

KESTREL UNDER FIVES PLAYGROUP

CHARITY REGISTRATION NO: 1024231

REPORT AND UNAUDITED ACCOUNTS

FOR THE YEAR ENDED 28 FEBRUARY 2025

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**KESTREL UNDER FIVES PLAYGROUP
REPORT OF THE TRUSTEES**

The trustees are pleased to present their annual report together with the receipts and payments account of the charity for the year ended 28 February 2025.

ADMINISTRATIVE DETAILS

Registered name	Kestrel Under Fives Playgroup	
Name by which known	Kestrel Under 5s Playgroup	
Charity registration number	1024231	
Principal address	St David's Church Newton Close, Lordswood Chatham Kent, ME5 8TR	
Contact address	42 Birch Drive Lordswood Chatham Kent, ME5 8YU	
Trustees	Lisa Humphries Molly Johnson Helen Shepherd Stacey Brooker Kelly Budd Carolyn Burch Samantha Carter Dawn Holloway Ashley Oakes Abigail Simmons Joanne Snell Samantha Swain Nadine Terry Krystina Barrett Chloe Holt	- Chair re-elected 11 June 2024 - Secretary resigned 11 June 2024 - Treasurer re-elected 11 June 2024 - Secretary appointed 14 November 2024 - resigned 11 June 2024 - resigned 28 March 2024 - appointed 11 June 2024 - appointed 26 September 2024 - appointed 11 June 2024
Independent examiner	A Aggarwal, FCA, CTA Aggarwal & Co 5 London Road Rainham, Gillingham Kent, ME8 7RG	
Bankers	HSBC 1/5 Week Street Maidstone Kent, ME14 1QW	

GOVERNANCE

Governing Document

The charity is an unincorporated association governed by its constitution adopted 29 October 2014. It follows the 2011 model constitution prepared by the Pre-school Learning Alliance.

Trustees

The trustees who served at any time during the year are set out above.

KESTREL UNDER FIVES PLAYGROUP REPORT OF THE TRUSTEES

Appointment of Trustees

The trustees, described in the governing document as Committee members, are elected for one year at the annual general meeting. Retiring trustees are eligible for re-election unless they have already served on the Committee in any capacity for ten consecutive years.

At least 60 per cent of the Committee members shall at the time of their election be parents or guardians of children who attend any groups run by the charity.

OBJECTS

The objects of the playgroup include the promotion of the care, safety, education, health and wellbeing of children, and the promotion of parental/carer involvement in their early education. These objectives are two-fold:

- to put the child first always to ensure that no individual faces barriers to developing skills; and
- to empower parents to be involved with the development of their children.

and may be summarised as follows:

- (a) to provide a child-friendly environment that is safe, secure, caring and stimulating;
- (b) to enhance the intellectual development and education of children through play, by providing opportunities to explore literacy and develop verbal skills in their everyday play, to participate and experiment with both large and fine motor skills, to be creative, and to engage with numbers, colours and shapes to stimulate their cognitive skills;
- (c) to promote and encourage children to develop self-confidence and self-esteem and to feel valued as an individual;
- (d) to promote children's social, emotional and physical development through individual, parallel and cooperative play and structured activities, and to prepare them for a smooth transition from playgroup to school by encouraging personal skills development, which will help them become more independent;
- (e) to observe and plan for each child's progress regularly;
- (f) to honour parents'/carers' trust that all staff will nurture their children and give them quality care;
- (g) to work within the guidelines of the Early Years Foundation stage and to follow the guidelines and requirements of the registering bodies;
- (h) to work as partners with parents/carers and offer flexibility that allows each child's individual needs to be met; and
- (i) to make parents/carers feel welcome and provide an atmosphere where both children and adults feel happy and comfortable.

Public Benefit

In accordance with section 17(5) of the Charities Act 2011, the trustees have had due regard to the guidance published by the Charity Commission on the requirement that the objectives and work undertaken by the charity are in line with charitable objects and do provide benefit for the public.

