

Marhamchurch Pre School

Charity No. 1024873

Trustees' Report and Unaudited Accounts

31 August 2022

	Pages
Trustees' Annual Report	2 to 3
Independent Examiner's Report	4
Statement of Financial Activities	5
Balance Sheet	6
Statement of Cash flows	7 to 13
Notes to the Accounts	14
Detailed Statement of Financial Activities	15 to 16

Marhamchurch Pre School

The trustees present their report with the unaudited financial statements of the charity for the year ended 31 August 2022.

#### REFERENCE AND ADMINISTRATIVE DETAILS

Charity No. 1024873

Trustees

The following trustees served during the year:

E. Hawkins

G. Pearson

J. Teague

Accountants

Buttons Accounting Ltd

Prospect House

11 Western Road

Launceston

Cornwall

PL15 7AS

#### OBJECTIVES AND ACTIVITIES

To provide education and to enhance development of children under statutory school age by encouraging parents to provide for needs of their children

Provide a safe, caring environment for pre-school aged children to prepare them for entry into school

We confirm that trustees have had regard to guidance issued by charity commission on public benefit

#### ACHIEVEMENTS AND PERFORMANCE

Provide full day care from 8.30am to 3.30pm reaching up to 30 children

#### FINANCIAL REVIEW

The Pre-school holds monetary reserves in excess of £5,000 which is a level that the committee is of opinion is sufficient to meet the future needs of the pre-school.

#### STRUCTURE, GOVERNANCE AND MANAGEMENT

The trustees were elected at an AGM by democratic process

Statement of trustees' responsibilities in relation to the financial statements

The charity trustees are responsible for preparing a trustees' annual report and 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 to enable them to ensure that the financial statements comply with the Charities Act 2011, the applicable Charities (Accounts and Reports) Regulations, and the provisions of the Trust deed. The Trustees are also responsible for safeguarding the assets of the charity and hence taking reasonable steps for the prevention and detection of fraud and other irregularities.

Signed on behalf of the charity's trustees

G. Pearson  
Trustee  
31 August 2022

Independent Examiner's Report to the trustees of Marhamchurch Pre School

I report to the trustees on my examination of the financial statements of Marhamchurch Pre School for the year ended 31 August 2022 which comprise the Statement of Financial Activities, the Balance Sheet, the Statement of Cash Flows and the related notes.

Responsibilities and basis of report

As the charity's trustees you are responsible for the preparation of the financial statements in accordance with the requirements of the Charities Act 2011 ('the Act'). The trustees consider that an audit is not required for this year under the Charities Act 2011, s.144(2) (the 2011 Act) and that an independent examination is needed.

I report in respect of my examination of the charity's financial statements 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

I have completed my examination. I can 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:

- the accounting records were not kept in respect of the charity as required by section 130 of the Act; or
- the financial statements do not accord with those records; or
- the financial statements do not comply with the applicable requirements concerning the form and content of the financial statements set out in the Charities (Accounts and Reports) Regulations 2008 other than any requirement that the financial statements 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 financial statements to be reached.

Emma Gilbert  
ACCA  
Buttons Accounting Ltd  
Prospect House  
11 Western Road  
Launceston  
Cornwall  
PL15 7AS  
31 August 2022

Marhamchurch Pre School  
Statement of Financial Activities  
for the year ended 31 August 2022

	Notes	Unrestricted funds 2022 £	Total funds 2022 £	Total funds 2021 £
Income and endowments from:				
Donations and legacies	3	645	645	6,540
Other trading activities	4	69,792	69,792	88,685
Investments	5	38	38	51
Other	6	-	-	593
Total		70,475	70,475	95,869
Expenditure on:				
Raising funds	7	1,087	1,087	1,794
Other	8	82,484	82,484	86,516
Total		83,571	83,571	88,310
Net gains on investments		-	-	-
Net (expenditure)/income	9	(13,096)	(13,096)	7,559
Transfers between funds		-	-	-
Net (expenditure)/income before other gains/(losses)		(13,096)	(13,096)	7,559
Other gains and losses				
Net movement in funds		(13,096)	(13,096)	7,559
Reconciliation of funds:				
Total funds brought forward		121,139	121,139	113,580
Total funds carried forward		108,043	108,043	121,139

