

Charity Registration No. 1143896

Company Registration No. 07195148 (England and Wales)

**WEST DEAN PRESCHOOL**  
**ANNUAL REPORT AND UNAUDITED FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2021**

# WEST DEAN PRESCHOOL

## LEGAL AND ADMINISTRATIVE INFORMATION

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### Trustees

Louise Jarvis	
Andrew Davies	(Appointed 25 October 2021)
Cherry Parsons	(Appointed 25 October 2021)
Sophie Huxham	(Appointed 25 October 2021)
Ami Austin	(Appointed 25 October 2021)

### Secretary

A Shopland

### Charity number

1143896

### Company number

07195148

### Principal address

West Dean  
Chichester  
West Sussex  
PO18 0RJ

### Registered office

West Dean  
Chichester  
West Sussex  
PO18 0RJ

### Independent examiner

Jordan Abbott BSc ACA  
Jones Avens Limited  
Piper House 4 Dukes Court  
Bognor Road  
Chichester  
West Sussex  
PO19 8FX

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# **WEST DEAN PRESCHOOL**

## **CONTENTS**

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	<b>Page</b>
Trustees' report	1 - 3
Independent examiner's report	4
Statement of financial activities	5
Balance sheet	6
Notes to the financial statements	7 - 13

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# **WEST DEAN PRESCHOOL**

## **TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT)**

### **FOR THE YEAR ENDED 31 AUGUST 2021**

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The Trustees present their report and financial statements for the year ended 31 August 2021.

The financial statements have been prepared in accordance with the accounting policies set out in note 1 to the financial statements and comply with the Charity's Memorandum and Articles of Association, the Companies Act 2006 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 (FRS 102) (effective 1 January 2019)".

#### **Objectives and activities**

The charity's objects are to introduce children between 2.5 and 5 years old to basic learning skills in a safe and enjoyable environment, prior to them entering mainstream education.

The policies adopted in furtherance of these objects are in accordance with the constitution of the Preschool Learning Alliance.

Our aims are to provide children with the basic learning skills required to interact with their peers, also to provide a stable foundation upon which they can build on once in mainstream education. Our preschool has strong links with the local primary school and we fully support any opportunity to assist the school in fund-raising events as well as preschool specific ventures.

The Trustees have paid due regard to guidance issued by the Charity Commission in deciding what activities the Charity should undertake.

#### **Achievements and performance**

We were open in Autumn term of 2020. Some parents chose to keep registered children at home to avoid the risks of Covid, and others chose to delay entry to the pre-school for that term. So, what can be our tricky autumn term was made trickier by Covid.

The council eventually agreed to pay funding for the Autumn term 2020 based on our previous years Autumn term funding level, rather than on our actual registered children or attendance. In the Spring term – whilst schools closed – early years settings and nurseries were required to continue to stay open. Had we not done that we would have had our funding withdrawn and would not have been able to pay staff for that period. We were awarded a grant in this period to help us meet the new business needs arising from Covid and everyone adapted well to the new rules around the setting

Summer term again was a bit more normal, though missing our big fundraiser at the summer fete. Financially – our fee income was back up to £65,000 from the £53,000 of the previous year.....but still well off the £75,000 income we had in year ended August 2019. Meanwhile, salaries were back up to £47,000 from £41,000 (£1,000 more than in the profitable year ending 2019). So starting to return to normal financially.

Kerry moved on to a new role in the summer term, after many years at pre-school and we underwent a complete management restructure in which Lucie rose to the challenge of taking on the setting supervisor role and we were lucky to also welcome Hazel to the team in a joint setting supervisor role.

In financial terms, we made a net profit of just over £2,999.

Other than the main action of fees income vs running costs outgoings, we also used a chunk of fundraising money for the make-over inside pre-school and the purchase of lots of new resources and furniture. That was somewhat off-set by having had some good fundraising activity starting up again.....especially over Christmas and with the Trundle Assault.

# **WEST DEAN PRESCHOOL**

## **TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED)** **FOR THE YEAR ENDED 31 AUGUST 2021**

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So, on balance, I think the message is that we can be positive about the medium term future..... because the things that we have got right with the business over the last four or so years are still right even in spite of the very tricky last couple of years. If there was ever going to be a stress test for the business then a global pandemic was it. And on balance we are coming through that test in reasonable order so far.

Our building is fast approaching the end of its life. The building has a steel sub-structure and that is reaching the end of its life. We probably need to secure a new building within five years. We were very much on course to be able to afford this through our own savings pre-Covid..... however, things are now trickier, and we'll likely need to look at grants and funding to help our savings get back on track in time. The best quote, pre-covid, for the new building was around £100,000 (all-in/furnished).

