

OUR LADY'S FIRST STEPS PRE SCHOOL
ANNUAL REPORT AND UNAUDITED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2023

OUR LADY'S FIRST STEPS PRE SCHOOL

LEGAL AND ADMINISTRATIVE INFORMATION

Trustees	A Rowlands
	M Gaskin
	P Whimperley
	A Gibson
	S Mellor
	T Owens
	A Rice
	E Egeland
Charity number	1018543
Principal address	Clinton View
	Widnes
	Cheshire
	WA8 8JN
Independent examiner	Mitchell Charlesworth
	Glebe Business Park
	Lunts Heath Road
	Widnes
	Cheshire
	WA8 5SQ

OUR LADY'S FIRST STEPS PRE SCHOOL

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OUR LADY'S FIRST STEPS PRE SCHOOL

TRUSTEES' REPORT

FOR THE YEAR ENDED 31 AUGUST 2023

The trustees present their annual report and financial statements for the year ended 31 August 2023.

The financial statements have been prepared in accordance with the accounting policies set out in note 1 to the financial statements and comply with the charity's constitution, the Charities Act 2011 and "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

The charity's objects are to enhance the development and education of children primarily under statutory school aged by encouraging parents to understand and provide for the needs of their children through community groups and by; (A) Offering appropriate play, education and care facilities, family learning and extended hours groups, together with the right of parents to take responsibility for and to become involved in the activities of such groups, ensuring that such groups offer opportunities for all children whatever their race, culture, religion, means or ability. (B) Encouraging the study of the needs of such children and their families and promoting public interest in and recognition of such needs in the local areas. (C) Instigating and adhering to and furthering the aims and objects of the pre-school learning alliance. There has been no change in these during the year.

The trustees have paid due regard to guidance issued by the Charity Commission in deciding what activities the charity should undertake.

Achievements and performance

The committee, staff and parents were all thanked for their ongoing support. Pat Whimperley, Elaine Gaskin and Ann Gibson were declared as officers and will continue in their roles as stated above. Megan Bird was welcomed as a new parent representative, replacing Natalie Thomas.

Anne gave information to all present regarding the new Early Years Frame Work and the changes that have been made to the Ofsted inspection process. Staff will also be informed about the changes and how they can ensure they are meeting the new requirements.

Future training needs were also discussed and a budget agreed.

It was agreed by all staff that the improvements to the outdoor play areas have been a huge success and children are enjoying getting outside more. Staff explained how the areas have enhanced the planning and improved outcomes for children.

Financial review

All present were given a copy of the annual financial report. As at the year end the bank account is showing an overdrawn bank balance of £7,567. This is unfortunate as we started the year with a positive bank balance of £19,8456. Looking through the accounts and comparing with the previous year, there is little movement in incoming funds, outgoings have however increased.

The wage bill was £48,871 higher than the previous year, this is almost 10% higher than the previous year. This was expected due to the national wage increase in April 2023.

The nursery school meals bill was just over £26,500 higher than the previous years due to the council now sending regular bills after not receiving any bills for over 12 months. In June 2022, Halton Borough Council sent a backdated vat bill of over £21,000. Tracey is in communication/dispute with the council over this and is continuing to try and come to an amicable agreement over it as we have never been charged VAT on our school meals in over 15 years. It is imperative that we cut ties as soon as possible with Halton Borough Council school meals and employ our own kitchen staff and source our own food etc. This would potentially save the nursery thousands of pounds each year.

On a positive note, fees were increased in September 2023 and will have an impact on the amount of fees coming in each month. The amount of children on role is very similar to previous years and we have retained all staff members over the staff year.

OUR LADY'S FIRST STEPS PRE SCHOOL

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2023

Reserves policy

It is the policy of the charity that unrestricted funds which have not been designated for a specific use should be maintained at a level equivalent to between three and six month's expenditure. The trustees considers that reserves at this level will ensure that, in the event of a significant drop in funding, they will be able to continue the charity's current activities while consideration is given to ways in which additional funds may be raised. This level of reserves has been maintained throughout the year.

Risk policy

The trustees has assessed the major risks to which the charity is exposed, and are satisfied that systems are in place to mitigate exposure to the major risks.

Plans for future periods

Continue to improve the nursery environment inside and outside. Ensure all staff continue to develop their skills by providing in-house training. To provide work shops for parents to attend alongside staff.

