

**PRE-SCHOOL LEARNING ALLIANCE  
TRUSTEES' ANNUAL REPORT  
AND FINANCIAL STATEMENTS  
YEAR ENDED 31 MARCH 2025**

**PRE-SCHOOL LEARNING ALLIANCE  
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YEAR ENDED 31 MARCH 2025**

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**PRE-SCHOOL LEARNING ALLIANCE  
LEGAL AND ADMINISTRATIVE INFORMATION  
YEAR ENDED 31 MARCH 2025**

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The charity is known as the Early Years Alliance. The legal entity's name remains the Pre-school Learning Alliance.

**BOARD OF TRUSTEES**

The trustees of the Pre-school Learning Alliance are the charity's trustees under charity law and the directors of the charitable company. The members of the Board of Trustees who have held office during the year and to the date of signing this report are as follows:

Keith Appleyard (treasurer) \*\*  
Joanne Blank  
Christine Cheshire \* \*\*  
Emma Comer  
Sathushen Kukapalan  
Graham McMillan  
Lorna Pendred (vice chair) \*\*  
Laura Perfetti \*  
Sarah Presswood (chair) \*  
Raymond Smith \*  
Emma Wohl  
Anna Wright

\* member of the Nominations and Procedures Committee

\*\* member of the Audit Committee

**COMPANY SECRETARY:** Katharine Heeps

<b>PRINCIPAL OFFICERS:</b>	Chief executive	Neil Leitch
	Director of people and technology	Paul Donaldson
	Director of quality improvement	Michael Freeston
	Director of finance	Katharine Heeps

**BANKERS:** National Westminster Bank plc  
280 Bishopsgate  
London, W1U 2AR

**STATUTORY AUDITOR:** Crowe U.K. LLP  
55 Ludgate Hill  
London, EC4M 7JW

**REGISTERED OFFICE:** 50 Featherstone Street  
London, EC1Y 8RT

**WEBSITE:** [www.eyalliance.org.uk](http://www.eyalliance.org.uk)

**CHARITY NUMBER:** 1096526

**COMPANY NUMBER:** 4539003

**PRE-SCHOOL LEARNING ALLIANCE  
TRUSTEES' ANNUAL REPORT  
YEAR ENDED 31 MARCH 2025**

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The trustees of the Pre-school Learning Alliance are pleased to present their Annual Report for the year ended 31 March 2025 prepared under the Charities Act 2011 and the Companies Act 2006 (the report comprises the Directors' Report and the Strategic Report under the 2006 Act); together with the audited financial statements for the year.

The attached financial statements have been prepared in accordance with the accounting policies set out on pages 19 to 22 and comply with the charitable company's Memorandum and Articles of Association, applicable laws and the requirements of the Charities SORP FRS102.

## **Objectives and activities**

### *Our values and vision*

The charity's core values guide our work:

The child - putting the child first to enhance the quality of education and care and family service delivery.

The parents - empowering parents and carers to be the foundation of and foster the development of their children.

We believe that the wellbeing and achievement of children should be a key priority for society. We will work with policy makers, parents, early years educators and children to achieve this end. We will support the early years workforce to carry out their vital work and gain the recognition they deserve.

### *Our charitable objects for the public benefit*

Our charitable objects for the public benefit are set out in our Articles of Association. These include the promotion of the care, safety, education, health and wellbeing of children and young people; promotion of parental involvement in their education; provision of services to support children, young people and their families and carers; and provision of services to support organisations and individuals holding membership of the charity.

The charity's activities further the public benefit by supporting the needs of children and families and promoting the importance of voluntary community involvement in early years education and care. The charity's beneficiaries are the children and families who access our services and those of our members. The charity supports central and local government initiatives and provides support to parents to engage in their children's learning at home, providing a range of benefits and services for families. The charity's training and learning programme is delivered online and in the workplace allowing students to earn and learn.

The trustees have given due regard to the guidance issued by the Charity Commission on public benefit principles and have reviewed the activities and plans outlined in this report to ensure that they comply with the principles. The trustees set objectives based on their assessment of the public need for early years education and care and the support needs of those caring for and working with young children and their families.

### *Our activities*

Our charitable purpose is to provide services which promote child development and support families, especially those in deprived areas. We do this by delivering services for families, support and training programmes for our members and representing the wider early years sector.

We use our experience, expertise and authority to advocate on behalf of children and families to government agencies to secure policies that place children's needs at their core. We work in partnership with a range of organisations, our members and the wider sector to advocate for improvements in early years policy and provision. We deliver affordable, flexible and high-quality early years provision through a portfolio of nurseries and pre-schools. These all operate around a core belief that parents are the first and foremost educators of

# PRE-SCHOOL LEARNING ALLIANCE

## TRUSTEES' ANNUAL REPORT (CONTINUED)

### YEAR ENDED 31 MARCH 2025

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#### Objectives and activities (continued)

##### *Our activities (continued)*

their children. Our parent partnership work empowers families and carers and gives them a greater involvement in their children's care and education.

The charity has no fundraising activities requiring disclosure under S162A of the Charities Act 2011.

#### Achievement and performance

2024-25 has seen considerable political and public attention paid to early years provision and support for children and families. The Alliance has been at the forefront of discussions informing and responding to these developments. On coming to office in July 2024, the Labour government pledged to deliver a sea change in early years, calling it the "number one priority" for education. We have worked hard to ensure this rhetoric is turned into positive action and that children's learning and development is at the heart of policy. The government's early years focus has informed the Alliance's strategic priorities, with emphasis on children and families facing social and economic disadvantage or other barriers to learning and development. The strategic plan for the period 2025-27 outlines a renewed vision for a country where:

- The wellbeing and achievement of all children and their families is a key priority for society.
- The early years sector is valued, respected and appropriately funded.
- The early years workforce is high-status, highly trained and diverse.

These priorities have driven our work with children and families in the past year. Activities have focused on providing services in our own nurseries, bringing about the benefits of early years education and helping to address inequalities and supporting our members to deliver against a challenging financial backdrop.

##### *Provision of care and education services*

In line with our strategic aim to secure the viability of our nurseries and provide services that families need we provided 1,128,232 hours of early education and care to over two thousand children and their families in our nurseries, an increase of 5.2% on last year. Currently 97% of our nurseries are rated by Ofsted as good or outstanding in line with the national average. The consistently high level of quality provision is testimony to the commitment of our staff in a challenging operating environment.

In March 2025, following the announcement of the 2025-26 early years funding rates, it became necessary to restructure our portfolio. This was in response to increases in employment costs, in particular the changes to Employer's National Insurance Contributions, which were not factored into funding rates. Our strategic plan commitment to operate in disadvantaged areas was a strong determining factor in deciding where we should continue to operate. We focused on retaining settings within the most disadvantaged areas and those which demonstrated higher levels of Early Years Pupil Premium usage to meet children's additional needs. The restructure reduced the portfolio by 11 with five settings in line to transfer to other providers.

Bee's Pre-School achieved a top twenty award for their area from DayNurseries.co.uk. 78% of our review scores on this site are 9 out of 10, or above with seven settings scoring 10. One parent commented, "*I believe this to be the BEST nursery in the whole of Luton! The staff are fantastic in every way! The nursery is very well run, clean with good equipment and fun play learning. Their app is a MUST for all nurseries to keep parents informed and updated at all times and also provides a clear communication portal for anxious parents*".

In line with our strategic commitment to ensure that all children, regardless of need, benefit from high quality early education, all of our settings have continued to see an increase in the number of children with complex family lives or children with Special Educational Needs or Disabilities (SEND). Over 14% (330) of our children are eligible for Early Years Pupil Premium, an increase of 4% on last year and higher than the national average of 9%. Over half of settings have five or more children in receipt of this additional financial support. In addition, over 10% of children have a special educational need or disability or are on a diagnosis pathway, compared with the DfE's national figures of 8%.

**PRE-SCHOOL LEARNING ALLIANCE  
TRUSTEES' ANNUAL REPORT (CONTINUED)  
YEAR ENDED 31 MARCH 2025**

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**Achievement and performance (continued)**

*Provision of care and education services (continued)*

To meet the needs of these children, our strategic plan focuses on ensuring staff are confident providing a welcoming and inclusive environment for children with additional needs and excellent quality provision in baby rooms. A key target this year was to deliver a training event for all staff, developing their skills, knowledge and confidence to support children with SEND. In October, 355 staff attended one of 7 venues around the country for a day entitled Inside out and Upside Down; rethinking our approach to SEND. Delegates met colleagues, shared experiences, attended workshops and heard online presentations from a panel of expert speakers. 94% of attendees were satisfied or very satisfied with the event with 98% reporting they felt more confident implementing sensory wellbeing strategies in their setting.

The event built on our collaboration with University of East London and specialist SEND provider, Dingley's Promise. The nursery team at Lydgate were awarded Dingley's Promise Mark of Achievement, confirming and celebrating the team's commitment to being an inclusive setting with high expectations for children with SEND. And in March 2025 Dingley's Promise awarded the Alliance its Practice Partner Award in recognition of our work to raise and support SEND issues.

To meet our strategic aim to provide excellent quality provision in baby rooms, and in response to the extension of government funded entitlement to early years places for children aged 9 months and above, we have increased our provision for babies by 10% from 174 to 192. This was lower than the 19% target as increases in staff costs and ongoing recruitment challenges affected our growth potential. Where investment has been provided, we have seen strong growth. For example, a capital grant from Cambridgeshire local authority to Farcet Village and Bulwell nurseries has developed their space, increasing the number of babies enrolled from 3 to 15 across the two locations.

We are committed to supporting all aspects of children's learning and development and our nursery managers and cooks have worked with nutritionists and dieticians to assess the nutritional content of the menus provided to our children in line with the latest nutritional guidelines being introduced this year.

*Outreach services for children and families*

In 2025 the Institute for Fiscal Studies published a report evaluating the impact of the Sure Start programme introduced in 1999. It concluded 'the effect of Sure Start on outcomes such as educational attainment in school and hospitalisations that can be clearly linked to its aims to promote the physical, intellectual and social development of the children, was overwhelmingly positive. (The short- and medium-term effects of Sure Start on children's outcomes. IFS May 2025)

Intelligence such as this directed our renewed strategic plan focus on the interconnected systems, including family, home environment, local community and national policy framework, which impact on young children's lives. We work in disadvantaged areas delivering family learning programmes and local support services in a range of formats, in furtherance of our strategic aims of targeting health and wellbeing resources for families through baby and toddler programmes, promoting the importance of the home-learning environment and embedding communication and language resources across programmes.

Our Flying Start Project coordinates Luton's antenatal to age five strategy, in partnership with the council, Family Hubs and voluntary service providers. This year has seen a 30% increase in families registered, from 4,773 to 6,783. The project has facilitated an increase in breastfeeding rates at 6-8 weeks from 66.6% to 71.2%, making it the best performing authority in Bedfordshire. The projects services have helped reduce reception child obesity rates to 19.8% which is 3% below the national average.