There remains the wider industry challenge of funding in the early years sector. With regards to funding, the fifteen hours and thirty hours schemes offered by the government are underfunded in relation to the actual hourly cost of looking after a child. Nationally, the average hourly funding rate for a 3 to 4 year old child is £4.43/hour, whereas the average cost to providers of caring for the child for that hour is £6.30.

We are surviving this only because we are a charity, and that controls some of our fixed costs, and because we have some children in paid places who pay an amount per hour that better meets costs. The thirty hours scheme is our biggest challenge because we are not open for more than thirty hours and so we can't charge around the funded hours for additional private hours. In our setting we make as little as £3 per week when looking after a funded child full-time! We should look to address increasing fees in the near future.

Finally, our immediate and pressing challenge is to get our committee back up and running as it should. Most of our committee have moved on over the last couple of years as their own children have moved to primary school and with all the impediments of Covid those of us remaining have just muddled along getting through each challenge as it arose.

I'm truly delighted that there are now new, enthusiastic parents ready to get us back up to speed and that we can all be here in a room together. In practical terms, pre-school is 'a committee run, charity pre-school.' The committee is the employer, it provides the trustees of the registered charity and the directors of the limited company.

### **Financial review**

The trustees and directors are now turning attention to the huge task of raising funds to replace our school building. We have established an account for the new building funds, and estimate that around £100,000 will be needed. We will establish a special committee to focus on this fundraising in the coming year.

Going forward, we would like to look at the options for increasing our offering by provision of a 'breakfast club', or possibly an even later finish time. However, limitations of our lease need to be considered, as well as the costs of trialling any new sessions.

It is the policy of the Charity that unrestricted funds which have not been designated for a specific use should be maintained at a level equivalent to between three and six month's expenditure. The Trustees consider that reserves at this level will ensure that, in the event of a significant drop in funding, they will be able to continue the Charity's current activities while consideration is given to ways in which additional funds may be raised. This level of reserves has been maintained throughout the year.

The Trustees have assessed the major risks to which the Charity is exposed, and are satisfied that systems are in place to mitigate exposure to the major risks.

### **Structure, governance and management**

The Charity is a company limited by guarantee incorporated under the Companies Act 2006 on 18 March 2010 and is a registered charity (number 1143896).

# WEST DEAN PRESCHOOL

## TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2021

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The Trustees, who are also the directors for the purpose of company law, and who held office during the year and up to the date of signature of the financial statements were as follows:

Emily Tod	(Resigned 25 October 2021)
Louise Jarvis	
Jennifer Rogers	(Resigned 25 October 2021)
Jasjeet Stone	(Resigned 25 October 2021)
Andrew Davies	(Appointed 25 October 2021)
Cherry Parsons	(Appointed 25 October 2021)
Sophie Huxham	(Appointed 25 October 2021)
Ami Austin	(Appointed 25 October 2021)

The charity is run by a parent elected committee, with volunteers being elected into key positions by committee members.

None of the Trustees have any beneficial interest in the company. All of the Trustees are members of the company and guarantee to contribute £1 in the event of a winding up.

On behalf of the board of Trustees



.....  
Sophie Huxham  
Trustee

Date: 4/5/22 .....

# WEST DEAN PRESCHOOL

## INDEPENDENT EXAMINER'S REPORT TO THE TRUSTEES OF WEST DEAN PRESCHOOL

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I report to the Trustees on my examination of the financial statements of West Dean Preschool (the Charity) for the year ended 31 August 2021.

### Responsibilities and basis of report

As the Trustees of the Charity (and also its directors for the purposes of company law) you are responsible for the preparation of the financial statements in accordance with the requirements of the Companies Act 2006 (the 2006 Act).

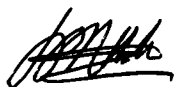
Having satisfied myself that the financial statements of the Charity are not required to be audited under Part 16 of the 2006 Act and are eligible for independent examination, I report in respect of my examination of the Charity's financial statements carried out under section 145 of the Charities Act 2011 (the 2011 Act). In carrying out my examination I have followed all the applicable 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 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 Charity as required by section 386 of the 2006 Act; or
- 2 the financial statements do not accord with those records; or
- 3 the financial statements 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 financial statements 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 financial statements to be reached.



