

**ST PHILIP'S PRE-SCHOOL**  
(A company limited by guarantee)

**ANNUAL REPORT AND FINANCIAL STATEMENTS**

**YEAR ENDED 31<sup>st</sup>AUGUST 2021**

**Company number : 6625504**  
**Charity Number : 1124780**

## **ST PHILIP'S PRE-SCHOOL**

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**Report of the trustees for the year ended 31 August 2021**

The trustees are pleased to present their report together with the financial statements of the charity for the year ended 31 August 2021 which are also prepared to meet the requirements for a directors' report and accounts for Companies Act purposes.

The financial statements comply with the Charities Act 2011, the Companies Act 2006, the Memorandum and Articles of Association, 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 (FRS102) (effective 1 January 2015).

**Purposes and activities**

The objects of the charity are to advance the education of children under statutory school age by providing for daily care, recreation and educational opportunities.

To achieve this, the trust provides a vast range of fun activities that create good play experiences. Many of these are linked to the school termly theme to develop the children's skills in all areas of learning.

In shaping the objectives for the year and planning activities, the trustees have considered the Charity Commission's guidance on public benefit.

**Achievements**

Another successful year for Preschool despite the disruption caused by the ongoing impact of Covid 19. Combatting these difficulties, we continued to offer a full service throughout the full year and reintroduced many of the termly activities to provide the children with the full pre-school experience before transferring to school.

**Financial Review**

The financial statements show a net surplus of £22,034 (2020 -£17,933). The increase in children numbers saw increased grants. The cash position is strong with £86,556 in hand at the yearend compared to £62,415 at the end of 2020. This level provides a good level of security for the Pre-School moving forward.

**Report of the trustees for the year ended 31 August 2021****Reserves policy and going concern**

Reserves are needed to bridge the gap between the spending and receiving of income and to cover unplanned expenditure. The charity has established a policy whereby the unrestricted funds not committed or invested in tangible fixed assets held by the charity should represent up to three months running costs. This target has been met.

The trustees do not believe going concern is an issue in the next twelve months given the careful financial management employed by the charity and level of monies held in the bank.

**Reference and administrative information**

Charity number : 1124780  
Company number : 06625504

**Directors and trustees**

Paul Hutchins  
Philip Cunningham  
John Pinchen  
Sue Sacco

**Registered office** Ellison Road  
Gateshead  
Tyne & Wear  
NE8 2QU

**Independent Examiner** R A Page  
511 Durham Road  
Low Fell  
Tyne & Wear  
NE9 5EY

**Bankers** Barclays Bank PLC  
1 Churchill Place  
London  
E14 5HP

**Report of the trustees for the year ended 31 August 2021****Governing Document**

The organisation is a charitable company limited by guarantee, incorporated on 20 June 2008 and registered as a charity on 2 July 2008. The company was established under a Memorandum of Association which established the objects and powers of the charitable company and is governed under its Articles of association. In the event of the company being wound up members are required to contribute an amount not exceeding £1.

**Recruitment and Appointment of Trustees**

The directors of the company are also charity trustees for the purpose of charity law.

The trustees continually audit the available skills of the board and look to acquire new trustees with different skills and experiences which can assist in the growth of the organisation. Recruitment is by approach and word of mouth.

**Organisational Structure**

The charity has a management committee who meet on a regular basis.

A scheme of delegation is in place and day to day responsibility for the provision of services rests with Bernadette McNally who is the school's manager.

**Trustee Induction and Training**

A new trustee is provided with an information pack, visits to the school are arranged and assistance is available when necessary by other trustees.

**Risk Management**

The trustees and management have carried out an assessment of the major risks facing the charity. Given that the charity operates with young children there are child protection procedures in place. There is a programme which constantly reviews and updates policies. Staff training in these areas is held to be of paramount importance.

**Report of the trustees for the year ended 31 August 2021**

**Trustees' responsibilities in relation to the financial statements**

Company law requires the trustees to prepare financial statements that give a true and fair view of the state of affairs of the charity at the end of the financial year and of its surplus or deficit for the financial year. In doing so the trustees are required to:

- Select suitable accounting policies and then apply them consistently
- Make judgements and estimates that are reasonable and prudent
- Prepare the financial statements on a going concern basis unless it is inappropriate to assume that the charity will continue in business.

