

Charity registration number 1143896

Company registration number 07195148 (England and Wales)

WEST DEAN PRESCHOOL
ANNUAL REPORT AND UNAUDITED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2022

WEST DEAN PRESCHOOL

LEGAL AND ADMINISTRATIVE INFORMATION

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	

WEST DEAN PRESCHOOL

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WEST DEAN PRESCHOOL

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT)

FOR THE YEAR ENDED 31 AUGUST 2022

The Trustees present their report and financial statements for the year ended 31 August 2022.

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

The year began smoothly with a full team of staff and 20 children already on role, with sessions 64.7% full rising to 90% by the start of the Spring term and ending with preschool being 98% full by the end of the academic year. This led to a funding income of £50,253.60 from FE entitlement. With the inclusion of private fee paying income, this brought the fee income up to £72,698.46, an increase on the previous year of £65,000 and much closer to the £75,000 total of August 2019.

Staff salaries remained similar to those of August 2021 at £51,215.19, with a reduction of around £300 from the previous year, during which the fee income was a significant £6741.74 lower. Around 50% of the preschool workforce is paid an hourly rate of little above National Living wage. Whilst the salaries are higher than the £46k of August 2019, the National Living wage during the year of 2018-19 was £7.83/£8.72. Since that time, National Living Wage (NLW) has continued to rise and during the year 2021-22 was £8.91/9.50. The difference between the salaries of 2019 and 2022 is £4819.40 and the NLW increase alone can account for at least £2698 of this, on the assumption that all staff were paid at this minimum rate, which of course they are not.

In financial terms this equates to a net income of £7,113 this year and a vast improvement on the most recent years, but still some way off the profit of the years 2019 and 2018, largely due to the increase cost in staffing, without a significant increase in the level of funding provided by the Government. The hourly rate per child increased from £4.56 to just £4.72 during this financial period, resulting in a maximum additional income of £14.96 per day, if the day were attended by purely funded children.

During the financial year 2020-21, the preschool had received a Covid grant linked to improving the provision of outdoor learning and thus making things more 'covid-safe'. During the Easter of 2021, the team embarked on a garden project to improve the outdoor area, with the inclusion of outdoor climbing equipment, a new fence and viewing window, larger sandpit area and storage cupboards for the decking area. This was achieved largely through the use of this grant, alongside significant donations from local building firms in terms of materials. Consequently costing the preschool very little extra in order to provide such improvements.

However, the building continues to approach the end of its life and obtaining adequate insurance became more complicated in terms of having to provide additional evidence that it was still structurally sound. The bathroom had to undertake some maintenance due to a leaking pipe, resulting in the pulling up of the plywood floor and drying out. This was minimal in respect to what we had originally feared, although it still resulted in the preschool staff and children having to relocate to the Primary School premises for a total of three days whilst the work was carried out.

WEST DEAN PRESCHOOL

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2022

The support of the school meant that the children were still able to attend and there was no significant financial impact to the preschool during this time. The need to continue making plans for the future of the preschool is essential and the minimum quote of £100k back in 2019 is likely to have increased due to impact of Covid on the cost of materials etc.

Fundraising is crucial, not only for the future proofing of the building, but for the day to day running costs of classroom supplies. Income from events raised £1701.42 this year, a lower figure than that of 2020-21, and is only enough to cover the general running costs. It is unlikely that the preschool is able to raise anything like the amount needed for a new building through minimal fundraising events, so the opportunities for grants and other forms of funding need to be explored. Conversations also need to be held with the Headteacher at the Primary School and the head of the local Edward James Foundation to consider any other options and support that could be gained by involving the wider West Dean community.

The preschool is largely only able to survive because we are a charity, and that controls some of fixed costs, and because we have a number of children in fee paying places, who pay an amount per hour that better meets costs. The 30 hour Free Entitlement (FE) extended funding scheme remains one of our biggest challenges as we are only open for 27.5 hours per week, ultimately leaving us unable to charge any additional 'wrap around' private fees. However, at the time of writing, the Government have just announced an extension to 1 and 2 year olds for the 30 hours extended FE, alongside an increase to existing funding rates. The private fees have historically been used to subsidise and cope with the long term underfunding of 3-4 year olds and the extra funding will now need to cover the real cost of the expanding this scheme for 1-2 year olds, whilst continuing to cover the existing funding shortfalls. Until such time that the actual funding figures are released, it is difficult to predict the real impact of this.

The fruit snack has changed to become voluntary, in accordance with the FE Provider declaration, and a couple of parents opted out of paying these voluntary fees. Luckily it was not a significant amount and we were still able to recoup some costs via this voluntary charge. The private fees were reviewed in March 2021, instigating a 10% increase in hourly rate, alongside a restructuring, ensuring that the morning rates were paid at a premium to cover any empty afternoon sessions where parents did not want their child to attend. These new rates came into effect for the second half of the summer term and the Committee shall continue to review these annually.

The committee has remained fairly stable this year, however we need to remain aware of the challenges posed as their children age into Primary school. It is essential that the Committee raises its profile within the parent community, inviting new members to be involved in fundraising activities and future proofing the Committee for the coming years. In practical terms, preschool 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

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 2022

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: 5/5/23

WEST DEAN PRESCHOOL

INDEPENDENT EXAMINER'S REPORT

TO THE TRUSTEES OF WEST DEAN PRESCHOOL

I report to the Trustees on my examination of the financial statements of West Dean Preschool (the Charity) for the year ended 31 August 2022.

