

Charity registration number 1100785

Company registration number 04737220 (England and Wales)

KITTENS PRESCHOOL
ANNUAL REPORT AND UNAUDITED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2022

KITTENS PRESCHOOL

LEGAL AND ADMINISTRATIVE INFORMATION

Trustees	James Kirkby Shirley Speakman Sharon Watts Julie Bolton
Treasurer	James Kirkby
Chair	Shirley Speakman
Charity number	1100785
Company number	04737220
Principal address	Veronica Street Blackburn Road Darwen Lancashire BB3 0AA
Registered office	Veronica Street Blackburn Road Darwen Lancashire BB3 0AA
Independent examiner	David Wood Wilson BA FCA Hindle Jepson & Jennings Ltd 10 Borough Road Darwen Lancashire BB3 1PL
Bankers	Lloyds Bank plc Church Street Blackburn Lancashire BB2 1JQ

KITTENS PRESCHOOL

CONTENTS

	Page
Trustees' report	1 - 2
Independent examiner's report	3
Statement of financial activities	4
Balance sheet	5
Notes to the financial statements	6 - 14

KITTENS PRESCHOOL

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) FOR THE YEAR ENDED 31 JULY 2022

The trustees present their annual report and financial statements for the year ended 31 July 2022.

The accounts have been prepared in accordance with the accounting policies set out in note 1 to the accounts, the Companies Act 2006 and "Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2015)"

Objectives and activities

The charity's objects are to enhance the development and education of children primarily under statutory school age by encouraging parents to understand and provide for the needs of their children through community groups and by :

- 1) offering appropriate play facilities and training courses, together with the right of parents to take responsibility for and to become involved in the activities of such groups, ensuring that such groups offer opportunities for all children regardless of race, culture, religion or means
- 2) encouraging the study of the needs of such children and their families and promoting public interest in and recognition of such needs in the local areas
- 3) instigating and adhering to and furthering the aim of the preschool learning alliance.

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

Achievements and performance

The charity's income has increased during the year but even though the costs decreased this has still resulted in the funds of the charity decreasing by £8,985. As at the balance sheet date the charity had total funds of £94,529 (2021 : £103,514).

Financial review

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

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

Structure, governance and management

The charity is a company limited by guarantee, incorporated as Kittens PreSchool. The company is registered as a charity governed by its memorandum and articles of association.

The trustees, who are also the directors for the purpose of company law, and who served during the year and up to the date of signature of the financial statements were:


James Kirkby
Shirley Speakman
Sharon Watts
Julie Bolton

None of the trustees has any beneficial interest in the company. All of the trustees are members of the company and guarantee to contribute £1 in the event of a winding up.

KITTENS PRESCHOOL

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED) *FOR THE YEAR ENDED 31 JULY 2022*

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



James Kirkby
Trustee

6 March 2023

KITTENS PRESCHOOL

INDEPENDENT EXAMINER'S REPORT TO THE TRUSTEES OF KITTENS PRESCHOOL

I report to the trustees on my examination of the financial statements of Kittens Preschool (the charity) for the year ended 31 July 2022.

Responsibilities and basis of report

As the trustees of the charity (and also its directors for the purposes of company law) you are responsible for the preparation of the financial statements in accordance with the requirements of the Companies Act 2006 (the 2006 Act).

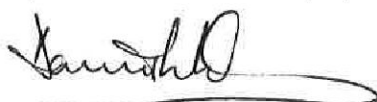
Having satisfied myself that the financial statements of the charity are not required to be audited under Part 16 of the 2006 Act and are eligible for independent examination, I report in respect of my examination of the charity's financial statements carried out under section 145 of the Charities Act 2011 (the 2011 Act). In carrying out my examination I have followed all the applicable Directions given by the Charity Commission under section 145(5)(b) of the 2011 Act.

Independent examiner's statement

I have completed my examination. I confirm that no matters have come to my attention in connection with the examination giving me cause to believe that in any material respect:

- 1 accounting records were not kept in respect of the charity as required by section 386 of the 2006 Act; or
- 2 the financial statements do not accord with those records; or
- 3 the financial statements do not comply with the accounting requirements of section 396 of the 2006 Act other than any requirement that the accounts give a true and fair view which is not a matter considered as part of an independent examination; or
- 4 the financial statements have not been prepared in accordance with the methods and principles of the Statement of Recommended Practice for accounting and reporting by charities applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102).

I have no concerns and have come across no other matters in connection with the examination to which attention should be drawn in this report in order to enable a proper understanding of the financial statements to be reached.



