

POTLEY HILL COMMUNITY PRESCHOOL

Accounts for the year ended 31 July 2021

Potley Hill Community Preschool

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Statutory information

The following information forms part of the Annual Report of the Management Committee, who are the managing trustees.

- The Charity's principal office is:

Frogmore Community Campus
Potley Hill Road
Yateley
Hampshire GU46 6AG
Telephone: 01252 869944

- The Charity was established in 1979 under the auspices of the Preschool Learning Alliance. It is registered in England & Wales, number 1023187.
- The Management Committee are appointed annually at the annual general meeting by majority vote. The following served as Committee members during the financial year:

Ella Wilson (Chair – from 21st October 2019)
Katie Sage (Treasurer)
Sonata Zilaityte (Secretary – from 21st October 2019)
Andrea Bullock (ex officio, Manager)

Annabelle Neilson and Helen Roderick (from 19th October 20)

Sarah Van Buuren (until 26th April 21), Victoria Herridge (until 11th January 2021),
Joanna Abbott (until 1st March 2021), Christopher Herridge (until 11th January 2021)

The Charity's independent examiner is:

Mrs Claire Connell
86 Silverdale Road
Earley
Reading RG6 7LT

- The Preschool's bankers are The Co-operative Bank, Charity Bank, and Nationwide Building Society

Potley Hill Community Preschool

Annual Report of the Management Committee for the year ended 31 July 2021

The Committee have pleasure in submitting their report for the year. The Committee members who have served during the year are listed on the previous page, with the other statutory information that forms part of their annual report. This report is to be presented at the forthcoming annual general meeting to be held at the Frogmore Community Campus, Yateley on 18 October 2021.

Objectives and activities

Potley Hill Community Preschool was established in 1979 and provides preschool learning and play facilities for children between the ages of 2 and 5 years in the Yateley area, occupying purpose-designed premises on the Frogmore Community Campus that are leased from Hampshire County Council. The preschool was open during the year for five full days per week between 8am and 6pm, with wrap around care available, thus offering flexibility for parents in the time that their children may attend. Government funding is available for 3- and 4-year olds prior to attending school, and for eligible 2-year olds. The most recent OFSTED inspection was in December 2019, and the preschool was rated as good.

The preschool provides a valued service for parents in Yateley and the surrounding area and remains committed to continual improvement. It is a condition of the lease for the premises that the Preschool should continue to receive a minimum "Good" rating from such inspections. The trustees are mindful of the Charity Commission's guidance on public benefit.

Achievements and performance

The number of children on the roll increased over the previous year and capacity was further increased as a result of the opening of the Forest School in June 2020, although in practice the full effect of this was not realised until September 2020. Overall occupancy was 91.3% compared with 92.7% the previous year. The preschool is now taking a significant number of children below the age of three years, the age at which universal Early Years Education funding commences, so parents pay for all those sessions. Parents also pay for additional hours above the 15 or 30 funded hours per week.

The preschool continues to implement the 'Curiosity Approach' towards learning and the childcare environment and has achieved accreditation for delivering childcare based on this approach. It has also introduced a Forest School which is run separately from the main preschool, although using the same staff.

This year the preschool was only slightly impacted by Coronavirus as it remained open for all children during the two lockdowns.

The preschool has benefitted from stability in staffing over the past year. Staff training is ongoing, with a view to ensuring all staff are qualified to at least level 3.

Potley Hill Community Preschool

Annual Report of the Management Committee for the year ended 31 July 2021 (continued)

Financial review

The attached Statement of Financial Activities summarises the Charity's income and expenditure for the year, supplemented by more detailed analyses in the Notes to the Accounts. The Balance Sheet shows the Charity's assets, liabilities and reserves.

These accounts show a surplus of £32,590 on unrestricted funds, compared with a deficit of £4,953 in the previous year. Fee refunds due to the closure of the preschool as a result of Coronavirus totalled £4,199 (2019-20: £22,825). No furlough was claimed during the year. The balance sheet shows net assets and reserves of £149,960 (2020: £117,370), compared with annual income of some £351,783 (2020: £244,000).

