

Brownberrie Lane Pre-School Limited

Charity number 1140348

A company limited by guarantee number 07211283

Annual Report and Financial Statements for the year ended 31 July 2021



West Yorkshire Community Accounting Service

Brownberrie Lane Pre-School Limited

Annual Report and Financial Statements for the year ended 31 July 2021

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Prepared by West Yorkshire Community Accounting Service

Brownberrie Lane Pre-School Limited

Trustees' report for the year ended 31 July 2021

Reference and administrative details of the charity, its trustees and advisors

The trustees during the financial year and up to and including the date the report was approved were:

Name	Position
Amity Watts	Chair
Miranda Seed	Treasurer
Hailey Clare	
Ben Clare	

Charity number 1140348 Registered in England and Wales

Company number 07211283 Registered in England and Wales

Registered and principal address	Bankers
Brownberrie Lane	HSBC Bank plc
Horsforth	88 Town Street
Leeds	Horsforth
LS18 5SD	Leeds
	LS18 4AR

Independent examiner

Alan Dodd FCCA

West Yorkshire Community Accounting Service

Stringer House
34 Lupton Street
Leeds
LS10 2QW

Structure, governance and management

The charity is a company limited by guarantee and was formed on 1 April 2010. It is governed by a memorandum and articles of association. The liability of the members in the event of the company being wound up is limited to a sum not exceeding £1.

Method of recruitment and appointment of trustees

The trustees of the charity are also the directors for the purposes of company law and are appointed by the members at the AGM.

Objectives and activities

The charity's objects

To enhance the development and education of children under statutory school age by encouraging parents to understand and provide for the needs of their children through community groups.

To offer appropriate play, education and care facilities and training courses, together with the right of parents to take responsibility for and become involved in the activities of such groups, ensuring that such groups offer opportunities for all children whatever their race, culture, religion, means or ability.

To encourage the study of the needs of such children and their families and promote public interest in and recognition of such needs.

To instigate and adhere to and further the aims and objects of the Pre-school Learning Alliance.

Brownberrie Lane Pre-School Limited

Trustees' report (continued) for the year ended 31 July 2021

Objectives and activities (continued)

The charity's main activities

Provides pre-school, term time only, early years education for children aged two to five years old.

Public benefit statement

In setting our objectives and planning our activities our Trustees have given serious consideration to the Charity Commission's general guidance on public benefit and in particular the advancement of education.

Achievements and performance

We re-opened in September 2020 with our one-room setting divided into two as per recommended 'bubbles' guidance for education settings. As this represented a big change from our previous operating structure, it presented challenges for both children and staff who were uncomfortable with the change.

We reverted to one room in spring 2021. The charity being in a positive financial position, trustees and management agreed to continue to pay staff wages in the event of a shut down, so in January 2021 when we were forced to close by Government directive, we continued to pay our staff. We gave private fee-paying families the option of continuing to pay us while their child was at home, but ensured we would keep all places regardless. We tried to use 'holiday credit' as a way of allowing families to use up some of the lost days of childcare from the spring lockdown of 2020, but this put us in a negative position financially and we will not repeat this offer.

Many of the challenges we faced were sector-wide, including the financial and time cost of extra cleaning, and the difficulty of recruiting new members of staff. We agreed to promote one staff member to Senior Practitioner following her positive impact on the children and setting, and made plans to cover two maternity leaves from summer 2021. We investigated other methods of recruitment including offering a placement student from the Leeds Universities but the establishments did not think we should proceed, given the ever-changing nature of government guidance and the already considerable pressures on staff.

Financial review

The net income for the year was £18,019, including net income of £18,019 on unrestricted funds and net income of £0 on restricted funds after transfers.

Reserves policy

The charity's free reserves, excluding fixed assets, at the year end were £141,453.

We have fewer children enrolled from September 21 than in previous years and are predicting a loss of c. £10k in the year 21/22 as a result. However, we are in a very secure financial position because of profits received in previous years and are easily able to absorb this loss without diminishing our reserves. As our lucrative teatime shifts had become very full, we ring-fenced money to pay for an upgraded kitchen in 2022 to cope with this increased demand while putting lower priority maintenance and marketing projects such as external signage and website on hold until we know the financial outcome of the 2021/2022 year.

The trustees have ring-fenced an amount of funds to cover wages and running costs for 3-6 months should the setting experience financial difficulty. They have also calculated the cost of closure and clearance and included this amount as reserve funds. The reserves levels under this policy would be £53,000 to £106,000.