David Wood Wilson BA FCA

Hindle Jepson & Jennings Ltd
10 Borough Road
Darwen
Lancashire
BB3 1PL

Dated: 6 March 2023

KITTENS PRESCHOOL

STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT FOR THE YEAR ENDED 31 JULY 2022

	Notes	Unrestricted funds 2022 £	Restricted funds 2022 £	Total Unrestricted funds 2022 £	Restricted funds 2021 £	Total 2021 £
<u>Income and endowments from:</u>						
Charitable activities	3	136,236	-	136,236	119,051	119,051
Other trading activities	4	2,363	-	2,363	2,421	2,421
Other income	5	-	-	-	7,877	7,877
Total income		138,599	-	138,599	129,349	129,349
<u>Expenditure on:</u>						
Charitable activities	6	141,088	6,496	147,584	6,496	163,445
Net expenditure for the year/ Net movement in funds		(2,489)	(6,496)	(8,985)	(6,496)	(34,096)
Fund balances at 1 August 2021		58,149	45,365	103,514	51,861	137,610
Fund balances at 31 July 2022		55,660	38,869	94,529	45,365	103,514

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

All income and expenditure derive from continuing activities.

The statement of financial activities also complies with the requirements for an income and expenditure account under the Companies Act 2006.

KITTENS PRESCHOOL

BALANCE SHEET

AS AT 31 JULY 2022

	Notes	2022 £	£	2021 £	£
Fixed assets					
Tangible assets	10		52,704		61,237
Current assets					
Debtors	11	2,565		2,534	
Cash at bank and in hand		40,797		42,864	
		43,362		45,398	
Creditors: amounts falling due within one year	12	(1,537)		(3,121)	
Net current assets			41,825		42,277
Total assets less current liabilities			94,529		103,514
Income funds					
Restricted funds	13		38,869		45,365
Unrestricted funds			55,660		58,149
			94,529		103,514

The company is entitled to the exemption from the audit requirement contained in section 477 of the Companies Act 2006, for the year ended 31 July 2022.

The directors acknowledge their responsibilities for complying with the requirements of the Companies Act 2006 with respect to accounting records and the preparation of financial statements.

The members have not required the company to obtain an audit of its financial statements for the year in question in accordance with section 476.

These financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime.

The financial statements were approved by the Trustees on 6 March 2023

Shirley Speakman
Trustee

 Shirley Speakman

Company registration number 04737220

KITTENS PRESCHOOL

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 JULY 2022

1 Accounting policies

Charity information

Kittens Preschool is a private company limited by guarantee incorporated in England and Wales. The registered office is Veronica Street, Blackburn Road, Darwen, Lancashire, BB3 0AA.

1.1 Accounting convention

The accounts have been prepared in accordance with the charity's governing document, the Companies Act 2006 and "Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102)" (as amended for accounting periods commencing from 1 January 2016). The charity is a Public Benefit Entity as defined by FRS 102.

The charity has taken advantage of the provisions in the SORP for charities applying FRS 102 Update Bulletin 1 not to prepare a Statement of Cash Flows.

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

The financial statements have been prepared under the historical cost convention, [modified to include the revaluation of freehold properties and to include investment properties and certain financial instruments at fair value]. The principal accounting policies adopted are set out below.

1.2 Going concern

At the time of approving the financial statements, the trustees have a reasonable expectation that the charity has adequate resources to continue in operational existence for the foreseeable future. Thus the trustees continue to adopt the going concern basis of accounting in preparing the financial statements.

1.3 Charitable funds

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

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

1.4 Income

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

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

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

Income from trading activities is recognised on receipt.

Income from fund raising activities is recognised on receipt.

KITTENS PRESCHOOL

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 JULY 2022

1 Accounting policies

(Continued)

1.5 Expenditure

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, it is probable that a transfer of economic benefits will be required in settlement, and the amount of the obligation can be measured reliably.

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

Resources expended are allocated to the particular activity where the cost relates directly to that activity (in accordance with the SORP). Where costs cannot be directly attributed to particular headings they have been allocated to activities on a basis consistent with use of the resource.

Management and administration costs are those incurred in connection with administration of the charity and compliance with constitutional and statutory requirements.

1.6 Tangible fixed assets

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

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

Leasehold land and buildings	Straight line over 25 years
Fixtures and play equipment	Straight Line over 4 years
Computers and office equipment	Straight line over 3 years

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

1.7 Impairment of fixed assets

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

1.8 Cash and cash equivalents

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

KITTENS PRESCHOOL

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 JULY 2022

1 Accounting policies

(Continued)

1.9 Financial instruments

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

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

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

Basic financial assets

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

Basic financial liabilities

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

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

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

Derecognition of financial liabilities

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

1.10 Employee benefits

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

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

1.11 Retirement benefits

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

KITTENS PRESCHOOL

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 JULY 2022

2 Critical accounting estimates and judgements

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

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

3 Charitable activities

	Charitable activities 2022 £	Charitable activities 2021 £
Preschool fees	135,630	118,480
Other sundry income	606	571
	<u>136,236</u>	<u>119,051</u>

4 Other trading activities

	Unrestricted funds general 2022 £	Unrestricted funds general 2021 £
Fundraising events	<u>2,363</u>	<u>2,421</u>

