

REPORT OF THE TRUSTEES AND
UNAUDITED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST AUGUST 2021
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 2021

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SALTDEAN PRE-SCHOOL

REPORT OF THE TRUSTEES **FOR THE YEAR ENDED 31ST AUGUST 2021**

The trustees present their report with the financial statements of the charity for the year ended 31st August 2021. 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

During this academic year, the Committee have worked hard to ensure the future financial stability of the Pre-School by adopting new procedures for the invoicing of parents and the collection of fees. We now have robust systems in place to ensure that all fees are collected and have adopted robust systems for monitoring expenditure, monthly cashflow and setting annual budgets.

All of our practitioners continue to complete regular bespoke training to ensure that they are confident and fluent in the latest Early Years practice. Our most experienced staff continue to support newly qualified staff and apprentices as they learn the skills of the role.

We continue to complete audits and review policies annually, in line with feedback from our stakeholders and recommendations from the Early Years Alliance.

The Pre-School was forced to close earlier than usual for Christmas break in December 2020 due to the Covid pandemic. We remained closed until Weds 10th March 2021. During the time we were closed we kept regular contact with parents and children by sending videos of staff reading stories and playing games etc.

We were able to have an end of year celebration with mini athletics doing us a party. We held our graduation ceremony in the garden for the parents to attend and had a summer raffle and cake stall which raised £300.

SALTDEAN PRE-SCHOOL

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31ST AUGUST 2021

OBJECTIVES AND ACTIVITIES

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.

FINANCIAL REVIEW

The result for the year was a deficit of £20,782 compared to a deficit of £1,439 last year.

This can be explained by closure during the COVID pandemic, the reduction in numbers of children on the books and reduction of funding and fee income. There has also been an increase in expenditure on wages and rent and school supplies of cleaning products and PPE equipment and a reduction in fundraising activities.

The main source of pre-school financing is government funding of free childcare for 2, 3- and 4-year-olds. A much smaller proportion of funding comes from parent fees. During the covid pandemic many parents withheld their children from preschool (a trend observed nationally) as such, both these funding streams were considerably reduced.

The pre-school closed voluntarily for the first half of the spring term due to the high COVID-19 infection rates in Brighton & Hove and the vulnerability of staff and family members. As a result we did not qualify for Brighton & Hove City Council funding for this period, but trustees and staff continue believe this was a valid decision in the circumstances, taken to keep everyone safe during a public health emergency.

We were unable to carry out any fundraising activities through most of the year, because of COVID-19 rules or social distancing concerns after the rules were relaxed. We did manage to hold an end of term graduation event and many parents donated online which raised around £300.

The House Project kindly donated £1000 towards our garden project and £1300 was donated to us from the Coop fund.

There was an increase in expenditure on staff wages due to salaries increasing in line with the rise in National Living Wage.

There was an increase in the monthly cost of rent. This was due to the cost of additional daily cleaning as per the government guidance for early years settings.

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.

SALTDEAN PRE-SCHOOL

REPORT OF THE TRUSTEES **FOR THE YEAR ENDED 31ST AUGUST 2021**

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.

At the time of publication the Trustees and management have put into place a new fee structure to commence in September 2022 . We have increased the hourly rates to £7 per hour for 2 year olds and £6.50 per hour for 3 year old and above. During the Autumn term 2022 we will trial later opening times (to 3pm) three days a week and have begun an advertising campaign in order to increase the number of children registered with the preschool. We will review and increase fees annually from now on.

We are also implementing a 'sustainability contribution' for 3 year olds and above who receive Early Years Funding. We will be asking for a contribution per each session that children attend in order that we can provide some extracurricular activities such as yoga, cookery and music.

We have negotiated with the Church Hall Committee to reduce some of the cleaning fees which have been in place since COVID-19 measures were brought in.

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.

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.

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 and Liz Orme, Early Year Practitioners both left employment at the pre-school during this period. Tracey Holder and Rachel Quantrill joined the team as an Early Years Practitioners.

SALTDEAN PRE-SCHOOL

REPORT OF THE TRUSTEES **FOR THE YEAR ENDED 31ST AUGUST 2021**

STRUCTURE, GOVERNANCE AND MANAGEMENT

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 January and March 2021. The Government had 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. Infection rates 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. Since the COVID-19 pandemic hit, cleaning and staffing costs have increased to comply with safety guidance and continuing uncertainty has caused operating difficulties. The numbers of children registered with the pre-school has been much lower than in previous years, however there is an increase in the number due to start in September.

