was circulated to all the trustees and accepted unanimously on the 30 Jun 2023



.....  
Lara Mullett (Jun 30, 2023, 8:49am)

**Lara Mullett**

(Chair)

**BIRCH HILL PRE-SCHOOL  
INDEPENDENT EXAMINERS REPORT TO THE TRUSTEES OF BIRCH HILL PRE-SCHOOL  
FOR THE YEAR ENDED 31 AUGUST 2022**

I report to the charity trustees on my examination of the accounts of the charity for the year ended 31 August 2022 which are set out on pages 5 to 14.

**Responsibilities and basis of report**

As the charity's trustees 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 charity's accounts carried out under section 145 of the 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**

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 charity 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 applicable 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.



**Suzanne Goldsmith FCA**  
**Price Bailey LLP, Chartered Accountants**

Anglia House, 6 Central Avenue  
St Andrews Business Park  
Thorpe St Andrew  
Norwich, Norfolk  
NR7 0HR

Date: .....30 June 2023.....

**BIRCH HILL PRE-SCHOOL**

**STATEMENT OF FINANCIAL ACTIVITIES  
FOR THE YEAR ENDED 31 AUGUST 2022**

	Notes	Unrestricted Funds 2022 £	Restricted Funds 2022 £	Total Funds 2022 £	Total Funds 2021 £
<b>INCOME</b>					
Income from charitable activities	2	29,437	120,818	150,255	153,993
Other income (fundraising)		263	-	263	266
<b>TOTAL INCOME</b>		<u>29,700</u>	<u>120,818</u>	<u>150,518</u>	<u>154,259</u>
<b>EXPENDITURE</b>					
Expenditure on charitable activities:	3	(10,382)	(146,934)	(157,316)	(146,735)
<b>TOTAL EXPENDITURE</b>		<u>(10,382)</u>	<u>(146,934)</u>	<u>(157,316)</u>	<u>(146,735)</u>
<b>NET (EXPENDITURE)/INCOME BEING NET MOVEMENT IN FUNDS FOR THE YEAR</b>		19,318	(26,116)	(6,798)	7,524
Transfers		-	-	-	-
Total funds at 1 September	9	142,993	26,116	169,109	161,585
<b>TOTAL FUNDS 31 AUGUST</b>	9	<u>162,311</u>	<u>-</u>	<u>162,311</u>	<u>169,109</u>

The statement of financial activities includes all gains and losses recognised in the year. All income and expenditure derives from continuing activities.

The notes on pages 7 to 14 form part of these financial statements.

**BIRCH HILL PRE-SCHOOL**

**BALANCE SHEET  
AT 31 AUGUST 2022**

<b>CURRENT ASSETS</b>	<b>Notes</b>	<b>2022 £</b>	<b>2021 £</b>
Debtors: Amounts due within one year	6	511	1,050
Cash at bank and in hand		<u>193,506</u>	<u>181,173</u>
		194,017	182,223
Creditors: Amounts due within one year	7	<u>(31,706)</u>	<u>(13,114)</u>
<b>NET CURRENT ASSETS</b>		<u>162,311</u>	169,109
<b>TOTAL ASSETS LESS TOTAL LIABILITIES</b>		<u><u>162,311</u></u>	<u><u>169,109</u></u>
Unrestricted funds	9	162,311	142,993
Restricted funds	9	-	26,116
<b>TOTAL FUNDS</b>		<u><u>162,311</u></u>	<u><u>169,109</u></u>

30 Jun 2023

The financial statements were approved by the Trustees on ..... and are signed on their behalf by:



.....  
**Lara Mullett** (30, 2023, 8:49am)  
 (Chair)

The notes on pages 7 to 14 form part of these financial statements.

## BIRCH HILL PRE-SCHOOL

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2022

#### 1 ACCOUNTING POLICIES

##### **General information**

Birch Hill Pre-School is an unincorporated charity, registered in the United Kingdom under the Charities Act 2011. The registered office is Birch Hill Recreation Ground, Ringmead, Bracknell, RG12 7AQ.

The financial statements are prepared in sterling, which is the functional currency of the Charity. Monetary amounts in these financial statements are rounded to the nearest £.

##### **Basis of preparation**

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) effective 1 January 2019), and the Charities Act 2011.

The financial statements have been prepared to give us a "true and fair" view and have departed from the Charities (Accounts and Reports) Regulations 2008 only to the extent required to provide a "true and fair view". This departure has involved following Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) issued on 16 July 2014 rather than the Accounting and Reporting by Charities: Statement of Recommended Practice effective from April 2005 which has since been withdrawn.

Birch Hill Pre-School meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy note(s).

The charity, being small in size, has used the exemption provided by Charities SORP (FRS 102) under which it is not required to include a cash flow statement as part of the financial statements.

