

REPORT OF THE TRUSTEES AND
UNAUDITED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST AUGUST 2020
FOR
SALTDEAN PRE-SCHOOL

Chariot House Limited
Chartered Accountants
44 Grand Parade
Brighton
East Sussex
BN2 9QA

SALTDEAN PRE-SCHOOL

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FOR THE YEAR ENDED 31ST AUGUST 2020

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REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31ST AUGUST 2020

The trustees present their report with the financial statements of the charity for the year ended 31st August 2020. The trustees have adopted the provisions of 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 (FRS 102) (effective 1 January 2019).

OBJECTIVES AND ACTIVITIES

Objectives and aims

We are committed to enhancing the development and education of children under statutory school age. We aim to support and help each child to reach their full potential by providing high levels of care and education within a nurturing environment.

Our objectives are to provide a child friendly environment that is safe, secure, caring and stimulating and to provide an atmosphere where children feel happy. To promote children's social, intellectual and physical development through play and structured activities. To encourage children to develop independence, self-confidence and self-esteem. To enhance the development and education of children through play and learning so that children are prepared for school life.

We offer a safe, fun and stimulating environment in which children can learn through play. Children have opportunities to grow emotionally as well as physically and to develop their communication and language skills and to increase their self awareness and self confidence.

We work closely with families and offer support where necessary. We actively encourage children from all walks of life and promote equality and diversity by welcoming every child and family into our setting regardless of race, religion, culture, ability or gender.

We follow the Early Years Foundation Stage (EYFS) which is the statutory framework that sets the standards that all early years providers must meet to ensure that children learn and develop well and are kept healthy and safe. It promotes teaching and learning to ensure children are ready for school and gives children the broad range of knowledge and skills that provide the right foundation for good future progress through school and life.

Significant activities

The Pre-School continues to be successful both on an individual and a professional level with positive feedback being received from parents. It is staffed by an experienced and well qualified team. We operate on good staff to child ratios in order to focus on individual child development within the EYFS framework.

In normal circumstances the Pre-School offers morning sessions on a daily basis, Monday to Friday, and, when numbers are sufficient, also offers lunchtime and early morning drop off facilities for children.

The Pre-School was forced to close in March 2020 due to the COVID-19 outbreak and Government closure of nurseries. We were able to partially reopen in July 2020. This was only for the older children to prepare them for their move up to school in September 2020. We were then able to reopen to all in September 2020. This was not at full capacity however as we wanted to ensure the returning children were feeling happy and secure after such a long break before we opened up spaces to new children.

At the time of publication we are expecting to be full to capacity in Sept 2021 with a substantial number of children on the waiting list as well.

Before the first lockdown and throughout the past year there has been a strong emphasis on outdoor play. We were fortunate to be able to purchase equipment for the garden with the Coop community fund donation.

The policies adopted are designed to further the aims and objectives of the Pre-School, and it is the Trustees' opinion that these have been successful in creating a warm and friendly atmosphere for children and staff.

Public benefit

In planning the activities of the Pre School for the year, the Trustees kept in mind the Charity Commission's guidance on public benefit.

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REPORT OF THE TRUSTEES **FOR THE YEAR ENDED 31ST AUGUST 2020**

FINANCIAL REVIEW

The result for the year was a deficit of £1,439, compared to a surplus of £5,994 last year.

This can be explained by the increase in expenditure on staff wages. In the previous year with the surplus of funds and an increase in numbers of children on the books we increased the number of staff. We also increased salaries in line with the rise in National Living Wage.

There was then a decrease in income during this financial year because of having to close due to COVID-19. This meant no private fees were collected for the period of closure and the amount of Early Years funding was less than the previous year because there were less children on the roll as some went elsewhere for childcare and some that were due to start could not until later in the year.

Rent was not charged by the Church Hall for the period of closure, however there has been an increase in the monthly cost of rent since reopening in July. This is due to the cost of additional daily cleaning as per the government guidance for early years settings.

The Pre-School was forced to close as a result of the COVID-19 outbreak between March and July 2020. With Early Years funding, its own resources and the support of the Coronavirus Job Retention Scheme the pre-school was able to retain all staff on full wages and meet its other obligations for the year.