**Jordan Abbott BSc ACA**

Jones Avens Limited  
Piper House 4 Dukes Court  
Bognor Road  
Chichester  
West Sussex  
PO19 8FX

Dated: 09/05/22

# WEST DEAN PRESCHOOL

## STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT FOR THE YEAR ENDED 31 AUGUST 2021

		Unrestricted funds 2021 £	Unrestricted funds 2020 £
	Notes		
<b><u>Income from:</u></b>			
Voluntary income	2	2,014	1,297
Charitable activities	3	68,226	57,527
Investments	4	15	46
<b>Total income</b>		<b>70,255</b>	<b>58,870</b>
<b><u>Expenditure on:</u></b>			
Charitable activities	5	67,256	53,634
<b>Net income for the year/ Net movement in funds</b>		<b>2,999</b>	<b>5,236</b>
Fund balances at 1 September 2020		48,549	43,313
<b>Fund balances at 31 August 2021</b>		<b>51,548</b>	<b>48,549</b>

The statement of financial activities includes all gains and losses recognised in the year.

All income and expenditure derive from continuing activities.

The statement of financial activities also complies with the requirements for an income and expenditure account under the Companies Act 2006.



# WEST DEAN PRESCHOOL

## BALANCE SHEET

AS AT 31 AUGUST 2021

	Notes	2021 £	£	2020 £	£
<b>Fixed assets</b>					
Tangible assets	9		1,892		1,509
<b>Current assets</b>					
Debtors	10	1,713		1,633	
Cash at bank and in hand		58,440		53,521	
		<u>60,153</u>		<u>55,154</u>	
<b>Creditors: amounts falling due within one year</b>	11	<u>(10,497)</u>		<u>(8,114)</u>	
Net current assets			49,656		47,040
<b>Total assets less current liabilities</b>			<u>51,548</u>		<u>48,549</u>
<b>Income funds</b>					
Unrestricted funds			51,548		48,549
			<u>51,548</u>		<u>48,549</u>

The company is entitled to the exemption from the audit requirement contained in section 477 of the Companies Act 2006, for the year ended 31 August 2021.

The directors acknowledge their responsibilities for complying with the requirements of the Companies Act 2006 with respect to accounting records and the preparation of financial statements.

The members have not required the company to obtain an audit of its financial statements for the year in question in accordance with section 476.

These financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime.

The financial statements were approved by the Trustees on 4/5/22



Sophie Huxham  
Trustee

Company Registration No. 07195148

# **WEST DEAN PRESCHOOL**

## **NOTES TO THE FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 AUGUST 2021**

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### **1 Accounting policies**

#### **Charity information**

West Dean Preschool is a private company limited by guarantee incorporated in England and Wales. The registered office is West Dean, Chichester, West Sussex, PO18 0RJ.

#### **1.1 Accounting convention**

The financial statements have been prepared in accordance with the Charity's Memorandum and Articles of Association, the Companies Act 2006 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 (FRS 102) (effective 1 January 2019)". The Charity is a Public Benefit Entity as defined by FRS 102.

The Charity has taken advantage of the provisions in the SORP for charities applying FRS 102 Update Bulletin 1 not to prepare a Statement of Cash Flows.

The financial statements are prepared in sterling, which is the functional currency of the Charity. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared under the historical cost convention. The principal accounting policies adopted are set out below.

#### **1.2 Going concern**

At the time of approving the financial statements, the Trustees have a reasonable expectation that the Charity has adequate resources to continue in operational existence for the foreseeable future. Thus the Trustees continue to adopt the going concern basis of accounting in preparing the financial statements.

#### **1.3 Charitable funds**

Unrestricted funds are available for use at the discretion of the Trustees in furtherance of their charitable objectives.

Restricted funds are subject to specific conditions by donors as to how they may be used. The purposes and uses of the restricted funds are set out in the notes to the financial statements.

#### **1.4 Income**

Income is recognised when the Charity is legally entitled to it after any performance conditions have been met, the amounts can be measured reliably, and it is probable that income will be received.

Cash donations are recognised on receipt. Other donations are recognised once the Charity has been notified of the donation, unless performance conditions require deferral of the amount. Income tax recoverable in relation to donations received under Gift Aid or deeds of covenant is recognised at the time of the donation.

# WEST DEAN PRESCHOOL

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2021

### 1 Accounting policies

(Continued)

#### 1.5 Expenditure

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, it is probable that a transfer of economic benefits will be required in settlement, and the amount of the obligation can be measured reliably.

Expenditure is classified by activity. The costs of each activity are made up of the total of direct costs and shared costs, including support costs involved in undertaking each activity. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs which contribute to more than one activity and support costs which are not attributable to a single activity are apportioned between those activities on a basis consistent with the use of resources. Central staff costs are allocated on the basis of time spent, and depreciation charges are allocated on the portion of the asset's use.

All expenditure is accounted for on an accruals basis and includes attributable VAT.

Governance costs are those associated with constitutional and statutory requirements.

#### 1.6 Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Plant and machinery	5 years straight line
Fixtures, fittings & equipment	3 years straight line

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is recognised in the statement of financial activities.