ACTIVITIES AND ACHIEVEMENTS

The legislation introducing fifteen hours of free childcare for working parents of two-year-olds in April 2024 marked the most significant change for playgroup this year; the makeup of our roll changed materially as a direct consequence, and our staff have responded admirably in supporting a greater number of less mature children. In September 2023, 39% of our children were two-year-olds, with just 12% of those receiving funding; at the start of this academic year, those figures rose to 56% and 37% respectively. With more funded children and an enhanced funding rate for two-year-olds, the amount we received from the local authority increased by approximately £22,000, while our income from invoiced fees and lunch clubs fell by £3,300. AGM attendees voted in favour of the Committee's proposal to raise our session fee by £3 and Lunch Club charge by £0.75 from September 2024 to bring these in line with an hourly rate which is the average of two- and three-year funding rates, and this eased some of the potential drop in income from invoiced fees.

KESTREL UNDER FIVES PLAYGROUP REPORT OF THE TRUSTEES

Even with the increase, our charges are still lower than other local providers. The Committee is aware that as our two-year-olds turn three and their funding rate drops, our financial position may change during the coming year and will monitor this.

We have had no staff changes this year and no external staff training courses were undertaken. A twelve-hour refresher Paediatric First Aid course for twelve staff members, which will take place over two Fridays in March, has been booked; the cost of the course and associated staff overtime will be funded by playgroup, and certification lasts for three years. All key worker staff are now being paid for an extra hour per week to cover time outside of playgroup used for report writing etc, and an overtime form is now also available for any staff working in excess of this, subject to management approval. After consultation with playgroup staff, the Committee decided to dispense with the services of Medway Early Years, as it was felt they were not offering value for money, with no provision of high-quality training courses, little helpful advice and slow response to any communication. This made a saving of £1,730. Since St David's installed Wi-Fi in the church in March 2024, we no longer need a dongle or tablet and this has reduced our phone bill to just under £9/month, making another saving of £200. We had just one rent increase of 2% during the year, and purchased some replacement staff uniform items costing £250, of which £100 was contributed by those staff who required extra items.

Our local reputation for exceptionally strong SEND provision continues to grow and this year we have welcomed children whose parents struggled to find appropriate enhanced developmental support for their child in other settings. We currently have three members of staff dedicated to supporting four children on a one-to-one basis for 37.5 hours per week. The Committee are concerned that our capability to support further SEND children may be limited by the funding for this support however, which is currently still £7.70 per hour, and which does not cover the wages of these staff, even at the current National Living Wage rate. The government are currently preparing a White Paper due to be published in late spring setting out details of what one insider called a "complete recalibration", and a Department for Education spokesperson said the SEND system had long been failing to meet the needs of children and families. We will keep this under review.

Our Committee led fund-raising efforts this year raised £1,833, with our Easter 'Smarties challenge' and Christmas craft bags and raffle being particularly well supported. We are, as always, extremely grateful for every penny contributed, particularly in view of the continuing strain on household incomes in a challenging economic climate. In addition to the usual Easter and Christmas presents, parties, replacement of old 'minor' equipment and craft supplies, £600 was spent on six replacement outdoor rubber safety mats, a garden storage shed and ten new chairs.

Sincere thanks are also due to all those families who support our 'Helping Hands' and Voluntary Donations schemes; these funds and donations of small consumables that playgroup needs on an ongoing basis not only allow us to continue to supply healthy snacks for the children in the face of rising costs but also help to offset some of our expenditure on cleaning and hygiene supplies. The income and donations we receive from these schemes play a vital role in allowing us to encourage our children to make healthy choices and ensure a safe and hygienic environment in which they can prosper. The Helping Hands scheme has largely replaced income from Voluntary Donations, which this year raised £440 less than last, while our Petty Cash and Supplies expenditure fell by £690 because of consumables donations. In 2024's end of year trustees report, we advised that we were considering introducing a small consumables charge per session to help cover the cost of items such as sun cream, nappy disposal, paper towels, hand wash etc, but further investigation showed that any such charge must be voluntary for the parents and so this was not implemented, which makes the support of these schemes absolutely invaluable to us. Some parents/carers have continued to donate by making contributions by direct bank transfer, for which we are most grateful; **all** children benefit from the donations made by those families who do so. A major part of playgroup's ethos is that no child should be disadvantaged by their family's financial circumstances and so we deeply appreciate the generosity of all donations received, be they monetary or consumables.