The House Project Charity Shop kindly donated £2,035 to be spent on upgrading out IT equipment. This enabled us to buy a new mobile phone, iPad, and laptop which were invaluable in allowing pre-school to keep up contact with the children and their families during lockdown.

The Coop Community Fund donation amounted to £5,689 which was used for the new garden shed, resources and equipment for the garden. A lot of this is essential equipment relating to COVID-19 guidance; new bins, a garden sink, PPE etc.

The trustees aim to hold a minimum of £15,000 in reserves. Reserves are held to meet unforeseen expenditure, losses due to unexpected closures, to cover sudden reductions in fee income due to changing childcare requirements and to cover terminal obligations if preschool were forced to close permanently.

FUTURE PLANS

The Pre-School will continue to aim to provide a safe, stimulating, happy and caring environment in which children learn to become confident and well-motivated.

The Committee will look into additional funding opportunities such as schemes run by other local supermarkets, the Communities Fund from Brighton & Hove Council and Sussex Communities Fund.

At the time of publication the Trustees and management are in discussions around increasing the cost of fees and implementing top up fees from September 2021 in order to cover the increase in staff wages and additional cleaning costs resulting from COVID-19 procedures.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Governing document

The charity was established under a constitution adopted on 17 December 1990 and amended on 27 April 2011. Under this constitution, the Trustees are elected at the Annual General Meeting.

SALTDEAN PRE-SCHOOL

REPORT OF THE TRUSTEES **FOR THE YEAR ENDED 31ST AUGUST 2020**

STRUCTURE, GOVERNANCE AND MANAGEMENT

Recruitment and appointment of new trustees

New committee members are recruited by being elected and 60% of the committee must be a family member of a child attendance at the nursery.

The day to day management of the nursery was undertaken by Sarah Little and Stella Baker.

Lucy Penfold joined the team in December 2019 as an Early Years Practitioner.

Amy Dower resigned from the Committee in November 2019 and new members appointed were Frances Cross and Carla Greest.

Risk management

The trustees have a duty to identify and review the risks to which the charity is exposed and to ensure appropriate controls are in place to provide reasonable assurance against fraud and error.

The Pre-School was forced to close as a result of the COVID-19 outbreak between March and July 2020..

With Early Years funding, its own resources and the support of the Coronavirus Job Retention Scheme the pre-school was able to retain all staff on full wages and meet its other obligations for the year despite the pandemic.

The Pre-school was then forced to close again between January 2021 and March 2021 when the country went into lockdown. The Government stated that early years settings should remain open but staff carried out a risk assessment and Trustees and parents did not feel that it was safe for pre-school to be open. Cases remained high throughout this period and we followed the lead of Brighton & Hove Council closing their council run nurseries.

We did not receive Early Years Funding for this period so that is a substantial decrease in income for the period. We were able to claim around 20% of wages back through the Coronavirus Job Retention Scheme and use our own resources to retain staff on full wages and meet other obligations.

Since the COVID-19 pandemic hit, cleaning and staffing costs have increased to comply with safety guidance and continuing uncertainty has caused operating difficulties but these impacts have been successfully managed. Provided the situation continues to improve, or government financial support is there again if it does not, there is no reason the charity cannot continue as a going concern.

The risks identified by the charity are:

- Loss of the premises at St Nicholas Church Hall as there are no suitable alternatives nearby.
- If the pre-school were to lose its 'good' rating from Ofsted it would no longer have access to the free childcare schemes causing a significant and sudden loss of revenue
- Large increases in staff costs due to increases in the Living Wage not matched by increases in childcare funding and fees
- Loss of income due to fewer children attending
- A sudden and lengthy closure of pre-school due to damage to premises, health and safety issues, a pandemic or other factors.