The trustees' policy is to maintain sufficient reserves to provide working capital to enable the Charity to continue its activities should there be either a delay in receiving Early Years funding from Hampshire County Council, or a downturn in the number of children attending and/or the number of sessions taken. The reserves policy was reviewed by the Committee and the designated reserve was increased (see below). Reserves at 31 July 2021 were as follows:

- A designated reserve of £140,000, equivalent approximately to one term's expenses plus £35,000 for closure costs, as a strategic contingencies reserve. This was approved by the Committee (as trustees) in October 2020. The amount in this reserve is reviewed annually.
- Unallocated general funds of £9,960.

Structure, governance and management

The Charity is an unincorporated organisation. Its constitution follows the model provided by the Preschool Learning Alliance; the original was dated 21 May 1993 and has been subsequently updated, most recently in 2011. The Committee are the managing trustees and meet half termly to manage and oversee the preschool's business affairs. The trustees are appointed annually at the Charity's annual general meeting by majority vote. The members of the Charity are the parents of children attending the preschool, whilst their children are attending.

Whilst the trustees have overall responsibility for the Charity's affairs, day-to-day management of childcare services and the associated administrative duties have been delegated to the Manager and her staff. The Charity's financial administration is carried out by a paid employee with financial expertise, reporting to the Treasurer, who is a trustee. A budget is agreed by the trustees before the start of each financial year, and results are monitored by trustees on a termly basis.

**Potley Hill Community Preschool
Annual Report of the Management Committee for the year ended
31 July 2021 (continued)**

Structure, governance and management (continued)

The Charity's statutory particulars, including the names of trustees, are on page 1.

The Committee have considered the risks to which the Charity is exposed, and the systems that have been established to minimise those risks. The Charity has established policies and a programme of training for its staff to maintain a high standard of service. A programme of training tailored for trustees is also available for Committee members, using material and courses available from Hampshire County Council's Services for Young Children and the Early Years Learning Alliance.

Comprehensive risk/benefit assessments are ongoing and the Committee have taken appropriate steps to ensure risks are managed. The Committee has concluded that the standard Early Years Learning Alliance insurance policies provide appropriate cover by in respect of:

- Fire and other damage
- Employer and public liabilities

Signed on behalf of the Management Committee

Ella Wilson
Chair
Dated 18/10/21



Sonata Zilaityte
Secretary



Potley Hill Community Pre-School Independent Examiner's Report to the Committee

I report to the Committee (who are the Charity's trustees) on my examination of the accounts of the Charity for the year ended 31 July 2021 which are set out on pages 6 to 10.

Responsibilities and basis of report

As the trustees of the Charity you are responsible for 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 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 charity's gross income exceeded £250,000 your examiner must be a member of a body listed in section 145 of the Act. I confirm that I am qualified to undertake the examination because I am a member of The Institute of Chartered Accountants in England and Wales, 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 by the Charity as required by section 130 of the Act;
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 the 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.



Claire Connell MA, ACA, CTA
Chartered Accountant

86 Silverdale Road
Earley
Reading
RG6 7LT

10th November 2021

Potley Hill Community Preschool
Statement of Financial Activities for the year ended 31 July 2021