Structure, governance and management

The charity is registered in England and Wales under a Constitution adopted on 14 January 1993 as amended on 1 December 1999 and by a scheme of amendment on 1 March 2017.

Trustees

The trustees who served during the year and up to the date of signature of the financial statements were:

A Rowlands
M Gaskin
P Whimperley
A Gibson
S Mellor
T Owens
A Rice
E Egeland

Chairperson's closing report

Pat thanked all staff and the management team for continuing to be committed and working so hard to care for all of the children at the nursery.

It has been a pleasure for Pat to be involved with the Nursery from the early days as a 'mums and tots' group until now. The development and progression to being a full day care setting and preschool has been a bit of a rollercoaster at times, but the benefits that the nursery has brought to the local community and the many hundreds of children that have attended, has been truly wonderful. On behalf of myself and the committee, we hope that the new committee has as much pleasure of supporting the nursery as we have.

The trustees' report was approved by the Board of Trustees.

M Gaskin
Trustee

13 June 2024

OUR LADY'S FIRST STEPS PRE SCHOOL

INDEPENDENT EXAMINER'S REPORT

TO THE TRUSTEES OF OUR LADY'S FIRST STEPS PRE SCHOOL

I report to the trustees on my examination of the financial statements of Our Lady's First Steps Pre school (the charity) for the year ended 31 August 2023.

Responsibilities and basis of report

As the trustees of the charity you are responsible for the preparation of the financial statements in accordance with the requirements of the Charities Act 2011 (the 2011 Act).

I report in respect of my examination of the charity's financial statements carried out under section 145 of the 2011 Act. In carrying out my examination I have followed all the applicable Directions given by the Charity Commission under section 145(5)(b) of the 2011 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 2011 Act. I confirm that I am qualified to undertake the examination because I am a member of chartered, which is one of the listed bodies.

Your attention is drawn to the fact that the charity has prepared financial statements in accordance with 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) in preference to the Accounting and Reporting by Charities: Statement of Recommended Practice issued on 1 April 2005 which is referred to in the extant regulations but has now been withdrawn.

I understand that this has been done in order for financial statements to provide a true and fair view in accordance with Generally Accepted Accounting Practice effective for reporting periods beginning on or after 1 January 2015.

I have completed my examination. I confirm that no 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 charity as required by section 130 of the 2011 Act; or
- 2 the financial statements do not accord with those records; or
- 3 the financial statements 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 financial statements to be reached.

P L Griffiths FCA DChA on behalf of
Mitchell Charlesworth

Glebe Business Park
Lunts Heath Road
Widnes
Cheshire
WA8 5SQ

Dated: 13 June 2024

OUR LADY'S FIRST STEPS PRE SCHOOL

STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 AUGUST 2023

	Notes	Unrestricted funds 2023 £	Unrestricted funds 2022 £
<u>Income from:</u>			
Donations and legacies	2	-	1,709
Charitable activities	3	676,044	671,230
		<hr/>	<hr/>
Total income		676,044	672,939
		<hr/>	<hr/>
<u>Expenditure on:</u>			
Charitable activities	4	753,886	644,442
		<hr/>	<hr/>
Net (expenditure)/income for the year/ Net movement in funds		(77,842)	28,497
Fund balances at 1 September 2022		88,678	60,181
		<hr/>	<hr/>
Fund balances at 31 August 2023		10,836	88,678
		<hr/> <hr/>	<hr/> <hr/>

The statement of financial activities includes all gains and losses recognised in the year.

All income and expenditure derive from continuing activities.

OUR LADY'S FIRST STEPS PRE SCHOOL

BALANCE SHEET

AS AT 31 AUGUST 2023

		2023		2022	
	Notes	£	£	£	£
Fixed assets					
Tangible assets	9		51,294		67,205
Current assets					
Debtors	10	12,570		13,607	
Cash at bank and in hand		-		19,846	
		<u>12,570</u>		<u>33,453</u>	
Creditors: amounts falling due within one year	12	<u>(53,028)</u>		<u>(11,980)</u>	
Net current (liabilities)/assets			(40,458)		21,473
Total assets less current liabilities			<u>10,836</u>		<u>88,678</u>
Income funds					
Unrestricted funds			10,836		88,678
			<u>10,836</u>		<u>88,678</u>