Marhamchurch Pre School

Balance Sheet

at 31 August 2022

Charity No. 1024873

		2022	2021
		£	£
Fixed assets			
Tangible assets	11	100,710	100,840
		<u>100,710</u>	<u>100,840</u>
Current assets			
Debtors	12	70	770
Cash at bank and in hand		13,644	25,598
		<u>13,714</u>	<u>26,368</u>
Creditors: Amount falling due within one year	13	(6,381)	(6,069)
Net current assets		<u>7,333</u>	<u>20,299</u>
Total assets less current liabilities		<u>108,043</u>	<u>121,139</u>
Net assets excluding pension asset or liability		<u>108,043</u>	<u>121,139</u>
Total net assets		<u><u>108,043</u></u>	<u><u>121,139</u></u>
The funds of the charity			
Restricted funds	14		
Unrestricted funds	14		
General funds		108,043	121,139
		<u>108,043</u>	<u>121,139</u>
Reserves	14		
Total funds		<u><u>108,043</u></u>	<u><u>121,139</u></u>

Approved by the trustees on 31 August 2022

And signed on their behalf by:

G. Pearson

Trustee

31 August 2022

for the year ended 31 August 2022

## 1 Accounting policies

### Basis of preparation

The financial statements have been prepared in accordance with Statement of Recommended Practice: 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 and the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102) and the Charities Act 2011.

### Change in basis of accounting or to previous accounts

There has been no change to the accounting policies (valuation rules and method of accounting) since last year and no changes have been made to accounts for previous years.

### Fund accounting

**Unrestricted funds** These are available for use at the discretion of the trustees in furtherance of the general objects of the charity.

**Designated funds** These are unrestricted funds earmarked by the trustees for particular purposes.

**Revaluation funds** These are unrestricted funds which include a revaluation reserve representing the restatement of investment assets at their market values.

**Restricted funds** These are available for use subject to restrictions imposed by the donor or through terms of an appeal.

### Income

**Recognition of income** Income is included in the Statement of Financial Activities (SoFA) when the charity becomes entitled to, and virtually certain to receive, the income and the amount of the income can be measured with sufficient reliability.

**Income with related expenditure** Where income has related expenditure the income and related expenditure is reported gross in the SoFA.

**Donations and legacies** Voluntary income received by way of grants, donations and gifts is included in the the SoFA when receivable and only when the Charity has unconditional entitlement to the income.

**Tax reclaims on donations and gifts** Income from tax reclaims is included in the SoFA at the same time as the gift/donation to which it relates.

**Donated services and facilities** These are only included in income (with an equivalent amount in expenditure) where the benefit to the Charity is reasonably quantifiable, measurable and material.

**Volunteer help** The value of any volunteer help received is not included in the accounts.

**Investment income** This is included in the accounts when receivable.

**Gains/(losses) on revaluation of fixed assets** This includes any gain or loss resulting from revaluing investments to market value at the end of the year.

**Gains/(losses) on investment assets** This includes any gain or loss on the sale of investments.

#### Expenditure

Recognition of expenditure	Expenditure is recognised on an accruals basis. Expenditure includes any VAT which cannot be fully recovered, and is reported as part of the expenditure to which it relates.
Expenditure on raising funds	These comprise the costs associated with attracting voluntary income, fundraising trading costs and investment management costs.
Expenditure on charitable activities	These comprise the costs incurred by the Charity in the delivery of its activities and services in the furtherance of its objects, including the making of grants and governance costs.
Grants payable	All grant expenditure is accounted for on an actual paid basis plus an accrual for grants that have been approved by the trustees at the end of the year but not yet paid.
Governance costs	These include those costs associated with meeting the constitutional and statutory requirements of the Charity, including any audit/independent examination fees, costs linked to the strategic management of the Charity, together with a share of other administration costs.
Other expenditure	These are support costs not allocated to a particular activity.

#### Taxation

The charity is exempt from tax on its charitable activities.