	<u>Restricted</u> £	<u>Unrestricted</u> £	<u>2021</u> <u>Total</u> £	<u>2020</u> <u>Total</u> £
Income and endowments from:				
Donations and legacies				
Donations	-	-	-	1,000
Other Covid related grants	-	526	526	-
Coronavirus Job Retention Grant	-	-	-	7,040
	-	526	526	8,040
Charitable activities				
Grants from local education authority	-	229,606	229,606	168,292
Parental fees and other contributions	-	116,270	116,270	86,826
Refunds given due to coronavirus	-	(4,199)	(4,199)	(22,825)
	-	341,677	341,677	232,293
Other trading activities				
Christmas events	-	1,477	1,477	390
Sponsored event	-	1,607	1,607	-
Hand prints	-	188	188	146
Commissions from photographs & other income	-	2,875	2,875	903
Uniform sales	-	3,251	3,251	2,041
	-	9,398	9,398	3,090
Investments; bank interest	-	182	182	465
Total	-	351,783	351,783	244,278
Expenditure on:				
Raising funds				
Advertising (including website costs)	-	973	973	4,018
Charitable activities				
Staff salaries and related costs (Note 3)	-	277,546	277,546	200,657
Uniforms	-	1,669	1,669	1,474
Rent, service charges and cleaning for premises	-	21,000	21,000	21,233
Gardens and general maintenance	-	1,030	1,030	257
Garden and premises improvements	-	-	-	6,095
Equipment and consumables	-	7,456	7,456	4,772
Milk and provisions	-	832	832	1,082
Hot lunches	-	1,923	1,923	4,592
Office supplies, telephone and sundry costs	-	584	584	627
Accountancy and payroll software	-	732	732	706
Printing and photocopying	-	797	797	644
Membership, accreditation and insurance	-	2,455	2,455	1,035
Uncollected fees expense	-	(2)	(2)	19
Independent examination fees (Note 5)	-	550	550	550
Depreciation	-	1,648	1,648	1,470
	-	318,220	318,220	245,213
Total	-	319,193	319,193	249,231
NET INCOME FOR THE YEAR	-	32,590	32,590	(4,953)
Total funds brought forward	470	116,900	117,370	122,323
Transfers between funds	-470	470	-	-
TOTAL FUNDS CARRIED FORWARD	-	149,960	149,960	117,370


The only transaction within restricted funds in the year ended 31 July 2020 was a transfer of £470 to unrestricted funds. The net decrease in funds of £4,953 in that year therefore comprised a reduction of £470 on restricted funds and a decrease of £4,483 in unrestricted funds. The Notes referred to above form part of these accounts.

Potley Hill Community Preschool Balance Sheet as at 31 July 2021


	<u>Note</u>	<u>2021</u> £	<u>2020</u> £
Fixed assets			
Tangible assets	6	1,821	1,693
Current assets			
Stocks of uniform & consumables		560	624
Debtors	7	2,904	4,308
Cash at bank and in hand			
Current account		79,460	69,329
Deposit accounts		115,991	75,809
Petty cash		<u>294</u>	<u>246</u>
Total current assets		199,209	150,316
Creditors: amounts falling due within one year			
Creditors and accruals	8	<u>-51,070</u>	<u>-34,639</u>
Net current assets		148,139	115,677
NET ASSETS		149,960	117,370
The funds of the Charity			
Restricted income funds	9	-	470
Unrestricted funds	9	149,960	116,900
TOTAL CHARITY FUNDS		149,960	117,370

Approved at a meeting of the Management Committee held on 12 October 2021

Ella Wilson
Chair


18/10/21

Katie Sage
Treasurer


18.10.21

Potley Hill Community Preschool

Notes to the Accounts for the year ended 31 July 2021

1. The Charity's structure, organisation and business

Potley Hill Community Preschool is an unincorporated association governed by its constitution dated 21 May 1993 (as updated, see Page 1). It is a charity registered in England and Wales, and the address of the registered office is given in the charity information on page 1 of these accounts. The Charity's members are the parents of children currently attending the preschool.

The preschool provides preschool educational services funded by the Government's Early Years Education scheme and parental fees.

2. Accounting policies

a) General matters

The charity constitutes a public benefit entity as defined by FRS 102. 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 issued in October 2019, the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102), the Charities Act 2011 and UK Generally Accepted Accounting Practice.

b) Going concern

The Charity's activities are funded substantially by the income from Hampshire County Council under the Early Years Education scheme and parents' fees. The budget for the year commencing 1 August 2021 and support (if necessary) from reserves indicates that funds will be sufficient to meet expected costs; and projections for the subsequent year indicate ongoing business sustainability.

c) Fixed assets, depreciation and use of restricted reserves

Fixed asset purchases are capitalised provided that the cost exceeds £1,000. Depreciation is charged on assets at rates calculated to write down those assets over their estimated useful lives, which are taken as five years for furniture, fittings and IT equipment; and ten years for outdoor equipment. Grants received to fund the purchase of fixed assets are credited to restricted reserves and released to unrestricted funds over the estimated useful lives of the assets concerned.

d) Taxation

The Charity's income is exempt from income and corporation taxes; and its activities are exempt from Value Added Tax (VAT), so all expenditure is therefore inclusive of applicable VAT.