We recognise that our actual reserves are in excess of the policy upper limit, but subsequently we have invested some of this surplus in upgrading our kitchen and our playground facilities.

Brownberrie Lane Pre-School Limited

Trustees' report (continued) for the year ended 31 July 2021

Statement of trustees' responsibilities

The trustees (who are also the directors for the purposes of company law) are responsible for preparing the Trustees report and the financial statements in accordance with the applicable law and UK Accounting Standards.

Company law requires the trustees to prepare financial accounts 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 company for the year. In preparing these financial statements, the trustees are required to:

- select suitable accounting policies and apply them consistently;

- observe the methods and principles in the Charities SORP;

- make judgements 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;

- prepare the accounts on a going concern basis unless it is inappropriate to presume that the charitable company will continue in operation.

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

This report has been prepared in accordance with the Statement of Recommended Practice: Accounting and Reporting by Charities (Charities SORP (FRS102)), and in accordance with the special provisions of the Companies Act 2006 relating to small companies.

Signed on behalf of the board of trustees on 20/4/2022

Amity Watts (Trustee)

Brownberrie Lane Pre-School Limited

Independent examiner's report to the trustees of Brownberrie Lane Pre-School Limited

I report to the charity trustees on my examination of the accounts of the charitable company for the year ended 31 July 2021, which are set out on pages 6 to 11.

Responsibilities and basis of report

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

Having satisfied myself that the accounts of the charitable company 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 your charity's accounts as carried out under section 145 of the Charities Act ('the 2011 Act'). In carrying out my examination I have followed the 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 material 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 company as required by section 386 of the 2006 Act; or
- 2 the accounts do not accord with those records; or
- 3 the accounts 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 accounts 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 accounts to be reached.

Alan Dodd FCCA

23/4/2022

West Yorkshire Community Accounting Service

Stringer House
34 Lupton Street
Leeds
LS10 2QW

Brownberrie Lane Pre-School Limited

Statement of Financial Activities

(including summary income and expenditure account)

for the year ended 31 July 2021

	Notes	2021 Unrestricted funds £	2021 Restricted funds £	2021 Total funds £	2020 Total funds £
Income from:					
Grants and donations	(2)	165,824	750	166,574	155,678
Sales and fees		62,082	-	62,082	55,850
Fundraising		-	-	-	724
Bank interest		7	-	7	109
Other income		963	-	963	1,071
Events		-	-	-	882
Total income		228,876	750	229,626	214,314
Expenditure on:					
Salaries, pensions and NIC	(3)	170,409	-	170,409	149,486
Payroll charges		1,710	-	1,710	1,124
Volunteer expenses		-	-	-	341
Training		346	-	346	440
Uniforms and clothing		214	-	214	737
Rent and rates		5,032	-	5,032	5,305
Utilities		4,518	-	4,518	3,248
Cleaning and refuse		1,999	485	2,484	1,872
Repairs and renewals		2,320	247	2,567	4,340
Internet and telephone		1,201	-	1,201	1,199
Crafts and materials		7,011	-	7,011	7,700
Furniture and equipment		379	87	466	3,111
Printing, postage and stationery		793	-	793	422
Insurance		2,765	-	2,765	2,728
Membership and registration fees		870	-	870	1,022
Food and supplies		8,167	-	8,167	6,536
Independent examination		900	-	900	900
DBS checks		187	-	187	26
Bank and credit charges		142	-	142	117
Party and gifts		521	-	521	81
Activities and events		307	-	307	983
Professional fees		200	-	200	-
IT, computer and software subscriptions		408	-	408	402
TV licence		159	-	159	144
Playground refurbishment		-	-	-	7,446
Other expenses		230	-	230	73
Total expenditure		210,788	819	211,607	199,783
Net income / (expenditure)		18,088	(69)	18,019	14,531
Transfers between funds		(69)	69	-	-
Net movement in funds		18,019	-	18,019	14,531
Fund balances brought forward		123,434	-	123,434	108,903
Fund balances carried forward	(4)	141,453	-	141,453	123,434

All incoming resources and resources expended derive from continuing activities.