#### Freehold investment property

Investment properties are measured initially at cost and subsequently at fair value at each balance sheet date and are not depreciated. All gains or losses are taken to the Statement of Financial Activities as they arise.

#### Stocks

Stock is included at the lower of cost or net realisable value. Donated items of stock are recognised at fair value which is the amount the charity would have been willing to pay for the items on the open market.

#### Trade and other debtors

Trade and other debtors are recognised at the settlement amount due after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due.

#### Cash and cash equivalents

Cash and cash equivalents comprise cash at bank and on hand, demand deposits with banks and other short-term highly liquid investments with original maturities of three months or less and bank overdrafts. In the statement of financial position, bank overdrafts are shown within borrowings or current liabilities. In the Statement of Cash Flows, cash and cash equivalents are shown net of bank overdrafts that are repayable on demand and form an integral part of the company's cash management.

#### Trade and other creditors

Short term creditors are measured at the transaction price. Other creditors and provisions are recognised where 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 and provisions are normally recognised at their settlement amount after allowing for any trade discounts due.

#### Research and development

Expenditure on research and development is written off in the year in which it is incurred.

#### Foreign currencies

Monetary assets and liabilities denominated in currencies other than the functional currency of the charity are translated at the rates of exchange prevailing at the end of the reporting period.

Transactions in currencies other than the functional currency of the charity are recorded at the rate of exchange on the date that the transaction occurred.

All exchange differences are taken into account in arriving at net income/expenditure.

#### Leased assets

Where the charity enters into a lease which entails taking substantially all the risks and rewards of ownership of an asset, the lease is treated as a finance lease.

Leases which do not transfer substantially all the risks and rewards of ownership to charity are classified as operating leases.

Assets held under finance leases are initially recognised as assets of the charity at their fair value at the inception of the lease or, if lower, at the present value of the minimum lease payments. The corresponding liability to the lessor is included in the balance sheet date as a finance lease obligation.

Lease payments are apportioned between finance expenses and reduction of the lease obligation so as to achieve a constant rate of interest on the remaining balance of the liability. Finance expenses are recognised immediately, unless they are directly attributable to qualifying assets, in which case they are capitalised in accordance with the charity's policy on borrowing costs.

Assets held under finance leases are depreciated in the same way as owned assets.

Operating lease payments are recognised as an expense on a straight-line basis over the lease term.

In the event that lease incentives are received to enter into operating leases, such incentives are recognised as a liability. The aggregate benefit of incentives is recognised as a reduction of rental expense on a straight-line basis.

#### Pension costs

The charity operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the charity pays fixed contributions into a separate entity. Once the contributions have been paid the charity has no further payments obligations. The contributions are recognised as expenses when they fall due. Amounts not paid are shown in accruals in the balance sheet. The assets of the plan are held separately from the charity in independently administered funds.

#### Receipt of donated goods, facilities and services

All donated goods, facilities and services received are recognised within incoming resources and expenditure at an estimate of the value to the charity.

2 Statement of Financial Activities - prior year

	Unrestricted funds 2021 £	Total funds 2021 £
Income and endowments from:		
Donations and legacies	6,540	6,540
Other trading activities	88,685	88,685
Investments	51	51
Other	593	593
Total	<u>95,869</u>	<u>95,869</u>
Expenditure on:		
Raising funds	1,794	1,794
Other	86,516	86,516
Total	<u>88,310</u>	<u>88,310</u>
Net income	<u>7,559</u>	<u>7,559</u>
Net income before other gains/(losses)	7,559	7,559
Other gains and losses:		
Net movement in funds	<u>7,559</u>	<u>7,559</u>
Reconciliation of funds:		
Total funds brought forward	113,580	113,580
Total funds carried forward	<u><u>121,139</u></u>	<u><u>121,139</u></u>

3 Income from donations and legacies

	Unrestricted	Total 2022	Total 2021
	£	£	£
Grants and donations	624	624	6,540
	21	21	-
	<u>645</u>	<u>645</u>	<u>6,540</u>

4 Income from other trading activities

	Unrestricted	Total 2022	Total 2021
	£	£	£
Fees	69,792	69,792	88,685
	<u>69,792</u>	<u>69,792</u>	<u>88,685</u>

