

CHUDLEIGH KNIGHTON PRE SCHOOL LIMITED

**Directors' report and Financial Statements
Year ended 31 August 2020**

Registered Charity number: 1135623

Registered Company number: 07162177

Bankers
Natwest Bank
48 Courtenay Street
Newton Abbot

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Directors' report

The directors present their directors' report and financial statements for the year ended 31 August 2020.

Principal objects and activities

The objects of the Charity are set out in the articles of association. In summary, the Charity provides pre-School education facilities to children from the age of 2 —4 years. The objects of the Charity include enhancing the development and education of children primarily under statutory school age. The Charity provides these facilities 5 days a week.

The Charity offers play, education and care facilities and works closely with the local community and other education facilities, such as Chudleigh Knighton Church of England Primary School, to promote the needs and education of pre-school children for the public benefit.

Structure, Governance and management

The Charity was incorporated as a company limited by guarantee on 18 February 2010 and registered with the Charity Commission on 21 April 2010. The Charity began operating on 7 October 2010 following a transfer from an existing Pre-School charity (Charity Number — 1022361).

Directors

The directors who held office during the year were as follows;

Mrs Victoria Andrews

Mrs Sally Lacey

Mrs Joanne Viney

The minimum number of Directors is 3 but there is no maximum.

The Directors are also members of the Charity. The Directors meet regularly during the year and invite parents, carers and other interested members of the community to attend committee meetings to involve parents and carers in the running of the Charity.

Whilst corporate decisions are made by the Directors, the day to day running of the Charity is carried out by the Managers and Deputy Manager.

Employees

The Charity considers that the employees are the Pre-School's greatest asset, and that the low turn-over of employees is due to high levels of job satisfaction. During the year the Charity had 9 part time staff, including a Manager, Deputy Manager and Office manager.

The Charity is an equal opportunities employer and does not discriminate on the grounds of sex, race, disability or religious affiliation (if any).

Directors' report continued

Business review

The Charity has had 10 full years of operating from its premises at 'Pauline's Place'.

The Charity has a long standing excellent reputation, drawing children from neighbouring towns & villages. In 2018 the Pre-school achieved another "Good" Ofsted rating. Until the lockdown measures were put in place the pre-school had 34 children on the roll and was expecting to run almost at capacity during the normally busy Summer term.

The children comprise both funded and non-funded two to four-year olds. The pre-school reopened in June in line with national guidelines for early years education and was able to offer places to all children who needed it. After a busy Spring term the Summer numbers were understandably lower than usual with many families choosing to keep their children at home until September. As last year more families also took up the offer of 30 hours funding in Autumn & Spring (Pre-lockdown). This is reflected in the large reduction in parents fees received this financial year.

The performance of the Charity is set out in the accounts.

The Charity recorded a deficit for the year which can be attributed to the effects of the Coronavirus pandemic. Despite this, Directors consider that the Charity remains a viable organisation that will continue to provide high quality pre-school facilities to the locality.

It is the policy of the Charity to retain a minimum of £25,000 in designated reserves, which is expendable, to deal with items of unusual expenditure such as redundancy payments (should they be relevant) and repairs to the building. At the year end the Charity held £45,446 in reserves (approximately £25,407 of which is held in a separate designated funds account).

After making enquiries, the directors have a reasonable expectation that the Charity has adequate resources to continue in operational existence for the foreseeable future. For this reason, they consider it appropriate to adopt the going concern basis in preparing the accounts.

Public Benefit test


In summary, the Charity offers Pre-School educational and play facilities to children primarily under statutory school age. This benefits the community by providing Early Years care for children living in or around Chudleigh Knighton, and supporting and encouraging parents and carers in the development and education of pre-school children. The Charity works closely with the local primary school, the church and the village hall, ensuring strong links are maintained within the community.

The Trustees have complied with their duty to have due regard to the guidance on public benefit published by the Charity Commission in exercising their powers or duties.

Political and charitable contributions

The Charity made no political or charitable donations or incurred any political expenditure during the year.

By order of the Board



Sally Lacey
Director
07-Oct-20

Registered office
Pauline's Place
Chudleigh Knighton
Devon
TQ13 0EY

Statement of directors' responsibilities in respect of the Directors' Report and the financial statements

The trustees (who are also directors of Chudleigh Knighton Pre School Limited for the purposes of company law) are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable 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 SORP;
- make judgments and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

The trustees are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the financial statements comply with the Companies Act 2006.

They are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Independent Examination Report

Independent examiner's report to Chudleigh Knighton Pre School Limited

I report on the accounts of Chudleigh Knighton Pre School Limited for the year ended 31 August 2020, which are set out on pages 7 to 12 in respect of an examination carried out in accordance with Section 145 of the Charities Act 2011.

Respective responsibilities of Chudleigh Knighton Pre School Limited and the examiner

Chudleigh Knighton Pre School Limited members are responsible for the preparation of the accounts. The Chudleigh Knighton Pre School Limited members consider that an audit is not required for this year under section 144(2) of the Charities Act (the 2011 Act) and that an independent examination is needed.