In line with our strategic priority to increase partnerships with statutory and voluntary organisations to extend support for vulnerable families, the project team works with local midwifery services to deliver a Bump, Birth and Baby Stuff course, supporting new parents. 559 parents, including 232 dads, attended sessions.

*"I found the interactive elements most useful as what you don't get when reading/watching/attending 'online'. Being able to physically change a baby's nappy and see bathing and safe sleep space in front of you was really great".*

**PRE-SCHOOL LEARNING ALLIANCE  
TRUSTEES' ANNUAL REPORT (CONTINUED)  
YEAR ENDED 31 MARCH 2025**

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**Achievement and performance (continued)**

*Outreach services for children and families (continued)*

In Lincolnshire we secured the contract to deliver the council's Children with Disabilities Support Service. This success is recognition of our strong sector experience and service management record. The service provides short breaks for families with children and young people who have disabilities or complex health needs.

Time to Play sessions offer respite for parents and carers of children aged 0-5. 586 sessions were delivered in the first year with 2,159 attendances. Importantly the service is available where the child is undiagnosed and includes training on a range of support issues including nasogastric feeding, safe oxygen use, and epilepsy awareness. Feedback from parents includes: *"Given me some fantastic advice around communication with my son, ways to manage sensory issues. It goes so far beyond the sessions themselves and the whole picture is very enriching"*.

For children aged 5-18, 146 Community Groups, 148 Youth Groups and 81 Holiday Clubs have been delivered in line with target. In total, 1,835 children and young people attended.

One parent has commented *"your provision is our light, our one thing that gives me hope for the future. Having more like this ran this way your way would do the SEND in Grantham so much good as you are the only one who does provide for these children"*.

A new local authority contract in Rutland funded family learning programmes on an RAF base and in geographically isolated communities. In addition to promoting educational engagement between parents and their children, the sessions facilitate the development of social connections among families, fostering broader support networks which are particularly beneficial in circumstances that may otherwise feel isolating. 59 parents attended the four sessions delivered, in line with target. This small project has helped us secure a larger programme in the area for the next three years.

The Department for Education Voluntary and Community Sector grant supported our strategic aim to ensure parents understand their essential role in their child's learning. 8,597 parents registered and attended sessions on how to provide a strong home learning environment, either online or in person exceeding the target of 4,520.

A key element of the grant is to work towards our strategic aim of aligning our activities with Family Hub and Start for life areas. Our Lincolnshire project team worked closely with the local authority to deliver transition support for providers preparing children to move to school. Partnering with the authority's Transition Lead we provided tailored support for nurseries, reception class teachers and parents, promoting a joined-up approach to ensure that children's needs and well-being are kept at the centre of transition. The project also trains and supports early years educators to assess and address children's speech, language and communication needs. Since April 2024, 178 educators from 64 settings have been trained exceeding targets of 138 and 40 respectively. As a result, 1,519 children were assessed and supported against the target of 1,100.

The Home is Where the Start is online festival of play and learning, held over three days, attracted 2,180 parents attending across 11 sessions. Participants heard from a range of experts, culminating in Michael Rosen presenting Family Poems and Stories.

March 2025 saw the conclusion of most elements of the National Lottery-funded, A Better Start programme in Southend. Over the 10 years of the programme, 8,238 children and families benefited from its services. 4.8% of beneficiaries live in the 30% most deprived areas of the country (24% in the 10% highest deprivation areas). Over 12,524 project sessions were delivered to over 37,771 participants. Dissemination of the programmes learning, recommendations and stories of impact have included a presentation at the Palace of Westminster, a roadshow to conferences and the creation of a discrete resources area on our website. A key aim of the programme was to enhance parental resilience, by supporting mental health and building peer networks. 2,533 parents benefited from activities including peer support programmes, food to home clubs, work skills development and domestic violence advice. As part of the programme's legacy, we continue to support a number of services via service delivery partners supported by the programme's underspend.

**PRE-SCHOOL LEARNING ALLIANCE  
TRUSTEES' ANNUAL REPORT (CONTINUED)  
YEAR ENDED 31 MARCH 2025**

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**Achievement and performance (continued)**

*Sector support, membership and policy development*

Our strategic plan commits us to training the early years workforce to improve the quality of early years provision for children with SEND, developing innovative ways to offer training and supporting the mental health and wellbeing of the sector.

Training qualification take up remained strong with 235 on roll, continuing the upward trend of the previous year. Since the new apprenticeship standards were introduced, all the 51 level 2 and level 3 candidates entered for end point assessment (EPA) have successfully achieved, the majority with distinction.

Our strategic commitment to work collaboratively with government was demonstrated through our direct input into revision of early years qualifications at levels 2 and 3. We helped ensure greater emphasis is placed on trainees gaining appropriate skills, knowledge and behaviours in baby room provision and meeting young children's additional needs. We have developed new qualification courses for SEND at levels 3 and 4.

Our portfolio of CPD-accredited training programmes and resources for members grew by 33% compared with the previous year with 82,132 online courses undertaken by members of the Alliance. The most popular courses were Safeguarding responsibilities in the early years, The Prevent Duty and Food Hygiene Level 2. Live online briefings and training continues to be popular. 9,362 early years educators registered for our live online Connect, Virtual Classroom and Insight sessions. These cover a range of essential early years topics including Safer Recruitment in the early years, Makaton Level 1 and Early Years Policy Updates 2025. Our Becoming Actively Anti-Racist training, developed last year for our own staff, has been revised for a wider audience and is being marketed to local authorities.

Through our partnership with Metaverse Limited we created five new immersive learning programmes. They allow practitioners to learn skills and knowledge on topics including baby room practice, supporting speech language and communication and maintaining good hygiene and infection control in safe, simulated environments with no requirement for expensive specialist technical equipment.

We launched nine online toolkits of advice, guidance and resources on topics including Supporting Multilingual Children, Nursery Budgeting, SEND, Transitions and Environmental Sustainability. The Environmental Sustainability Toolkit helped strengthen our engagement with the DfE's Climate Ambassador programme, facilitating the engagement of their regional hub managers with the early years sector. We supported nurseries to meet requirements to create a climate action plan and establish a lead role in settings to progress climate change reduction awareness.

Our improved web platforms allow us to target and promote our services where gaps in support and training are identified. Improved data capture helps us meet our strategic plan aim of measuring the effectiveness of our interventions allowing production of impact and effectiveness reports to support funding applications and inform advocacy.

Our annual conference, No Child Left Behind, was attended by 828 participants. Keynote speakers included the children's laureate Frank Cottrell Boyce and Professor Melernie Meheux. At the conference we launched a collection of essays from leading international early years experts including Nobel-Prize winning academic James Heckman and Dame Cathy Nutbrown. Contributors reflected on the current sector challenges and outlined their long-term vision of a system underpinned by fairness and equality. Topics included supporting children with SEND, embedding anti-racist practice in settings, family support and digital literacy. The conference also launched Play Week, with a record 1,524 practitioners downloading resources to help them celebrate child-led play.



**PRE-SCHOOL LEARNING ALLIANCE  
TRUSTEES' ANNUAL REPORT (CONTINUED)  
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## **Plans for the future**

Our Strategic Plan 2025-28 forms the basis on which we will work to influence the government's Best Start in Life agenda. We welcome its commitment to review the current funding arrangements to ensure support is directed to where it is most needed and to ensure Family Hub provision is located in areas where families' needs are greatest. We will work constructively with government to deliver these aims.

We will support the sector through the coming year, which will include increased regulation from the revised Early Years Foundation Stage, a new Ofsted inspection framework, the expectations of the Best Start in Life initiative and the expected workforce recruitment and retention strategy. This will contribute to our strategic aim to use our experience and expertise as a direct provider of care and education as well as our position as a close partner of DfE and Ofsted to support the sector through this challenging period. Online and in-person briefings and training programmes will be supplemented with published resources and guides.

In line with our strategic plan to increase collaboration with research institutions to improve provision for children facing particular barriers to learning, our nurseries will work with The Centre for Educational Neuroscience to identify and overcome challenges of ambient noise in nurseries and its impact on children's communication development. We will champion qualification and professional development training in baby room practice and working with children with SEND, collaborating with academic research organisations and specialist providers to extend capacity and quality of provision in these areas.

## **Structure, governance and management**

### *Governing document and membership*

The charity is a company limited by guarantee governed by its Articles of Association. The charity's members undertake to pay no more than £1 towards the charity's assets in the event of the charity being wound up.

### *Board of Trustees*

The Board of Trustees is the governing body of the Pre-school Learning Alliance. The Board of Trustees is the board of directors under company law. The trustees of the charity are also members of the charity.

The Board of Trustees is currently made up of eleven Elected Trustees and one Appointed Trustee. Elected Trustees are elected by the members and their names are presented at the annual general meeting of the charity. Appointed Trustees are selected by virtue of their background, knowledge and experience and bring skills that are complementary to those of the Elected Trustees. The period of office of the Board of Trustees is three years. Trustees are given a governance handbook and attend an induction training programme to introduce the responsibilities of their role including governance, policies and procedures. This is followed by training sessions throughout a trustee's term based on a skills audit.

### *Committees of the Board*

The Nominations and Procedures Committee is responsible for ensuring that the charity's governing document and byelaws are regularly reviewed and complied with. The committee identifies individuals on behalf of the Board of Trustees to stand as Appointed Trustees.

The Audit Committee ensures that there is an effective and transparent framework of accountability within the charity and monitors control and risk management systems. The Audit Committee and Nominations and Procedures Committee have agreed terms of reference and minutes are made available to the Board of Trustees. Co-opted members who are not themselves trustees serve on some of our committees and the trustees are grateful for the expertise, skills and experience that they bring.

The Board of Trustees is represented on the charity's Safeguarding Group. This group is responsible for oversight of all policies and procedures to ensure that the charity keeps all children and vulnerable adults safe and can respond to all safeguarding concerns.

### *Code of governance*

The trustees have reviewed the Charity Code of Governance (the Code) and mapped the charity's governance structures and processes against the seven principles. The trustees are satisfied that the governance framework already established and documented in is compliant with the Code and that by monitoring their

**PRE-SCHOOL LEARNING ALLIANCE  
TRUSTEES' ANNUAL REPORT (CONTINUED)  
YEAR ENDED 31 MARCH 2025**

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**Structure, governance and management (continued)**

*Code of governance (continued)*

ways of working against each of the Code's seven principles, they are compliant. The Code is integral to the charity's governance handbook which is regularly reviewed and included in the trustee training programme. Trustees are clear about their roles and legal responsibilities, are committed to supporting the charity to deliver its objects most effectively for its beneficiaries' benefit and contribute to the charity's continued improvement. The trustees have agreed a board diversity policy to guide the process of electing and appointing trustees.

*Management*

The Board of Trustees appoints the Chief Executive who is given delegated authority to implement strategy and to run the charity efficiently. The Chief Executive and Strategic Management Team lead a consultation process that feeds into the charity's policy making, budgets and strategic plan. Once approved, trustees monitor implementation and progress against target at their quarterly meetings.

Remuneration of the charity's key management personnel is agreed by trustees with reference to the charity's Employment and Remuneration Policy.