5 Other income

	Total 2022 £	Unrestricted funds general 2021 £
Other income	<u>-</u>	<u>7,877</u>

KITTENS PRESCHOOL

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 JULY 2022

6 Charitable activities

	Cost of Generating Funds 2022 £	Cost of Generating Funds 2021 £
Staff costs	115,651	121,331
Depreciation and impairment	8,533	8,534
Other costs	671	210
Food and consumables	747	928
Toys, art and activity materials	2,755	4,619
Cleaning and waste disposal	1,435	2,575
Repairs and maintenance	812	11,528
Printing, postage and stationery	794	335
Advertising	317	123
Telephone and internet charges	879	826
Leasing of office equipment	749	749
General expenses	806	280
Rent payable	2,000	2,000
Rates and water	1,235	421
Computer expenses	1,349	1,337
Light and heat	3,355	4,026
	<u>142,088</u>	<u>159,822</u>
Share of governance costs (see note 7)	5,496	3,623
	<u>147,584</u>	<u>163,445</u>
Analysis by fund		
Unrestricted funds - general	141,088	156,949
Restricted funds	6,496	6,496
	<u>147,584</u>	<u>163,445</u>
For the year ended 31 July 2021		
Unrestricted funds - general	156,949	
Restricted funds	6,496	
	<u>163,445</u>	

KITTENS PRESCHOOL

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 JULY 2022

7 Support costs

	Support costs £	Governance costs £	2022 £	2021 £
Accountancy	-	1,393	1,393	1,363
Insurance	-	1,799	1,799	1,807
Bank charges	-	112	112	84
Subscriptions	-	316	316	293
Courses and staff training	-	1,876	1,876	76
	-	5,496	5,496	3,623
Analysed between Charitable activities	-	5,496	5,496	3,623

8 Trustees

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

9 Employees

The average monthly number of employees during the year was:

	2022 Number	2021 Number
	8	7
Employment costs	2022 £	2021 £
Wages and salaries	111,273	116,791
Other pension costs	4,378	4,540
	115,651	121,331

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

KITTENS PRESCHOOL

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 JULY 2022

10 Tangible fixed assets

	Leasehold land and buildings £	Fixtures and play equipment £	Computers and office equipment £	Total £
Cost				
At 1 August 2021	199,951	59,804	11,788	271,543
At 31 July 2022	199,951	59,804	11,788	271,543
Depreciation and impairment				
At 1 August 2021	139,510	59,477	11,319	210,306
Depreciation charged in the year	7,997	303	233	8,533
At 31 July 2022	147,507	59,780	11,552	218,839
Carrying amount				
At 31 July 2022	52,444	24	236	52,704
At 31 July 2021	60,441	327	469	61,237

11 Debtors

	2022 £	2021 £
Amounts falling due within one year:		
Prepayments and accrued income	2,565	2,534

12 Creditors: amounts falling due within one year

	2022 £	2021 £
Other taxation and social security	26	751
Accruals and deferred income	1,511	2,370
	1,537	3,121

13 Restricted funds

The income funds of the charity include restricted funds comprising the following unexpended balances of donations and grants held on trust for specific purposes:

	Balance at 1 August 2020 £	Resources expended £	Balance at 1 August 2021 £	Resources expended £	Balance at 31 July 2022 £
Restricted fund	51,861	(6,496)	45,365	(6,496)	38,869

KITTENS PRESCHOOL

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 JULY 2022

14 Analysis of net assets between funds

	Unrestricted funds 2022 £	Restricted funds 2022 £	Total 2022 £	Unrestricted funds 2021 £	Restricted funds 2021 £	Total 2021 £
Fund balances at 31 July 2022 are represented by:						
Tangible assets	13,835	38,869	52,704	15,872	45,365	61,237
Current assets/(liabilities)	41,825	-	41,825	42,277	-	42,277
	<u>55,660</u>	<u>38,869</u>	<u>94,529</u>	<u>58,149</u>	<u>45,365</u>	<u>103,514</u>

KITTENS PRESCHOOL

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 JULY 2022

15 Operating lease commitments

At the reporting end date the charity had outstanding commitments for future minimum lease payments under non-cancellable operating leases, which fall due as follows:

	2022 £	2021 £
Within one year	2,000	2,000
Between two and five years	8,000	8,000
In over five years	1,500	3,500
	<u>11,500</u>	<u>13,500</u>

16 Related party transactions

There were no disclosable related party transactions during the year (2021 - none).

KITTENS PRESCHOOL

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 JULY 2022

15 Operating lease commitments

At the reporting end date the charity had outstanding commitments for future minimum lease payments under non-cancellable operating leases, which fall due as follows:

	2022 £	2021 £
Within one year	2,000	2,000
Between two and five years	8,000	8,000
In over five years	1,500	3,500
	<u>11,500</u>	<u>13,500</u>

16 Related party transactions

There were no disclosable related party transactions during the year (2021 - none).