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 commission under section 145(5) of the 2011 Act
- 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 Chudleigh Knighton Pre School Limited and a comparison of the accounts presented with those records. It also includes consideration of any unusual items or disclosures in the accounts, and seeking explanations from you as members of Chudleigh Knighton Pre School Limited 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 next statement.

Independent examiner's statement

In connection with my examination, nothing has come to my attention:

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

- to keep accounting records in accordance with section 130 of the 2011 Act and
- to prepare accounts which accord with the accounting records and comply with the accounting requirements of the 2011 Act

have not been met or

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



David Cook FCCA
Smarter Accounting
5 Den Road
Teignmouth
Devon
TQ14 8AR

Date: 9 February 2021

Chudleigh Knighton Pre School Limited - Annual Accounts 2019/20

Statement of Financial Activities for the year ended 31 August 2020

Notes

		Designated funds £	Unrestricted funds £	Total Funds 2020 £	Designated funds £	Unrestricted funds £	Total funds 2019 £
Income and endowments from:							
Donations			125	125	-	111	111
Income from Investments	9	40		40	49		49
Income from Charitable activities	2		68,576	68,576	-	87,554	87,554
Total income		40	68,701	68,741	49	87,665	87,714
Expenditure on:							
Charitable activities:	3		72,211	72,211	-	76,306	76,306
Total resources expended			72,211	72,211	-	76,306	76,306
Net income/(expenditure)		40	- 3,510	- 3,470	49	11,359	11,408
Transfers between funds		-	-	-	8,896	- 8,896	-
Net movement in funds		40	- 3,510	- 3,470	8,945	2,463	11,408
Reconciliation of funds:							
Total funds brought forward		25,049	23,867	48,916	16,104	21,404	37,508
Total funds carried forward	11	25,089	20,357	45,446	25,049	23,867	48,916

The company has no recognised gains and losses other than the deficit for the year.

All of the activities derive from continuing operations.

The notes on pages 8 to 11 form part of these accounts.

Chudleigh Knighton Pre School Limited - Annual Accounts 2019/20

Balance Sheet as at 31 August 2020

Notes

		Designated funds £	Unrestricted funds £	Total funds 2020 £	Total Funds 2019 £
Fixed assets					
Property, plant and equipment	4	-	1,270	1,270	1,577
Total fixed assets		-	1,270	1,270	1,577
Current assets					
Debtors	5	-	-	-	416
Cash at bank and in hand		25,089	19,211	44,300	46,980
Total current assets		25,089	19,211	44,300	47,396
Liabilities:					
Creditors: amounts falling due within one year	6	-	124	124	57
Net current assets		25,089	19,087	44,176	47,339
Total net assets		25,089	20,357	45,446	48,916
The funds of the Charity					
Designated funds:	11	25,089	-	25,089	25,049
Unrestricted funds	11	-	20,357	20,357	23,867
Total Charity funds		25,089	20,357	45,446	48,916


The notes on pages 8 to 11 form part of these financial statements.

For the year ended 31 August 2020, the company was entitled to exemption under section 477 of the companies act 2006 relating to small companies.

No members have required the company to obtain an audit of its accounts for the year in question in accordance with section 476 of the Companies Act 2006.

The directors acknowledge their responsibility for complying with the requirements of the act with respect to the accounting records and the preparation of the accounts.

These financial statements were approved by the board of directors on 7th October 2020 and were signed on its behalf by:



Sally Lacey
Director
07-Oct-20

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Statement of Cash Flows for the year ended 31 August 2020

	Designated funds £	Unrestricted funds £	Total funds 2020 £	Total funds 2019 £
Cash flows from operating activities:				
Net cash (used in) / provided by operating activities	-	(2,519)	(2,519)	12,287
Cash flows from investing activities:				
Interest on cash in bank	40	-	40	49
Purchase of property, plant and equipment	-	(201)	(201)	(1,284)
Net cash provided by investing activities	40	(201)	(161)	(1,235)
Change in cash and cash equivalents in the reporting period	40	(2,720)	(2,680)	11,052
Cash and cash equivalents at the beginning of the reporting period	25,049	21,931	46,980	35,928
Cash and cash equivalents at the end of the reporting period	25,089	19,211	44,300	46,980

Reconciliation of net income / (expenditure) to net cash flow from operating activities

	Designated funds £	Unrestricted funds £	Total funds 2020 £	Total funds 2019 £
Net income / (expenditure) for the reporting period (as per the statement of financial activities)	40	(3,510)	(3,470)	11,408
Adjustments for:				
Depreciation charges	-	508	508	468
Interest on cash in bank	(40)	-	(40)	(49)
(Increase) / decrease in debtors	-	416	416	403
(Decrease) / increase in creditors	-	67	67	57
(Decrease) / increase in provisions	-	-	-	-
Net cash (used in) / provided by operating activities	-	(2,519)	(2,519)	12,287

Analysis of cash and cash equivalents

	Designated funds £	Unrestricted funds £	Total funds 2020 £	Total funds 2019 £
Cash in hand	25,089	19,211	44,300	46,980
Total cash and cash equivalents	25,089	19,211	44,300	46,980

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Notes to the Accounts

1. Accounting policies

1.1 Basis of preparation

The accounts have been prepared under the historical cost convention and the accounting policies have been consistently applied. The financial statements have been prepared in accordance with the Statement of Recommended Practice: Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK (FRS102) effective from 1 January 2015, and applicable UK Accounting Standards (FRS102) and the Charities Act 2011.

