

POTLEY HILL COMMUNITY PRESCHOOL

Accounts for the year ended 31 July 2023

Potley Hill Community Preschool Accounts for the year ended 31 July 2023

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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	
Lauren Misa	Treasurer (from 19 th Oct 2022)	
Natasha Munday	Secretary	From 19 th October 2022
Andrea Bullock	ex officio, Manager	Until 21 st July 2023
Hayley Jackson	ex officio, Manager	From 21 st July 2023
Tara-Jane Nicholas		
Gemma Johnson		
Caroline Wallbank	Deputy Treasurer	From 19 th October 2022
Abigail Fickling		From 19 th October 2022
James Bowen		Until 19 th October 2022
Gemma Kerr		Until 12 th October 2022
Katie Sage	Treasurer	Until 19 th October 2022
Sonata Zilaityte	Secretary	Until 19 th October 2022

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 2023

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 16th October 2023.

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 99.38% compared with 96.72% 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 £11,398 on unrestricted funds, compared with a surplus of £32,790 in the previous year. The balance sheet shows net assets and reserves of £194,298 (2022: £182,900), compared with annual income of some £422,773 (2022: £382,334).

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 2023 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 £54,298.

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 2023 (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:

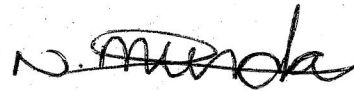
- Fire and other damage
- Employer and public liabilities

Signed on behalf of the Management Committee



Ella Carroll
Chair

Dated 16/10/23



Natasha Munday
Secretary

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

18th October 2023

Potley Hill Community Preschool
Statement of Financial Activities for the year ended 31 July 2023

	<u>Restricted</u> £	<u>Unrestricted</u> £	<u>2023</u> <u>Total</u> £	<u>2022</u> <u>Total</u> £
Income and endowments from:				
Donations and legacies				
Donations	-	-	-	-
Other grants		500	500	
Other Covid related grants	-		-	847
Connect4Communities grant	<u>360</u>	<u>-</u>	<u>360</u>	<u>1,125</u>
	<u>360</u>	<u>500</u>	<u>860</u>	<u>1,972</u>
Charitable activities				
Grants from local education authority	-	232,642	232,642	210,135
Parental fees and other contributions	-	<u>180,199</u>	<u>180,199</u>	<u>163,266</u>
		412,841	412,841	373,401
Other trading activities				
Christmas events	-	887	887	745
Sponsored event	-	545	545	647
Hand prints	-	173	173	299
Commissions from photographs & other income	-	2,534	2,534	2,465
Uniform sales	-	<u>3,166</u>	<u>3,166</u>	<u>2,517</u>
		7,305	7,305	6,673
Investments; bank interest	-	1,767	1,767	288
Total	360	422,413	422,773	382,334
Expenditure on:				
Raising funds				
Advertising (including website costs)	-	1,641	1,641	1,853
Charitable activities				
Staff salaries and related costs (Note 3)	-	343,659	343,659	294,127
Uniforms	-	722	722	965
Rent, service charges and cleaning for premises	-	30,078	30,078	23,210
Gardens and general maintenance	-	294	294	263
Garden and premises improvements	-	7,240	7,240	265
Equipment and consumables	-	8,225	8,225	11,125
Milk and provisions	-	1,062	1,062	1,508
Hot lunches	-	12,399	12,399	8,049
Office supplies, telephone and sundry costs	-	569	569	687
Accountancy and payroll software	-	1,385	1,385	728
Printing and photocopying	-	687	687	608
Membership, accreditation and insurance	-	2,198	2,198	2,360
Uncollected fees expense	-	(17)	(17)	473
Independent examination fees (Note 5)	-	550	550	550
Connect4Communities expenditure	510	-	510	975
Depreciation	<u>-</u>	<u>173</u>	<u>173</u>	<u>1,648</u>
	<u>510</u>	<u>409,224</u>	<u>409,734</u>	<u>347,541</u>
Total	510	410,865	411,375	349,394
NET INCOME FOR THE YEAR	(150)	11,548	11,398	32,940
Total funds brought forward	150	182,750	182,900	149,960
Transfers between funds	-	-	-	-
TOTAL FUNDS CARRIED FORWARD	-	194,298	194,298	182,900