5 Income from investments

	Unrestricted	Total 2022	Total 2021
	£	£	£
Interest received	38	38	51
	<u>38</u>	<u>38</u>	<u>51</u>

6 Other income

	Total 2022	Total 2021
	£	£
Coronavirus job retention grant	-	593
	<u>-</u>	<u>593</u>

7 Expenditure on raising funds

	Unrestricted	Total 2022	Total 2021
	£	£	£
<i>Costs of generating voluntary income</i>			
Grants and donations	17	17	143
	165	165	122
	25	25	15
	880	880	1,514
	<u>1,087</u>	<u>1,087</u>	<u>1,794</u>

8 Other expenditure

	Unrestricted	Total 2022	Total 2021
	£	£	£
Employee costs	74,253	74,253	78,800
Motor and travel costs	41	41	-
Premises costs	2,982	2,982	2,612
Amortisation, depreciation, impairment, profit/loss on disposal of fixed assets	130	130	153
General administrative costs	3,452	3,452	3,080
Legal and professional costs	1,626	1,626	1,871
	<u>82,484</u>	<u>82,484</u>	<u>86,516</u>

9 Net (expenditure)/income before transfers

	2022	2021
	£	£
This is stated after charging:		
Depreciation of owned fixed assets	130	153

10 Staff costs

	2022	2021
Salaries and wages	68,568	72,156
Social security costs	2,995	3,422
Pension costs	2,147	2,210
	<u>73,710</u>	<u>77,788</u>

No employee received emoluments in excess of £60,000.

11 Tangible fixed assets

	£	£	£
Cost or revaluation			
At 1 September 2021	99,973	1,200	101,173
At 31 August 2022	<u>99,973</u>	<u>1,200</u>	<u>101,173</u>
Depreciation and impairment			
At 1 September 2021	-	333	333
Depreciation charge for the year	-	130	130
At 31 August 2022	<u>-</u>	<u>463</u>	<u>463</u>
Net book values			
At 31 August 2022	<u>99,973</u>	<u>737</u>	<u>100,710</u>
At 31 August 2021	<u>99,973</u>	<u>867</u>	<u>100,840</u>

12 Debtors

	2022	2021
	£	£
Trade debtors	70	770
	<u>70</u>	<u>770</u>

13 Creditors:

amounts falling due within one year

	2022	2021
	£	£
Trade creditors	1,101	501
Other taxes and social security	208	337
Other creditors	4,934	5,068
Accruals	138	163
	<u>6,381</u>	<u>6,069</u>

14 Movement in funds

	At 1 September 2021	Incoming resources (including other gains/losses ) £	Resources expended £	At 31 August 2022 £
Restricted funds:				
Unrestricted funds:				
General funds	121,139	70,475	(83,571)	108,043
Total funds	<u>121,139</u>	<u>70,475</u>	<u>(83,571)</u>	<u>108,043</u>

15 Analysis of net assets between funds

	Unrestricted funds £	Total £
Fixed assets	100,710	100,710
Net current assets	7,333	7,333
	<u>108,043</u>	<u>108,043</u>

16 Reconciliation of net debt

	At 1 September 2021 £	Cash flows £	At 31 August 2022 £
Cash and cash equivalents	25,598	(11,954)	13,644
	<u>25,598</u>	<u>(11,954)</u>	<u>13,644</u>
Net debt	<u>25,598</u>	<u>(11,954)</u>	<u>13,644</u>

17 Commitments

*Operating lease commitments*

Annual commitments under non-cancellable operating leases are as follows:

	2022 Land and buildings £	2022 Other £	2021 Land and buildings £	2021 Other £
Operating leases with expiry date:				

*Pension commitments*

	2022 £	2021 £
The pension cost charge to the charity amounted to:	<u>2,147</u>	<u>-</u>

Marhamchurch Pre School  
Statement of Cash flows  
for the year ended 31 August 2022