REFERENCE AND ADMINISTRATIVE DETAILS

Registered Charity number

1028876

Principal address

St Nicholas Church Hall
Saltdean Vale
Saltdean
Brighton
BN2 8HA

REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31ST AUGUST 2020

Trustees

Mrs S Gilfeather
I Gilfeather
Mrs A Dower (resigned 1/11/2019)
Mrs L Doody
Ms C Seeley
Ms J Sagar
Ms V Hetherington
Ms C Greest (appointed 1/11/2019)
Mrs F Cross (appointed 1/11/2019)

Independent Examiner

P J Thacker
Chariot House Limited
Chartered Accountants
44 Grand Parade
Brighton
East Sussex
BN2 9QA

Bankers

Natwest
Pavilion Buildings
8-11 Castle Square
Brighton
BN1 1DP

STATEMENT OF 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 law applicable to charities in England and Wales, the Charities Act 2011, Charity (Accounts and Reports) Regulations 2008 and the provisions of the trust deed requires the trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charity and of the incoming resources and application of resources, including the income and expenditure, of the charity for that period. In preparing those financial statements, the trustees are required to

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charity SORP;
- make judgements and estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in business.

The trustees are responsible for keeping proper accounting records which 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 Charity (Accounts and Reports) Regulations 2008 and the provisions of the trust deed. 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.

SALTDEAN PRE-SCHOOL

REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31ST AUGUST 2020

Approved by order of the board of trustees on 12th August 2021 and signed on its behalf by:

Mrs S Gilfeather - Trustee

**INDEPENDENT EXAMINER'S REPORT TO THE TRUSTEES OF
SALTDEAN PRE-SCHOOL**

Independent examiner's report to the trustees of Saltdean Pre-School

I report to the charity trustees on my examination of the accounts of Saltdean Pre-School (the Trust) for the year ended 31st August 2020.

Responsibilities and basis of report

As the charity trustees of the Trust 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 Trust's accounts carried out under section 145 of the Act and in carrying out my examination I have followed all 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 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 in respect of the Trust as required by section 130 of the Act; or
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 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.

P J Thacker
Chariot House Limited
Chartered Accountants
44 Grand Parade
Brighton
East Sussex
BN2 9QA

18th August 2021

SALTDEAN PRE-SCHOOL

**STATEMENT OF FINANCIAL ACTIVITIES
FOR THE YEAR ENDED 31ST AUGUST 2020**

	Notes	2020 Unrestricted fund £	2019 Total funds £
INCOME AND ENDOWMENTS FROM			
Charitable activities			
Charitable activities		62,217	69,979
Other trading activities	2	6,298	3,464
Investment income	3	27	28
Other income		4,285	-
Total		72,827	73,471
EXPENDITURE ON			
Charitable activities			
Charitable activities		74,266	67,477
NET INCOME/(EXPENDITURE)		(1,439)	5,994
RECONCILIATION OF FUNDS			
Total funds brought forward		38,763	32,769
TOTAL FUNDS CARRIED FORWARD		37,324	38,763

The notes form part of these financial statements

SALTDEAN PRE-SCHOOL

BALANCE SHEET
31ST AUGUST 2020

	Notes	2020 Unrestricted fund £	2019 Total funds £
CURRENT ASSETS			
Cash at bank		39,440	41,075
CREDITORS			
Amounts falling due within one year	6	(2,116)	(2,312)
NET CURRENT ASSETS		<u>37,324</u>	<u>38,763</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		37,324	38,763
NET ASSETS		<u>37,324</u>	<u>38,763</u>
FUNDS			
Unrestricted funds	7	<u>37,324</u>	<u>38,763</u>
TOTAL FUNDS		<u>37,324</u>	<u>38,763</u>

The financial statements were approved by the Board of Trustees and authorised for issue on 12th August 2021 and were signed on its behalf by:

S Gilfeather - Trustee

The notes form part of these financial statements

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST AUGUST 2020

1. ACCOUNTING POLICIES

Basis of preparing the financial statements

The financial statements of the charity, which is a public benefit entity under FRS 102, have been prepared in accordance with the Charities SORP (FRS 102) '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 (FRS 102) (effective 1 January 2019)', Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and the Charities Act 2011. The financial statements have been prepared under the historical cost convention.

At the time of approving the financial statements, the trustees have a reasonable expectation that the charity has adequate resources to continue in operational existence for the foreseeable future, including taking into account any potential impact of the Covid-19 pandemic, and on that basis the charity is considered to be a going concern.

