

Registered in England
Charity No. 1020275

BIRCH HILL PRE-SCHOOL

TRUSTEES' ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2023

BIRCH HILL PRE-SCHOOL

ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2023

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BIRCH HILL PRE-SCHOOL
TRUSTEES' REPORT
FOR THE YEAR ENDED 31 AUGUST 2023

The trustees present their report and financial statements for the year ended 31 August 2023.

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) Stacey Day (appointed 16 September 2022) Nick Mullett (appointed 16 September 2022) Rebecca Bradley (appointed 22 April 2024) Sasha Baughen (appointed 27 February 2024) Ian Keats (resigned 17 November 2023) Hana Karlasen (resigned 17 November 2023)
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 2023**

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.

The Deputy manager was promoted and appointed Manager in December 2022, after the previous manager left in August 2022.

We have 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 replacing outside toys.

We have created a pond in our nature corner, the children have enjoyed this very much and have learnt about the life cycles of insects and plants, we will continue to grow this area over the next few years.

Maintenance for the year was a repaint inside, replacement of lighting in the office, an inspection of the roof and an inspection of the air conditioning.

We have continued to do face-to-face meetings with parents and have invited them in for stay and play sessions. We have continued to do handovers at the gate, as the children settle quicker and have longer to play outside.

**BIRCH HILL PRE-SCHOOL
TRUSTEES' REPORT
FOR THE YEAR ENDED 31 AUGUST 2023**

Going concern

Despite the challenges of a large increase in payroll, due to the minimum wage increase in April 2023 and another increase due in April 2024, Birch Hill Preschool will remain a going concern.

The preschool is at full capacity for the next financial year. The government will be rolling out a new funding entitlement for working parents alongside an increase in funding in April 2024.

The Trustee's consider that the charity is financially stable as there is £155,655 in the reserve bank account as of 10 June 2024.

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 £184,793 (2022: £150,518), expenditure was £182,926 (2022: £157,316). Closing funds totalled £164,178 (2022: £162,311) of which £nil (2022: £nil) 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 26 Jun 2024



.....
Lara Mullett

(Chair)

**BIRCH HILL PRE-SCHOOL
INDEPENDENT EXAMINERS REPORT TO THE TRUSTEES OF BIRCH HILL PRE-SCHOOL
FOR THE YEAR ENDED 31 AUGUST 2023**

I report to the charity trustees on my examination of the accounts of the charity for the year ended 31 August 2023 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: 28 June 2024

BIRCH HILL PRE-SCHOOL
STATEMENT OF FINANCIAL ACTIVITIES
AT 31 AUGUST 2023

	Notes	Unrestricted Funds 2023 £	Restricted Funds 2023 £	Total Funds 2023 £	Total Funds 2022 £
INCOME					
Income from charitable activities	2	29,861	153,913	183,774	150,255
Other income	3	-	1,019	1,019	263
TOTAL INCOME		<u>29,861</u>	<u>154,932</u>	<u>184,793</u>	<u>150,518</u>
EXPENDITURE					
Expenditure on charitable activities:	4	(27,994)	(154,932)	(182,926)	(157,316)
TOTAL EXPENDITURE		<u>(27,994)</u>	<u>(154,932)</u>	<u>(182,926)</u>	<u>(157,316)</u>
NET INCOME/(EXPENDITURE) BEING NET MOVEMENT IN FUNDS FOR THE YEAR		1,867	-	1,867	(6,798)
Transfers		-	-	-	-
Total funds at 1 September	10	162,311	-	162,311	169,109
TOTAL FUNDS 31 AUGUST	10	<u>164,178</u>	<u>-</u>	<u>164,178</u>	<u>162,311</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 2023**

CURRENT ASSETS	Notes	2023 £	2022 £
Debtors: Amounts due within one year	7	742	511
Cash at bank and in hand		<u>181,874</u>	<u>193,506</u>
		182,616	194,017
Creditors: Amounts due within one year	8	<u>(18,438)</u>	<u>(31,706)</u>
NET CURRENT ASSETS		<u>164,178</u>	<u>162,311</u>
TOTAL ASSETS LESS TOTAL LIABILITIES		<u><u>164,178</u></u>	<u><u>162,311</u></u>
Unrestricted funds	10	164,178	162,311
Restricted funds	10	-	-
TOTAL FUNDS		<u><u>164,178</u></u>	<u><u>162,311</u></u>

26 Jun 2024

The financial statements were approved by the Trustees on

and are signed on their behalf by:



.....
Lara Mullett (26, 2024, 7:43pm)
(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 2023

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 2023

1 ACCOUNTING POLICIES (continued)

Going Concern

Despite the challenges of a large increase in payroll, due to the minimum wage increase in April 2023 and another increase due in April 2024, Birch Hill Preschool will remain a going concern.

The preschool is at full capacity for the next financial year. The government will be rolling out a new funding entitlement for working parents alongside an increase in funding in April 2024.

The Trustees consider that the charity is financially stable as there is £155,655 in the reserve bank account as of 10 June 2024.