The financial statements were approved by the Trustees on 13 June 2024

M Gaskin
Trustee

OUR LADY'S FIRST STEPS PRE SCHOOL

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 AUGUST 2023

	Notes	2023 £	£	2022 £	£
Cash flows from operating activities					
Cash (absorbed by)/generated from operations	14		(24,560)		44,254
Investing activities					
Purchase of tangible fixed assets		(2,853)		(625)	
Net cash used in investing activities			(2,853)		(625)
Net cash used in financing activities			-		-
Net (decrease)/increase in cash and cash equivalents			(27,413)		43,629
Cash and cash equivalents at beginning of year			19,846		(23,783)
Cash and cash equivalents at end of year			(7,567)		19,846
Relating to:					
Cash at bank and in hand			-		19,846
Bank overdrafts included in creditors payable within one year			(7,567)		-

OUR LADY'S FIRST STEPS PRE SCHOOL

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2023

1 Accounting policies

Charity information

Our Ladys First Steps Pre School is a charity incorporated in England and Wales. The principal office is Clinton View, Widnes, Cheshire, WA8 8JN. The nature of the charity's operations and principal activities are described in the Trustees' Report on page 1.

1.1 Accounting convention

The financial statements have been prepared in accordance with the charity's constitution adopted on 14 January 1993 as amended on 1 December 1999 and by a scheme of variation dated 1 March 2017, the Charities Act 2011 and "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)". The charity is a Public Benefit Entity as defined by FRS 102.

The financial statements have departed from the Charities (Accounts and Reports) Regulations 2008 only to the extent required to provide a true and fair view. This departure has involved following the Statement of Recommended Practice for charities applying FRS 102 rather than the version of the Statement of Recommended Practice which is referred to in the Regulations but which has since been withdrawn.

The financial statements are prepared in sterling, which is the functional currency of the charity. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared under the historical cost convention. The principal accounting policies adopted are set out below.

1.2 Going concern

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. Thus the trustees continue to adopt the going concern basis of accounting in preparing the financial statements.

1.3 Charitable funds

Unrestricted funds are available for use at the discretion of the trustees in furtherance of their charitable objectives.

Restricted funds are subject to specific conditions by donors as to how they may be used. The purposes and uses of the restricted funds are set out in the notes to the financial statements.

1.4 Income

Income is recognised when the charity is legally entitled to it after any performance conditions have been met, the amounts can be measured reliably, and it is probable that income will be received.

Cash donations are recognised on receipt. Other donations are recognised once the charity has been notified of the donation, unless performance conditions require deferral of the amount. Income tax recoverable in relation to donations received under Gift Aid or deeds of covenant is recognised at the time of the donation.

Legacies are recognised on receipt or otherwise if the charity has been notified of an impending distribution, the amount is known, and receipt is expected. If the amount is not known, the legacy is treated as a contingent asset.

OUR LADY'S FIRST STEPS PRE SCHOOL

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2023

1 Accounting policies

(Continued)

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, 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 classified by activity. The costs of each activity are made up of the total of direct costs and shared costs, including support costs involved in undertaking each activity. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs which contribute to more than one activity and support costs which are not attributable to a single activity are apportioned between those activities on a basis consistent with the use of resources. Central staff costs are allocated on the basis of time spent, and depreciation charges are allocated on the portion of the asset's use.

1.5 Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Improvements to property	10% straight line
Fixtures and fittings	15% straight line
Computers	33.3% straight line

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is recognised in the statement of financial activities.

1.6 Impairment of fixed assets

At each reporting end date, the charity reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any).

1.7 Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

1.8 Financial instruments

The charity has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the charity's balance sheet when the charity becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

OUR LADY'S FIRST STEPS PRE SCHOOL

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2023

1 Accounting policies

(Continued)

Basic financial assets

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

Basic financial liabilities

Basic financial liabilities, including creditors and bank loans are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of operations from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

Derecognition of financial liabilities

Financial liabilities are derecognised when the charity's contractual obligations expire or are discharged or cancelled.

