

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 2022**



West Yorkshire Community Accounting Service

Brownberrie Lane Pre-School Limited

Annual Report and Financial Statements for the year ended 31 July 2022

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Prepared by West Yorkshire Community Accountancy Service CIO

Brownberrie Lane Pre-School Limited

Trustees' report for the year ended 31 July 2022

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	Dates
Amity Watts	Chair	
Steven Bromley		Appointed September 2022
Dr. Julia Hackett		Appointed July 2022
Sinead Lister		Appointed July 2022
Ben Clare		Resigned January 2023
Hailey Clare		Resigned January 2023
Miranda Seed		Resigned July 2022
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 Accountancy Service CIO

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 2022

The charity's main activities

Provision of 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

The charity has continued to provide an excellent standard of childcare, demonstrated by an 'Outstanding' Ofsted award in the summer term, placing Brownberrie in the top 20% of UK nursery settings for education provision. The charity has benefited from a new kitchen, installed at a cost of more than £16,000 in April 2022 which has enabled the setting to provide home cooked, fresh hot meals during the teatime shifts which have remained very busy. We used the surplus from the previous academic year to pay for this, Other significant investment included a new laptop for the office and administration duties. We faced some challenges with our outside space including a burst pipe beneath the property, but this was rectified by the council and we were able to pay to reform and refresh the outside play area. Aware of rising costs and with the covid-19 situation still very fresh in our minds, we kept a close eye on costs throughout the year and forecast a loss, but a higher than predicted income meant we finished the year turning a small surplus, which we will reinvest in the business.

Financial review

The net expenditure for the year was £16,539, wholly on unrestricted funds .

We have worked on a budget and forecast for the year and kept a close eye on cash flow to ensure the financial health of the business. We set aside funds for maintenance and building improvements at the beginning of the financial year, so these were budgeted for. Our registers became full as the year progressed, guaranteeing maximum income. Trustees reviewed the financial situation as the year progressed, and made adjustments to the budget accordingly.

Reserves policy

The charity's free reserves, excluding fixed assets, at the year end were £110,596.

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. The reserves levels under this policy would be £60,240 to £120,480.

We have set a budget for the year and do not predict any threats to our operation. Our income remains maximised due to our registers being full, and we have a waiting list for the next year. Although we were impacted by the covid-19 situation in many ways, financially the business remained robust due to Leeds City Council (our main source of income) continuing to provide funding for the time we were open. Our private income also remained strong with a healthy number of fee-paying families remaining with us and joining. We are also positively impacted financially by the lack of available staff in the sector; although this causes strains operationally, it does prevent our wage bill from increasing dramatically.

At the time of signing these accounts the charity has been impacted by the global covid-19 virus. The trustees have reassessed the charity's ability to continue for at least 12 months from the date that the accounts are approved and concluded that no material uncertainties exist that cast significant doubt on the charity's ability to continue as a going concern.

Brownberrie Lane Pre-School Limited

Trustees' report (continued) for the year ended 31 July 2022

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.

Approved by the board of trustees on 28/3/2023

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 2022, which are set out on pages 6 to 12.

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

28/3/2023

West Yorkshire Community Accountancy Service CIO

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 2022

	Notes	2022 Total funds £	2021 Total funds £
Income from:			
Grants and donations	(2)	122,480	166,574
Sales and fees		90,136	62,082
Bank interest		16	7
Other income		994	963
Total income		213,626	229,626
Expenditure on:			
Salaries, pensions and NIC	(3)	171,698	170,409
Payroll charges		1,744	1,710
Recruitment costs		1,814	-
Training		1,085	346
Uniforms and clothing		26	214
Rent and rates		5,511	5,032
Utilities		5,514	4,518
Cleaning and refuse		2,809	2,484
Repairs and renewals		6,881	2,567
Internet and telephone		1,281	1,201
Crafts and materials		8,536	7,011
Furniture and equipment		1,493	466
Printing, postage and stationery		608	793
Insurance		2,661	2,765
Membership and registration fees		839	870
Food and supplies		9,805	8,167
Independent examination		900	900
DBS checks		232	187
Bank charges and interest		158	142
Party and gifts		570	521
Activities and events		360	307
Professional fees		1,313	200
IT, computer and software subscriptions		258	408
TV licence		159	159
Advertising and promotion		295	-
Depreciation		3,580	-
Other expenses		35	230
Total expenditure		230,165	211,607
Net income / (expenditure)		(16,539)	18,019
Fund balances brought forward		141,453	123,434
Fund balances carried forward		124,914	141,453

All incoming resources and resources expended derive from continuing activities.

Brownberrie Lane Pre-School Limited

Balance sheet

as at 31 July 2022

		2022 Total £	2021 Total £
Fixed assets			
Tangible assets	(4)	14,318	
Total fixed assets		<u>14,318</u>	<u>-</u>
Current assets			
Debtors and prepayments	(5)	4,465	6,053
Cash at bank and in hand		109,888	141,035
Total current assets		<u>114,353</u>	<u>147,088</u>
Current liabilities:			
amounts falling due within one year			
Creditors and accruals	(6)	3,757	5,635
Total current liabilities		<u>3,757</u>	<u>5,635</u>
Net current assets / (liabilities)		<u>110,596</u>	<u>141,453</u>
Net assets		<u>124,914</u>	<u>141,453</u>
Funds			
Unrestricted funds		124,914	141,453
Total funds		<u>124,914</u>	<u>141,453</u>

For the year ending 31 July 2022 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 28/3/2023

Amity Watts (Trustee)

Brownberrie Lane Pre-School Limited

Notes to the accounts

for the year ended 31 July 2022

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.