The trustees are responsible for maintaining proper accounting records which disclose with reasonable accuracy at any time the financial position of the charity and enables them to ensure that the financial statements comply with the Companies Act 2006. The trustees are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Signed on behalf of the trustees



P Hutchins - Chair

31<sup>st</sup> March 2022

**Report of the Independent Examiner to the trustees of St Philips Pre-School**

I report on the financial statements of St Philip's Pre-School for the year ended 31 August 2021 which are set out on pages 6 to 11.

**Respective responsibility of trustees and examiner**

The charity's trustees are responsible for the preparation of the financial statements. The charity's trustees consider that an audit is not required for this year under section 144(2) of the Charities Act 2011(the 2011 Act) and that an independent examination is needed. The charity is preparing accrued accounts and I am qualified to undertake the examination by being a qualified member of the Association of Chartered Certified Accountants. Having satisfied myself that the charity is not subject to audit under company law and is eligible for independent examination, it is my responsibility to

Examine the accounts under section 145 of the 2011 Act

To follow the procedures laid down in the general Directions given by the Charity Commission (under section 145(5)(b) of the 2011 Act) and

To state whether particular matters have come to my attention.

**Basis of independent examiner's report**

My examination was carried out in accordance with the General Directions given by the Charity Commission. An examination includes a review of the accounting records kept by the charity and a comparison of the financial statements presented with those records. It also includes consideration of any unusual items or disclosures in the financial statements, and seeking explanations from you as trustees concerning any such matters. The procedures undertaken do not provide all the evidence that would be required in an audit, and consequently no opinion is given as to whether the accounts present a 'true and fair' view and the report is limited to those matters set out in the statement below.

**Independent examiner's statement**

In connection with my examination, no matter has come to my attention:

(1) which gives me reasonable cause to believe that in any material respect the requirements

- . to keep accounting records in accordance with section 386 of the Companies Act 2006; and
- . to prepare financial statements which accord with the accounting records, comply with the accounting requirements of section 396 of the Companies Act 2006 and with the methods and principles of the Statement of Recommended Practice: Accounting and Reporting by Charities have not been met ;or

(2) to which, in my opinion, attention should be drawn in order to enable a proper understanding of the financial statements to be reached.

**R A Page FCCA**

511 Durham Road

Gateshead

Tyne & Wear

NE9 5EY

31<sup>st</sup> March 2022

**Statement of financial activities (including Income and Expenditure Account)**  
**Year ended 31 August 2021**

	Notes	2021 £	2020 £
<b>Incoming resources</b>			
<b>From generating funds</b>			
<i>Activities for generating funds</i>			
Employment allowance		3,000	3,010
<b>From charitable activities</b>			
Fees		318	290
Grants	2	<u>108,701</u>	<u>93,574</u>
<b>Total incoming resources</b>		<u>112,019</u>	<u>96,874</u>
<b>Resources expended</b>			
Charitable activities		<u>89,985</u>	<u>78,941</u>
<b>Total resources expended</b>	3	<u>89,985</u>	<u>78,941</u>
<b>Net incoming resources</b>		22,034	17,933
<b>Total funds brought forward</b>		<u>61,110</u>	<u>43,177</u>
<b>Total funds carried forward</b>		<u>83,144</u>	<u>61,110</u>



**Balance sheet as at 31 August 2021**

	Notes	2021	2020
		£	£
<b>Current assets</b>			
Cash at bank and in hand		86,556	62,415
<b>Creditors: amounts falling due within one year</b>	7	<u>3,412</u>	<u>1,305</u>
<b>Net current assets</b>		<u>83,144</u>	<u>61,110</u>
<b>Funds</b>		<u>83,144</u>	<u>61,110</u>

The charitable company is entitled to exemption from audit under Section 477 of the Companies Act 2006 for the period ended 31 August 2021.

The trustees have not required the charitable company to obtain an audit of its financial statements for the period ended 31 August 2021 in accordance with Section 476 of the Companies Act 2006.

The trustees acknowledge their responsibilities for

- (a) ensuring that the charitable company keeps accounting records that comply with Sections 386 and 387 of the Companies Act 2006 and
- (b) preparing financial statements which give a true and fair view of the state of affairs of the charitable company as at the end of each financial year and of its surplus or deficit for each financial year in accordance with the requirements of Section 394 and 395 and which otherwise comply with the requirements of the Companies Act 2006 relating to financial statements, so far as applicable to the charitable company.

These financial statements have been prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small charitable companies and with the Financial Reporting Standard 102.

