

POTLEY HILL COMMUNITY PRESCHOOL

Accounts for the year ended 31 July 2022

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 Carroll (nee Wilson)	Chair	
Katie Sage	Treasurer	
Sonata Zilaityte	Secretary	
Andrea Bullock	ex officio, Manager	
Annabelle Neilson		Until 18 th October 2021
Helen Roderick		Until 10 th January 2022
Lauren Misa		From 18 th October 2021
Tara-Jane Nicholas		From 18 th October 2021
Gemma Kerr		From 18 th October 2021
Sinead Daly		From 18 th October 2021, to 22 nd July 2022
Gemma Johnson		From 18 th October 2021
James Bowen		From 18 th October 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 2022

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 19th October 2022.

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 8 am and 6 pm, 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. Overall occupancy was 96.72% compared with 91.3% 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.

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 2022 (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 £32,790 on unrestricted funds, compared with a surplus of £32,590 in the previous year. There were no fee refunds due to the closure of the preschool as a result of Coronavirus (2020-21: £4,199), but refunds were paid for one day due to bad weather. The balance sheet shows net assets and reserves of £182,900 (2021: £149,960), compared with annual income of some £382,334 (2021: £351,783).

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 in 2020 (see below). Reserves at 31 July 2022 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 £42,750.
- A restricted fund of £150 which represents income from Connect4Communities which was government funding for vulnerable families. This has to be spent on food and energy for eligible recipients.

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 2022 (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 Preschool 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 Preschool 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 Carroll (nee Wilson)

Chair 

Dated 19/10/22

Sonata Zilaityte

Secretary 

19/10/2022

Potley Hill Community Preschool 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 2022 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

28th October 2022

Potley Hill Community Preschool
Statement of Financial Activities for the year ended 31 July 2022


	<u>Restricted</u> £	<u>Unrestricted</u> £	<u>2022</u> <u>Total</u> £	<u>2021</u> <u>Total</u> £
Income and endowments from:				
Donations and legacies				
Donations	-	-	-	-
Other Covid related grants	-	847	847	526
Connect4Communities grant	<u>1,125</u>	<u>-</u>	<u>1,125</u>	<u>-</u>
	1,125	847	1,972	526
Charitable activities				
Grants from local education authority	-	210,135	210,135	229,606
Parental fees and other contributions	-	163,266	163,266	116,270
Refunds given due to coronavirus	-	-	-	(4,199)
	-	<u>373,401</u>	<u>373,401</u>	<u>341,677</u>
Other trading activities				
Christmas events	-	745	745	1,477
Sponsored event	-	647	647	1,607
Hand prints	-	299	299	188
Commissions from photographs & other income	-	2,465	2,465	2,875
Uniform sales	-	<u>2,517</u>	<u>2,517</u>	<u>3,251</u>
	-	6,673	6,673	9,398
Investments; bank interest	-	288	288	182
Total	1,125	381,209	382,334	351,783
Expenditure on:				
Raising funds				
Advertising (including website costs)	-	1,853	1,853	973
Charitable activities				
Staff salaries and related costs (Note 3)	-	294,127	294,127	277,546
Uniforms	-	965	965	1,669
Rent, service charges and cleaning for premises	-	23,210	23,210	21,000
Gardens and general maintenance	-	263	263	1,030
Garden and premises improvements	-	265	265	-
Equipment and consumables	-	11,125	11,125	7,456
Milk and provisions	-	1,508	1,508	832
Hot lunches	-	8,049	8,049	1,923
Office supplies, telephone and sundry costs	-	687	687	584
Accountancy and payroll software	-	728	728	732
Printing and photocopying	-	608	608	797
Membership, accreditation and insurance	-	2,360	2,360	2,455
Uncollected fees expense	-	473	473	(2)
Independent examination fees (Note 5)	-	550	550	550
Connect4Communities expenditure	975	-	975	-
Depreciation	<u>-</u>	<u>1,648</u>	<u>1,648</u>	<u>1,648</u>
	975	346,566	347,541	318,220
Total	975	348,419	349,394	319,193
NET INCOME FOR THE YEAR	150	32,790	32,940	32,590
Total funds brought forward	-	149,960	149,960	117,370
Transfers between funds	-	-	-	-
TOTAL FUNDS CARRIED FORWARD	150	182,750	182,900	149,960