**STRATEGIC REPORT**

**Key risks and uncertainties**

The Board of Trustees' risk management process identifies key events or incidents that could affect the charity's ability to achieve its aims. This process results in a record of the most significant internal and external risks facing the charity, the possible impact or consequence of each risk and the required action to mitigate it. The Board of Trustees seeks reasonable assurance that these risks have been adequately managed, and that appropriate procedures and controls are in place to identify, manage and mitigate the key risks as far as possible. Scrutiny of risk management is delegated by the Board of Trustees to the Audit Committee which reports to the Board after every meeting.

As a charity providing care for children, the trustees recognise that the key risk relates to injury or death of children whilst in our care. Strong safeguarding controls have been implemented and are regularly reviewed to ensure they mitigate the likelihood of this risk. Training and vetting of staff and clear policies create an effective safeguarding culture.

Last year this report highlighted the increasing cost of employing staff, at a time of ongoing underfunding in early years and the risk to the financial viability of the charity and to the strength of the early years sector. Since signing off the 2024 report, the government has announced significant increases to Employer's National Insurance Contributions and a higher than inflation increase in the living wage. The charity supports measures to improve the pay of staff working in the early years but these increases were not funded which threatens the sector. We have reviewed the financial viability of each setting and their ability to contribute to the charity's strategic aims and made the difficult decision to close some services. We will support independent providers to understand government changes and make decisions about their future.

**Financial review**

*Financial results*

The consolidated Statement of Financial Activities for 2024-25 shows a net decrease in funds of £428,000 in the year. The decrease in funds is after unrealised investment losses of £221,000 and actuarial losses on the defined benefit pension scheme of £24,000.

Overall, there has been a 4.4% increase in income for the charity and a 1.7% decrease in costs. Revenue from care and education places was £884,000 more than the previous year following steps taken to improve the operating model after a very challenging 2023. Revenue from sector support, membership and policy development is £550,000 less than the previous year due to a change in accounting policy in 2024.

**PRE-SCHOOL LEARNING ALLIANCE  
TRUSTEES' ANNUAL REPORT (CONTINUED)  
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**Financial review (continued)**

*Financial results (continued)*

The unrestricted deficit, before unrealised investment losses and actuarial gains, was £394,000 in the year. Restricted funds increased by £211,000. The charity used donated funds in line with the wishes of grant funders and donors to meet the needs of children and families and to support the early years sector and received new restricted donations of £221,000.

*Financial health*

The 2024-25 accounts reflect an improved performance from project delivery and services to support families and the charity's members. Following a very challenging 2023-24, changes were made to the operating model. Serious recruitment and retention challenges remain today but some improvements were experienced by the charity and some temporary reductions in operating hours could be reversed.

The charity had hoped that 2024-25 would be a year of consolidation that would also see funding rates that reflected the operating costs of early years education and care. However, unfunded National Insurance increases and under-funded National Living Wage increases announced in October 2024 mean that the charity is forced to close some services and reduce the central infrastructure that supports them. 11 nurseries will be closed or transferred to alternative providers.

The trustees are confident this restructure will result in a realistic budget that is viable and sustainable. Taking account of the charity's response to this year's results, cash balances at the signing date and the overall financial health of the charity, the trustees have a reasonable expectation that the charity has adequate resources to continue for the foreseeable future. Therefore, we have continued to adopt the going concern basis in preparing these financial statements.

**Policies**

*Reserves policy*

The charity's unrestricted funds are held to secure the activities of the charity and can be applied in the event of a drop in funding or other financial contingency. The general fund represents the unrestricted funds arising from past operating results and totalled £1,576,000 at 31 March 2025. The fixed asset designated fund contains the funds that are invested in tangible fixed assets which are held to support the continuation of charitable activities. The funds held in the fixed asset reserve at 31 March 2025 totalled £1,327,000. One other designated fund totalled £20,000. The negative designated pension reserve of £42,000 represents the present value of future deficit contributions to The Pensions Trust Growth Plan as valued under FRS102 at 31 March 2025. The movements on unrestricted funds and details of designations made by the trustees are set out in note 15 to the financial statements.

Restricted funds are held by the charity when donors have stipulated how their donation can be spent. These funds cannot always be spent in the period in which they are donated and so the target is always to use restricted funds in a manner which meets the needs of the beneficiaries and the expectations of the donors. At 31 March 2025 restricted funds held totalled £1,047,000. The movements on restricted funds are set out in note 16.

The reserves policy reflects the need to respond to changes to the major risks and be able to meet the commitment of providing early years services to children and their families. The aim of the reserves policy is to hold adequate general funds to sustain charitable activities in the event of future income variation or increases in operational costs and to allow a managed review of operations and investment in development activities.

The reserves are reviewed annually to reassess the risks and reflect changes in activities, obligations and funding levels. The trustees recognise that the key income risks for the charity are linked to the long-term stability of the early years sector that makes up its membership and the continuation of funded early education places for two, three and four year olds. The Board of Trustees has established a policy which states that the most appropriate level of the general fund should be 25% of budgeted staff costs plus a provision against financial risks and pension liabilities.

**PRE-SCHOOL LEARNING ALLIANCE  
TRUSTEES' ANNUAL REPORT (CONTINUED)  
YEAR ENDED 31 MARCH 2025**

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**Policies (continued)**

*Reserves policy (continued)*

The general reserves are currently £1,576,000 which is 58% below the target set by trustees of £3,730,000. The charity's operational plan includes actions to generate reserves that will meet the target level in the medium term. The charity's restructuring to bring about a more financially viable operation has been outlined in the financial health section. The charity is engaging with the government's Best Start in Life policy and is growing its insurance scheme with 18% growth experienced to date.

*Investment policy*

The trustees recognise the need to retain sufficient liquid assets to meet the charity's short-term obligations. The trustees' investment policy is to minimise risk to those assets because they largely represent working capital. Therefore, these funds are invested in low-risk cash deposits which are pooled and placed on overnight and term deposits. These funds are managed internally.

Funds that can be invested over a longer term are invested in Common Investment Funds which are managed by CCLA Fund Managers. The trustees selected CCLA as fund manager because of its Ethical and Responsible Investment policy which is in line with the charity's own investment policy. The charity has no limitations on its investment powers. The aim is to maximise yield while maintaining the capital fund. The portfolio is actively managed to ensure that there is a balanced approach across all asset classes. In 2024-25 75% was held in equities, 7% in fixed interest and 18% in property/infrastructure/other. Return on investment was 2.2% (2024: 2.3%). Interest rates on bank deposits in 2024-25 was 1.13%. Average income earned from Common Investment Funds is 2.9% (2024: 3.0%).

During the year, the investment portfolio made unrealised losses of £221,000. Equities lost value at the end of March 2025 following the announcement of US trade tariffs in an atmosphere of global political uncertainty. The charity's own portfolio lost 9.4% between 31 January and 31 March 2025. Property valuations were stable in the year but due to uncertainty over office space and industrials the property fund was sold and funds will be realised in September 2025.

*Employment and remuneration policy*

The charity is a major employer within the early years sector. It is an equal opportunities employer and all employment related policies are developed in line with our vision and strategy. The charity provides a range of development opportunities, including coaching and mentoring to ensure that the talents of the workforce are fully utilised to support the achievement of the Alliance's goals. Regular policy and procedure reviews take place to ensure that the charity is able to meet its goals and employment law requirements.

Working within recognised good practice guidelines, the charity regularly reviews its level of investment in staff training and development to ensure that adequate and appropriate resources are in place. E-learning and the use of webinars complement other staff training and development policies and activities within the organisation.

The Alliance has silver level Investors in People (IiP) accreditation which recognises an empowered workforce, supportive management and an embedded commitment to developing individuals. Our We Invest in People accreditation recognises the work undertaken by the Alliance to promote a culture of wellbeing. Our wellbeing support includes staff access to an Employee Assistance Programme.

As part of our commitment to equality, diversity and inclusion we continue to deliver our mandatory courses: Becoming Actively Anti-Racist and Unconscious bias and inclusion.

753 staff are employed by the charity within community projects, in the charity's early years settings, in support roles and as assessors. Systems are in place to communicate information about the charity's activities to all employees on a regular basis, and to facilitate better collaboration and information sharing. These systems are enhanced by the activities of our staff forum. The charity believes that a regular flow of information will enhance its effectiveness and productivity.

**PRE-SCHOOL LEARNING ALLIANCE  
TRUSTEES' ANNUAL REPORT (CONTINUED)  
YEAR ENDED 31 MARCH 2025**

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**Policies (continued)**

*Employment and remuneration policy (continued)*

All trustees give their time freely and no trustee received remuneration in the year. Details of trustees' expenses are included in note 9 and related party transactions are disclosed in note 21 to the financial statements. The pay of the senior staff is reviewed annually, and any adjustments are subject to the performance of the charity overall. A pay review is conducted annually whereby salary levels are benchmarked against similar sized not-for-profit organisations.

*Environmental policy*

As a charity committed to supporting the futures of young children and families, the trustees are aware that the human causes of climate change pose a threat to children's livelihood and wellbeing. The charity promotes sustainable citizenship and ecological awareness through the early years curriculum and promotes active engagement of families in projects to raise environmental awareness. The charity has taken advice from external advisers to set new strategic targets to increase positive environmental impact and minimise the negative environmental footprint of the charity's activities and those of its supply chain. The charity secured ISO14001 for its environmental management systems.

**Subsidiary companies**

The financial statements included in this report represent the consolidated results of the charity and its subsidiary company, Pre-school Learning Alliance Trading Limited (PLAT).

The objective of PLAT is to promote the aims of the Early Years Alliance by obtaining sponsorship and other commercially derived funds. Income derived from commission on the sale of insurance services to members is the most significant part of the company's financial activity. PLAT pays all of its taxable profits to the charity via Gift Aid. An operating profit of £709,000 (2024: £638,000) was made in the year.

A summary of the company's trading results is set out in note 3 of the attached financial statements.

In July 2013, the charity made a subordinated loan of £50,000 to its trading subsidiary, PLAT, to ensure that the company fulfilled Financial Conduct Authority capital resource requirements. The loan was unsecured and does not bear interest and there were no set repayment terms in place.

**Statement of Trustees' Responsibilities**

The trustees are responsible for preparing the Strategic Report, the Trustees' Annual Report and the financial statements in accordance with applicable law and regulations. Company law requires the trustees to prepare financial statements for each financial year in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards) and applicable law.

Under company law the trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the charitable company and the group and of the group's net incoming/outgoing resources for that period.

In preparing these financial statements, the trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities Statement of Recommended Practice;
- make judgments and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company and the group will continue to operate.

