



CYGNETS PRE-SCHOOL

ANNUAL REPORT AND UNAUDITED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 OCTOBER 2023

CYGNETS PRE-SCHOOL

LEGAL AND ADMINISTRATIVE INFORMATION

Trustees	Alexandra Reynolds- Chair Daniel Denaro- Treasurer Kitty Cole- Secretary Nicole Sheppard Jamie Awdry Jordan Daykin
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Charity number	1095412
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Independent examiner	Katy Gooding Gooding Accounts Ltd 24 Warminster Road Westbury Wiltshire United Kingdom BA13 3PE
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CYGNETS PRE-SCHOOL

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CYGNETS PRE-SCHOOL

TRUSTEES' REPORT

FOR THE YEAR ENDED 31 OCTOBER 2023

The trustees present their annual report and financial statements for the year ended 31 October 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 aims of the charity are to enhance the development and education of children primarily under the statutory school age by encouraging parents to understand and provide the needs of children through community groups and by:

- 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 of ability;
- 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;
- instigating and adhering to and furthering the aims and objects of the Pre-school Learning Alliance.

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

Achievements and performance

Financial review

Although the charity has incurred a loss in the year ended 31 October 2023 the trustees are aware and are monitoring the increasing costs to ensure the charity can continue to trade. The trustees and management are looking at applying for grants to cover future costs along with regular reviews of the staffing structure to ensure the needs of the children are met alongside the costings incurred.

The fees and charges for parents are reviewed annually alongside the existing expenditure levels to try to balance the increasing costs faced by the charity. The review encapsulates wanting to remain financially sustainable alongside the visions and ethos of the charity, to provide the best support for all the children and families.

Structure, governance and management

The charity is an unincorporated charity and is a member of the the Pre-school Learning Alliance.

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

Alexandra Reynolds- Chair

Daniel Denaro- Treasurer

Kitty Cole- Secretary

Nicole Sheppard

Jenna Micallef

(Resigned 30 November 2022)

Jamie Awdry

Jordan Daykin

CYGNETS PRE-SCHOOL

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 OCTOBER 2023

The overall management and control of the charity rest with the individual members of the charities management committee.

The minimum number of committee members shall be 5 and the maximum shall be 12, together with up to a further 3 co-opted members. The committee shall consist of:

- a chair, a treasurer and a secretary
- not less than 2 nor more than 9 other elected members and
- if the Committee decides it can co-opt up to 3 further members on the committee at any time after the AGM.

Not less than 60% of the Committee members, including co-opted members, shall at the time of election or co-option be Family Members of the child attending any group run by the Pre-school.

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

Alexandra Reynolds

Chair

25 July 2024

CYGNETS PRE-SCHOOL

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

I report to the trustees on my examination of the financial statements of Cygnets Pre-School (the charity) for the year ended 31 October 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 ICAEW, 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.

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 ICAEW, which is one of the listed bodies.

Katy Gooding

Gooding Accounts Ltd
24 Warminster Road
Westbury
Wiltshire
BA13 3PE
United Kingdom

Dated: 9 August 2024

CYGNETS PRE-SCHOOL

STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 OCTOBER 2023

	Notes	Unrestricted funds 2023 £	Unrestricted funds 2022 £
Income and endowments from:			
Donations and legacies	3	7,093	9,476
Charitable activities	4	317,878	306,302
Other trading activities	5	930	1,112
Investments	6	121	4
Other income	7	-	1,500
Total income		<u>326,022</u>	<u>318,394</u>
Expenditure on:			
Charitable activities	8	331,189	328,512
Total expenditure		<u>331,189</u>	<u>328,512</u>
Net expenditure and movement in funds		(5,167)	(10,118)
Reconciliation of funds:			
Fund balances at 1 November 2022		<u>25,564</u>	<u>35,682</u>
Fund balances at 31 October 2023		<u>20,397</u>	<u>25,564</u>

The statement of financial activities includes all gains and losses recognised in the year. All income and expenditure derive from continuing activities.

CYGNETS PRE-SCHOOL

BALANCE SHEET

AS AT 31 OCTOBER 2023

	Notes	2023 £	£	2022 £	£
Fixed assets					
Tangible assets	14		1,824		514
Current assets					
Debtors	15	513		487	
Cash at bank and in hand		19,250		27,821	
		<u>19,763</u>		<u>28,308</u>	
Creditors: amounts falling due within one year	16	<u>(1,190)</u>		<u>(3,258)</u>	
Net current assets			18,573		25,050
Total assets less current liabilities			<u>20,397</u>		<u>25,564</u>
Income funds					
Unrestricted funds			20,397		25,564
			<u>20,397</u>		<u>25,564</u>

The financial statements were approved by the Trustees on 25 July 2024

Alexandra Reynolds
Chair

CYGNETS PRE-SCHOOL

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 OCTOBER 2023

1 Accounting policies

Charity information

Cygnets Pre-School is an unincorporated charity.

1.1 Accounting convention

The financial statements have been prepared in accordance with the charity's [governing document], the Charities Act 2011, FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the Charities SORP "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 charity has taken advantage of the provisions in the SORP for charities not to prepare a Statement of Cash Flows.

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 or grantors 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.

Endowment funds are subject to specific conditions by donors that the capital must be maintained by the charity.

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.

CYGNETS PRE-SCHOOL

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 OCTOBER 2023

1 Accounting policies

(Continued)

1.5 Expenditure

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.

1.6 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:

Fixtures and fittings	20% SL
Computers	33% RB

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.

1.7 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).

1.8 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.

1.9 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.

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.