#### 1.7 Impairment of fixed assets

At each reporting end date, the Charity reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any).

#### 1.8 Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

#### 1.9 Financial instruments

The Charity has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the Charity's balance sheet when the Charity becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

# WEST DEAN PRESCHOOL

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

### 1 Accounting policies

(Continued)

#### **Basic financial assets**

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

#### **Basic financial liabilities**

Basic financial liabilities, including creditors and bank loans are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of operations from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

#### **Derecognition of financial liabilities**

Financial liabilities are derecognised when the Charity's contractual obligations expire or are discharged or cancelled.

#### **1.10 Employee benefits**

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the Charity is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

#### **1.11 Retirement benefits**

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

### 2 Voluntary income

	Unrestricted funds	Unrestricted funds
	2021	2020
	£	£
Donations and gifts	2,014	1,297

# WEST DEAN PRESCHOOL

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2021

### 3 Charitable activities

	Fees 2021 £	Fees 2020 £
School fees	68,226	57,527

### 4 Investments

	Unrestricted funds  2021 £	Unrestricted funds  2020 £
Interest receivable	15	46

### 5 Charitable activities

	Preschool child care 2021 £	Preschool child care 2020 £
Staff costs	51,931	41,399
Depreciation and impairment	633	377
Rent	600	600
Rates	17	150
Insurance	1,737	1,561
Light and heat	745	537
Repairs and maintenance	834	2,258
Cleaning	455	386
Toys, books and uniforms	2,127	804
Printing, stationary and postage	646	181
Telephone	582	618
Computer costs	69	11
Bookkeeping	651	379
Sundry expenses	2,126	1,982
Staff training and subscriptions	1,393	617
	64,546	51,860
Share of governance costs (see note 6)	2,710	1,774
	67,256	53,634

# WEST DEAN PRESCHOOL

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

### 6 Support costs

	Support costs £	Governance costs £	2021 £	Support costs £	Governance costs £	2020 £
Audit fees	-	1,074	1,074	-	1,056	1,056
Legal and professional	-	1,636	1,636	-	718	718
	-	2,710	2,710	-	1,774	1,774
Analysed between Charitable activities	-	2,710	2,710	-	1,774	1,774

### 7 Trustees

None of the Trustees (or any persons connected with them) received any remuneration or benefits from the Charity during the year.

### 8 Employees

The average monthly number of employees during the year was:

	2021 Number	2020 Number
	6	6
<b>Employment costs</b>	<b>2021 £</b>	<b>2020 £</b>
Wages and salaries	51,551	41,182
Other pension costs	380	217
	51,931	41,399

There were no employees whose annual remuneration was more than £60,000.

# WEST DEAN PRESCHOOL

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2021

### 9 Tangible fixed assets

	Plant and machinery	Fixtures, fittings & equipment	Total
	£	£	£
<b>Cost</b>			
At 1 September 2020	13,367	1,478	14,845
Additions	617	399	1,016
Disposals	-	(200)	(200)
	<u>13,984</u>	<u>1,677</u>	<u>15,661</u>
<b>At 31 August 2021</b>	<b>13,984</b>	<b>1,677</b>	<b>15,661</b>
<b>Depreciation and impairment</b>			
At 1 September 2020	11,858	1,478	13,336
Depreciation charged in the year	633	-	633
Eliminated in respect of disposals	-	(200)	(200)
	<u>12,491</u>	<u>1,278</u>	<u>13,769</u>
<b>At 31 August 2021</b>	<b>12,491</b>	<b>1,278</b>	<b>13,769</b>
<b>Carrying amount</b>			
At 31 August 2021	1,493	399	1,892
	<u>1,509</u>	<u>-</u>	<u>1,509</u>
<b>At 31 August 2020</b>	<b>1,509</b>	<b>-</b>	<b>1,509</b>

### 10 Debtors

	2021 £	2020 £
<b>Amounts falling due within one year:</b>		
Trade debtors	-	26
Prepayments and accrued income	1,713	1,607
	<u>1,713</u>	<u>1,633</u>

### 11 Creditors: amounts falling due within one year

	Notes	2021 £	2020 £
Other taxation and social security		474	392
Deferred income	12	7,789	5,843
Trade creditors		423	107
Accruals and deferred income		1,811	1,772
		<u>10,497</u>	<u>8,114</u>

# WEST DEAN PRESCHOOL

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

**FOR THE YEAR ENDED 31 AUGUST 2021**

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### **12 Deferred income**

	<b>2021</b>	<b>2020</b>
	<b>£</b>	<b>£</b>
Other deferred income	7,789	5,843
	<u>          </u>	<u>          </u>

### **13 Related party transactions**

There were no disclosable related party transactions during the year (2020 - none).