**PRE-SCHOOL LEARNING ALLIANCE  
TRUSTEES' ANNUAL REPORT (CONTINUED)  
YEAR ENDED 31 MARCH 2025**

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**Statement of Trustees' Responsibilities (continued)**

The trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the charitable company's and the group's transactions and disclose with reasonable accuracy at any time the financial position of the charitable company and the group and enable them to ensure that the financial statements comply with the Companies Act 2006, the Charity (Financial statements and Reports) Regulations 2008 and the provisions of the charitable company's constitution. They are also responsible for safeguarding the assets of the charitable company and the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The trustees are responsible for the maintenance and integrity of the corporate and financial information included on the charitable company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

The following statements have been affirmed by each of the trustees of the charitable company in office at the date of this report:

- so far as each trustee is aware, there is no relevant audit information (that is, information needed by the company's auditor in connection with preparing their report) of which the company's auditor is unaware; and
- each trustee has taken all the steps that he/she ought to have taken as a trustee in order to make himself/herself aware of any relevant audit information and to establish that the company's auditor is aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of section 418 under Companies Act 2006.

**Auditor**

Crowe U.K. LLP has indicated its willingness to be reappointed as statutory auditor.

This Annual Report of the Trustees, under the Charities Act 2011 and the Companies Act 2006, was approved by the Board of Trustees on 11 December 2025 including approving in their capacity as company directors the Strategic Report contained therein, and is signed as authorised on its behalf by:



Sarah Presswood  
Chair

# **Independent Auditor's Report to the Members of Pre-school Learning Alliance**

## **Opinion**

We have audited the financial statements of Pre-school Learning Alliance (the "charitable company") and its subsidiary (the "group") for the year ended 31 March 2025 which comprise the Consolidated Statement of Financial Activities (SOFA), the Consolidated and Charity Balance Sheets, the Consolidated Cash Flow Statement and notes to the Financial Statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the group's and the charitable company's affairs as at 31 March 2025 and of the group's incoming resources and application of resources, including its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

## **Basis for opinion**

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

## **Conclusions relating to going concern**

In auditing the financial statements, we have concluded that the trustee's use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the charitable company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the trustees with respect to going concern are described in the relevant sections of this report.

## **Other information**

The trustees are responsible for the other information contained within the annual report. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

## **Opinions on other matters prescribed by the Companies Act 2006**

In our opinion based on the work undertaken in the course of our audit

- the information given in the trustees' report, which includes the directors' report and the strategic report prepared for the purposes of company law, for the financial year for which the financial statements are prepared is consistent with the financial statements; and

- the strategic report and the directors' report included within the trustees' report have been prepared in accordance with applicable legal requirements.

### **Matters on which we are required to report by exception**

In light of the knowledge and understanding of the charitable company and their environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or the directors' report included within the trustees' report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- the parent company has not kept adequate accounting records; or
- the parent company financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

### **Responsibilities of trustees**

As explained more fully in the trustees' responsibilities statement set out on pages 11 and 12, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.

### **Auditor's responsibilities for the audit of the financial statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Details of the extent to which the audit was considered capable of detecting irregularities, including fraud and non-compliance with laws and regulations are set out below.

A further description of our responsibilities for the audit of the financial statements is available on the Financial Reporting Council's website at: [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our auditor's report.

### **Extent to which the audit was considered capable of detecting irregularities, including fraud**

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We identified and assessed the risks of material misstatement of the financial statements from irregularities, whether due to fraud or error, and discussed these between our audit team members. We then designed and performed audit procedures responsive to those risks, including obtaining audit evidence sufficient and appropriate to provide a basis for our opinion.

We obtained an understanding of the legal and regulatory frameworks within which the charitable company and group operates, focusing on those laws and regulations that have a direct effect on the determination of material amounts and disclosures in the financial statements, including financial reporting legislation and the Charities SORP (FRS 102), and tax regulations. We assessed the required compliance with these laws and regulations as part of our audit procedures on the related financial statement items.

In addition, we considered provisions of other laws and regulations that do not have a direct effect on the financial statements but compliance with which might be necessary to the charitable company's/group's



ability to operate or to avoid a material penalty. Auditing standards limit the required audit procedures to identify non-compliance with these laws and regulations to enquiry of the Trustees and other management and inspection of regulatory and legal correspondence, if any.

We also considered the opportunities and incentives that may exist within the charitable company/group for fraud. We identified the greatest risk of material impact on the financial statements from irregularities, including fraud, to be within the override of controls by management. Our audit procedures to respond to these risks included enquiries of management and the Audit Committee about their own identification and assessment of the risks of irregularities, sample testing on the posting of journals, reviewing regulatory correspondence with the Charity Commission, Ofsted and the FCA and reading minutes of meetings of those charged with governance.

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. For example, the further removed non-compliance with laws and regulations (irregularities) is from the events and transactions reflected in the financial statements, the less likely the inherently limited procedures required by auditing standards would identify it.

In addition, as with any audit, there remained a higher risk of non-detection of irregularities, as these may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls. We are not responsible for preventing non-compliance and cannot be expected to detect non-compliance with all laws and regulations.

### **Use of our report**

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.



Julia Poulter  
Senior Statutory Auditor  
For and on behalf of

**Crowe U.K. LLP**

Statutory Auditor

**London**

**17 December 2025**

**PRE-SCHOOL LEARNING ALLIANCE**  
**CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES**  
**(INCORPORATING AN INCOME AND EXPENDITURE ACCOUNT)**  
**FOR THE YEAR ENDED 31 MARCH 2025**

	Notes	Unrestricted Funds £'000	Restricted Funds £'000	<b>Total 2025 £'000</b>	<i>Total 2024 £'000</i>
<b>Income from:</b>					
Donations		148	221	<b>369</b>	240
Investments		151	-	<b>151</b>	180
Charitable activities:	2				
Provision of care and education services		12,034	-	<b>12,034</b>	11,150
Outreach services for children and families		4,909	6,638	<b>11,547</b>	10,939
Sector support, membership and policy development		1,641	-	<b>1,641</b>	2,191
Other trading activities	3	1,108	-	<b>1,108</b>	1,026
<b>Total Income</b>		<b>19,991</b>	<b>6,859</b>	<b>26,850</b>	<b>25,726</b>
<b>Expenditure on:</b>					
Charitable activities:					
Provision of care and education services		13,615	-	<b>13,615</b>	13,748
Outreach services for children and families		4,052	6,598	<b>10,650</b>	10,343
Sector support, membership and policy development		2,718	50	<b>2,768</b>	2,948
Restructure costs		-	-	-	453
<b>Total Expenditure</b>	4	<b>20,385</b>	<b>6,648</b>	<b>27,033</b>	<b>27,492</b>
Unrealised (loss)/gain on investments	11	(221)	-	<b>(221)</b>	364
<b>Net income/(expenditure)</b>		<b>(615)</b>	<b>211</b>	<b>(404)</b>	<b>(1,402)</b>
Actuarial (losses)/gains on defined benefit pension schemes	20	(24)	-	<b>(24)</b>	20
<b>Net movement in funds</b>		<b>(639)</b>	<b>211</b>	<b>(428)</b>	<b>(1,382)</b>
<b>Reconciliation of funds:</b>					
Fund balances brought forward at 1 April 2024		3,520	836	<b>4,356</b>	5,738
<b>Fund balances carried forward at 31 March 2025</b>		<b>2,881</b>	<b>1,047</b>	<b>3,928</b>	<b>4,356</b>

All income and expenditure derive from continuing activities.

Included in restricted funds are endowment funds brought forward of £23,000 and carried forward of £23,000 (note 16).

The notes on pages 19 to 42 form part of these financial statements.

**PRE-SCHOOL LEARNING ALLIANCE  
CONSOLIDATED AND CHARITY BALANCE SHEETS  
31 MARCH 2025**

	Notes	Group		Charity	
		2025 £'000	2024 £'000	2025 £'000	2024 £'000
<b>FIXED ASSETS</b>					
Intangible assets	10	969	710	969	710
Tangible assets		358	376	358	376
Investments	11	4,156	4,548	4,156	4,548
		<u>5,483</u>	<u>5,634</u>	<u>5,483</u>	<u>5,634</u>
<b>CURRENT ASSETS</b>					
Stock	12	147	180	147	180
Debtors	13	565	929	512	914
Cash at bank and in hand		2,810	2,484	2,528	2,245
		<u>3,522</u>	<u>3,593</u>	<u>3,187</u>	<u>3,339</u>
<b>CREDITORS – Amounts falling due within one year</b>	14	<u>(5,035)</u>	<u>(4,853)</u>	<u>(4,700)</u>	<u>(4,599)</u>
<b>NET CURRENT ASSETS</b>		<u>(1,513)</u>	<u>(1,260)</u>	<u>(1,513)</u>	<u>(1,260)</u>
<b>NET ASSETS – excluding pension liability</b>		<u>3,970</u>	<u>4,374</u>	<u>3,970</u>	<u>4,374</u>
<b>Defined benefit pension liability</b>	20	(42)	(18)	(42)	(18)
		<u>3,928</u>	<u>4,356</u>	<u>3,928</u>	<u>4,356</u>
<b>TOTAL NET ASSETS</b>					
<b>FUNDS OF THE CHARITY:</b>					
<b>Unrestricted funds:</b>					
General fund		1,576	2,396	1,576	2,396
Pension reserve		(42)	(18)	(42)	(18)
Designated fund		1,347	1,142	1,347	1,142
	15	2,881	3,520	2,881	3,520
<b>Restricted funds</b>	16	1,047	836	1,047	836
<b>TOTAL CHARITY FUNDS</b>	17	3,928	4,356	3,928	4,356

The deficit for the parent undertaking alone amounted to £1,113,000 (2024: £2,040,000 deficit). Income for the parent undertaking alone amounted to £25,739,000 (2024: £24,696,000).

The financial statements were approved and authorised for issue by the Board of Trustees on 11 December 2025 and signed on its behalf by



Sarah Presswood  
Chair

The notes on pages 19 to 42 form part of these financial statements.

**PRE-SCHOOL LEARNING ALLIANCE  
CONSOLIDATED CASH FLOW STATEMENT  
FOR THE YEAR ENDED 31 MARCH 2025**

	Notes	<b>2025 £'000</b>	<b>2024 £'000</b>
<b>Net cash from/(used in) operating activities</b>	19(a)	<b>373</b>	<b>(2,303)</b>
<b>Cash flows from investing activities:</b>			
Interest from investments		<b>151</b>	<b>180</b>
Purchase of equipment		<b>(369)</b>	<b>(246)</b>
Proceeds from sale of investments		<b>545</b>	<b>21</b>
Purchase of investments		<b>(374)</b>	<b>-</b>
Net cash used in investing activities		<b>(47)</b>	<b>(45)</b>
<b>Change in cash and cash equivalents in the reporting period</b>		<b>326</b>	<b>(2,348)</b>
<b>Cash and cash equivalents at the beginning of the reporting period</b>		<b>2,484</b>	<b>4,832</b>
<b>Cash and cash equivalents at the end of the reporting period</b>	19(b)	<b>2,810</b>	<b>2,484</b>

The notes on pages 19 to 42 form part of these financial statements.

**PRE-SCHOOL LEARNING ALLIANCE  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2025**

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**1. ACCOUNTING POLICIES**

**(a) Basis of preparation**

The financial statements of the Charity, which is a public benefit entity under FRS 102, have been prepared under the historical cost convention, as modified by the revaluation of investments, in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102), the 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) (Charities SORP (FRS 102)) and the Companies Act 2006.