1.9 Employee benefits

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the charity is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

1.10 Retirement benefits

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

2 Donations and legacies

	Total	Unrestricted funds
	2023	2022
	£	£
CJRS grants receivable	-	1,709

OUR LADY'S FIRST STEPS PRE SCHOOL

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2023

3 Charitable activities

	Unrestricted funds 2023 £	Unrestricted funds 2022 £
Nursery fees	376,688	364,908
Milk reimbursement	2,355	1,934
Other income	3,833	2,333
Nursery funding	293,168	302,055
	<u>676,044</u>	<u>671,230</u>

4 Charitable activities

	Charitable Expenditure 2023 £	Charitable Expenditure 2022 £
Staff costs	600,004	538,987
Depreciation and impairment	18,764	19,378
Insurance and rates	3,728	3,265
Repairs and maintenance	3,647	3,170
Groceries	15,934	14,558
School meals	76,408	30,838
Consumables	10,932	11,696
Toys and equipment	3,116	2,549
Printing, stationery and postage	1,124	760
Sundry expenses	4,047	3,450
Bank charges and interest	1,486	2,867
Utilities	7,296	6,110
Professional subscriptions	3,600	3,493
	<u>750,086</u>	<u>641,121</u>
Share of support costs (see note 5)	938	777
Share of governance costs (see note 5)	2,862	2,544
	<u>753,886</u>	<u>644,442</u>

OUR LADY'S FIRST STEPS PRE SCHOOL

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2023

5 Support costs

	Support costs	Governance costs	2023	Support costs	Governance costs	2022
	£	£	£	£	£	£
Other office costs	938	-	938	777	-	777
Independent examination fees	-	2,862	2,862	-	2,544	2,544
	<u>938</u>	<u>2,862</u>	<u>3,800</u>	<u>777</u>	<u>2,544</u>	<u>3,321</u>
Analysed between Charitable activities	<u>938</u>	<u>2,862</u>	<u>3,800</u>	<u>777</u>	<u>2,544</u>	<u>3,321</u>

6 Trustees

None of the trustees (or any persons connected with them) received any remuneration or benefits from the charity during the year.

There were no expenses reimbursed to trustees during the year.

7 Employees

The average monthly number of employees during the year was:

	2023 Number	2022 Number
	<u>33</u>	<u>34</u>
Employment costs	2023	2022
	£	£
Wages and salaries	560,521	506,519
Social security costs	31,948	26,243
Other pension costs	7,535	6,225
	<u>600,004</u>	<u>538,987</u>

There were no employees whose annual remuneration was more than £60,000.

8 Taxation

The charity is exempt from tax on income and gains falling within section 505 of the Taxes Act 1988 or section 252 of the Taxation of Chargeable Gains Act 1992 to the extent that these are applied to its charitable objects.

OUR LADY'S FIRST STEPS PRE SCHOOL

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2023

9 Tangible fixed assets

	Improvements to property £	Fixtures and fittings £	Computers £	Total £
Cost				
At 1 September 2022	7,603	117,954	5,161	130,718
Additions	-	2,853	-	2,853
At 31 August 2023	7,603	120,807	5,161	133,571
Depreciation and impairment				
At 1 September 2022	760	57,996	4,757	63,513
Depreciation charged in the year	760	17,764	240	18,764
At 31 August 2023	1,520	75,760	4,997	82,277
Carrying amount				
At 31 August 2023	6,083	45,047	164	51,294
At 31 August 2022	6,843	59,958	404	67,205

10 Debtors

	2023 £	2022 £
Amounts falling due within one year:		
Trade debtors	12,570	13,607

11 Loans and overdrafts

	2023 £	2022 £
Bank overdrafts	7,567	-
Payable within one year	7,567	-

OUR LADY'S FIRST STEPS PRE SCHOOL

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2023

12 Creditors: amounts falling due within one year

	Notes	2023 £	2022 £
Bank overdrafts	11	7,567	-
Other taxation and social security		7,765	5,832
Trade creditors		4,204	2,952
Other creditors		30,249	299
Accruals and deferred income		3,243	2,897
		<u>53,028</u>	<u>11,980</u>

13 Related party transactions

There were no disclosable related party transactions during the year (2022 - none).

14 Cash generated from operations

	2023 £	2022 £
(Deficit)/surplus for the year	(77,842)	28,497
Adjustments for:		
Depreciation and impairment of tangible fixed assets	18,764	19,378
Movements in working capital:		
Decrease/(increase) in debtors	1,037	(5,087)
Increase in creditors	33,481	1,466
Cash (absorbed by)/generated from operations	<u>(24,560)</u>	<u>44,254</u>

15 Analysis of changes in net debt

The charity had no debt during the year.