Tangible fixed assets

Tangible fixed assets costing more than £500 are capitalised and included at cost including any incidental expenses of acquisition. Gifted assets are shown at the value to the charity on receipt.

Depreciation is provided on all tangible fixed assets at rates calculated to write off the cost on a straight line basis over their expected useful economic lives as follows:

Furniture, fixtures and fittings: over 5 years

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.

Brownberrie Lane Pre-School Limited

Notes to the accounts

for the year ended 31 July 2022

1 Accounting policies continued

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 2022

2 Grants and donations	2022	2021
	Total	Total
	funds	funds
	£	£
Leeds City Council nursery education funding	122,435	164,884
Linley and Simpson	-	750
Other donations	45	940
	<u>122,480</u>	<u>166,574</u>

3 Staff costs and numbers	2022	2021
	£	£
Gross salaries	160,486	162,657
Social security costs	12,778	9,838
Employment allowance	(4,804)	(4,708)
Pensions	3,238	2,622
	<u>171,698</u>	<u>170,409</u>

The average number of employees during the year was 11.8, being an average of 7 full time equivalent (2021: 12.3, 7.4 FTE). There were no employees with emoluments above £60,000.

Defined contribution pension scheme	2022	2021
	£	£
Costs of the scheme to the charity for the year	3,238	2,622

Brownberrie Lane Pre-School Limited
Notes to the accounts continued
for the year ended 31 July 2022

4 Tangible assets

	Furniture, fixtures and fittings £	Total £
<u>Cost</u>		
At 1 August 2021	-	-
Additions	17,898	17,898
At 31 July 2022	17,898	17,898
<u>Depreciation</u>		
At 1 August 2021	-	-
Charge for year	3,580	3,580
At 31 July 2022	3,580	3,580
<u>Net book value</u>		
At 31 July 2022	14,318	14,318
At 31 July 2021	-	-

5 Debtors and prepayments

	2022 £	2021 £
Prepayments	4,465	6,053
	4,465	6,053

6 Creditors and accruals

	2022 £	2021 £
Creditors	92	1,787
Accruals	900	900
Pension	-	563
Taxation and social security	2,679	2,081
Other creditors	86	304
	3,757	5,635

7 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 £45,471 (previous year: £38,915).

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 2022

	2022 Unrestricted funds £	2021 Unrestricted funds £	2022 Restricted funds £	2021 Restricted funds £	2022 Total funds £	2021 Total funds £
Income						
Grants and donations	122,480	165,824	-	750	122,480	166,574
Sales and fees	90,136	62,082	-	-	90,136	62,082
Bank interest	16	7	-	-	16	7
Other income	994	963	-	-	994	963
Total income	213,626	228,876	-	750	213,626	229,626
Expenditure						
Salaries, pensions and NIC	171,698	170,409	-	-	171,698	170,409
Payroll charges	1,744	1,710	-	-	1,744	1,710
Recruitment costs	1,814	-	-	-	1,814	-
Training	1,085	346	-	-	1,085	346
Uniforms and clothing	26	214	-	-	26	214
Rent and rates	5,511	5,032	-	-	5,511	5,032
Utilities	5,514	4,518	-	-	5,514	4,518
Cleaning and refuse	2,809	1,999	-	485	2,809	2,484
Repairs and renewals	6,881	2,320	-	247	6,881	2,567
Internet and telephone	1,281	1,201	-	-	1,281	1,201
Crafts and materials	8,536	7,011	-	-	8,536	7,011
Furniture and equipment	1,493	379	-	87	1,493	466
Printing, postage and stationery	608	793	-	-	608	793
Insurance	2,661	2,765	-	-	2,661	2,765
Membership and registration fees	839	870	-	-	839	870
Food and supplies	9,805	8,167	-	-	9,805	8,167
Independent examination	900	900	-	-	900	900
DBS checks	232	187	-	-	232	187
Bank charges and interest	158	142	-	-	158	142
Party and gifts	570	521	-	-	570	521
Activities and events	360	307	-	-	360	307
Professional fees	1,313	200	-	-	1,313	200
IT, computer and software subs	258	408	-	-	258	408
TV licence	159	159	-	-	159	159
Advertising and promotion	295	-	-	-	295	-
Depreciation	3,580	-	-	-	3,580	-
Other expenses	35	230	-	-	35	230
Total expenditure	230,165	210,788	-	819	230,165	211,607
Net income / (expenditure)	(16,539)	18,088	-	(69)	(16,539)	18,019
Transfers between funds	-	(69)	-	69	-	-
Net movement in funds	(16,539)	18,019	-	-	(16,539)	18,019
Fund balances brought forward	141,453	123,434	-	-	141,453	123,434
Fund balances carried forward	124,914	141,453	-	-	124,914	141,453