	2022 £	2021 £
Cash flows from operating activities		
Net (expenditure)/income per Statement of Financial Activities	(13,096)	7,559
Adjustments for:		
Depreciation of property, plant and equipment	130	153
Dividends, interest and rents from investments	(38)	(644)
Decrease/(Increase) in trade and other receivables	700	(770)
Increase/(Decrease) in trade and other payables	312	(1,507)
Net cash (used in)/provided by operating activities	<u>(11,992)</u>	<u>4,791</u>
Cash flows from investing activities		
Dividends, interest and rents from investments	38	644
Net cash from investing activities	<u>38</u>	<u>187</u>
Net cash from financing activities	<u>-</u>	<u>-</u>
Net (decrease)/increase in cash and cash equivalents	(11,954)	4,978
Cash and cash equivalents at the beginning of the year	25,598	31,346
Cash and cash equivalents at the end of the year	<u>13,644</u>	<u>36,324</u>
Components of cash and cash equivalents		
Cash and bank balances	13,644	25,598
	<u>13,644</u>	<u>25,598</u>

Marhamchurch Pre School  
Detailed Statement of Financial Activities  
for the year ended 31 August 2022

	Unrestricted funds 2022 £	Total funds 2022 £	Total funds 2021 £
Income and endowments from:			
Donations and legacies			
Grants and donations	624	624	6,540
	21	21	-
	<u>645</u>	<u>645</u>	<u>6,540</u>
Other trading activities			
Fees	69,792	69,792	88,685
	<u>69,792</u>	<u>69,792</u>	<u>88,685</u>
Investments			
Interest received	38	38	51
	<u>38</u>	<u>38</u>	<u>51</u>
Other			
Coronavirus job retention grant	-	-	593
	<u>-</u>	<u>-</u>	<u>593</u>
Total income and endowments	70,475	70,475	95,869
Expenditure on:			
Costs of generating donations and legacies			
Grants and donations	17	17	143
	165	165	122
	25	25	15
	880	880	1,514
	<u>1,087</u>	<u>1,087</u>	<u>1,794</u>
Total of expenditure on raising funds	1,087	1,087	1,794
Employee costs			
Salaries/wages	68,568	68,568	72,156
Employer's NIC	2,995	2,995	3,422
Pension costs	2,147	2,147	2,210
Staff training	518	518	766
Staff welfare	25	25	246
	<u>74,253</u>	<u>74,253</u>	<u>78,800</u>
Motor and travel costs			
Business mileage costs reimbursed	41	41	-
	<u>41</u>	<u>41</u>	<u>-</u>
Premises costs			
Rent	900	900	900
Rates	551	551	663

Marhamchurch Pre School  
Detailed Statement of Financial Activities

Light, heat and power	872	872	(568)
Premises cleaning	620	620	874
Premises repairs and maintenance	39	39	743
	<u>2,982</u>	<u>2,982</u>	<u>2,612</u>
General administrative costs, including depreciation and amortisation			
Depreciation of	130	130	153
Equipment expensed	-	-	23
Equipment leasing and hire charges	190	190	-
General insurances	623	623	1,016
Stationery and printing	1,046	1,046	655
Subscriptions	796	796	799
Telephone, fax and broadband	797	797	587
	<u>3,582</u>	<u>3,582</u>	<u>3,233</u>
Legal and professional costs			
Accountancy and bookkeeping	1,626	1,626	1,871
	<u>1,626</u>	<u>1,626</u>	<u>1,871</u>
Total of expenditure of other costs	<u>82,484</u>	<u>82,484</u>	<u>86,516</u>
Total expenditure	83,571	83,571	88,310
Net gains on investments	-	-	-
	<u>(13,096)</u>	<u>(13,096)</u>	<u>7,559</u>
Net (expenditure)/income			
Net (expenditure)/income before other gains/(losses)	<u>(13,096)</u>	<u>(13,096)</u>	<u>7,559</u>
Other Gains	-	-	-
Net movement in funds	<u>(13,096)</u>	<u>(13,096)</u>	<u>7,559</u>
Reconciliation of funds:			
Total funds brought forward	121,139	121,139	113,580
Total funds carried forward	<u>108,043</u>	<u>108,043</u>	<u>121,139</u>