The Charity has adequate resources to continue in operational existence for the foreseeable future. For this reason, the Trustees consider it appropriate to adopt the going concern basis in preparing the accounts.

In preparing the accounts, the Trustees have considered whether in applying the accounting policies required by FRS 102 and the Charities SORP FRS 102 a restatement of comparative items was needed. No restatements were required.

1.2 Funds structure

Unrestricted funds comprise those funds which the Trustees are free to use for any purpose in furtherance of the charitable objects.

Designated funds which are expendable, are funds set aside to deal with items of unusual expenditure such as redundancy payments (should they be relevant) and repairs to the building.

1.3 Incoming resources

All incoming resources are recognised once the Charity has entitlement to the resources, it is probable that the resources will be received and the monetary value of incoming resources can be measured with sufficient reliability.

1.4 Resources expended

All expenditure is accounted for on an accruals basis and is recognised when a legal or constructive obligation arises, resulting in a payment being unavoidable.

1.5 Taxation

The Charity is a registered charity, and as such is entitled to certain tax exemptions on income and profits from investments, and surpluses on any trading activities carried on in furtherance of the Charity's primary objectives, if these profits and surpluses are applied solely for charitable purposes.

1.6 Charitable activities

Costs of charitable activities comprise all costs incurred in the pursuit of the objects of the Charity. These costs are shown in Note 3.

1.7 Audit Exemption Statement

For the year ended 31 August 2020, the company was entitled to exemption under section 477 of the companies act 2006 relating to small companies. The members have not required the company to obtain an audit of its accounts for the year in question in accordance with section 476.

1.8 Depreciation Policy

Depreciation is calculated at 20% to reflect the type of equipment and expected duration of use.

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Notes to the Accounts

2 Analysis of turnover

	Total 2020 £	Total 2019 £
By activity		
DCC fees	62,311	67143
Parent fees	5,397	18924
Fundraising cash c/f	284	1348
Other	709	299
Total	68,701	87714

3 Charitable activities

3.1 Employee costs

	Total 2020 £	Total 2019 £
The aggregate payroll costs were as follows		
Staff wages	52111	57802
Employer's social security and pension contributions	2301	2392
Total employee costs	54412	60194

3.2 Administrative expense

Premises cost	861	2292
Rental	6,257	6291
Depreciation	1,273	765
Equipment cost	201	1284
Insurance	611	604
Children's snacks and milk	667	805
Memberships and subscriptions	476	418
Consumables	2,269	1558
Legal and professional	300	0
Other	4,884	2095
	17799	16112

Total cost of charitable activities

72,211	76,306
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4 Property, plant and equipment

Cost	£	
At 1 September 2019		2342
Additions during year 2019/20		201
Cost at 31 August 2020		2543
Depreciation		
At 1 September 2019		765
Charge for year 2019/20		508
At 31 August 2020		1273
Net book values		
At 31 August 2019		1577
At 31 August 2020		1270
Depreciation calculated at 20%		

5 Debtors

	2020	2019
Debtors under one year	0	416
Other debtors	0	0

6 Creditors: amounts falling due within one year

	2020 £	2019 £
Other creditors	124	57

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Notes to the Accounts

7 Provisions: amounts falling due within one year

	2020 £	2019 £
As at 1 Sept	-	-
Arising during the year	-	-
Utilised during the year	-	-
As at 31 August	-	-

8 Commitments

Annual commitments under non-cancellable operating leases are as follows:

	2020 Land and buildings £	2019 Land and buildings £
Operating leases which expire:		
Within one year	2,600	6,240
In the second to fifth years inclusive		2,600
Over five years	-	-

In the year ended 31 August 2020 the company paid £6,240 (2019: £6,240) in respect of rentals due under operating leases.

9. Investment income

	2020 £	2019 £
Interest on cash held on deposit (current assets)	40	49
	<u>40</u>	<u>49</u>

10 Related party transactions

The Trustees provide their Trustee services to the Charity on a purely voluntary basis. No members of the Pre-School's trustees have received honoraria, emoluments or expenses from the Charity in the year.

11 Reserves

	Designated funds £	Unrestricted funds £	Total funds £
At the beginning of year:	25,049	23,867	48,916
Surplus for year	40	(3,510)	(3,470)
Transfers	0	0	-
	<u>25,089</u>	<u>20,357</u>	<u>45,446</u>