The financial statements on pages 6 to 11 were approved by the Board of Trustees on \*\* March 2022 and were signed on its behalf by

P Hutchins - Trustee

## Statement of Cashflows

Year ended 31 August 2021

	<b>2021</b>	<b>2020</b>
	<b>£</b>	<b>£</b>
<b>Cash used in operations</b>		
Net movement in funds	<b>22,034</b>	<b>17,933</b>
Adjustment for (Increase) in creditors	<b>2,107</b>	<b>99</b>
	<hr/>	<hr/>
<b>Net cash used in operations</b>	<b>24,141</b>	<b>18,032</b>
	<hr/>	<hr/>
<b>Change in cash in year</b>	<b>24,141</b>	<b>18,032</b>
	<hr/>	<hr/>
<b>Cash brought forward</b>	<b>62,415</b>	<b>44,383</b>
	<hr/>	<hr/>
<b>Cash carried forward</b>	<b>86,556</b>	<b>62,415</b>
	<hr/>	<hr/>

## Notes to the financial statements

### Year ended 31 August 2021

#### 1 Accounting policies

The principal accounting policies are summarised below. The accounting policies have been applied consistently throughout the period.

##### **Basis of preparation**

The financial statements have been prepared in accordance with 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) – (Charities SORP (FRS 1023), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

##### **Reconciliation with previous Generally Accepted Accounting Practices**

In preparing the financial statements the trustees have considered whether in applying the accounting policies required by FRS 102 and the Charities SORP FRS 102 the restatement of comparative items was required. No restatements were required.

##### **Grants**

Grants for immediate expenditure are accounted on a receivable basis. Grants where related to performance and specific deliverables, are accounted for as the charity earns the right to consideration by its performance.

##### **Resources expended**

Resources expended are included in the Statement of Financial Activities on an accruals basis, inclusive of any VAT which cannot be recovered.

##### **Costs**

Charitable expenditure comprises those costs incurred by the charity in the delivery of its activities and services for its beneficiaries. It includes both costs that can be allocated directly to such activities and those costs of an indirect nature necessary to support them.

All costs are allocated between the expenditure categories of the SoFA on a basis designed to reflect the use of the resource. Costs relating to a particular activity are allocated directly and other are apportioned on an appropriate basis such as staff time.

## Notes to the financial statements

Year ended 31 August 2021

**Fund accounting**

Funds held by the charity are either:

- . *Unrestricted general funds* – these are funds which can be used in accordance with the charitable objects at the discretion of the trustees.
- . *Restricted funds* – these are funds that can only be used for particular restricted purposes within the objects of the charity. Restrictions arise when specified by the donor or when funds are raised for particular restricted purposes.

**2. Incoming resources from Activities to further the Charity's Objects**

	2021 £	2020 £
<b>Grants</b>		
Gateshead MBC		
Early Years Funding	106,081	91,958
SLC	2,620	1,115
Apprentice funding	-	500
	<u>108,701</u>	<u>92,458</u>

**3. Resources expended****Charitable activities**

Salaries and pension costs	70,704	61,250
Resources	6,501	3,964
Events	111	41
Rent	4,400	3,420
Heat and light	1,310	1,354
Premises	535	190
Outdoor refurbishment	-	6,500
Telephone	813	1,067
General expenses	1,073	273
Staff training	440	-
Subscriptions	1,269	169
Accountancy	663	713
Equipment	2,165	-
	<u>89,985</u>	<u>78,941</u>

## Notes to the financial statements

Year ended 31 August 2021

## 4. Salaries breakdown

	2021	2020
	£	£
Salaries	66,388	57,385
Social security	3,971	3,060
Pension	1,013	805
	<u>71,372</u>	<u>61,250</u>

## Staff numbers

The average number of employees during the year, calculated on the basis of full time equivalents was as follows:

	2021	2020
	Number	Number
Manager	1	1
Assistants	3	3
	<u>4</u>	<u>4</u>

## 5. Trustee remuneration

No trustee received any remuneration during the year.

## 6. Taxation

As a charity St Philip's Pre-School is exempt from tax on income and gains falling within section 505 of the taxes Act 1988 or s256 of the Taxation of Chargeable Gains Act 1992 to the extent that these are applied to its charitable objects. No tax charges have arisen in the Charity.

## 7. Creditors: Amounts falling due within one year

	2021	2020
	£	£
Social security and other taxes	2,261	439
Accruals	1,151	866
	<u>3,412</u>	<u>1,305</u>