The charity is a private limited company (registered number 4539003), which is incorporated and domiciled in the UK and meets the definition of a public benefit entity under FRS102. The address of the principal place of business is 50 Featherstone Street, London EC1Y 8RT. The financial statements include those of the charity's subsidiary company Pre-school Learning Alliance Trading Limited (registered number 2417619) which has been consolidated on a line-by-line basis.

The legal ownership of the freehold property occupied by the charity vests in the Pre-school Learning Alliance Property Trust Corporation, a nominee company limited by guarantee.

After reviewing the circumstances that led to financial losses in the last two financial years and taking action to address budgeting assumptions around occupancy growth, the trustees have approved a budget which reflects current operating challenges and takes advantage of new funding streams. The trustees consider that it is reasonable to expect that the group has adequate resources to continue in operational existence for the foreseeable future being a period of not less than twelve months from the date that the financial statements were approved. The trustees therefore continue to adopt the going concern basis in the preparation of its consolidated financial statements.

**(b) Critical accounting judgements and key sources of estimation uncertainty**

In the application of the charity's accounting policies, trustees are required to make judgements, estimates and assumptions about the carrying values of assets and liabilities that are not readily apparent from other sources. The estimates and underlying 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 on-going basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects the current and future periods.

The key source of estimation uncertainty that have a significant effect on the amounts recognised in the financial statements is the pension liability for two schemes. The charity recognises the liability to its defined benefit pension scheme which involves a number of estimations as disclosed in note 20. The Local Government Pension Scheme liability for one person has been treated as a multi-employer scheme for the purposes of FRS 102 as the charity's share of assets and liabilities are immaterial to the charity's balance sheet as disclosed in notes 1(j) and 7.

**(c) Recognition of income and expenditure**

All income and expenditure has been recognised on the accruals basis except donations from member settings which are accounted for on a receipts basis and donated items and facilities. Membership subscriptions are recognised when they are received. Subscriptions received for renewal dates in the next financial year are deferred at year end.

**PRE-SCHOOL LEARNING ALLIANCE  
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)  
FOR THE YEAR ENDED 31 MARCH 2025**

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**1. ACCOUNTING POLICIES (continued)**

**(c) Recognition of income and expenditure (continued)**

Grants and contracts received are recognised in line with service delivery when the conditions for receipt have been met. Where amounts received are made for service delivery in future accounting periods, they are deferred and recognised in those future periods. Grants for immediate financial support and receipts to reimburse costs previously incurred, are recognised immediately. Government grants which constitute exchange agreements are accounted for as unrestricted.

Donated services are recognised as income where the benefit to the charity is reasonably quantifiable and measurable. They are valued at open market value, ie what it would have cost the organisation to acquire the same or similar products or services on the open market. An equivalent amount is also included as expenditure under the appropriate heading in the Statement of Financial Activities. No amounts are included for services donated by volunteers.

Grants awarded to institutions by the charity are recognised in the year in which the grant is formally approved and communicated in writing to the recipient, provided all conditions of award have been met.

**(d) Tangible fixed assets**

Tangible fixed assets are stated at cost including any incidental expenses of acquisition. All individual assets costing more than £5,000 are capitalised.

Depreciation is calculated to write off the cost of fixed assets on a straight-line basis over their estimated useful lives. No depreciation is charged in the year of acquisition. Land is not depreciated. The principal estimated useful lives for this purpose are:

Freehold buildings	50 years
Leasehold building adaptations	Life of lease
CRM system	10 years
Equipment and vehicles	5 years
Computer equipment	3 years

**(e) Investments**

Investments held as fixed assets are stated at their mid-market value at the balance sheet date. Gains or losses on revaluation are taken to the statement of financial activities.

**(f) Stocks**

Stocks are stated at the lower of cost and net realisable value.

**(g) Financial instruments**

The charity only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments, including trade and other debtors and cash and bank balances are initially recognised at transaction value. Such assets are subsequently carried at amortised cost using the effective interest method. At the end of each reporting period financial assets measured at amortised cost are assessed for objective evidence of impairment. Any impairment loss is charged to the Statement of Financial Activities. Investments, including bonds held as part of an investment portfolio are held at fair value at the Balance Sheet date, with gains and losses being recognised within income and expenditure.

**PRE-SCHOOL LEARNING ALLIANCE  
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)  
FOR THE YEAR ENDED 31 MARCH 2025**

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**1. ACCOUNTING POLICIES (continued)**

**(g) Financial instruments (continued)**

Basic financial liabilities, including trade and other creditors, are initially recognised at transaction value and subsequently measured at amortised cost using the effective interest method. If the arrangement constitutes a financing transaction the debt instrument is measured at the present value of the future receipts discounted at a market rate of interest. Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Trade creditors are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities.

At the balance sheet date the charity held financial assets (cash and bank balances, trade debtors, other debtors and accrued income) at amortised cost of £4,156,000 (2024: £3,083,000), financial assets at fair value of £3,221,000 (2024 £4,548,000) and financial liabilities (trade creditors, other creditors, and accruals) at amortised cost of £2,276,000 (2024 £2,489,000).

**(h) Funds**

- (i) Unrestricted general funds are those funds available for the general purposes of the charity. The trustees consider that core grants received should be treated as unrestricted as their funding terms reflect the primary objects of the charity.
- (ii) Designated funds are funds transferred from the unrestricted fund for particular purposes or projects at the discretion of the trustees.
- (iii) Restricted funds are funds subject to specific conditions imposed by the donor and are binding on the trustees. Those funds, which are fundamental to the running of the charity, are disclosed separately on the face of the Statement of Financial Activities.

**(i) Cost allocation**

Costs are allocated to their functional categories on the following bases:

- (i) Provision of care and education services costs comprise staff costs, premises costs, resources and attributable overheads in line with the level of activity undertaken.
- (ii) Outreach services comprise staff costs, resources and attributable overheads in line with the level of activity undertaken.
- (iii) Sector support, membership and policy development include staff costs and development of resources plus training delivery, e-learning software, helpline costs and attributable staff costs and overheads in line with the level of activity undertaken.
- (iv) Governance costs are allocated in line with the level of activity undertaken.
- (v) To the extent that VAT is irrecoverable the cost is included with the item of expense to which it relates.

**PRE-SCHOOL LEARNING ALLIANCE  
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)  
FOR THE YEAR ENDED 31 MARCH 2025**

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**(j) Pension costs**

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

Contributions are also made into defined benefit schemes for one member of staff employed under a contract with the London Borough of Lewisham in accordance with TUPE regulations. No liability has been included on the balance sheet for this scheme on the basis that it is immaterial. Therefore, the schemes have been accounted for as defined contribution schemes and contributions have been charged to the Statement of Financial Activities in the period to which they relate.

In addition, the charity participates in the Pension Trust's Growth Plan. The scheme is a defined benefit scheme in the UK. It is not possible for the company to obtain sufficient information to enable it to account for the scheme as a defined benefit scheme. Therefore, the financial statements treat the scheme as a defined contribution scheme. Where the scheme is in deficit and where the charity has agreed to a deficit funding arrangement the charity recognises a liability for this obligation. The amount recognised is the net present value of the deficit reduction contributions payable under the agreement that relates to the deficit. The present value is calculated using the discount rate detailed in these disclosures. The unwinding of the discount rate is recognised as a finance cost.

**(l) Taxation**

No taxation is payable due to the charitable status and nature of activities of the organisation. No deferred tax needs to be provided as there are no tax timing differences.

**(m) Operating leases**

Operating lease rentals are charged to the Statement of Financial Activities over the period in which the cost is incurred on a straight-line basis.



**PRE-SCHOOL LEARNING ALLIANCE  
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)  
FOR THE YEAR ENDED 31 MARCH 2025**

**2. INCOME FROM CHARITABLE ACTIVITIES**

Income from charitable activities is made up of:	2025		2024	
	Unrestricted funds £'000	Restricted funds £'000	Unrestricted funds £'000	Restricted funds £'000
Local government grants and contracts	3,490	82	3,761	-
Department for Education	387	-	385	-
Public health	1,002	-	1,000	-
Other contract funding	26	-	-	-
Big Lottery Fund	-	6,338	-	5,538
Other grant funding	20	218	-	506
Nursery education and two-year-old funding	7,989	-	6,768	-
Fees for care and education	4,070	-	4,348	-
Training funding and fees	452	-	305	-
Services to early years providers	1,148	-	1,669	-
	<b>18,584</b>	<b>6,638</b>	<b>18,236</b>	<b>6,044</b>

**3. INCOME FROM TRADING SUBSIDIARIES**

The charity has a wholly owned trading subsidiary, Pre-school Learning Alliance Trading Limited (PLAT), which is registered in England and Wales. The charity has a holding of 7 ordinary shares of £1 each in PLAT (company number 2417619).

PLAT obtains insurance commission, sponsorship and other financial support for the charity and gift aids all its taxable profits to the charity. A summary of its trading results is shown on page 24. At 31 March 2025, PLAT was owed £306,000 by the charity (2024 – the charity owed £169,000 to PLAT).

**PRE-SCHOOL LEARNING ALLIANCE**  
**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE YEAR ENDED 31 MARCH 2025**

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**3.INCOME FROM TRADING SUBSIDIARIES (CONTINUED)**

<b>Profit and loss account</b>	<b>Total 2025 £'000</b>	<b>Total 2024 £'000</b>
Turnover	<b>1,111</b>	<b>1,030</b>
Cost of sales	<b>(245)</b>	<b>(227)</b>
Gross profit	<b>866</b>	<b>803</b>
Administrative expenses	<b>(157)</b>	<b>(165)</b>
Operating profit	<b>709</b>	<b>638</b>
Gift aid payment	<b>(709)</b>	<b>(638)</b>
Retained in subsidiary	<b>-</b>	<b>-</b>
 <b>Balance sheet</b>		
Total assets	<b>691</b>	<b>422</b>
Total liabilities	<b>(641)</b>	<b>(322)</b>
Total net assets	<b>50</b>	<b>50</b>

**PRE-SCHOOL LEARNING ALLIANCE  
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)  
FOR THE YEAR ENDED 31 MARCH 2025**

**4. ANALYSIS OF EXPENDITURE**

	Staff costs (note 7) £'000	Resources and service delivery £'000	Premises, depreciation and IT £'000	Other £'000	<b>Total 2025 £'000</b>
Provision of care and education services	10,664	915	1,641	395	<b>13,615</b>
Outreach services for children and families	5,253	4,766	342	289	<b>10,650</b>
Sector support, membership and policy development	1,636	455	421	256	<b>2,768</b>
<b>TOTAL</b>	<b>17,553</b>	<b>6,136</b>	<b>2,404</b>	<b>940</b>	<b>27,033</b>