Brownberrie Lane Pre-School Limited

Balance sheet

as at 31 July 2021

		2021	2021	2021	2020
		Unrestricted	Restricted	Total	Total
		£	£	£	£
Current assets					
Debtors and prepayments	(5)	6,053	-	6,053	5,973
Cash at bank and in hand	(6)	141,035	-	141,035	122,347
Total current assets		<u>147,088</u>	<u>-</u>	<u>147,088</u>	<u>128,320</u>
Current liabilities:					
amounts falling due within one year					
Creditors and accruals	(7)	5,635	-	5,635	4,886
Total current liabilities		<u>5,635</u>	<u>-</u>	<u>5,635</u>	<u>4,886</u>
Net current assets / (liabilities)		<u>141,453</u>	<u>-</u>	<u>141,453</u>	<u>123,434</u>
Net assets		<u>141,453</u>	<u>-</u>	<u>141,453</u>	<u>123,434</u>
Funds					
Unrestricted funds		141,453	-	141,453	123,434
Restricted funds		-	-	-	-
Total funds		<u>141,453</u>	<u>-</u>	<u>141,453</u>	<u>123,434</u>

For the year ending 31 July 2021 the charitable company was entitled to exemption from audit under section 477 of the Companies Act 2006 relating to small companies.

The members have not required the charitable company to obtain an audit of its accounts for the year in question in accordance with section 476. The trustees (who also the directors for the purposes of company law) acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and the preparation of accounts.

These accounts have been prepared in accordance with the provisions applicable to companies subject to the small companies' regime and with FRS 102 (effective January 2019).

The financial statements were approved by the board of trustees on 20/4/2022

Amity Watts (Trustee)

Brownberrie Lane Pre-School Limited

Notes to the accounts

for the year ended 31 July 2021

1 Accounting policies

Basis of accounting

These accounts have been prepared under the historical cost convention with items recognised at cost or transaction value unless otherwise stated in the relevant note(s) to these accounts. 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 and Republic of Ireland (FRS 102) (effective 1 January 2019) and with the Charities Act 2011.

The charity constitutes a public benefit entity as defined by FRS 102.

There has been no change to the accounting policies since last year.

No changes have been made to the accounts for previous years.

Going concern

The trustees are satisfied that there are no material uncertainties about the charity's ability to continue.

Incoming resources

All incoming resources are included in the Statement of Financial Activities (SOFA) when the charity becomes entitled to the resources, it is more likely than not that the trustees will receive the resources and the monetary value can be measured with sufficient reliability.

Grants and donations

Grants and donations are only included in the SOFA when the charity has unconditional entitlement to the resources.

Where grants are related to performance and specific deliverables, they are accounted for as the charity earns the right to consideration by its performance.

Expenditure and liabilities

Expenditure is recognised on an accrual basis as a liability is incurred. Liabilities are recognised where it is more likely than not that there is a legal or constructive obligation committing the charity to pay out the resources and the amount of the obligation can be measured with reasonable certainty.

Taxation

As a charity the organisation benefits from rates relief and is generally exempt from income tax and capital gains tax but not from VAT. Irrecoverable VAT is included in the cost of those items to which it relates.

Pensions

The charity operates a defined contribution scheme for the benefit of its employees. The costs of contributions are recognised in the year they are payable.

Fund accounting

Unrestricted funds are available for use at the discretion of the trustees in furtherance of the general objectives of the charity.

Restricted funds are subjected to restrictions on their expenditure imposed by the donor or through the terms of an appeal.

Further explanation of the nature and purpose of each fund is included in the notes to the accounts.

Brownberrie Lane Pre-School Limited

Notes to the accounts continued for the year ended 31 July 2021

2 Grants and donations

	2021 Unrestricted funds £	2021 Restricted funds £	2021 Total funds £	2020 Total funds £
Leeds City Council Nursery Education funding	164,884	-	164,884	154,556
Linley and Simpson	-	750	750	-
Lloyds Bank Foundation	-	-	-	462
Groundwork UK - Tesco	-	-	-	500
Other donations	940	-	940	160
	<u>165,824</u>	<u>750</u>	<u>166,574</u>	<u>155,678</u>

3 Staff costs and numbers

	2021 £	2020 £
Gross salaries	162,657	141,217
Social security costs	9,838	8,592
Employment allowance	(4,708)	(3,049)
Pensions	2,622	2,726
	<u>170,409</u>	<u>149,486</u>

The average number employees during the year was 12.3, being an average of 7.4 full time equivalent (2020: 9, 7.7 FTE). There were no employees with emoluments above £60,000.

