

CHUDLEIGH KNIGHTON PRE-SCHOOL LIMITED

**Directors' report and Financial Statements
Year ended 31 August 2023**

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 2023.

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 communicate during the year and welcome parents, carers and other interested members of the community to become involved in fundraising events and 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

During the year the Charity employed 7 staff, including a Manager, Deputy Manager and Office manager. All the childcare staff & managers have been employed by the charity for several years, they are it's greatest asset, and the low turn-over of employees is due to high levels of job satisfaction.

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 been operating from its premises at 'Pauline's Place' in the village of Chudleigh Knighton for 13 years.

The Charity has a long standing excellent reputation, reaching the milestone of 50 years of childcare in the village in 2022. The preschool continues to draw children from the neighbouring towns & villages offering places for funded and non-funded children aged 2-4 years. The setting is able to offer funded 2 year old places due to its high standards, recognised by Ofsted in their most recent "Good" rating (September 2023) and also offers the 30 hours extended entitlement for working families.

Overall pupil numbers have been lower for the year, with an average of 25% fewer children registered per term than in 2021/22. In addition to this, less 2 year old funded places were registered than in previous years, reflecting the 2020 birth rate in the county. Attended hours range from 2.5 to 33 hours per week per child, with an average of 15. The majority (65%) of all hours were funded by DCC early years funding, accounting for 73% of the income from attendance.

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 lower number of children on roll, together with the rises in the living wage and inflationary pressures on costs. The increased costs had not been adequately addressed by the Early Years government funding rates during the financial year, however, increases have been implemented since.

Attendance is up slightly since year end and is expected to increase further when the new 15 hour funding entitlement for 2 year olds is rolled out from April 2024. In addition to this the pre-school has extended its opening hours to provide breakfast club facilities 3 mornings per week. With the increasing attendance and improved offering and funding the 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 £43,242 in reserves (£26,505 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

Victoria Andrews
Director



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 2023, which are set out on pages 7 to 11 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
Devon Accounting Solutions Limited
25 Coronation Avenue
Dawlish
Devon
EX7 9EQ

Date:

Chudleigh Knighton Pre School Limited - Annual Accounts 2022/23**Statement of Financial Activities for the year ended 31 August 2023**

Notes

		Designated funds £	Unrestricted funds £	Total Funds 2023 £	Designated funds £	Unrestricted funds £	Total funds 2022 £
Income and endowments from:							
Donations			6,218	6,218	-	3	3
Income from Investments	9	237		237	1,165		1,165
Income from Charitable activities	2		66,516	66,516	-	93,263	93,263
Total income		237	72,734	72,971	1,165	93,266	94,431
Expenditure on:							
Charitable activities:	3		77,575	77,575	-	84,316	84,316
Total resources expended			77,575	77,575		84,316	84,316
Net income/(expenditure)		237 -	4,841 -	4,604	1,165	8,950	10,115
Transfers between funds		-	-	-			
Net movement in funds		237 -	4,841 -	4,604	1,165	8,950	10,115
Reconciliation of funds:							
Total funds brought forward		26,256	21,807	48,063	25,091	12,857	37,948
Total funds carried forward	11	26,493	16,966	43,459	26,256	21,807	48,063

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 9 to 11 form part of these accounts.

Chudleigh Knighton Pre School Limited - Annual Accounts 2022/23

Balance Sheet as at 31 August 2023

Notes

		Designated funds £	Unrestricted funds £	Total funds 2023 £	Total Funds 2022 £
Fixed assets					
Property, plant and equipment	4	-	387	387	906
Total fixed assets		-	387	387	906
Current assets					
Debtors	5	-	-	-	352
Cash at bank and in hand		26,493	17,071	43,564	47,314
Total current assets		26,493	17,071	43,564	47,666
Liabilities:					
Creditors: amounts falling due within one year	6	-	492	492	509
Net current assets		26,493	16,579	43,072	47,157
Total net assets		<u>26,493</u>	<u>16,966</u>	<u>43,459</u>	<u>48,063</u>
The funds of the Charity					
Designated funds:	11	26,493	-	26,493	26,256
Unrestricted funds	11	-	16,966	16,966	21,807
Total Charity funds		<u>26,493</u>	<u>16,966</u>	<u>43,459</u>	<u>48,063</u>

The notes on pages 9 to 11 form part of these financial statements.

For the year ended 31 August 2023, 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

and were signed on its behalf by:

Sally Lacey
Director

Victoria Andrews
Director

V. Andrews

Chudleigh Knighton Pre School Limited - Annual Accounts 2022/23

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 2023, 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.

Chudleigh Knighton Pre School Limited - Annual Accounts 2022/23**Notes to the Accounts****2 Analysis of turnover**

	Total	Total
	2023	2022
	£	£
By activity		
DCC fees	46,366	76,670
Parent fees	17,657	11,577
Fundraising & donations	7,455	1,444
Other	1,256	3,575
Total	72,734	93,266

3 Charitable activities**3.1 Employee costs**

	Total	Total
	2023	2022
	£	£
The aggregate payroll costs were as follows		
Staff wages	52,664	57,699
Employer's social security and pension contributions	4,460	5,272
Total employee costs	57,124	62,971

3.2 Administrative expense

Premises cost	492	442
Rental	12,480	12,480
Depreciation	717	678
Equipment cost		
Insurance	642	623
Children's snacks and milk	570	251
Memberships and subscriptions	338	373
Consumables	1,015	1,485
Admin, legal & professional	1,000	1,243
Utilities	2,799	2,756
Other	398	1,014
Total	20,451	21,345
Total cost of charitable activities	77,575	84,316

4 Property, plant and equipment**Cost**

At 1 September 2022	3,389
Additions during year 2022/23	198
Cost at 31 August 2023	3,587

Depreciation

At 1 September 2022	2,483
Charge for year 2022/23	717
At 31 August 2023	3,200

Net book values

At 31 August 2022	906
At 31 August 2023	387

Depreciation calculated at 20%

5 Debtors

	2023	2022
	£	£
Debtors under one year		352
Other debtors	-	-

6 Creditors:

	2023	2022
	£	£
Amounts falling due within one year	492	509

Chudleigh Knighton Pre School Limited - Annual Accounts 2022/23**Notes to the Accounts****7 Provisions: amounts falling due within one year**

	2023	2022
	£	£
As at 1 Sept	-	-
Arising during the year	-	-
Utilised during the year	-	-
As at 31 August	<u>-</u>	<u>-</u>

8 Commitments

Annual commitments under non-cancellable operating leases are as follows:	2023	2022
	Land and buildings	Land and buildings
	£	£
Operating leases which expire:		
Within one year	0	0
In the second to fifth years inclusive	17,680	30,160
Over five years	-	-

In the year ended 31 August 2023 the company paid £12480 in respect of rentals due under operating leases.

9. Investment income

	2023	2022
	£	£
Interest on cash held on deposit (current assets)	237	12
Other income		1,153
	<u>237</u>	<u>1,165</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:	26,256	21,807	48,063
Surplus for year	237	- 4,841	- 4,604
Transfers	-	-	-
	<u>26,493</u>	<u>16,966</u>	<u>43,459</u>