3. Staff costs

	<u>2021</u>	<u>2020</u>
	£	£
Salaries	260,025	188,204
Social Security, less small employer rebate	8,112	4,570
Employer pension contributions (NEST scheme)	6,642	5,055
Training, uniforms and other	2,767	2,828
	<u>277,546</u>	<u>200,657</u>

Potley Hill Community Preschool
Notes to the Accounts for the year ended 31 July 2021 (continued)

3. Staff costs (continued)

	<u>Number</u>	<u>Number</u>
Average number of staff employed	16	16
Full-time staff equivalents	13	11

No employee earned more than £60,000 per annum (2020: none); and, in the opinion of the trustees, no employee was able to exert significant influence over the running of the Charity.

4. Trustees

None of the trustees received any emoluments or reimbursement of expenses in respect of those services. The salary of the Manager, who is a trustee *ex officio*, is included in staff costs in Note 3.

5. Governance costs

The only governance cost that is separately identifiable is the fees paid to the independent examiner of £550 for those services (2020: £550). No other fees were paid to the examiner in either year. The premium paid for general insurances includes trustee indemnity cover, but the amount is not separately stated in the premium.

6. Fixed assets; tangible assets

	<u>£</u>
<u>Cost</u>	
At 1 August 2020	24,180
Disposals in the year	-
Additions in the year	1,776
At 31 July 2021	<u>25,956</u>
<u>Depreciation</u>	
At 1 August 2020	22,487
Written off re disposals	-
Charge for the year	1,648
At 31 July 2021	<u>24,135</u>
<u>Net book value</u>	
31 July 2021	1,821
31 July 2020	<u>1,693</u>

7. Debtors

	<u>2021</u>	<u>2020</u>
	<u>£</u>	<u>£</u>
Fees receivable less provisions	124	2,380
Other debtors	877	-
Prepaid expenses	1,903	1,928
	<u>2,904</u>	<u>4,308</u>

Potley Hill Community Preschool
Notes to the Accounts for the year ended 31 July 2021 (continued)

8. Creditors	<u>2021</u>	<u>2020</u>
	<u>£</u>	<u>£</u>
Supplies and services for Preschool activities	1,153	2,206
Accrued holiday pay & bonus	34,522	21,998
PAYE & National Insurance	4,455	1,445
Pension contributions	1,660	1,159
Parents' fees received in advance	5,935	6,708
Other creditors and accruals	3,345	1,123
	51,070	34,639

9. Reserves	<u>July</u>	<u>Surplus</u>	<u>Fund</u>	<u>July</u>
	<u>2020</u>	<u>for year</u>	<u>Transfer</u>	<u>2021</u>
	<u>£</u>	<u>£</u>	<u>£</u>	<u>£</u>
<u>Restricted reserves</u>				
Grants for purchase of fixed assets	470	-	-470	-
<u>Unrestricted funds</u>				
General fund	16,900	32,590	-39,530	9,960
Designated fund; strategic contingencies reserve	100,000	-	40,000	140,000
	116,039	32,590	470	149,960
All reserves	117,370	32,590	-	149,960

10. Analysis of net assets by fund	<u>General</u>	<u>Designated</u>	<u>Restricted</u>	<u>Total</u>
	<u>fund</u>	<u>fund</u>	<u>fund</u>	
	<u>£</u>	<u>£</u>	<u>£</u>	<u>£</u>
Tangible fixed assets	1,821	-	-	1,821
Stocks	560	-	-	560
Debtors	2,904	-	-	2,904
Bank & cash balances	55,745	140,000	-	195,745
Creditors	-51,070	-	-	-51,070
	9,960	140,000	-	149,960

11. Contingent liabilities

There were no contingent liabilities at 31 July 2021 (2020; none).

12. Transactions with related parties

All of the fee income is from parents who, by nature of the constitution, are members of the Charity. The total of fees paid by Committee members (who are trustees) during the year was £17,376 (2020 £3,462), all at the standard fee rates.