**Potley Hill Community Preschool
Balance Sheet as at 31 July 2022**

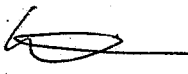
	<u>Note</u>	<u>2022</u> £	<u>2021</u> £
Fixed assets			
Tangible assets	6	173	1,821
Current assets			
Stocks of uniform & consumables		1,228	560
Debtors	7	8,390	2,904
Cash at bank and in hand			
Current account		115,699	79,460
Deposit accounts		116,195	115,991
Petty cash		<u>298</u>	<u>294</u>
Total current assets		241,810	199,209
Creditors: amounts falling due within one year			
Creditors and accruals	8	<u>-59,083</u>	<u>-51,070</u>
Net current assets		182,727	148,139
NET ASSETS		182,900	149,960
The funds of the Charity			
Restricted income funds	9	150	-
Unrestricted funds	9	182,750	149,960
TOTAL CHARITY FUNDS		182,900	149,960

Approved at a meeting of the Management Committee held on 12 October 2022

Ella Wilson
Chair


19/10/22

Katie Sage
Treasurer


19.10.22

Potley Hill Community Preschool

Notes to the Accounts for the year ended 31 July 2022

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 2022 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>2022</u>	<u>2021</u>
	£	£
Salaries	271,542	260,025
Social Security, less small employer rebate	10,966	8,112
Employer pension contributions (NEST scheme)	7,073	6,642
Training, uniforms and other	4,546	2,767
	294,127	277,546

Potley Hill Community Preschool
Notes to the Accounts for the year ended 31 July 2022 (continued)

3. Staff costs (continued)

	<u>2022</u>	<u>2021</u>
	Number	Number
Average number of staff employed	18	16
Full-time staff equivalents	14	13

No employee earned more than £60,000 per annum (2021: 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 (2021: £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 2021	25,956
Disposals in the year	-
Additions in the year	-
At 31 July 2022	25,956
<u>Depreciation</u>	
At 1 August 2021	24,135
Written off re disposals	-
Charge for the year	1,648
At 31 July 2022	25,783
<u>Net book value</u>	
31 July 2022	173
31 July 2021	1,821

7. Debtors

	<u>2022</u>	<u>2021</u>
	£	£
Fees receivable less provisions	4,973	124
Other debtors	75	877
Prepaid expenses	3,342	1,903
	8,390	2,904

Potley Hill Community Preschool
Notes to the Accounts for the year ended 31 July 2022 (continued)

8. Creditors

	<u>2022</u>	<u>2021</u>
	<u>£</u>	<u>£</u>
Supplies and services for preschool activities	3,799	1,153
Accrued holiday pay & bonus	46,161	34,522
PAYE & National Insurance	3,007	4,455
Pension contributions	1,492	1,660
Parents' fees received in advance	3,156	5,935
Other creditors and accruals	1,468	3,345
	59,083	51,070

9. Reserves

	<u>July</u>	<u>Surplus</u>	<u>Fund</u>	<u>July</u>
	<u>2021</u>	<u>for year</u>	<u>Transfer</u>	<u>2022</u>
	<u>£</u>	<u>£</u>	<u>£</u>	<u>£</u>
<u>Restricted reserves</u>				
Connect4Communities grant	-	150	-	150
<u>Unrestricted funds</u>				
General fund	9,960	32,790	-	42,750
Designated fund; strategic contingencies reserve	140,000	-	-	140,000
	149,960	32,790		182,750
All reserves	149,960	32,940	-	182,900

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>	<u>£</u>
Tangible fixed assets	173	-	-	173
Stocks	1,228	-	-	1,228
Debtors	8,390	-	-	8,390
Bank & cash balances	92,042	140,000	150	232,192
Creditors	-59,083	-	-	-59,083
	42,750	140,000	150	182,900

11. Contingent liabilities

There were no contingent liabilities at 31 July 2022 (2021; 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 £17,217 (2021 £17,376), all at the standard fee rates.