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).

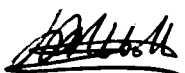
Having satisfied myself that the financial statements of the Charity are not required to be audited under Part 16 of the 2006 Act and are eligible for independent examination, I report in respect of my examination of the Charity's financial statements carried out under section 145 of the Charities Act 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: 12/05/2023

WEST DEAN PRESCHOOL

STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT FOR THE YEAR ENDED 31 AUGUST 2022

		Unrestricted funds 2022 £	Unrestricted funds 2021 £
	Notes		
<u>Income from:</u>			
Voluntary income	2	1,701	2,014
Charitable activities	3	71,483	68,226
Investments	4	5	15
Total income		73,189	70,255
<u>Expenditure on:</u>			
Charitable activities	5	66,076	67,256
Net income for the year/ Net movement in funds		7,113	2,999
Fund balances at 1 September 2021		51,548	48,549
Fund balances at 31 August 2022		58,661	51,548

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 2022

	Notes	2022 £	£	2021 £	£
Fixed assets					
Tangible assets	9		1,260		1,892
Current assets					
Debtors	10	1,549		1,713	
Cash at bank and in hand		69,348		58,440	
		<u>70,897</u>		<u>60,153</u>	
Creditors: amounts falling due within one year	11	<u>(13,496)</u>		<u>(10,497)</u>	
Net current assets			57,401		49,656
Total assets less current liabilities			<u>58,661</u>		<u>51,548</u>
Income funds					
Unrestricted funds			58,661		51,548
			<u>58,661</u>		<u>51,548</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 2022.

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 5/5/23



Sophie Huxham
Trustee

Company registration number 07195148

WEST DEAN PRESCHOOL

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2022

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.

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.

WEST DEAN PRESCHOOL

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2022

1 Accounting policies

(Continued)

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.

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.

WEST DEAN PRESCHOOL

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2022

1 Accounting policies

(Continued)

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
	2022	2021
	£	£
Donations and gifts	1,701	2,014

3 Charitable activities

	Fees	Fees
	2022	2021
	£	£
School fees	71,483	68,226

WEST DEAN PRESCHOOL

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2022

4 Investments

	Unrestricted funds	Unrestricted funds
	2022 £	2021 £
Interest receivable	5	15

5 Charitable activities

	Preschool child care 2022 £	Preschool child care 2021 £
Staff costs	51,625	51,931
Depreciation and impairment	633	633
Rent	600	600
Rates	212	17
Insurance	1,617	1,737
Light and heat	745	745
Repairs and maintenance	1,720	834
Cleaning	621	455
Toys, books and uniforms	655	2,127
Printing, stationery and postage	465	646
Telephone	666	582
Computer costs	50	69
Bookkeeping	26	651
Sundry expenses	2,186	2,126
Staff training and subscriptions	1,330	1,393
	63,151	64,546
Share of governance costs (see note 6)	2,925	2,710
	66,076	67,256

WEST DEAN PRESCHOOL

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2022

6 Support costs

	Support costs £	Governance costs £	2022 £	2021 £
Independent examination	-	1,182	1,182	1,074
Legal and professional	-	1,743	1,743	1,636
	-	2,925	2,925	2,710
Analysed between Charitable activities	-	2,925	2,925	2,710

7 Trustees

None of the Trustees received any remuneration or benefits from the Charity during the year.

8 Employees

The average monthly number of employees during the year was:

	2022 Number	2021 Number
	6	6
Employment costs	2022 £	2021 £
Wages and salaries	51,215	51,551
Other pension costs	410	380
	51,625	51,931

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 2022

9 Tangible fixed assets

	Plant and machinery	Fixtures, fittings & equipment	Total
	£	£	£
Cost			
At 1 September 2021	13,985	1,677	15,662
At 31 August 2022	13,985	1,677	15,662
Depreciation and impairment			
At 1 September 2021	12,358	1,411	13,769
Depreciation charged in the year	500	133	633
At 31 August 2022	12,858	1,544	14,402
Carrying amount			
At 31 August 2022	1,127	133	1,260
At 31 August 2021	1,626	266	1,892

10 Debtors

	2022	2021
	£	£
Amounts falling due within one year:		
Prepayments and accrued income	1,549	1,713

11 Creditors: amounts falling due within one year

	Notes	2022	2021
		£	£
Other taxation and social security		439	474
Deferred income	12	11,101	7,789
Trade creditors		-	423
Accruals and deferred income		1,956	1,811
		13,496	10,497

12 Deferred income

	2022	2021
	£	£
Other deferred income	11,101	7,789

Deferred income is included in the financial statements as follows:

WEST DEAN PRESCHOOL

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2022

12 Deferred Income

(Continued)

	2022 £	2021 £
Deferred income is included within:		
Current liabilities	11,101	7,789
Movements in the year:		
Deferred income at 1 September 2021	7,789	5,843
Released from previous periods	(7,789)	(5,843)
Resources deferred in the year	11,101	7,789
Deferred income at 31 August 2022	11,101	7,789

13 Related party transactions

The spouse of Andrew Davies, a trustee appointed in the year, is an employee of West Dean Preschool. This employee was paid a salary in the year and was employed in line with normal market terms. The trustee took no part in the decision of her employment, as she was already employed by the charity prior to his appointment.