**ANALYSIS OF EXPENDITURE – PRIOR YEAR COMPARATIVE**

	Staff costs (note 7) £'000	Resources and service delivery £'000	Premises, depreciation and IT £'000	Other £'000	<b>Total 2024 £'000</b>
<i>Provision of care and education services</i>	<i>10,653</i>	<i>1,039</i>	<i>1,769</i>	<i>287</i>	<i><b>13,748</b></i>
<i>Outreach services for children and families</i>	<i>5,459</i>	<i>4,408</i>	<i>231</i>	<i>245</i>	<i><b>10,343</b></i>
<i>Sector support, membership and policy development</i>	<i>1,838</i>	<i>713</i>	<i>225</i>	<i>172</i>	<i><b>2,948</b></i>
	<i>453</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i><b>453</b></i>
<b>TOTAL</b>	<b>18,403</b>	<b>6,160</b>	<b>2,225</b>	<b>704</b>	<b>27,492</b>

**PRE-SCHOOL LEARNING ALLIANCE  
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)  
FOR THE YEAR ENDED 31 MARCH 2025**

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**5. BREAKDOWN OF COST OF CHARITABLE ACTIVITY**

	Activities undertaken directly £'000	Support costs £'000	<b>Total 2025 £'000</b>
Provision of care and education services	11,545	2,070	<b>13,615</b>
Outreach services for children and families	9,620	1,030	<b>10,650</b>
Sector support, membership and policy development	1,172	1,596	<b>2,768</b>
<b>TOTAL</b>	<u>22,337</u>	<u>4,696</u>	<u><b>27,033</b></u>

**BREAKDOWN OF COST OF CHARITABLE ACTIVITY – PRIOR YEAR COMPARATIVE**

	Activities undertaken directly £'000	Support costs £'000	<b>Total 2024 £'000</b>
<i>Provision of care and education services</i>	11,882	1,866	<b>13,748</b>
<i>Outreach services for children and families</i>	9,075	1,268	<b>10,343</b>
<i>Sector support, membership and policy development</i>	1,157	1,791	<b>2,948</b>
<b>TOTAL</b>	<u>22,114</u>	<u>4,925</u>	<u><b>27,039</b></u>

**PRE-SCHOOL LEARNING ALLIANCE**  
**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE YEAR ENDED 31 MARCH 2025**

**6. ALLOCATION OF SUPPORT COSTS**

	Provision of care and education services £'000	Outreach services for children and families £'000	Sector support, membership and policy development £'000	<b>Total 2025 £'000</b>	Basis of allocation
Operational management	382	521	1,034	<b>1,937</b>	Level of activity
Finance and insurance	253	101	152	<b>506</b>	Level of activity
Governance	35	46	77	<b>158</b>	Level of activity
HR, training and recruitment	545	145	36	<b>726</b>	Level of activity
IT and premises	741	171	228	<b>1,140</b>	Level of activity
Irrecoverable VAT	114	46	69	<b>229</b>	Non-taxable income
<b>Total</b>	<b>2,070</b>	<b>1,030</b>	<b>1,596</b>	<b>4,696</b>	

**ALLOCATION OF SUPPORT COSTS – PRIOR YEAR COMPARATIVE**

	<i>Provision of care and education services £'000</i>	<i>Outreach services for children and families £'000</i>	<i>Sector support, membership and policy development £'000</i>	<b>Total 2024 £'000</b>	<i>Basis of allocation</i>
<i>Operational management</i>	<i>232</i>	<i>712</i>	<i>1,150</i>	<b><i>2,094</i></b>	<i>Level of activity</i>
<i>Finance and insurance</i>	<i>348</i>	<i>84</i>	<i>95</i>	<b><i>527</i></b>	<i>Level of activity</i>
<i>Governance</i>	<i>89</i>	<i>44</i>	<i>70</i>	<b><i>203</i></b>	<i>Level of activity</i>
<i>HR, training and recruitment</i>	<i>433</i>	<i>118</i>	<i>133</i>	<b><i>684</i></b>	<i>Level of activity</i>
<i>IT and premises</i>	<i>679</i>	<i>204</i>	<i>249</i>	<b><i>1,132</i></b>	<i>Level of activity</i>
<i>Irrecoverable VAT</i>	<i>85</i>	<i>106</i>	<i>94</i>	<b><i>285</i></b>	<i>Non-taxable income</i>
<b>Total</b>	<b>1,866</b>	<b>1,268</b>	<b>1,791</b>	<b>4,925</b>	

**PRE-SCHOOL LEARNING ALLIANCE**  
**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE YEAR ENDED 31 MARCH 2025**

**7. STAFF COSTS**

Total staff costs comprised:

	<b>2025</b>	<i>2024</i>
	<b>£'000</b>	<i>£'000</i>
Wages and salaries	<b>15,260</b>	<i>15,829</i>
Social security costs	<b>1,045</b>	<i>1,242</i>
Pension contributions	<b>383</b>	<i>505</i>
Agency staff	<b>865</b>	<i>827</i>
	<b><u>17,553</u></b>	<i><u>18,403</u></i>

The charity operates a money purchase pension scheme. The assets of the scheme are held separately from those of the charity in an independently administered fund. The pension charge represents contributions payable by the charity to the fund. Contributions are also made into defined benefit schemes for one member of staff employed under a contract with the London Borough of Lewisham in accordance with the Transfer of Undertakings (Protection of Employment) (TUPE) Regulations 2006. This scheme has been treated as a multi-employer scheme for the purposes of FRS 102 as the charity's share of assets and liabilities are immaterial to the charity's balance sheet. Therefore, the scheme has been accounted for as a defined contribution scheme and contributions have been charged to the Statement of Financial Activities in the period to which they relate. In addition, the charity participates in the Pension Trust's Growth Plan. See note 20 for further details.

The average number of employees during the year and analysed by activity, was:

	<b>2025</b>	<i>2024</i>
	<b>Number</b>	<i>Number</i>
Provision of care and education services	<b>483</b>	<i>507</i>
Outreach services for children and families	<b>234</b>	<i>241</i>
Membership, sector support and campaigning	<b>44</b>	<i>56</i>
Operational support	<b>42</b>	<i>39</i>
	<b><u>803</u></b>	<i><u>843</u></i>

The average number of staff calculated on a full-time equivalent basis was 624 (2024: 648).

The number of employees who received emoluments greater than £60,000 in the following ranges were:

	<b>2025</b>	<i>2024</i>
	<b>Number</b>	<i>Number</i>
£60,001 - £70,000	<b>3</b>	<i>3</i>
£70,001 - £80,000	<b>1</b>	<i>-</i>
£80,001 - £90,000	<b>3</b>	<i>3</i>
£110,001 - £120,000 *	<b>1</b>	<i>1</i>

\* This employee receives no salary or pension from the charity. This is a donated service accounted for in line with the policy as set out in note 1(c).

Pension contributions of £22,882 (2024: £19,144) were made by the charity in respect of the remaining seven (2024: seven) higher paid employees.

**PRE-SCHOOL LEARNING ALLIANCE  
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)  
FOR THE YEAR ENDED 31 MARCH 2025**

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**7. STAFF COSTS (CONTINUED)**

The aggregate employee benefits, including National Insurance and pension contributions, made to eight key personnel (2024: eight) who were part of the Operational Management Group during the year was £714,000 (2024: £690,000). This figure includes one salary that has been accounted for as a donated service.

Total redundancy payments of £187,000 (2024: £302,000) were made in the year to 26 members of staff. Redundancy pay is accrued at the year end if redundancy consultations had begun before the year end. In 2025 £169,000 (2024: £302,000) was paid in the year and £18,000 was accrued (2024: none accrued).

The charity participates in an insurance policy which protects the charity from loss arising from the neglect or default of its trustees and employees by indemnifying the charitable funds against the consequences of such neglect or default. The cost to the charity of this insurance for the year was £8,008 (2024 – £7,843).

**8. NET (EXPENDITURE)/INCOME**

The operating deficit of £183,000 is after charging:

	<b>2025</b>	<i>2024</i>
	<b>£'000</b>	<i>£'000</i>
Operating lease expense	<b>426</b>	<i>685</i>
Depreciation	<b>128</b>	<i>170</i>
Statutory audit	<b>45</b>	<i>45</i>
Tax accounting	<b>3</b>	<i>4</i>

**9. TRUSTEES' REMUNERATION AND EXPENSES**

No remuneration was paid directly or indirectly out of the funds of the charity to any trustee or to any person or persons known to be connected with any of them.

During the year, five (2024: 8) of the charity's trustees received reimbursement of travel and subsistence costs of £1,608 (2024: £725).

**PRE-SCHOOL LEARNING ALLIANCE**  
**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE YEAR ENDED 31 MARCH 2025**

**10. TANGIBLE AND INTANGIBLE FIXED ASSETS**

<b>Group and charity</b>	<b>Freehold land and buildings (tangible) £'000</b>	<b>Leasehold building adaptations (tangible) £'000</b>	<b>Equipment, vehicles &amp; furniture (tangible) £'000</b>	<b>Computer equipment (tangible) £'000</b>	<b>Computer software (intangible) £'000</b>	<b>Total £'000</b>
<b>Cost</b>						
At 1 April 2024 (restated)	419	1,479	274	112	938	<b>3,222</b>
Additions	-	-	-	21	348	<b>369</b>
Disposals	-	-	-	-	(10)	<b>(10)</b>
<b>At 31 March 2025</b>	<b>419</b>	<b>1,479</b>	<b>274</b>	<b>133</b>	<b>1,276</b>	<b>3,581</b>
<b>Accumulated depreciation</b>						
At 1 April 2024 (restated)	134	1,479	252	43	228	2,136
Charge for the year	9	-	4	26	89	<b>128</b>
Disposals	-	-	-	-	(10)	<b>(10)</b>
<b>At 31 March 2025</b>	<b>143</b>	<b>1,479</b>	<b>256</b>	<b>69</b>	<b>307</b>	<b>2,254</b>
<b>Net book value</b>						
<b>At 31 March 2025</b>	<b>276</b>	<b>-</b>	<b>18</b>	<b>64</b>	<b>969</b>	<b>1,327</b>
<i>At 31 March 2024</i>	<i>285</i>	<i>-</i>	<i>22</i>	<i>69</i>	<i>710</i>	<i>1,086</i>

All the tangible fixed assets are principally used for direct charitable purposes.

The opening balances for computer software and equipment have been restated to reflect a reclassification exercise in the year.