KESTREL UNDER FIVES PLAYGROUP REPORT OF THE TRUSTEES

The National Living Wage increased by 9.8% in April 2024, which was the major contributing factor to an increase of £18,000 to our net wage cost; the rate will rise again on 1st April 2025 by 6.7%. The employee National Insurance (NI) rate will remain at 8% but major changes to employer NI contributions were announced in the Autumn 2024 Budget, which will take effect from 6th April. The changes are threefold:

- the employer NI rate will rise from 13.8% to 15%;
- the secondary threshold (the point at which employers become liable to pay NICs on employees' earnings) will reduce from £9,100 to £5,000 per annum;
- the Employment Allowance (Small Business Relief), which allows some businesses to deduct an amount from their NI bill, will increase from £5,000 to £10,500.

Our preliminary calculations based on a standard working week suggest that playgroup will pay NICs for only one additional staff member next year; however, we will pay 1.2% more on a much higher proportion of the salary of all employees who earn more than £5,000 p.a. The increase in Employment Allowance is to our advantage as we can offset £5,500 more of our NI bill, but the rise in the employer NI rate on a higher proportion of an increased wage bill will result in a significant increase to our wage-associated costs. We anticipate that our wage bill will rise by approximately £11,000 and our employer NI liability by approximately £3,000, giving a projected increased cost to playgroup of £14,000. The NLW change will also increase our pension contributions liability. We start our new accounting year in a good financial position because of the funding changes detailed earlier, which should help us to absorb some of the impact of these unavoidable increased running costs, and will continue to monitor this closely throughout the year.

We have recently been informed of the changes in the Local Authority Funded Hours rates from April: the rate for three and four-year-olds will increase by 5.8% and for two-year-olds by 4.4%. Once more, these rates do not match the percentage cost increases we face. The following is a comment from the chief executive of the Early Years Alliance regarding the Department of Education's recent updated guidance on delivery of the early years entitlement offer:

"Given that from September, government will control the price of around 80% of early years provision, it has never been more important for that funding to genuinely reflect the true cost of delivering places. And yet we know in many areas, this year's rate increases won't come close to mitigating the impact of April's National Insurance and wage rises, meaning that costs for both providers and families are likely to spiral."

"So, while today's guidance may rightly make charges clearer for parents, it does not take away from the fact that unless the government takes urgent action to tackle sector underfunding, many providers will still have no choice but to increase the price of any non-funded hours parents take up or optional extras they purchase – or risk facing permanent closure."

Currently, we receive funding for 89% of our children and so rely more heavily on LA funding for our income than the national average. It is difficult to predict the impact of the introduction of thirty hours funding for working parents of two-year-olds in September 2025, although this could possibly reduce the number of children on our roll if parents/carers of those children who qualify elect to take up every session to which they are entitled, leaving fewer available for other starters.

Whilst the quote above may appear rather alarming and despite what could be another challenging financial year with new variables at play, our charitable status guarantees that our viability is not determined by profit but rather by remaining solvent with no detriment to the quality of childcare we provide, and we will always be committed to giving the children in our care a secure, happy, caring and stimulating environment where they are able to develop intellectually, emotionally and socially, and to support their families where needed in any way we can. We owe a huge debt of gratitude to the dedication and hard work of all staff, without whom our continued survival with no compromise to our standards of care would not be possible.

Finally, and as always, we wholeheartedly thank all parents, carers and staff for their continued support.

**KESTREL UNDER FIVES PLAYGROUP
REPORT OF THE TRUSTEES**

FINANCIAL REVIEW

Review of the Financial Position

The financial position is set out on pages 6 and 7. Receipts increased from £187,924 to £216,657. Payments increased from £178,267 to £197,805. This is for the reasons mentioned above. The result is net receipts of £18,852 compared to £9,657 in the previous year. Cash funds at the end of the year amount to £103,159.

Reserves Policy

The trustees have considered the level of reserves appropriate for the charity and concluded that they should have sufficient funds to enable expenses to be met for a normal three months should there be a delay or reduction in receiving income. The amount required is approximately £45,000. Therefore, the funds held are adequate at present.

Risks and Uncertainties

The trustees have considered the principal risks and uncertainties facing the charity, which they have assessed as:


- loss of income and increased wage, NI and pension costs without a commensurate increase in funding from the government; and
- loss of income due to unexpected non-availability of rented premises.