CYGNETS PRE-SCHOOL

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 OCTOBER 2023

1 Accounting policies

(Continued)

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.

1.10 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.

1.11 Retirement benefits

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

2 Critical accounting estimates and judgements

In the application of the charity's accounting policies, the trustees are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

3 Income from donations and legacies

	Unrestricted funds 2023 £	Unrestricted funds 2022 £
Donations and gifts	1,067	2,226
Grants receivable	6,026	7,250
	<u>7,093</u>	<u>9,476</u>

CYGNETS PRE-SCHOOL

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 OCTOBER 2023

3 Income from donations and legacies

(Continued)

	Unrestricted funds 2023 £	Unrestricted funds 2022 £
Grants receivable for core activities		
Westbury Town Council	1,500	-
Department for Education	1,500	-
Bratton Parish Council	-	250
Selwood Housing	1,000	-
Wiltshire Community Foundation	1,726	-
University West England	-	7,000
Business growth	300	-
	<u>6,026</u>	<u>7,250</u>

4 Income from charitable activities

	Unrestricted funds 2023 £	Unrestricted funds 2022 £
Pre-school		
Fees	47,842	60,574
Services provided under contract	208,848	222,834
Ancillary trading income	61,188	22,894
	<u>317,878</u>	<u>306,302</u>

5 Income from other trading activities

	Unrestricted funds 2023 £	Unrestricted funds 2022 £
Fundraising events	<u>930</u>	<u>1,112</u>

CYGNETS PRE-SCHOOL

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 OCTOBER 2023

6 Investments

	Unrestricted funds	Unrestricted funds
	2023	2022
	£	£
Interest receivable	121	4

7 Other income

	Unrestricted funds	Unrestricted funds
	2023	2022
	£	£
Other income	-	1,500

8 Expenditure on charitable activities

	Pre-school 2023	Pre-school 2022
	£	£
Direct costs		
Staff costs	262,852	257,177
Consumables	17,765	9,022
Equipment	-	7,880
	280,617	274,079
Share of support and governance costs (see note 9)		
Support	44,231	50,463
Governance	6,341	3,970
	331,189	328,512
Analysis by fund		
Unrestricted funds	331,189	328,512

CYGNETS PRE-SCHOOL

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 OCTOBER 2023

9 Support costs allocated to activities

	2023 £	2022 £
Depreciation	640	128
Telephone	3,105	3,281
Printing and stationery	73	400
Admin	4,624	4,606
Staff and training	6,258	8,836
Repairs and maintenance	6,029	5,725
Rent and Rates	14,691	19,693
Cleaning	3,828	3,062
Insurance	2,214	2,282
Membership and subscriptions	2,367	2,077
Advertising	402	373
Governance costs	6,341	3,970
	<u>50,572</u>	<u>54,433</u>
Analysed between:		
Pre-school	<u>50,572</u>	<u>54,433</u>

10 Net movement in funds

	2023 £	2022 £
The net movement in funds is stated after charging/(crediting):		
Depreciation of owned tangible fixed assets	<u>640</u>	<u>128</u>

11 Trustees

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

12 Employees

The average monthly number of employees during the year was:

2023 Number	2022 Number
<u>23</u>	<u>21</u>

CYGNETS PRE-SCHOOL

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 OCTOBER 2023

12 Employees

(Continued)

Employment costs	2023 £	2022 £
Wages and salaries	253,008	246,923
Social security costs	4,536	4,963
Other pension costs	5,308	5,291
	<u>262,852</u>	<u>257,177</u>

The key management personnel of the charity comprise the trustees, and the manager. The total remuneration of key management personnel during the year was £21,649, (2022; £21,649)

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

13 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.

14 Tangible fixed assets

	Fixtures and fittings £	Computers £	Total £
Cost			
At 1 November 2022	402	-	402
Additions	<u>1,274</u>	<u>916</u>	<u>2,190</u>
At 31 October 2023	<u>1,676</u>	<u>916</u>	<u>2,592</u>
Depreciation and impairment			
At 1 November 2022	128	-	128
Depreciation charged in the year	<u>335</u>	<u>305</u>	<u>640</u>
At 31 October 2023	<u>463</u>	<u>305</u>	<u>768</u>
Carrying amount			
At 31 October 2023	<u>1,213</u>	<u>611</u>	<u>1,824</u>
At 31 October 2022	<u>514</u>	<u>-</u>	<u>514</u>

CYGNETS PRE-SCHOOL

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 OCTOBER 2023

15 Debtors

	2023 £	2022 £
Amounts falling due within one year:		
Other debtors	513	487

16 Creditors: amounts falling due within one year

	2023 £	2022 £
Other taxation and social security	376	261
Trade creditors	814	2,175
Other creditors	-	162
Accruals and deferred income	-	660
	1,190	3,258

17 Retirement benefit schemes

	2023 £	2022 £
Defined contribution schemes		
Charge to profit or loss in respect of defined contribution schemes	5,308	5,291

The charity operates a defined contribution pension scheme for all qualifying employees. The assets of the scheme are held separately from those of the charity in an independently administered fund.

18 Unrestricted funds

The unrestricted funds of the charity comprise the unexpended balances of donations and grants which are not subject to specific conditions by donors and grantors as to how they may be used. These include designated funds which have been set aside out of unrestricted funds by the trustees for specific purposes.

	At 1 November 2022 £	Incoming resources £	Resources expended £	At 31 October 2023 £
General funds	25,564	326,022	(331,189)	20,397
Previous year:	At 1 November 2021 £	Incoming resources £	Resources expended £	At 31 October 2022 £
General funds	35,682	318,394	(328,512)	25,564

19 Related party transactions

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