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 2023

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 2023**

2 CHARITABLE ACTIVITIES

	Unrestricted 2023 £	Restricted 2023 £	Total 2023 £
Fees from parents	29,861	-	29,861
Government funding	-	153,913	153,913
	<u>29,861</u>	<u>153,913</u>	<u>183,774</u>

	Unrestricted 2022 £	Restricted 2022 £	Total 2022 £
Fees from parents	29,437	-	29,437
Government funding	-	120,818	120,818
	<u>29,437</u>	<u>120,818</u>	<u>150,255</u>

3 OTHER INCOME

	Unrestricted 2023 £	Restricted 2023 £	Total 2023 £
Fundraising	-	-	-
Government grants - Childcare Grant Payment Service	-	1,019	1,019
	<u>-</u>	<u>1,019</u>	<u>1,019</u>

	Unrestricted 2022 £	Restricted 2022 £	Total 2022 £
Fundraising	263	-	263
Government grants - Childcare Grant Payment Service	-	-	-
	<u>263</u>	<u>-</u>	<u>263</u>

BIRCH HILL PRE-SCHOOL

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2023**

4 EXPENDITURE ON CHARITABLE ACTIVITIES

	Total 2023 £	Total 2022 £
Milk and snacks	1,503	1,025
Educational resources and equipment	8,087	4,761
Premises costs	18,783	9,680
Staff costs	141,509	129,048
Courses and training	950	2,159
Office running costs and equipment	1,275	814
Insurance and subscriptions	3,534	3,194
Other expenses	585	86
Legal and professional fees	3,040	2,611
Accountancy fees	3,660	3,480
Bad debts	-	458
	182,926	157,316

In 2023, of the £182,926 of total expenditure, £27,994 (2022: £10,382) related to unrestricted funding, and £154,932 (2022: £146,934) related to restricted funding.

5 STAFF COSTS

	2023 £	2022 £
Staff costs were as follows:		
Wages and salaries	138,811	125,299
Employer NIC	752	1,920
Pension costs	1,946	1,829
	141,509	129,048

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

	2023 No.	2022 No.
Employees	11	10

The Charity considers that the Key Management Personnel comprise of the Manager and the Deputy Manager of the Pre-School. Employee benefits of Key Management Personnel were £43,170. There were no Key Management Personnel in 2022. No members of staff employed in the year earned over £60,000 (2022: Nil).

6 INDEPENDENT EXAMINER'S REMUNERATION

	2023 £	2022 £
Independent examination fees	1,960	1,860
Fees payable to the Charity's Independent Examiner in respect of other services	1,700	1,620
	3,660	3,480

BIRCH HILL PRE-SCHOOL

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2023**

7	DEBTORS	2023	2022
		£	£
	Trade debtors	-	224
	Other debtors	742	-
	Prepayments	-	287
		<u>742</u>	<u>511</u>
		<u><u>742</u></u>	<u><u>511</u></u>
8	CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR	2023	2022
		£	£
	Accruals	5,172	6,552
	Deferred income	13,266	25,154
		<u>18,438</u>	<u>31,706</u>
		<u><u>18,438</u></u>	<u><u>31,706</u></u>
9	DEFERRED INCOME	2023	2022
		£	£
	Deferred income brought forward	25,154	22,118
	Resources deferred during the year	13,266	25,154
	Amounts released from previous years	(25,154)	(22,118)
		<u>13,266</u>	<u>25,154</u>
		<u><u>13,266</u></u>	<u><u>25,154</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 2023**

10 STATEMENT OF FUNDS					
<u>2023</u>	Brought forward	Income	Expenditure	Transfers	Carried forward
	£	£	£	£	£
UNRESTRICTED FUNDS					
General funds	162,311	29,861	(27,994)	-	164,178
RESTRICTED FUNDS					
Bracknell Forest Council	-	153,913	(153,913)	-	-
Childcare Grant Payment Service	-	1,019	(1,019)	-	-
	<u>-</u>	<u>154,932</u>	<u>(154,932)</u>	<u>-</u>	<u>-</u>
Total	<u>162,311</u>	<u>184,793</u>	<u>(182,926)</u>	<u>-</u>	<u>164,178</u>
<u>2022</u>					
	Brought forward	Income	Expenditure	Transfers	Carried forward
	£	£	£	£	£
UNRESTRICTED FUNDS					
General funds	142,993	29,700	(10,382)	-	162,311
RESTRICTED FUNDS					
Bracknell Forest Council	26,116	120,818	(146,934)	-	-
	<u>26,116</u>	<u>120,818</u>	<u>(146,934)</u>	<u>-</u>	<u>-</u>
Total	<u>169,109</u>	<u>150,518</u>	<u>(157,316)</u>	<u>-</u>	<u>162,311</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.

Childcare Grant Payment Service represents funding offered to parents who are training to become a teacher or for the NHS to support parents getting back to work.

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 2023**

11 ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Unrestricted Funds 2023 £	Restricted Funds 2023 £	Total Funds 2023 £
Current assets	169,350	13,266	182,616
Creditors due within one year	(5,172)	(13,266)	(18,438)
	<u>164,178</u>	<u>-</u>	<u>164,178</u>
	Unrestricted Funds 2022 £	Restricted Funds 2022 £	Total Funds 20212 £
Current assets	168,863	25,154	194,017
Creditors due within one year	(6,552)	(25,154)	(31,706)
	<u>162,311</u>	<u>-</u>	<u>162,311</u>

12 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 £1,946 (2022: £1,829). There were no pension commitments outstanding at year end (2022: £nil).

13 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 (2022: none).