**Potley Hill Community Preschool
Balance Sheet as at 31 July 2023**

	<u>Note</u>	<u>2023</u> £	<u>2022</u> £
Fixed assets			
Tangible assets	6	-	173
Current assets			
Stocks of uniform & consumables		1,229	1,228
Debtors	7	7,189	8,390
Cash at bank and in hand			
Current account		105,287	115,699
Deposit accounts		152,647	116,195
Petty cash		<u>77</u>	<u>298</u>
Total current assets		266,429	241,810
Creditors: amounts falling due within one year			
Creditors and accruals	8	<u>-72,131</u>	<u>-59,083</u>
Net current assets		194,298	182,727
NET ASSETS		194,298	182,900
The funds of the Charity			
Restricted income funds	9	-	150
Unrestricted funds	9	194,298	182,750
TOTAL CHARITY FUNDS		194,298	182,900

Approved at a meeting of the Management Committee held on 10th October 2023



Ella Carroll.
Chair



Lauren Misa
Treasurer

Potley Hill Community Preschool

Notes to the Accounts for the year ended 31 July 2023

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 2023 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>2023</u>	<u>2022</u>
	<u>£</u>	<u>£</u>
Salaries	313,401	271,542
Social Security, less small employer rebate	16,194	10,966
Employer pension contributions (NEST scheme)	8,862	7,073
Training, uniforms and other	5,202	4,546
	343,659	294,127

Potley Hill Community Preschool
Notes to the Accounts for the year ended 31 July 2023 (continued)

3. Staff costs (continued)

	<u>2023</u>	<u>2022</u>
	Number	Number
Average number of staff employed	20	18
Full-time staff equivalents	16	14

No employee earned more than £60,000 per annum (2022: 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 2022	25,783
Written off re disposals	-
Charge for the year	173
At 31 July 2023	25,956
<u>Net book value</u>	
31 July 2023	-
31 July 2022	173

7. Debtors

	<u>2023</u>	<u>2022</u>
	£	£
Fees receivable less provisions	3,269	4,973
Other debtors	673	75
Prepaid expenses	3,247	3,342
	7,189	8,390

Potley Hill Community Preschool
Notes to the Accounts for the year ended 31 July 2023 (continued)

8. Creditors	<u>2023</u>	<u>2022</u>
	<u>£</u>	<u>£</u>
Supplies and services for preschool activities	2,596	3,799
Accrued holiday pay & bonus	56,312	46,161
PAYE & National Insurance	5,599	3,007
Pension contributions	2,296	1,492
Parents' fees received in advance	3,382	3,156
Other creditors and accruals	1,946	1,468
	72,131	59,083

9. Reserves	<u>July</u>	<u>Surplus</u>	<u>Fund</u>	<u>July</u>
	<u>2022</u>	<u>for year</u>	<u>Transfer</u>	<u>2023</u>
	<u>£</u>	<u>£</u>	<u>£</u>	<u>£</u>
<u>Restricted reserves</u>				
Connect4Communities grant	150	(150)	-	-
<u>Unrestricted funds</u>				
General fund	42,750	11,548	-	54,298
Designated fund; strategic contingencies reserve	140,000	-	-	140,000
	182,750	11,548	-	194,298
All reserves	182,900	11,398	-	194,298

The Connect4Communities grant was government funding for vulnerable families. This had to be spent on food and energy for eligible recipients.

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	-	-	-	-
Stocks	1,229	-	-	1,229
Debtors	7,189	-	-	7,189
Bank & cash balances	118,011	140,000	-	258,011
Creditors	-72,131	-	-	-72,131
	54,298	140,000	-	194,298

11. Contingent liabilities

There were no contingent liabilities at 31 July 2023 (2022; 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 £10,272 (2022 £17,217), all at the standard fee rates.