Defined contribution pension scheme

	2021 £	2020 £
Costs of the scheme to the charity for the year	2,622	2,726

4 Restricted funds

	Balance b/f £	Incoming £	Outgoing £	Transfers £	Balance c/f £
Linley and Simpson	-	750	819	69	-
	<u>-</u>	<u>750</u>	<u>819</u>	<u>69</u>	<u>-</u>

Fund name

Purpose of restriction

Linley and Simpson	From a local estate agent's community initiative, towards the costs of repairing damage to vandalised play equipment and upgrading the security system. Excess expenditure is shown as a transfer from unrestricted funds.
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Brownberrie Lane Pre-School Limited
Notes to the accounts continued
for the year ended 31 July 2021

5 Debtors and prepayments	2021	2020
	£	£
Prepayments	6,053	5,973
	<u>6,053</u>	<u>5,973</u>
6 Cash at bank and in hand	2021	2020
	£	£
Current account	71,140	52,459
Savings account	68,213	68,206
Fundraising account	1,682	1,682
	<u>141,035</u>	<u>122,347</u>
7 Creditors and accruals	2021	2020
	£	£
Creditors	1,787	1,697
Accruals	1,204	900
Pension	563	586
Taxation and social security	2,081	1,703
	<u>5,635</u>	<u>4,886</u>

Brownberrie Lane Pre-School Limited has entered into an agreement with Close Premium Finance to pay the insurance premium to The Pre-school Learning Alliance. Creditors include the 9 payments due in the next financial year (£1,631) and the relevant credit charge (£64).

8 Related party transactions

Trustee expenses

No trustee received any expenses during this year or the previous year.

Trustee remuneration and benefits

No trustee received any remuneration or benefit during this or the previous year.

Remuneration and benefits received by key management personnel

The key management personnel of the charity include the trustees and Manager. The total employee benefits received were £38,915 (previous year: £32,331).

No trustee received any remuneration or benefit in this capacity during this or the previous year.

Brownberrie Lane Pre-School Limited

Statement of Financial Activities including comparatives for all funds (including summary income and expenditure account) for the year ended 31 July 2021

	2021 Unrestricted funds £	2020 Unrestricted funds £	2021 Restricted funds £	2020 Restricted funds £	2021 Total funds £	2020 Total funds £
Income						
Grants and donations	165,824	155,678	750	-	166,574	155,678
Sales and fees	62,082	55,850	-	-	62,082	55,850
Fundraising	-	724	-	-	-	724
Bank interest	7	109	-	-	7	109
Other income	963	1,071	-	-	963	1,071
Events	-	882	-	-	-	882
Total income	228,876	214,314	750	-	229,626	214,314
Expenditure						
Salaries, pensions and NIC	170,409	149,486	-	-	170,409	149,486
Payroll charges	1,710	1,124	-	-	1,710	1,124
Volunteer expenses	-	341	-	-	-	341
Training	346	440	-	-	346	440
Uniforms and clothing	214	737	-	-	214	737
Rent and rates	5,032	5,305	-	-	5,032	5,305
Utilities	4,518	3,248	-	-	4,518	3,248
Cleaning and refuse	1,999	1,872	485	-	2,484	1,872
Repairs and renewals	2,320	4,340	247	-	2,567	4,340
Internet and telephone	1,201	1,199	-	-	1,201	1,199
Crafts and materials	7,011	7,700	-	-	7,011	7,700
Furniture and equipment	379	3,111	87	-	466	3,111
Printing, postage and stationery	793	422	-	-	793	422
Insurance	2,765	2,728	-	-	2,765	2,728
Membership and registration fees	870	1,022	-	-	870	1,022
Food and supplies	8,167	6,536	-	-	8,167	6,536
Independent examination	900	900	-	-	900	900
DBS checks	187	26	-	-	187	26
Bank and credit charges	142	117	-	-	142	117
Party and gifts	521	81	-	-	521	81
Activities and events	307	983	-	-	307	983
Professional fees	200	-	-	-	200	-
IT, computer and software subs	408	402	-	-	408	402
TV licence	159	144	-	-	159	144
Playground refurbishment	-	7,446	-	-	-	7,446
Other expenses	230	73	-	-	230	73
Total expenditure	210,788	199,783	819	-	211,607	199,783
Net income / (expenditure)	18,088	14,531	(69)	-	18,019	14,531
Transfers between funds	(69)	-	69	-	-	-
Net movement in funds	18,019	14,531	-	-	18,019	14,531
Fund balances brought forward	123,434	108,903	-	-	123,434	108,903
Fund balances carried forward	141,453	123,434	-	-	141,453	123,434