Trustees' Responsibilities

The trustees are responsible for preparing the Report of the Trustees and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

The trustees are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the charity and enable them to ensure that the financial statements comply with the Charities Act 2011, the Charity (Accounts and Reports) Regulations and the provisions of the constitution. They are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

X Approved by the trustees on and signed on their behalf


12.06.25

H Shepherd, treasurer

**INDEPENDENT EXAMINER'S REPORT
TO THE TRUSTEES OF
KESTREL UNDER FIVES PLAYGROUP**

I report to the trustees on my examination of the receipts and payments account of Kestrel Under Fives Playgroup ("the Charity") for the year ended 28 February 2025, which are set out on pages 7 to 8.

Responsibilities and basis of report

As the charity trustees of the Charity, 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 Trustee'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 Commissioner 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:

- accounting records were not kept in respect of the Charity as required by section 130 of the Act; or
- the accounts do not accord with those records.

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.

Anil Aggarwal

A Aggarwal, FCA, CTA
Aggarwal & Co
Chartered Accountants
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5 London Road
Rainham
Gillingham, ME8 7RG

**KESTREL UNDER FIVES PLAYGROUP
RECEIPTS AND PAYMENTS ACCOUNT
FOR THE YEAR ENDED 28 FEBRUARY 2025**

	2025	2024
	£	£
RECEIPTS		
Receipts from charitable activities		
Voucher payments	156,549	134,399
Fees receivable	16,962	21,634
Lunch Club fees	11,863	10,450
SEN income	25,496	16,962
EYPP	3,493	2,235
Fundraising	1,834	1,664
Voluntary donations	105	543
Other receipts	355	37
	<hr/>	<hr/>
TOTAL RECEIPTS	216,657	187,924
PAYMENTS		
Charitable activities		
Wages and salaries	162,834	144,680
Social security costs	9,195	6,216
Employer's contributions to pension scheme	5,568	4,596
	<hr/>	<hr/>
	177,597	155,492
Hall and garage rent	12,961	11,522
Supplies	1,678	2,061
Insurance, Ofsted and data fees	1,561	1,493
Course fees	0	985
Telephone, dongle and photos	437	574
Petty cash	270	555
Bank charges	60	60
Accounting software	1,075	949
Independent examiner's fees	660	600
Equipment/special events	567	886
Medway Early Years	0	1,728
Miscellaneous expenses	286	9
	<hr/>	<hr/>
	197,152	176,914
Purchase of equipment	653	1,353
	<hr/>	<hr/>
TOTAL PAYMENTS	197,805	178,267
NET RECEIPTS	18,852	9,657
Cash funds at the beginning of the year	84,307	74,650
	<hr/>	<hr/>
CASH FUNDS AT THE END OF THE YEAR	103,159	84,307

**KESTREL UNDER FIVES PLAYGROUP
STATEMENT OF ASSETS AND LIABILITIES
AT 28 FEBRUARY 2025**

	2025 £	2024 £
UNRESTRICTED CASH FUNDS		
Cash at HSBC bank	103,130	84,253
Cash in hand	<u>29</u>	<u>54</u>
	<u>103,159</u>	<u>84,307</u>

ASSETS RETAINED FOR THE CHARITY'S OWN USE - Various play equipment

LIABILITIES - Independent examiner's fee

NOTES TO THE ACCOUNT

1 Statutory Information

Kestrel Under Fives Playgroup is registered under the Charities Act 2011. The Charity's registered number and registered office address can be found within the Trustees' Report.

The presentation currency of the financial statements is the Pound Sterling (£).

2 Accounting Policies

(a) Basis of accounting

The accounts have been prepared on the receipts and payments basis under the historical cost convention and in accordance with the Charities Act 2011 and the Charities Statement of Recommended Practice (FRS 102).

(b) Funds structure

All funds are unrestricted income funds.

3 Trustee Remuneration

The charity trustees were not paid or reimbursed expenses during the year and no charity trustee received any emolument or payment for professional or other services.

4 Taxation

The charity is a registered charity and no provision is considered necessary for taxation.

Approved by the trustees on  and signed on their behalf

12.06.25

X H Shepherd, treasurer