##### **Fund accounting**

Restricted income funds consist of grants awarded and fund raising received which are expended on costs directly attributable to the care and education of the children, the running of the preschool and those for which the fundraising was proposed.

Fees from parents are classified as being unrestricted income and any costs incurred on running the preschool over and above those allocated to restricted funds are then set off against unrestricted income.

## BIRCH HILL PRE-SCHOOL

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2022

#### 1 ACCOUNTING POLICIES (continued)

##### Going Concern

Despite the challenges of a large increase in energy prices and payroll, due to the minimum wage increase due in April 2023 Birch Hill Pre-School will remain a going concern. The Pre-School is at full capacity for the next financial year and government funding will be increasing in April 2023, we can now accept 2 year funded children.

The Trustee's consider that the charity is financially stable as there is £140,310 in the reserve account as of 14 June 2023.

##### Income

Income is recognised when the Charity has entitlement to the funds, any performance conditions attached to the item(s) of income have been met, it is probable that the income will be received and the amount can be measured reliably.

Government funding and grants are only included in the Statement of Financial Activities when the general income recognition criteria are met.

##### Expenditure

Expenditure is recognised once there is a legal or constructive obligation to make a payment to a third party, it is probable that settlement will be required and the amount of the obligation can be measured reliably. Expenditure is classified under the following activity headings:

- expenditure on charitable activities includes that which relates directly to fulfilling the charitable objectives of the Charity, as outlined in the Trustees' Report.

Deferred income represents government grant funding received in the year in advance of the next school term.

## BIRCH HILL PRE-SCHOOL

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2022

#### 1 ACCOUNTING POLICIES (continued)

##### **Debtors and creditors receivable / payable within one year**

Debtors and creditors with no stated interest rate and receivable or payable within one year are recorded at transaction price. Any losses arising from impairment are recognised in expenditure.

Creditors are recognised when the Charity has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors are normally recognised at their settlement amount.

##### **Cash at bank and in hand**

Cash at bank and in hand includes cash held in bank accounts. There are no short term investments.

##### **Financial instruments**

The Charity only has financial assets and liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their fair value as at the balance sheet date. All financial instruments of the charity are measured at cost.

Financial assets include trade debtors and accrued income (but exclude prepayments).

Financial liabilities include trade creditors and accruals but exclude social security and other taxes due.

##### **Pensions**

The Charity provides a defined contribution pension scheme, whereby the charity and its staff each fund the scheme, managed by a third party provider, the assets of which are held by the provider separately from the assets of the charity. The pension charge in the financial statements represents the amounts payable by the charity to the fund in respect of the period.

##### **Corporation tax**

The Charity is exempt from taxation in respect of income and 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 the charitable purposes.

##### **Judgements and key sources of estimation uncertainty**

In the application of the Charity's accounting policies, which are described above, the Trustees are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from those estimates.

The Trustees do not consider that there are any critical judgements or sources of estimation uncertainty in the financial statements.

**BIRCH HILL PRE-SCHOOL**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2022**

<b>2 CHARITABLE ACTIVITIES</b>	<b>Unrestricted 2022 £</b>	<b>Restricted 2022 £</b>	<b>Total 2022 £</b>
Fees from parents	29,437	-	29,437
Government funding	-	120,818	120,818
	29,437	120,818	150,255
	<b>Unrestricted 2021 £</b>	<b>Restricted 2021 £</b>	<b>Total 2021 £</b>
Fees from parents	20,279	-	20,279
Government funding	-	133,714	133,714
	20,279	133,714	153,993

**BIRCH HILL PRE-SCHOOL**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2022**

**3 EXPENDITURE ON CHARITABLE ACTIVITIES**

	<b>Total 2022 £</b>	<b>Total 2021 £</b>
Milk and snacks	1,025	951
Educational resources and equipment	4,761	6,872
Premises costs	9,680	12,054
Staff costs	129,048	117,929
Courses and training	2,159	1,407
Office running costs and equipment	814	525
Insurance and subscriptions	3,194	3,385
Other expenses	86	424
Legal and professional fees	2,611	3,188
Accountancy fees	3,480	-
Bad debts	458	-
	<b>157,316</b>	<b>146,735</b>

In 2022, of the £157,316 of total expenditure, £10,382 (2021: £nil) related to unrestricted funding, and £146,934 (2021: £146,735) related to restricted funding.