**PRE-SCHOOL LEARNING ALLIANCE**  
**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE YEAR ENDED 31 MARCH 2025**

**11. FIXED ASSET INVESTMENTS**

**Group and charity**

	<b>2025</b>	<b>2024</b>
<b>Market value</b>	<b>£'000</b>	<b>£'000</b>
At 1 April 2024	<b>4,548</b>	4,205
Purchases	<b>374</b>	-
Sales	<b>(545)</b>	(21)
Gain/(loss) on revaluation	<b>(221)</b>	364
	<u><b>4,156</b></u>	<u>4,548</u>
At 31 March 2025	<u><b>4,156</b></u>	<u>4,548</u>

The charity's investments are analysed as follows:

COIF Charities Investment Fund (Milton Keynes Fund, note 16)	<b>23</b>	-
COIF Charities Property Fund	-	551
COIF Charities Investment Fund	<b>2,898</b>	2,681
COIF Charities Global Equity Fund	<b>1,228</b>	1,309
Accumulation shares	<b>7</b>	7
	<u><b>4,156</b></u>	<u>4,548</u>

**12. STOCK**

	<b>Group</b>		<b>Charity</b>	
	<b>2025</b>	<b>2024</b>	<b>2025</b>	<b>2024</b>
	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
Publications and resource centre goods	<u><b>147</b></u>	<u>180</u>	<u><b>147</b></u>	<u>180</u>

**13. DEBTORS – Due within one year**

	<b>Group</b>		<b>Charity</b>	
	<b>2025</b>	<b>2024</b>	<b>2025</b>	<b>2024</b>
	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
Trade debtors	<b>102</b>	16	<b>54</b>	6
Other debtors	<b>96</b>	46	<b>96</b>	41
Prepayments	<b>154</b>	330	<b>154</b>	330
Accrued income	<u><b>213</b></u>	<u>537</u>	<u><b>208</b></u>	<u>537</u>
	<u><b>565</b></u>	<u>929</u>	<u><b>512</b></u>	<u>914</u>

**PRE-SCHOOL LEARNING ALLIANCE**  
**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE YEAR ENDED 31 MARCH 2025**

**14. CREDITORS – Amounts falling due within one year**

	<b>Group</b>		<b>Charity</b>	
	<b>2025</b>	<b>2024</b>	<b>2025</b>	<b>2024</b>
	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
Trade creditors	<b>723</b>	821	<b>722</b>	821
Amounts due to group undertakings	-	-	<b>306</b>	169
Taxation and social security	<b>529</b>	532	<b>523</b>	532
Deferred income	<b>1,676</b>	1,278	<b>1,046</b>	855
Accruals	<b>1,283</b>	1,467	<b>1,279</b>	1,467
Other creditors	<b>824</b>	755	<b>824</b>	755
	<b><u>5,035</u></b>	<b><u>4,853</u></b>	<b><u>4,700</u></b>	<b><u>4,599</u></b>

Total deferred income comprised:

	<b>1 April</b>	<b>Released</b>	<b>Income</b>	<b>31 March</b>
	<b>2024</b>	<b>during the</b>	<b>deferred</b>	<b>2025</b>
	<b>£'000</b>	<b>year</b>	<b>£'000</b>	<b>£'000</b>
		<b>£'000</b>		
Subscriptions received in advance	74	(74)	100	<b>100</b>
Grants and service level agreements	731	(731)	889	<b>889</b>
Other sundry deferred income	<u>473</u>	<u>(473)</u>	<u>687</u>	<u><b>687</b></u>
	<b><u>1,278</u></b>	<b><u>(1,278)</u></b>	<b><u>1,676</u></b>	<b><u>1,676</u></b>

Agency funds received and paid in the year were:

	<b>1 April</b>	<b>Received</b>	<b>Paid</b>	<b>31 March</b>
	<b>2024</b>	<b>during the</b>	<b>during the</b>	<b>2025</b>
	<b>£'000</b>	<b>year</b>	<b>year</b>	<b>£'000</b>
		<b>£'000</b>	<b>£'000</b>	
Payroll services	(71)	(2,893)	2,903	<b>(61)</b>
Other agency	<u>8</u>	<u>(8)</u>	<u>-</u>	<u>-</u>
	<b><u>(63)</u></b>	<b><u>(2,901)</u></b>	<b><u>2,903</u></b>	<b><u>(61)</u></b>

**PRE-SCHOOL LEARNING ALLIANCE**  
**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE YEAR ENDED 31 MARCH 2025**

**15. UNRESTRICTED FUNDS**

	General fund £'000	Designated funds £'000	Pension reserve £'000	Total unrestricted funds £'000
Income	19,991	-	-	<b>19,991</b>
Expenditure	(20,221)	(164)	-	<b>(20,385)</b>
Investment losses	(221)	-	-	<b>(221)</b>
Net expenditure before transfers	(451)	(164)	-	<b>(615)</b>
Losses on pension fund	-	-	(24)	<b>(24)</b>
Transfers between funds	(369)	369	-	<b>-</b>
Net (expenditure)/income for the year	(820)	205	(24)	<b>(639)</b>
Fund balances brought forward at 1 April 2024	2,396	1,142	(18)	3,520
Fund balances carried forward at 31 March 2025	<b>1,576</b>	<b>1,347</b>	<b>(42)</b>	<b>2,881</b>

The funds of the charity include the following designated funds which have been set aside out of unrestricted funds by the trustees for specific purposes:

	Balance at 1 April 2024 £'000	Funds spent £'000	Transfers between funds £'000	Balance at 31 March 2025 £'000
Nursery redecoration fund	56	(36)	-	<b>20</b>
Fixed asset reserve	1,086	(128)	369	<b>1,327</b>
	<b>1,142</b>	<b>(164)</b>	<b>369</b>	<b>1,347</b>

Nursery redecoration fund – reserves set aside to cover the cost of redecorating early years settings owned by the Alliance.

Fixed asset reserve – This represents the value of reserves attributable to tangible fixed assets and has been set up to assist in identifying those funds that are not free funds.

**PRE-SCHOOL LEARNING ALLIANCE  
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)  
FOR THE YEAR ENDED 31 MARCH 2025**

**16. RESTRICTED FUNDS**

	<i>Balance brought forward at 1 April 2024 £'000</i>	Income £'000	Expenditure/ unrealised loss £'000	<b>Balance carried forward at 31 March 2025 £'000</b>
A Better Start Southend	130	6,229	(5,857)	<b>502</b>
Luton Flying Start	96	150	(190)	<b>56</b>
Flying Start Community Link Worker	126	191	(216)	<b>101</b>
Luton Safe at Home	-	68	(68)	<b>-</b>
James Reckitt Foundation	28	-	(6)	<b>22</b>
Parental Engagement	355	194	(236)	<b>313</b>
Other funds to support early years	31	-	(31)	<b>-</b>
Milton Keynes Community Hub	47	27	(44)	<b>30</b>
Milton Keynes Endowment Fund	23	-	-	<b>23</b>
<b>Total funds</b>	<b>836</b>	<b>6,859</b>	<b>(6,648)</b>	<b>1,047</b>

**(a) Purpose of funds**

The purpose of each individual fund is as follows:

- (i) A Better Start Southend is funded by the National Lottery Community Fund. The A Better Start programme works with Southend City Council and partner organisations to help parents in Southend give their children a better start in life. [Reference - ABS/1/10086648]
- (ii) Luton Flying Start is funded by Bedfordshire & Luton Community Foundation and aims to improve outcomes for children in Luton from pregnancy to 5<sup>th</sup> birthday as a foundation to a healthy future.
- (iii) The National Lottery Community Fund is funding the Flying Start Community Link Worker project to offer all children in Luton a range of early years interventions, via innovative co-production models based on early learning emerging from A Better Start Southend - the Your Family programme model.
- (iv) Luton Safe at Home is funded by Bedfordshire & Luton Community Foundation. We work in partnership with Bedfordshire Fire and Rescue Service to ensure that children under five in Luton are safe from accidental injuries in the home, reducing the attendance at NHS A&E.
- (v) The James Reckitt Foundation provides funding to the Alliance to make a positive difference to families in the Hull area through family learning opportunities.
- (vi) The Parental Engagement project is funded by donations to provide resources and professional development for early years professionals and to promote the importance of parents' engagement in their child's learning.

**PRE-SCHOOL LEARNING ALLIANCE  
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)  
FOR THE YEAR ENDED 31 MARCH 2025**

**16. RESTRICTED FUNDS (CONTINUED)**

**(a) Purpose of funds (continued)**

- (vii) The Milton Keynes Community Hub is funded by the Milton Keynes Charity Shop (Kingston) Ltd and supports direct services to the Milton Keynes Early Years Community. This includes a support package for Stay and Play groups and Early Years groups, telephone support and advice, access to network events, training and workshops. Families in Milton Keynes have access to online support, advice and training.
- (viii) Milton Keynes Fund was donated by the Milton Keynes Community Trust Limited as an endowed fund to be retained and invested. Income is used to support programmes in the borough of Milton Keynes.
- (ix) Other funds to support early years pay for projects where the donor has specified the geographical location of the targeted support.

**17. ANALYSIS OF NET ASSETS BETWEEN FUNDS**

	General Fund £'000	Designated funds £'000	Pension reserve £'000	Restricted Funds £'000	<b>Total 2025 £'000</b>	<i>Total 2024 £'000</i>
Tangible fixed assets	-	1,327	-	-	<b>1,327</b>	<i>1,086</i>
Investments	4,133	-	-	23	<b>4,156</b>	<i>4,548</i>
Current assets	2,478	20	-	1,024	<b>3,522</b>	<i>3,339</i>
Current liabilities	(5,035)	-	-	-	<b>(5,035)</b>	<i>(4,599)</i>
Pension liability	-	-	(42)	-	<b>(42)</b>	<i>(18)</i>
	<u>1,576</u>	<u>1,347</u>	<u>(42)</u>	<u>1,047</u>	<b>3,928</b>	<i>4,356</i>

**PRE-SCHOOL LEARNING ALLIANCE**  
**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE YEAR ENDED 31 MARCH 2025**

**18. OTHER FINANCIAL COMMITMENTS**

The total of future minimum lease payments under non-cancellable operating leases:

<b>Land and buildings</b>	<b>2025</b>	<b>2024</b>
	<b>£'000</b>	<b>£'000</b>
Expiry date:		
Within 1 year	417	659
Between 2 and 5 years	215	479
In more than 5 years	60	97
	<u>692</u>	<u>1,235</u>
<b>Hire of plant and machinery:</b>		
Expiry date:		
Within 1 year	9	26
Between 2 and 5 years	-	9
	<u>9</u>	<u>35</u>

**19. CASH FLOW STATEMENT**

**(a) Reconciliation of net expenditure to net cash flow from operating activities**

	<b>2025</b>	<b>2024</b>
	<b>£'000</b>	<b>£'000</b>
Net expenditure for the reporting period	(404)	(1,402)
<b>Adjustments for:</b>		
Depreciation charges	128	170
Losses/(gains) on investments	221	(364)
Loss on disposal of tangible fixed assets	-	2
Interest from investments	(151)	(180)
Decrease in stocks	33	60
Decrease/(increase) in debtors	364	(213)
Increase/(decrease) in creditors	182	(376)
Net cash generated by/(used in) operating activities	<u>373</u>	<u>(2,303)</u>

**(b) Analysis of cash and cash equivalents**

Notice deposits (less than three months)	<u>2,810</u>	<u>2,484</u>
	<u>2,810</u>	<u>2,484</u>

**PRE-SCHOOL LEARNING ALLIANCE  
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)  
FOR THE YEAR ENDED 31 MARCH 2025**

**20. PENSION OBLIGATIONS**

The company participates in the scheme, a multi-employer scheme which provides benefits to some 521 non-associated participating employers. The scheme is a defined benefit scheme in the UK. It is not possible for the company to obtain sufficient information to enable it to account for the scheme as a defined benefit scheme. Therefore it accounts for the scheme as a defined contribution scheme.