Provided the numbers of children remain at a higher level and the measures the pre-school is putting in place for September (increasing fees, implementing a sustainability charge, restructuring staff hours and opening later) are successful, then 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

Trustees

Mrs S Gilfeather (resigned 1/10/2021)
Mr I Gilfeather (resigned 1/8/2021)
Mrs L Doody (resigned 1/2/2021)
Mrs F Cross (resigned 17/11/2021)
Ms C Seeley (appointed 18/7/2019)
Mrs V Hetherington (appointed 26/7/2019)
Mrs J Sagar (appointed 1/11/2019)
Mrs C Greest (appointed 1/11/2019)
Ms L Leppard (appointed 01/9/2021)
Ms C Washington (appointed 1/9/2021)
Mrs K Gould (appointed 1/9/2021)

SALTDEAN PRE-SCHOOL

REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31ST AUGUST 2021

REFERENCE AND ADMINISTRATIVE DETAILS

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.

Approved by order of the board of trustees on 26 August 2022 and signed on its behalf by:

Ms V Hetherington - 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 2021.

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

Date: 26 August 2022

SALTDEAN PRE-SCHOOL

STATEMENT OF FINANCIAL ACTIVITIES
FOR THE YEAR ENDED 31ST AUGUST 2021

	Notes	2021 Unrestricted fund £	2020 Total funds £
INCOME AND ENDOWMENTS FROM			
Charitable activities			
Charitable activities		52,332	62,217
Other trading activities	2	2,799	6,298
Investment income	3	-	27
Other income		<u>6,180</u>	<u>4,285</u>
Total		61,311	72,827
EXPENDITURE ON			
Charitable activities			
Charitable activities		82,093	74,266
NET INCOME/(EXPENDITURE)		(20,782)	(1,439)
RECONCILIATION OF FUNDS			
Total funds brought forward		37,324	38,763
TOTAL FUNDS CARRIED FORWARD		<u>16,542</u>	<u>37,324</u>

The notes form part of these financial statements

SALTDEAN PRE-SCHOOL

BALANCE SHEET
31ST AUGUST 2021

		2021 Unrestricted fund £	2020 Total funds £
CURRENT ASSETS	Notes		
Cash at bank		17,665	39,440
CREDITORS			
Amounts falling due within one year	6	(1,123)	(2,116)
		<hr/>	<hr/>
NET CURRENT ASSETS		<u>16,542</u>	<u>37,324</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		16,542	37,324
		<hr/>	<hr/>
NET ASSETS		<u>16,542</u>	<u>37,324</u>
FUNDS	7		
Unrestricted funds		<u>16,542</u>	<u>37,324</u>
TOTAL FUNDS		<u>16,542</u>	<u>37,324</u>

The financial statements were approved by the Board of Trustees and authorised for issue on 26 August 2022 and were signed on its behalf by:

V Hetherington - Trustee

The notes form part of these financial statements

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.

SALTDEAN PRE-SCHOOL

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31ST AUGUST 2021

2. OTHER TRADING ACTIVITIES

	2021	2020
	£	£
Fundraising events	<u>2,799</u>	<u>6,298</u>

3. INVESTMENT INCOME

	2021	2020
	£	£
Deposit account interest	<u>-</u>	<u>27</u>

4. TRUSTEES' REMUNERATION AND BENEFITS

The charity has paid Mrs S Gilfeather £1,841 (2020: £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 2021 nor for the year ended 31st August 2020.

5. STAFF COSTS

	2021	2020
	£	£
Wages and salaries	57,201	55,303
Other pension costs	<u>635</u>	<u>659</u>
	<u>57,836</u>	<u>55,962</u>

Key Management Personnel, comprising the Trustees and the Supervisors, remuneration amounted to £26,247 (2020: £28,660).

The average number of employees on a Full Time equivalent basis was 2 (2020: 2).

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

	2021	2020
Total	<u>7</u>	<u>7</u>

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

SALTDEAN PRE-SCHOOL

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31ST AUGUST 2021

6. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2021	2020
	£	£
Taxation and social security	203	750
Other creditors	<u>920</u>	<u>1,366</u>
	<u>1,123</u>	<u>2,116</u>

7. MOVEMENT IN FUNDS

	At 1/9/20	Net movement in funds	At 31/8/21
	£	£	£
Unrestricted funds			
General fund	37,324	(20,782)	16,542
	<u>37,324</u>	<u>(20,782)</u>	<u>16,542</u>

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

	Incoming resources	Resources expended	Movement in funds
	£	£	£
Unrestricted funds			
General fund	61,311	(82,093)	(20,782)
	<u>61,311</u>	<u>(82,093)</u>	<u>(20,782)</u>

Comparatives for 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>

SALTDEAN PRE-SCHOOL

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31ST AUGUST 2021

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	72,827	(74,266)	(1,439)
	<hr/>	<hr/>	<hr/>
TOTAL FUNDS	<u>72,827</u>	<u>(74,266)</u>	<u>(1,439)</u>

8. RELATED PARTY DISCLOSURES

There were no related party transactions for the year ended 31st August 2021 or 31st August 2020 except for those detailed in Note 4.