**4 STAFF COSTS**

	<b>2022 £</b>	<b>2021 £</b>
Staff costs were as follows:		
Wages and salaries	125,299	115,211
Employer NIC	1,920	1,076
Pension costs	1,829	1,642
	<b>129,048</b>	<b>117,929</b>

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

	<b>2022 No.</b>	<b>2021 No.</b>
Employees	<b>10</b>	<b>10</b>

The Charity considers there to have been no Key Management Personnel in the period other than the Trustees, therefore there was no remuneration paid to Key Management Personnel in the year (2021: Nil). No members of staff employed in the year earned over £60,000. (2021: Nil)

**5 INDEPENDENT EXAMINER'S REMUNERATION**

	<b>2022 £</b>	<b>2021 £</b>
Independent examination fees	1,860	-
Fees payable to the Charity's Independent Examiner in respect of other services	1,620	-
	<b>3,480</b>	<b>-</b>

**BIRCH HILL PRE-SCHOOL**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2022**

<b>6</b>	<b>DEBTORS</b>	<b>2022</b>	<b>2021</b>
		£	£
	Trade debtors	224	-
	Prepayments	287	682
	Accrued income	-	368
		<u>511</u>	<u>1,050</u>
		<u><u>511</u></u>	<u><u>1,050</u></u>
<b>7</b>	<b>CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR</b>	<b>2022</b>	<b>2021</b>
		£	£
	Accruals	6,552	-
	Deferred income	25,154	12,794
	Other creditors	-	320
		<u>31,706</u>	<u>13,114</u>
		<u><u>31,706</u></u>	<u><u>13,114</u></u>
<b>8</b>	<b>DEFERRED INCOME</b>	<b>2022</b>	<b>2021</b>
		£	£
	Deferred income brought forward	12,794	22,118
	Resources deferred during the year	25,154	12,794
	Amounts released from previous years	(12,794)	(22,118)
		<u>25,154</u>	<u>12,794</u>
		<u><u>25,154</u></u>	<u><u>12,794</u></u>

Deferred income represents government grant funding received in the year in advance of the next school term.

**BIRCH HILL PRE-SCHOOL**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2022**

<b>9</b>	<b>STATEMENT OF FUNDS</b>					
	<b><u>2022</u></b>	<b>Brought forward</b>	<b>Income</b>	<b>Expenditure</b>	<b>Transfers</b>	<b>Carried forward</b>
		£	£	£	£	£
	<b>UNRESTRICTED FUNDS</b>					
	General funds	<u>142,993</u>	<u>29,700</u>	<u>(10,382)</u>	<u>-</u>	<u>162,311</u>
	<b>RESTRICTED FUNDS</b>					
	Bracknell Forest Council	<u>26,116</u>	<u>120,818</u>	<u>(146,934)</u>	<u>-</u>	<u>-</u>
		<u>26,116</u>	<u>120,818</u>	<u>(146,934)</u>	<u>-</u>	<u>-</u>
	<b>Total</b>	<u>169,109</u>	<u>150,518</u>	<u>(157,316)</u>	<u>-</u>	<u>162,311</u>
	<b><u>2021</u></b>	<b>Brought forward</b>	<b>Income</b>	<b>Expenditure</b>	<b>Transfers</b>	<b>Carried forward</b>
		£	£	£	£	£
	<b>UNRESTRICTED FUNDS</b>					
	General funds	<u>122,714</u>	<u>20,279</u>	<u>-</u>	<u>-</u>	<u>142,993</u>
	<b>RESTRICTED FUNDS</b>					
	Bracknell Forest Council	<u>38,871</u>	<u>133,980</u>	<u>(146,735)</u>	<u>-</u>	<u>26,116</u>
		<u>38,871</u>	<u>133,980</u>	<u>(146,735)</u>	<u>-</u>	<u>26,116</u>
	<b>Total</b>	<u>161,585</u>	<u>154,259</u>	<u>(146,735)</u>	<u>-</u>	<u>169,109</u>

**RESTRICTED FUNDS DETAIL**

Bracknell Forest Council fund represents government funding used for the children's fees and day to day running costs of the Pre-School.

**UNRESTRICTED FUNDS DETAIL**

The unrestricted funds are available to be spent for any of the purposes of the charity.

**BIRCH HILL PRE-SCHOOL**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2022**

**10 ANALYSIS OF NET ASSETS BETWEEN FUNDS**

	<b>Unrestricted Funds 2022 £</b>	<b>Restricted Funds 2022 £</b>	<b>Total Funds 2022 £</b>
Current assets	168,863	25,154	194,017
Creditors due within one year	(6,552)	(25,154)	(31,706)
	162,311	-	162,311
	<b>Unrestricted Funds 2021 £</b>	<b>Restricted Funds 2021 £</b>	<b>Total Funds 2021 £</b>
Current assets	143,313	38,910	182,223
Creditors due within one year	(320)	(12,794)	(13,114)
	142,993	26,116	169,109

**11 PENSION COMMITMENTS**

The charity operates a defined contribution pension scheme. The assets of the schemes are held separately from those of the charity in independently administered funds. The total pension cost charge represents contributions payable by the charity to the funds and amounted to £1,829 (2021: £1,642). No amounts are outstanding at year end (2021: £320).

**12 RELATED PARTIES**

In their roles as Trustees, the Trustees give their time and expertise freely without any form of remuneration or other benefit in cash or kind and did not claim any expenses.

There were no other related party transactions (2021: none).