The scheme is subject to the funding legislation outlined in the Pensions Act 2004 which came into force on 30 December 2005. This, together with documents issued by the Pensions Regulator and Technical Actuarial Standards issued by the Financial Reporting Council, set out the framework for funding defined benefit occupational pension schemes in the UK.

The scheme is classified as a 'last-man standing arrangement'. Therefore the company is potentially liable for other participating employers' obligations if those employers are unable to meet their share of the scheme deficit following withdrawal from the scheme. Participating employers are legally required to meet their share of the scheme deficit on an annuity purchase basis on withdrawal from the scheme.

A full actuarial valuation for the scheme was carried out at 30 September 2023. This valuation showed assets of £514.9m, liabilities of £531.0m and a deficit of £16.1m. To eliminate this funding shortfall, the Trustee has asked the participating employers to pay additional contributions to the scheme as follows:

**Deficit contributions**

From 1 April 2025 to 31 March 2028:	£2,100,000 per annum	(payable monthly)
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Unless a concession has been agreed with the Trustee the term to 31 March 2028 applies.

Note that the scheme's previous valuation was carried out with an effective date of 30 September 2020. This valuation showed assets of £800.3m, liabilities of £831.9m and a deficit of £31.6m. To eliminate this funding shortfall, the Trustee asked the participating employers to pay additional contributions to the scheme as follows:

**Deficit contributions**

From 1 April 2022 to 31 January 2025:	£3,312,000 per annum	(payable monthly)
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The recovery plan contributions are allocated to each participating employer in line with their estimated share of the Series 1 and Series 2 scheme liabilities.

Where the scheme is in deficit and where the company has agreed to a deficit funding arrangement the company recognises a liability for this obligation. The amount recognised is the net present value of the deficit reduction contributions payable under the agreement that relates to the deficit. The present value is calculated using the discount rate detailed in these disclosures. The unwinding of the discount rate is recognised as a finance cost.

**Present values of provision**

	31-Mar-25	31-Mar-24	31-Mar-23
	(£'000s)	(£'000s)	(£'000s)
Present value of provision	42	18	38

**PRE-SCHOOL LEARNING ALLIANCE**  
**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE YEAR ENDED 31 MARCH 2025**

**20. PENSION OBLIGATIONS (continued)**

**Reconciliation of opening and closing provisions**

	Year Ending 31 March 2025 (£'000s)	Year Ending 31 March 2024 (£'000s)
Provision at start of period	18	38
Unwinding of the discount factor (interest expense)	-	1
Deficit contribution paid	(18)	(21)
Remeasurements - impact of any change in assumptions	-	-
Remeasurements - amendments to the contribution schedule	42	-
Provision at end of period	<b>42</b>	<b>18</b>

**Income and expenditure impact**

	Year Ending 31 March 2025 (£'000s)	Year Ending 31 March 2024 (£'000s)
Interest expense	-	1
Remeasurements – impact of any change in assumptions	-	-
Remeasurements – amendments to the contribution schedule	42	-
Contributions paid in respect of future service*	-	-
Costs recognised in income and expenditure account*	-	-

\*includes defined contribution schemes and future service contributions (i.e. excluding any deficit reduction payments) to defined benefit schemes which are treated as defined contribution schemes.

**Assumptions**

	31 March 2025 % per annum	31 March 2024 % per annum	31 March 2023 % per annum
Rate of discount	4.84	5.31	5.52

The discount rates shown above are the equivalent single discount rates which, when used to discount the future recovery plan contributions due, would give the same results as using a full AA corporate bond yield curve to discount the same recovery plan contributions.

For details of the charity's other pension obligations, see note 7 to the financial statements.



**PRE-SCHOOL LEARNING ALLIANCE  
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)  
FOR THE YEAR ENDED 31 MARCH 2025**

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**21. RELATED PARTY TRANSACTIONS**

The Pre-school Learning Alliance has entered into two related party transactions. During the year, the charity incurred total costs of £17,000 (2024: £19,000) from Room 111 for design of the charity's magazine, Under 5. The proprietor of Room 111 is a close family member of the charity's Chief Executive. The balance outstanding at the year-end was £2,000 (2024: £nil). During the year the charity incurred total costs of £189,000 (2024: £187,000) from VL Design and Communication Ltd for production and design of early years publications, corporate materials and brand management. The Chief Executive is a director of VL Design and Communication Ltd. These arrangements were fully considered by the trustees who took steps to ensure that they provide best value for the charity. The total annual contract value with VL Design and Communication Ltd is agreed by the trustees and reviewed every four years. The Chief Executive receives no remuneration from the charity.

During the year an amount of £153,000 (2024: £174,000) was paid by Pre-school Learning Alliance Trading Ltd to the Pre-school Learning Alliance in respect of administrative costs incurred by the parent charity on behalf of the trading subsidiary. A Gift Aid payment of £638,000 (2024: £638,000) was also paid. At the year end, a balance of £709,000 was owed by the Pre-school Learning Alliance to Pre-school Learning Alliance Trading Ltd (2024: £169,000 owed by the Pre-school Learning Alliance).

During the year the charity received £27,000 (2024: £51,000) from MK Community Shop (Kingston) Ltd. The charity holds five shares in the company which is equivalent to 50% of the issued share capital. The charity's Director of Finance is one of four directors of the company and accordingly the company is not a subsidiary. The balance outstanding between entities was £nil (2024: £nil).

**PRE-SCHOOL LEARNING ALLIANCE**  
**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE YEAR ENDED 31 MARCH 2025**

**23. STATEMENT OF FINANCIAL ACTIVITIES - PRIOR YEAR COMPARATIVES**

	Notes	Unrestricted Funds £'000	Restricted Funds £'000	<b>Total 2024 £'000</b>
<b>Income from:</b>				
Donations		129	111	<b>240</b>
Investments		180	-	<b>180</b>
Charitable activities:	2			
Provision of care and education services		11,150	-	<b>11,150</b>
Outreach services for children and families		4,956	5,983	<b>10,939</b>
Sector support, membership and policy development		2,130	61	<b>2,191</b>
Other trading activities	3	<u>1,026</u>	<u>-</u>	<b><u>1,026</u></b>
<b>Total Income</b>		<u>19,571</u>	<u>6,155</u>	<b><u>25,726</u></b>
<b>Expenditure on:</b>				
Charitable activities:				
Provision of care and education services		13,748	-	<b>13,748</b>
Outreach services for children and families		4,208	6,135	<b>10,343</b>
Sector support, membership and policy development		2,911	37	<b>2,948</b>
		453	-	<b>453</b>
Restructure costs		<u></u>	<u></u>	
<b>Total Expenditure</b>	4	<u>21,320</u>	<u>6,172</u>	<b><u>27,492</u></b>
Unrealised (loss)/gain on investments	11	<u>364</u>	<u>-</u>	<b><u>364</u></b>
<b>Net (expenditure)/income</b>		(1,385)	(17)	<b>(1,402)</b>
Actuarial gains on defined benefit pension schemes	20	20	-	<b>20</b>
<b>Net movement in funds</b>		<u>(1,365)</u>	<u>(17)</u>	<b><u>(1,382)</u></b>

**PRE-SCHOOL LEARNING ALLIANCE**  
**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE YEAR ENDED 31 MARCH 2025**

**24. UNRESTRICTED FUNDS - PRIOR YEAR COMPARATIVES**

	General fund £'000	Designated funds £'000	Pension reserve £'000	Total unrestricted funds £'000
Income	19,571	-	-	<b>19,571</b>
Expenditure	(21,138)	(182)	-	<b>(21,320)</b>
Investment losses	364	-	-	<b>364</b>
Net expenditure before transfers	(1,203)	(182)	-	<b>(1,385)</b>
Gains on pension fund	-		20	<b>20</b>
Transfers between funds	(247)	247	-	<b>-</b>
Net (expenditure)/income for the year	(1,450)	65	20	<b>(1,365)</b>
Fund balances brought forward at 1 April 2023	<u>3,846</u>	<u>1,077</u>	<u>(38)</u>	<u>4,885</u>
Fund balances carried forward at 31 March 2024	<u><b>2,396</b></u>	<u><b>1,142</b></u>	<u><b>(18)</b></u>	<u><b>3,520</b></u>

The funds of the charity include the following designated funds which have been set aside out of unrestricted funds by the trustees for specific purposes:

	Balance at 1 April 2023 £'000	Funds spent £'000	Transfers between funds £'000	Balance at 31 March 2024 £'000
Nursery redecoration fund	65	(12)	3	<b>56</b>
Fixed asset reserve	<u>1,012</u>	<u>(170)</u>	<u>244</u>	<u><b>1,086</b></u>
	<u>1,077</u>	<u>(182)</u>	<u>247</u>	<u><b>1,142</b></u>

Nursery redecoration fund – reserves set aside to cover the cost of redecorating early years settings owned by the Alliance.

Fixed asset reserve – This represents the value of reserves attributable to tangible fixed assets and has been set up to assist in identifying those funds that are not free funds.

**PRE-SCHOOL LEARNING ALLIANCE**  
**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE YEAR ENDED 31 MARCH 2025**

**25. RESTRICTED FUNDS - PRIOR YEAR COMPARATIVES**

	<i>Balance brought forward at 1 April 2022 £'000</i>	<i>Income/ unrealised gain £'000</i>	<i>Expenditure £'000</i>	<b>Balance carried forward at 31 March 2024 £'000</b>
A Better Start Southend	144	5,538	(5,552)	<b>130</b>
Luton Flying Start	129	170	(203)	<b>96</b>
Flying Start Community Link Worker	137	191	(202)	<b>126</b>
Luton Safe at Home	-	72	(72)	-
Foundation Economy Innovation Fund	-	10	(10)	-
Suffolk Play & learn	-	2	(2)	-
James Reckitt Foundation	30	-	(2)	<b>28</b>
Parental Engagement	337	111	(93)	<b>355</b>
Other funds to support early years	27	10	(6)	<b>31</b>
Milton Keynes Community Hub	26	51	(30)	<b>47</b>
Milton Keynes Endowment Fund	23	-	-	<b>23</b>
<b>Total funds</b>	<b>853</b>	<b>6,155</b>	<b>(6,172)</b>	<b>836</b>

**(a) Purpose of funds**

The purpose of each fund is set out in note 16.

**26. PRIOR PERIOD ADJUSTMENT**

	<i>Opening funds at 1 April 2023 as previously stated £'000</i>	<i>Adjustment £'000</i>	<i>Opening funds at 1 April 2023 restated £'000</i>	<b>Closing funds at 31 March 2024 restated £'000</b>
General fund	6,292	(554)	5,738	<b>4,356</b>

The prior year adjustment has been made to correct historic mispostings which were identified during the 2024-25 financial year. These were in relation a creditor balance created in error through intracharity recharges and internal transfers that were incorrectly allocated, and an error in the classification of investment purchases.