Income

All income is recognised in the Statement of Financial Activities once the charity has entitlement to the funds, it is probable that the income will be received and the amount can be measured reliably.

Expenditure

Liabilities are recognised as expenditure as soon as there is a legal or constructive obligation committing the charity to that expenditure, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. Expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all cost related to the category. Where costs cannot be directly attributed to particular headings they have been allocated to activities on a basis consistent with the use of resources.

Taxation

The charity is exempt from tax on its charitable activities.

Fund accounting

Unrestricted funds can be used in accordance with the charitable objectives at the discretion of the trustees.

Restricted funds can only be used for particular restricted purposes within the objects of the charity. Restrictions arise when specified by the donor or when funds are raised for particular restricted purposes.

Further explanation of the nature and purpose of each fund is included in the notes to the financial statements.

Pension costs and other post-retirement benefits

The charity operates a defined contribution pension scheme. Contributions payable to the charity's pension scheme are charged to the Statement of Financial Activities in the period to which they relate.

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31ST AUGUST 2020**

2. OTHER TRADING ACTIVITIES

	2020	2019
	£	£
Fundraising events	6,298	3,464
	<u>6,298</u>	<u>3,464</u>

3. INVESTMENT INCOME

	2020	2019
	£	£
Deposit account interest	27	28
	<u>27</u>	<u>28</u>

4. TRUSTEES' REMUNERATION AND BENEFITS

The charity has paid Mrs S Gilfeather £1,048 for Finance and Administration duties, not for her role as Trustee. This is permitted under the constitution and was agreed by the Trustees.

Trustees' expenses

There were no trustees' expenses paid for the year ended 31st August 2020 nor for the year ended 31st August 2019.

5. STAFF COSTS

	2020	2019
	£	£
Wages and salaries	55,303	47,731
Other pension costs	659	468
	<u>55,962</u>	<u>48,199</u>

Key Management Personnel, comprising the Trustees and the Supervisors, remuneration amounted to £28,660 (2019: £25,330).

The average number of employees on a Full Time equivalent basis was 2 (2019: 2).

The average monthly number of employees during the year was as follows:

	2020	2019
Total	7	6
	<u>7</u>	<u>6</u>

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

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31ST AUGUST 2020

6. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2020 £	2019 £
Taxation and social security	750	287
Other creditors	1,366	2,025
	<u>2,116</u>	<u>2,312</u>

7. MOVEMENT IN FUNDS

	At 1/9/19 £	Net movement in funds £	At 31/8/20 £
Unrestricted funds			
General fund	38,763	(1,439)	37,324
	<u>38,763</u>	<u>(1,439)</u>	<u>37,324</u>
TOTAL FUNDS	<u>38,763</u>	<u>(1,439)</u>	<u>37,324</u>

Net movement in funds, included in the above are as follows:

	Incoming resources £	Resources expended £	Movement in funds £
Unrestricted funds			
General fund	72,827	(74,266)	(1,439)
	<u>72,827</u>	<u>(74,266)</u>	<u>(1,439)</u>
TOTAL FUNDS	<u>72,827</u>	<u>(74,266)</u>	<u>(1,439)</u>

Comparatives for movement in funds

	At 1/9/18 £	Net movement in funds £	At 31/8/19 £
Unrestricted funds			
General fund	32,769	5,994	38,763
	<u>32,769</u>	<u>5,994</u>	<u>38,763</u>
TOTAL FUNDS	<u>32,769</u>	<u>5,994</u>	<u>38,763</u>

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31ST AUGUST 2020

7. MOVEMENT IN FUNDS - continued

Comparative net movement in funds, included in the above are as follows:

	Incoming resources £	Resources expended £	Movement in funds £
Unrestricted funds			
General fund	73,471	(67,477)	5,994
TOTAL FUNDS	<u>73,471</u>	<u>(67,477)</u>	<u>5,994</u>

8. RELATED PARTY DISCLOSURES

There were no related party transactions for the year ended 31 August 2020 except for those detailed in Note 4. There were none in the year to 31 August 2019.